

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
PROGNOSYS MEDICAL SYSTEMS PRIVATE LIMITED

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of PROGNOSYS MEDICAL SYSTEMS PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Emphasis of Matter section of our report, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its loss, total comprehensive income, its cash flows and the changes in equity for the year then ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act ("SA"s). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS Financial Statements.

Emphasis of Matter

1. We draw attention to Note 2B of the standalone financial statements, which outlines the company's financial position. The company has incurred recurring losses and its net worth is negative as of 31st March 2025. The holding company has provided a letter of financial support, confirming its commitment to extend the necessary financial assistance to enable the company to meet its obligations as they fall due.

Our opinion is not modified in respect of this matter

Information other than the Financial Statements and Auditor's Report thereon

- The company's Board of Directors is responsible for the preparation and presentation of its report (herein after called "Board Report") which comprises various information required under section 134(3) of the auditor's report thereon.
- Our opinion on the Financial Statements does not cover the Board Report and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the Board Report and in doing so, consider whether the Board Report is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we performed, we conclude that there is a material misstatement in this Board Report, we are required to report the fact. We have nothing to report in this regard

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Company's Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone Ind AS financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1) As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.
 - iv.
 - a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner

whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c. Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under a) and b) above, contain any material misstatement.
 - d. Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account for the financial year ended March 31, 2025 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.
- 2) As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For M/s Nagar & Navada,
Chartered Accountants
(Firm's Registration Number: 015832S)



CA Sandhya P Nagar
Partner

Membership No. 229158
UDIN: 25229158BMOZJN8146

Place: Bengaluru
Date: 03-06-2025

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under "Report on Other Legal and Regulatory Requirements section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We were engaged to audit the internal financial controls over financial reporting of PROGNOSYS MEDICAL SYSTEMS PRIVATE LIMITED ("the Company"), as of March 31, 2025 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management Responsibility for Internal Financials Controls

The Company's Management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing ("SA"s) prescribed under section 143(10) of the Companies Act, 2013 ("the Act") to the extent applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial reporting included obtaining an understanding of internal controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for

external purpose in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M/s Nagar & Navada,
Chartered Accountants
(Firm's Registration Number: 015832S)



CA Sandhya P Nagar
Partner

Membership No. 229158
UDIN: 25229158BMOZJN8146

Place: Bengaluru
Date: 03-06-2025

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members PROGNOSYS MEDICAL SYSTEMS PRIVATE LIMITED of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) In respect of the Company's Property, Plant and Equipment and intangible assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in progress and relevant details of right-of-use assets and intangible assets.
 - b) The Company has a regular programme of physical verification of its Property, Plant and Equipment, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
 - c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements as a part of property, plant and equipment and capital work-in progress, according to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.
 - d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
 - e) No proceedings have been initiated or is pending against the company as at 31st March, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii)
 - a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
 - b) As disclosed in Note 20 to the standalone Ind AS financial statements, the Company has been sanctioned working capital limits in excess of 5 crores, in aggregate, at different points of time during the year, from banks or financial institutions on the basis of security of Corporate guarantee issued by Molbio Diagnostics pvt Ltd. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements, book debt statements and other stipulated financial information filed by the Company with such banks or financial institutions are not in agreement with the books of accounts of the Company, following discrepancies were noted –

| Reconciliation of Closing Stock Statements Submitted to Banks | | | | |
|---|--|---|------------|---|
| Month | Amount Disclosed in returns/Statements | Amount as per Books of Accounts/Trial Balance | Difference | Management Comments on Discrepancies |
| 31-01-2025 | 36.05 | 27.07 | 8.98 | Timing difference in passing entries and submission of Stock statements |
| 28-02-2025 | 40.68 | 30.36 | 10.32 | Timing difference in passing entries and submission of Stock statements |

Reconciliation of Book Debts Submitted to Banks

| Reconciliation of Book Debts Submitted to Banks | | | | |
|---|--|---|------------|---|
| Month | Amount Disclosed in returns/Statements | Amount as per Books of Accounts/Trial Balance | Difference | Management Comments on Discrepancies |
| 30-04-2024 | 65.89 | 63.32 | 2.57 | Timing difference in passing entries and submission of Stock statements |
| 31-05-2024 | 57.51 | 55.24 | 2.27 | Timing difference in passing entries and submission of Stock statements |
| 30-06-2024 | 57.99 | 55.87 | 2.12 | Timing difference in passing entries and submission of Stock statements |
| 30-11-2024 | 22.31 | 20.67 | 1.64 | Timing difference in passing entries and submission of Stock statements |
| 31-01-2025 | 20.55 | 19.08 | 1.47 | Timing difference in passing entries and submission of Stock statements |

- (iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.
- (iv) According to the information and explanations given to us, the company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of section 185 and 186 of the Companies Act, 2013 and hence reporting under clause (iv) of the Order is not applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits under sections 73 to 76. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) Maintenance of Cost records specified under sub-section (1) of Section 148 of the Companies Act, 2013 is not applicable.

- (vii) In respect of statutory dues:
- a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities during the year.
There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, cess and other material statutory dues in arrears as at March 31st 2025 for a period of more than six months from the date they became payable.
 - b) According to the information and explanations given to us, there are no dues of income tax, wealth tax, service tax, sales tax, and custom duty and cess which have not been deposited on account of any dispute.
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) Based on our audit procedures generally accepted and, on the information, and explanation given to us by the management, we report the following:
- a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
 - b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - c) The term loans availed by the Company were applied by the Company during the year for the purposes for which the loans were obtained.
 - d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
 - e) The Company did not have any subsidiary or associate or joint venture during the year and hence reporting on clause (ix)(e) of the order is not applicable.
 - f) The Company did not have any subsidiary or associate or joint venture during the year and hence reporting on clause (ix)(f) of the order is not applicable.
- (x) In respect of issue of securities:
- a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
 - b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence, reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi)

- a) To the best of our knowledge, No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b) To the best of our knowledge, No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- c) According to the information and explanations given to us, and based on our examination of the records of the company, no whistle-blower complaints were received by the company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 188 of the Companies Act, 2013 for all transactions with the related parties and the details of related party transactions have been disclosed in the Financials Statements as required by the applicable Accounting Standards. The company is a private company and hence the provisions of section 177 of the Companies Act, 2013 are not applicable to the Company.

(xiv) In our opinion, the company is not required to appoint internal auditor under section 138 of the Companies Act 2013 and hence reporting under clause (xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company.

(xvi) In respect of section 45-IA of RBI Act, 1934:

- a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- b) The Group does not have any Core Investment Company CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

(xvii) The company has incurred cash losses of Rs. 1.50 crores in the financial year and of Rs. 6.47 crores in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we express that there is material uncertainty as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date, however the holding company as issued a letter of comfort, committing to provide financial support to the company, ensuring its ability to meet obligations as they fall due.

- (xx) According to the information & explanations given to us, and based on our verification, the provisions of section 135 of the Act are not applicable to the company. Hence, the reporting under paragraph (xx)(a) to (b) of the order is not applicable to the company.
- (xxi) The reporting under clause (xxi) of the Order is not applicable in respect of audit of standalone Ind AS financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For M/s Nagar & Navada,
Chartered Accountants
(Firm's Registration Number: 015832S)



CA Sandhya P Nagar

Partner

Membership No. 229158

UDIN: 25229158BMOZJN8146


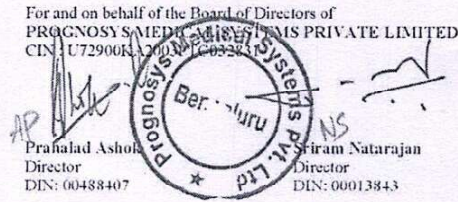
Place: Bengaluru

Date: 03-06-2025

| PROGNOSYS MEDICAL SYSTEMS PRIVATE LIMITED | | | |
|---|-------|--------------------|--------------------|
| No.249, Ground Floor, Front Building 4th Main Road, Chamrajpet, Bangalore-560 018 | | | |
| CIN : U72900KA2003PTC032831 | | | |
| Standalone Ind AS Balance Sheet as at March 31, 2025 | | | |
| | Notes | As at 31-Mar-25 | As at 31-Mar-24 |
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 4A | 83.00 | 53.08 |
| Right of use assets | 4B | 115.80 | 156.55 |
| Intangible assets | 5 | 45.01 | 51.83 |
| Investment property | 6 | - | - |
| Financial assets | | | |
| Investment | 7 | - | 0.23 |
| Loans | 8 | - | - |
| Other financial assets | 9 | 1,089.01 | 779.50 |
| Deferred tax assets (net) | 10 | 1,169.57 | 1,186.20 |
| Non Current tax assets (Net) | 11 | 23.57 | 53.84 |
| Other non-current assets | 12 | 32.37 | 80.28 |
| | | 2,558.34 | 2,361.51 |
| Current assets | | | |
| Inventories | 13 | 3,763.48 | 2,121.69 |
| Financial assets | | | |
| Investments | 7 | - | - |
| Trade receivables | 14 | 6,566.74 | 6,519.06 |
| Cash and cash equivalents | 15 | 9.38 | 2.75 |
| Bank balances other than cash and cash equivalent | 16 | - | - |
| Loans | 8 | 30.53 | 7.08 |
| Other financial assets | 9 | 243.20 | 159.62 |
| Current tax assets (Net) | | - | - |
| Other current assets | 12 | 1,214.65 | 777.80 |
| | | 11,827.98 | 9,588.01 |
| Total assets | | 14,386.32 | 11,949.53 |
| Equity and liabilities | | | |
| Equity | | | |
| Equity share capital | 17 | 220.56 | 220.56 |
| Instruments entirely equity in nature | 18 | 151.49 | 151.49 |
| Other equity | 19 | (1,948.94) | (1,486.32) |
| Total equity | | (1,576.89) | (1,114.27) |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 20 | - | - |
| Lease Liabilities | 21 | 80.76 | 144.44 |
| Trade payables | 22 | - | - |
| Other financial liabilities | 23 | - | - |
| Long term provisions | 24 | 133.12 | 101.57 |
| Other non-current liabilities | | - | - |
| | | 213.88 | 246.00 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 20 | 12,115.45 | 11,275.40 |
| Lease Liabilities | 21 | 61.09 | 52.03 |
| Trade payables | 22 | - | - |
| i) total outstanding dues of micro enterprises and small enterprises | | 443.57 | 191.69 |
| ii) total outstanding dues of creditors other than micro enterprises and small | | 2,407.97 | 663.57 |
| Other financial liabilities | 23 | 10.01 | 71.87 |
| Provisions | 24 | 595.03 | 498.38 |
| Other current liabilities | 25 | 116.22 | 64.85 |
| | | 15,749.33 | 12,817.79 |
| Total liabilities | | 15,963.21 | 13,063.79 |
| Total equity and liabilities | | 14,386.32 | 11,949.53 |
| Summary of significant accounting policies and notes | | | |
| As per our report of even date | | | |
| For M/s Nagar & Navada | | | |
| Chartered Accountants | | | |
| ICAI Firm registration number: 25832S | | | |
| Sandhya R. Nagar | | | |
| Partner | | | |
| Membership No.: 229158 | | | |
| UDIN: 25229158BNA02JN8146 | | | |
| Place: Bangalore | | | |
| Date: 03.06.2025 | | | |
| For and on behalf of the Board of Directors of | | | |
| PROGNOSYS MEDICAL SYSTEMS PRIVATE LIMITED | | | |
| CIN: U72900KA2003PTC032831 | | | |
| Pranilash Ashok | | | |
| Director | | | |
| DIN: 00488407 | | | |
| Sriram Natarajan | | | |
| Director | | | |
| DIN: 00013843 | | | |
| Place: Bangalore | | | |
| Date: 03.06.2025 | | | |

UDIN: 25229158BNA02JN8146.

PROGNOSYS MEDICAL SYSTEMS PRIVATE LIMITED
No.249, Ground Floor, Front Building 4th Main Road, Chamrajpet, Bangalore-560 018
CIN : U72900KA2003PTC032831
Standalone Ind AS Statement of Profit and Loss for the period ended March 31, 2025

| Particulars | Notes | INR in Lakhs | |
|---|-------|--|-----------------------------|
| | | For Period ended 31-Mar-25 | For year ended 31-Mar-24 |
| Income | | | |
| Revenue from operations | 26 | 6,989.55 | 8,523.38 |
| Other income | 27 | 76.78 | 85.48 |
| Total Income | | 7,066.33 | 8,608.86 |
| Expenses | | | |
| Cost of Materials Consumed | 28 | 4,147.71 | 7,040.53 |
| Changes in Inventories | 29 | (562.10) | (216.17) |
| Employee benefits expense | 30 | 1,074.17 | 734.96 |
| Finance Cost | 31 | 865.35 | 667.07 |
| Depreciation and amortisation expense | 32 | 65.99 | 71.73 |
| Other expenses | 33 | 2,028.29 | 1,102.38 |
| Total Expenses | | 7,619.42 | 9,400.49 |
| Profit / (Loss) before exceptional items and tax | | (553.08) | (791.63) |
| Exceptional items | 34 | (118.00) | 1,476.32 |
| Profit / (Loss) before tax (A - D) | | (435.08) | (2,267.95) |
| Tax expenses | | | |
| - Deferred tax | | (269.37) | (705.11) |
| - Reversal of Deferred tax on Provision for EMD | | 286.00 | - |
| - Reversal of Deferred tax on brought forward losses | | - | 682.06 |
| Income tax expense | | 16.63 | (23.05) |
| Profit / (Loss) for the year (E - F) | | (451.71) | (2,244.89) |
| Other comprehensive income | | | |
| Re-measurement gains/ (losses) on defined benefit plan | | (10.91) | 6.56 |
| Tax effect | | - | 1.88 |
| Other comprehensive income for the year, net of tax | | (10.91) | 4.69 |
| Total comprehensive income for the year | | (462.62) | (2,240.21) |
| Earnings per equity share (in INR) [nominal value of INR 10 per share (Previous year - INR 10 per share)] | 38 | | |
| Basic | | (20.97) | (101.57) |
| Diluted | | (14.28) | (69.13) |
| Summary of significant accounting policies and notes | | | |
| As per our report of even date | | 1-51 | |
| For M/s Nagar & Navada Chartered Accountants ICAI Firm registration number: 0158325 | | For and on behalf of the Board of Directors of PROGNOSYS MEDICAL SYSTEMS PRIVATE LIMITED CIN : U72900KA2003PTC032831 | |
|  Sandhya P Nagar Partner Membership No.: 229158 UDIN: 25229158BMOZJN8146 | |  Prashad Ashok Director DIN: 00488407 | |
| Place: Bangalore Date: 03-06-2025 | | Place: Bangalore Date: 03-06-2025 Place: Bangalore Date: 03-06-2025 | |

UDIN: 25229158BMOZJN8146

PROGNOSYS MEDICAL SYSTEMS PRIVATE LIMITED
No.249, Ground Floor, Front Building 4th Main Road, Chamrajpet, Bangalore-560 018
CIN : U72900KA2003PTC032831
Standalone Ind AS Statement of Cashflows for the period ended March 31, 2025

| | INR in Lakhs | |
|--|-----------------------------------|-----------------------------------|
| | 01-April-2024 to 31-March-2025 | 01-April-2023 to 31-March-2024 |
| Operating activities | | |
| Profit / (Loss) before tax | (435.08) | (2,267.95) |
| <i>Adjustments to reconcile loss before tax to net cash flows:</i> | | |
| Depreciation on property, plant and equipment & investment property | 65.99 | 71.73 |
| Net foreign exchange differences | 3.90 | (14.18) |
| Non Cash / Non operating reversals | (10.91) | 6.56 |
| Sundry balances written off | 29.95 | 30.82 |
| Interest income | (72.62) | (41.61) |
| Finance costs | 848.86 | 645.79 |
| Impairment of trade receivables and contract asset | 204.89 | 26.34 |
| Working capital adjustments: | | |
| (Increase) decrease in trade receivables | (286.42) | (5,011.03) |
| (Increase) decrease in inventories | (1,641.79) | (221.26) |
| (Increase) decrease in non current tax assets | 30.27 | (23.20) |
| (Increase) decrease in financial assets | (393.09) | 622.62 |
| (Increase) decrease in other assets | (388.94) | (157.26) |
| (Increase) decrease in loans & advances | (23.45) | 205.17 |
| Increase/ (decrease) in trade payables | 1,996.27 | 435.66 |
| Increase/ (decrease) in others financial liabilities | (61.87) | 202.42 |
| Increase/ (decrease) in provisions | 128.20 | 358.90 |
| Increase/ (decrease) in other liabilities | 51.37 | (25.08) |
| Income tax paid (net of refund) | 45.54 | (5,283.57) |
| Net cash flows from operating activities (A) | 45.54 | (5,283.57) |
| Investing activities | | |
| Purchase of property, plant and equipment | (48.35) | (31.51) |
| Sale/ (Purchase) of investing property | - | 528.90 |
| Bank Balance other than cash and cash equivalent | - | (10.54) |
| Investment made in subsidiary & others | 0.23 | - |
| Interest received | 72.62 | 41.61 |
| Net cash flows used in investing activities (B) | 24.50 | 528.47 |
| Financing activities | | |
| Interest paid (gross) | (848.86) | (645.79) |
| Increase/ (decrease) in short term borrowings | 840.05 | 5,425.81 |
| Increase/ (decrease) in Securities Premium on adjustment of expenses of capital infusion | - | (42.14) |
| Increase/ (decrease) in Lease liability | (54.61) | (41.39) |
| Net cash flows used in financing activities (C) | (63.42) | 4,696.49 |
| Net increase/ (decrease) in cash and cash equivalents | 6.62 | (58.61) |
| Cash and cash equivalents at the beginning of the year | 2.75 | 61.37 |
| Cash and cash equivalents at the end of the year (refer note 16) | 9.38 | 2.75 |

Summary of significant accounting policies and notes
As per our report of even date

For M/s Nagar & Navada
Chartered Accountants

ICAI Firm registration number: 005833

Sandhya P Nagar

Partner

Membership No.: 229134

UDIN: 25229158BMOZJN8146

Place: Bangalore

Date: 03-06-2025

For and on behalf of the Board of Directors of
PROGNOSYS MEDICAL SYSTEMS PRIVATE LIMITED
CIN: U72900KA2003PTC032831

Pranilad Ashu

Director

DIN: 00488407

Place: Bangalore

Date: 03-06-2025

Sriram Natarajan

Director

DIN: 00013843

Place: Bangalore

Date: 03-06-2025

UDIN: 25229158BMOZJN8146

PROGNOSYS MEDICAL SYSTEMS PRIVATE LIMITED
No.249, Ground Floor, Front Building 4th Main Road, Chamrajpet, Bangalore-560 018
CIN : U72900KA2003PTC032831
Standalone Ind AS Statement of Changes in Equity for the year ended March 31, 2025
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

A) Issued equity capital

| | Amount | Amount |
|--|-----------|--------|
| Equity shares of INR 10 each issued, subscribed and fully paid | | |
| At March 31, 2024 | 22,05,620 | 220.56 |
| Changes during the period | - | - |
| At March 31, 2025 | 22,05,620 | 220.56 |

B) Instruments entirely equity in nature
For the period ended March 31, 2025

| Balances at the beginning of the period | Changes in Non-Cumulative convertible preference shares due to prior period errors | Restated balance at the beginning of the period | Changes in Non-Cumulative convertible preference shares during the year | Balance at the end of the period |
|---|--|---|---|----------------------------------|
| 151.49 | - | - | - | 151.49 |

For the year ended March 31, 2024

| Balances at the beginning of the period | Changes in Non-Cumulative convertible preference shares due to prior period errors | Restated balance at the beginning of the period | Changes in Non-Cumulative convertible preference shares during the year | Balance at the end of the period |
|---|--|---|---|----------------------------------|
| 151.49 | - | - | - | 151.49 |

B) Other equity

For the year ended March 31, 2025

INR in Lakhs

| | Attributable to equity holders of the Company | | | | Total |
|--|---|-----------------|---|----------------------------|------------|
| | Reserves and Surplus | | Other comprehensive income | Capital Redemption Reserve | |
| | Securities premium reserve | Profit and Loss | Remeasurements of the net defined benefit Plans | | |
| At March 31, 2023 | 4,571.14 | (3,768.14) | (7.24) | 0.27 | 796.03 |
| Profit / (Loss) for the period | - | (2,244.89) | - | - | (2,244.89) |
| Transferred to capital redemption reserve | - | - | - | - | - |
| Adjustment of expenses related to infusion of capital | (42.14) | - | - | - | (42.14) |
| Other comprehensive income | | | | | |
| Equity component for issue of instrument during the year | - | - | - | - | - |
| Re-measurement gains / (losses) on defined benefit plans | - | - | 6.56 | - | 6.56 |
| Tax adjustments | - | - | (1.88) | - | (1.88) |
| At March 31, 2024 | 4,529.00 | (6,013.03) | (2.55) | 0.27 | (1,486.32) |
| At March 31, 2024 | 4,529.00 | (6,013.03) | (2.55) | 0.27 | (1,486.32) |
| Profit / (Loss) for the period | - | (451.71) | - | - | (451.71) |
| Transferred to capital redemption reserve | - | - | - | - | - |
| Adjustment of expenses related to infusion of capital | - | - | - | - | - |
| Other comprehensive income | | | | | |
| Equity component for issue of instrument during the year | - | - | - | - | - |
| Re-measurement gains / (losses) on defined benefit plans | - | - | (10.91) | - | (10.91) |
| Tax adjustments | - | - | - | - | - |
| At March 31, 2025 | 4,529.00 | (6,464.74) | (13.46) | 0.27 | (1,948.94) |

*Also refer note 19

Summary of significant accounting policies and notes

As per our report of even date

For M/s Nagar & Navada

Chartered Accountants

ICAI Firm registration number: 0158325

Sandhya R Nagar

Partner

Membership No: 22915

UDIN: 25229158BM02JN8146

Place: Bangalore

Date: 03-06-2025

For and on behalf of the Board of Directors of

PROGNOSYS MEDICAL SYSTEMS PRIVATE LIMITED

CIN : U72900KA2003PTC032831

Prahalad Ashok

Director

DIN: 00488407

Place: Bangalore

Date: 03-06-2025

Sriram Natarajan

Director

DIN: 00013843

Place: Bangalore

Date: 03-06-2025

UDIN: 25229158BM02JN8146

1 Corporate information

Prognosis Medical System Private Limited ('the Company') was incorporated on 7th November, 2003 as a Private Limited company under the Companies Act, 1956 ('the Act'). The Company is engaged in manufacturing of X ray equipment's, single detector solutions, dual detector solutions, floor mounted systems, ceiling suspended systems, floor to ceiling systems, mobile system, line powered and Battery operated systems and a bevy of ranges in C arm's.

2A Basis of preparation of financial statements

i) Basis of preparation, presentation and summary of significant accounting policies

Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (herein referred to as 'Ind AS') as notified by the Ministry of Corporate Affairs pursuant to section 133 of the Companies Act 2013 (Act) read with of the Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements up to year ended 31 March 2022 were prepared in accordance with the accounting standards notified under the section 133 of the Act, read with paragraph 7 of the Companies (Accounts) Rules, 2015 ("Indian GAAP", "Previous GAAP"). These financial statements for the year ended 31 March 2024 are the third set of financial statements prepared in accordance with Ind AS. The date of transition to Ind AS is 1 April 2021 (hereinafter referred to as the 'transition date').

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Historical cost convention

The financial statements have been prepared on a historical cost basis, except for Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

Measurement of fair values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest lakhs (up to two decimals).

Contractual Obligation under Shareholders Agreement

The Company had entered into a Shareholders Agreement dated 13th January 2023 with SIHF1 and PF LLP, which includes a clause obligating the Company to provide an exit to SIHF1 and PF LLP through buyback of their equity shares by 31st December 2025 or 36 months from the closing date, whichever is earlier. The exit consideration is based on the "Delivered EBITDA" for FY 2023-24 and FY 2024-25 and recovery from a pending matter referred to as the "WB EMD Case". The maximum aggregate consideration payable shall not exceed ₹ 24.70 Crores.

As of the balance sheet date, the Company does not have sufficient free reserves as defined under Section 68 of the Companies Act, 2013 to undertake the buyback. Accordingly, this obligation is presently not actionable in compliance with applicable legal provisions.

The Company continues to assess its financial position and explore options to meet this contractual obligation and will take appropriate action in compliance with the Companies Act and other applicable laws at the relevant time.

2B Going Concern

The financial statements have been prepared on a going concern basis. The company has incurred losses during the year and its net worth is negative as at the balance sheet date. However, the holding company has issued a letter of financial support, confirming its intention to provide the necessary funding to enable the company to meet its liabilities as and when they fall due. Based on this commitment, the management is confident that the company will continue to operate in the foreseeable future.

3A Significant Accounting Policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- ii) Held primarily for the purpose of trading
- iii) Expected to be realised within twelve months after the reporting period, or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

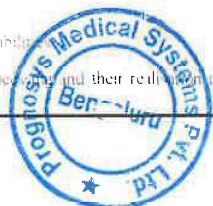
A liability is current when:

- i) It is expected to be settled in normal operating cycle.
- ii) It is held primarily for the purpose of trading
- iii) It is due to be settled within twelve months after the reporting period, or
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified 12 months as its operating cycle.



b) Revenue Recognition**Sale of goods**

Revenue from contract with customers is recognised when the Company satisfies performance obligation which is to deliver products to customers based on purchase orders received. Revenue from sales of products is recognized at a point in time when control of the products is transferred to the customer, generally upon delivery, which the Company has determined is when physical possession, legal title and risks and rewards of ownership of the products transfer to the customer and the Company is entitled to payment.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of returns, chargebacks, rebates and other similar allowances) in determining the transaction price, the Company considers the effects of variable consideration.

the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any). The Company estimates variable consideration at contract inception until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Sale of Services

Service revenue is measured based on the consideration specified in a contract with a customer. Service revenue is recognised over a period of time when the Company satisfies performance obligations by transferring the promised services to its customers. Service income is accounted net of goods and services tax.

Other income:

Interest income from a financial asset is recognised on a time basis, by reference to the principal outstanding using the effective interest method provided it is probable that the economic benefits associated with the interest will flow to the Company and the amount of interest can be measured reliably. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of that financial asset.

Dividend income from investments is recognised when the Company's right to receive dividend is established provided it is probable that the economic benefits associated with the dividend will flow to the Company as also the amount of dividend income can be measured reliably.

Commission income from customer is recognised in line with the contractual terms with the customer.

c) Property, plant and equipment (PPE), Capital work in progress and Capital advances**Presentation**

An item of Property, Plant and Equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of Property, Plant and Equipment are carried out at cost less depreciation and impairment losses, if any. Cost comprises the purchase price, borrowing costs, if capitalization criteria are met and any cost attributable to bringing the assets to its working condition for its intended use which includes taxes, freight, and installation and allocated incidental expenditure during construction/ acquisition and exclusive of CENVAT credit or other tax credit available to the Company.

The Company identifies and determines cost of each part of an item of Property, Plant and Equipment separately, if the part has a cost which is significant to the total cost of that item of Property, Plant and Equipment and has useful life that is materially different from that of the remaining item.

Subsequent expenditure relating to tangible assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Capital Work-In-Progress are assets that are not ready for the intended use as at the Balance Sheet date. Capital advances represents advances given towards acquisition of property, plant and equipment and are outstanding as at the Balance Sheet date.

The company has elected to adopt carrying value for all of its property, plant and equipment and intangible assets as recognised in the financial statements as the deemed cost as at the date of transition to Ind AS.

Derecognition

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation on property, plant and equipment

Depreciation is calculated on a written down value basis over the estimated useful lives of the assets as stated in Schedule II of Companies Act, 2013 till March 2024.

However, as per group policy, depreciation method has been alligned to Straight Line Method in FY 24-25 with retrospective change given in the current year FY 24-25.

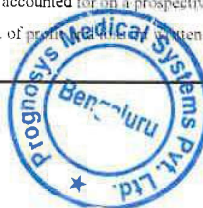
Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/ disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded/ sold. Additions to fixed assets, costing Rs 5,000 each or less are fully depreciated retaining its residual value.

The residual values, estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

d) Intangible assets**Useful life and amortisation of Intangible assets**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Amortization of the intangible assets is provided in the statement of profit and loss on written down value basis based on management's technical assessment of useful life of the assets as stated in Schedule II of Companies Act, 2013.



e) Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. If the recoverable amount of the asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

An impairment loss is recognised in Statement of Profit.

f) Borrowing Costs

Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction and production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. All other borrowings costs are expensed in the period in which they occur.

g) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax created, they are recognised to the extent of deferred tax liability.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) Credit Entitlement

MAT under the provisions of the Income-tax Act, 1961 (Act) is recognised as current tax in the statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

h) Retirement and other employee benefits

Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

Gratuity

Gratuity is a defined benefit plan. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for the plan using the projected unit credit method. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest) is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Remeasurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and is not reclassified to Statement of Profit and Loss. Past service cost is recognised immediately for both vested and the non-vested portion. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited taking into account the present value of available refunds and reductions in future contributions to the schemes.

Short-term and long term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits, employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.



i) Inventory

Inventories consisting of raw materials and packing materials, work-in-progress, stock-in-trade, stores and spares and finished goods are measured at the lower of cost and net realisable value. The cost of all categories of inventories is based on the weighted average method.

Cost of raw materials and packing materials, stock-in-trade, stores and spares includes cost of purchases and other costs incurred in bringing the inventories to its present location and condition.

Cost of work-in-progress and finished goods comprises direct material, direct labour and an appropriate proportion of variable and fixed overhead expenditure.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

The factors that the Company considers in determining the allowance for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. The Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

j) Provisions, contingent liabilities and contingent asset

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possibility of an obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognized nor disclosed in financial statements.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

Contingent Liability / Commitment

The Company has a contractual commitment under a Shareholders Agreement to provide an exit to certain shareholders through a buyback of their equity shares, by 31st December 2025 or within 36 months from the closing date, whichever is earlier, subject to the availability of sufficient free reserves. As of the reporting date, the Company does not have the requisite free reserves to undertake such a buyback. The exit value is also dependent on the actual EBITDA performance and recovery from a pending matter (WB EMD Case). In view of the above conditions not being met as of the date of the financial statements, the obligation is not currently quantifiable with reasonable certainty and hence disclosed as a contingent commitment.

k) Cash and Cash equivalents

Cash comprises cash in hand, cheques in hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

l) Cash Flow Statement

Cash flows are presented using indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of cash flow statement.

m) Earnings per share

Basic earnings per equity share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The Company does not have any potentially dilutive equity shares outstanding during the year.

Basic Earnings Per Share is calculated by dividing the Net profit / loss after tax for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period and for all periods presented are adjusted for events of bonus, granting and vesting employee stock options to employees. For the purpose of calculating diluted earnings per share, the net profit / loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

n) Foreign currency transactions and translations

Initial recognition:

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (₹), which is the Company's functional and presentation currency. Foreign currency transactions are recorded in the functional currency by applying the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Conversion:

Foreign currency monetary items are reported using the closing exchange rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when such values were determined.

Exchange differences:

Exchange differences arising on the settlement of monetary items or on reporting the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised in income or as expenses in the year in which they occur.



o) Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

p) Segment reporting

The Company is engaged in the manufacturing of medical equipments and is governed by a similar set of risks and returns. The Managing director reviews the operations of the entity as one operating segment. Hence no separate segment information has been furnished herewith pursuant to the explanation given in IND AS - 108 "Operating Segments".

q) Events after the reporting date:

Where events occurring after the balance sheet date provide evidence of conditions that existed as at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

r) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instruments.

1) Financial Assets

(i) Initial recognition and measurement:

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting. Transaction costs directly attributable to the acquisition of financial assets at Fair Value through Profit or Loss are recognised in the Statement of Profit and Loss.

(ii) Subsequent measurement:

-Financial assets carried at amortised cost (AC)

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

-Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

-Financial assets at fair value through profit OR loss (FVTPL)

A financial asset which is not classified in any of the above categories are fair valued through profit or loss.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the above classification of the financial assets. Debt instruments that meet conditions based on purpose of holding assets and contractual terms of instrument are subsequently measured at amortised cost using effective interest method. All other financial assets are measured at fair value. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as Fair Value Through Profit or Loss. Interest income is recognised in profit or loss and is included in the "Other income" line item.



iii) Impairment of financial assets (Molbio)

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through the statement of profit and loss

The Company recognises impairment loss on trade receivables using expected credit loss model, which involves use of provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109- Financial Instruments

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward- looking estimates are analysed.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk in the financial instruments has significantly increased since initial recognition.

For Financial assets maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

III. Financial liabilities

(i) Initial recognition and measurement:

All financial liabilities are recognized initially at fair value and in case of loans net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost. Transaction costs directly attributable to the acquisition of financial liabilities at Fair Value through Profit or Loss are recognised in the Statement of Profit and Loss.

(ii) Subsequent measurement:

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

IV. Derecognition of financial assets and financial liabilities

The entity derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or when the entity transfers the contractual rights to receive the cash flows of the financial asset in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and does not retain control of the financial asset. The entity derecognises a financial liability (or a part of financial liability) when the contractual obligation is discharged, cancelled or expires.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

s) Fair value measurement

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

t) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

3B Critical accounting judgements and key sources of estimation uncertainty :

In the application of the Company's accounting policies, which are described in note 3, the Directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if revision affects both current and future periods. The following are the significant areas of estimation, uncertainty and critical judgements in applying accounting policies:

- Useful lives of Property, plant and equipment
- Useful lives of Intangible assets
- Fair value of financial assets and financial liabilities
- Going Concern Assessment



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4A Property, plant and equipment

| | INR in Lakhs | | | | | |
|--|--------------|---------------------|---------------------|------------------------|-------------------|----------|
| | Building | Computer Equipments | Plant and machinery | Furniture and Fixtures | Office equipments | Vehicles |
| Gross Carrying Amount | | | | | | |
| At March 31, 2023 | 2.85 | 13.98 | 0.01 | 6.39 | 34.07 | 0.30 |
| Additions | - | 8.31 | - | 9.90 | 13.29 | - |
| Disposals | - | - | - | - | - | - |
| At March 31, 2024 | 2.85 | 22.30 | 0.01 | 16.29 | 47.36 | 0.30 |
| Additions | 1.03 | 13.72 | - | 6.36 | 10.65 | - |
| Disposals | - | - | - | - | - | - |
| At March 31, 2025 | 3.88 | 36.02 | 0.01 | 22.65 | 58.01 | 0.30 |
| Accumulated Depreciation and Amortisation | | | | | | |
| At March 31, 2023 | 1.87 | 7.32 | 0.00 | 2.87 | 13.24 | 0.13 |
| Additions | 0.36 | 4.47 | 0.00 | 1.01 | 4.70 | 0.04 |
| Disposals | - | - | - | - | - | - |
| At March 31, 2024 | 2.23 | 11.79 | 0.00 | 3.88 | 17.95 | 0.18 |
| Additions | 0.60 | 11.29 | 0.00 | 4.39 | 7.74 | 0.03 |
| Disposals | 0.52 | 5.07 | 0.00 | 4.25 | 12.32 | 0.06 |
| At March 31, 2025 | 2.32 | 18.01 | 0.00 | 4.02 | 13.37 | 0.15 |
| Net Book value | | | | | | |
| At March 31, 2023 | 0.99 | 6.67 | 0.01 | 3.51 | 20.83 | 0.16 |
| At March 31, 2024 | 0.62 | 10.51 | 0.01 | 12.41 | 29.42 | 0.12 |
| At March 31, 2025 | 1.56 | 18.01 | 0.01 | 18.63 | 44.64 | 0.15 |

* As per group policy, depreciation method has been alligned to Straight Line Method in FY 24-25 with retrospective change given in the current year FY 24-25.

4B Right of use assets

| | Total |
|--|--------|
| At March 31, 2023 | 304.85 |
| Additions | - |
| Disposals | - |
| At March 31, 2024 | 304.85 |
| Additions | 14.06 |
| Disposals | - |
| At March 31, 2025 | 318.92 |
| Accumulated Depreciation and impairment | |
| At March 31, 2023 | 98.87 |
| Additions | 49.44 |
| Disposals | - |
| At March 31, 2024 | 148.31 |
| Additions | 54.81 |
| Disposals | - |
| At March 31, 2025 | 203.11 |
| Net Book value | |
| At March 31, 2023 | 205.98 |
| At March 31, 2024 | 156.55 |
| At March 31, 2025 | 115.80 |

(1) On transition to Ind AS (i.e. April 01, 2021), the Company has elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.



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5 Intangible assets

| | INR in Lakhs | | | |
|--|--------------|---------------------|----------|-------------|
| | Licenses | Product Development | Software | R&D Project |
| | Total | | | |
| Gross Carrying Amount | | | | |
| At March 31, 2023 | 0.52 | 21.85 | 2.75 | 72.79 |
| Additions | - | - | - | - |
| Disposals | - | - | - | - |
| At March 31, 2024 | 0.52 | 21.85 | 2.75 | 72.79 |
| Additions | - | - | 2.53 | - |
| Disposals | - | - | - | - |
| At March 31, 2025 | 0.52 | 21.85 | 5.28 | 72.79 |
| Accumulated Amortization and impairment | | | | |
| At March 31, 2023 | 0.52 | 17.47 | 1.83 | 14.56 |
| Additions | - | 3.51 | 0.92 | 7.28 |
| Disposals | - | - | - | - |
| At March 31, 2024 | 0.52 | 20.98 | 2.75 | 21.84 |
| Additions | - | 0.87 | 1.19 | 7.28 |
| Disposals | - | - | - | - |
| At March 31, 2025 | 0.52 | 21.85 | 3.94 | 29.12 |
| Net Carrying Value | | | | |
| At March 31, 2023 | - | 4.38 | 0.92 | 58.23 |
| At March 31, 2024 | - | 0.87 | - | 50.95 |
| At March 31, 2025 | - | - | 1.34 | 43.68 |

(1) On transition to Ind AS (i.e. April 01, 2021), the Company has elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Intangible Assets.

6 Investment Property

| | Total |
|------------------------------------|--------|
| At March 31, 2023 | 504.68 |
| Additions | - |
| Disposals | 504.68 |
| At March 31, 2024 | - |
| Additions | - |
| Disposals | - |
| At March 31, 2025 | - |
| Depreciation and impairment | |
| At March 31, 2023 | 3.79 |
| Additions | - |
| Disposals | 3.79 |
| At March 31, 2024 | - |
| Additions | - |
| Disposals | - |
| At March 31, 2025 | - |
| Net Book value | |
| At March 31, 2023 | 500.90 |
| At March 31, 2024 | - |
| At March 31, 2025 | - |

Note: During the year FY 2023-24, the company has sold its investment property for INR 500.00 Lakhs. The expenses related to the maintenance and sale of the property has been adjusted to the proceeds from sale of the property.



7 Investment

INR in Lakhs

| | 31-Mar-25 | 31-Mar-24 |
|--|-----------|-------------|
| Non-current investments: | | |
| Investments carried at amortised cost | | |
| * Investment in others | 0.23 | 0.23 |
| Less: Impairment of Investments | (0.23) | - |
| Total investments carried at amortised cost | - | 0.23 |

* Investment in Others include Investment in 1500 unquoted Equity shares of Generex Power Systems Private Limited (Company in which KMP are interested) representing 15% holding

| | | |
|--|---|------|
| Aggregate amount of unquoted investments | - | 0.23 |
| Aggregate amount of impairment in value of investments | - | - |

8 Loans

31-Mar-25 31-Mar-24

| | | |
|--|--------------|-------------|
| Current | | |
| (Unsecured considered good, unless stated otherwise) | | |
| a) Loans and advances to Related Parties | | |
| Advance to Generex Power Systems Pvt Ltd | 242.71 | 242.71 |
| Less: Provision for potential Impairment | (242.71) | (242.71) |
| | - | - |
| b) Loans and advances to Others | | |
| Loans & Advance to employee | 11.26 | 7.08 |
| Loans & Advance to others | 19.27 | - |
| | 30.53 | 7.08 |

The Company has not granted any advances in the nature of loans to promoters, KMPs and the related parties (as defined under the Companies Act, 2013) either severally or jointly

Note: The figures of the previous year have been regrouped/reclassified, where necessary, to conform with the current year's

9 Other financial assets

INR in Lakhs

| | 31-Mar-25 | 31-Mar-24 |
|---|-----------------|---------------|
| Non - Current | | |
| Security deposits | | |
| - to parties other than related parties | 41.91 | 42.54 |
| | 41.91 | 42.54 |
| Bank Deposits with more than 12 months maturity | 1,047.10 | 736.96 |
| | 1,089.01 | 779.50 |
| Current | | |
| Security deposits | | |
| - to parties other than related parties | 1.16 | 1.16 |
| | 1.16 | 1.16 |
| Earnest Money Deposit against Tenders | 2,034.29 | 2,106.85 |
| Less: Provision for potential Impairment of EMD | (1,877.14) | (1,995.14) |
| | 157.16 | 111.72 |
| Interest accrued on fixed deposits | 84.89 | 46.74 |
| | 243.20 | 159.62 |

Note: The figures of the previous year have been regrouped/reclassified, where necessary, to conform with the current year's

Note: During FY 2021-22 the Company, in the usual course of business decided to participate in a Tender, purportedly floated by West Bengal Health and Family Welfare department for an amount of Rs 2000.00 Crores for supply of Mobile E-Clinics, Operational Maintenance, etc. As part of the tendering process, the Company was called upon to deposit EARNEST MONEY DEPOSIT (EMD), in various instalments and accordingly the company took Demand Drafts and deposited the same for a sum of INR 25,15,20,000 (Indian Rupees Twenty-Six Crores Fifteen Lakhs and Twenty Thousand). Subsequently, the company got to know, there was a fraud committed by two persons to float a fake tender by forging signatures of high ranking Government officials of West Bengal Government. The DDs for the EMD amount submitted by the Company in the name of ACWBHFW SERVICES towards EMD was fraudulently deposited into a private account opened in DBS bank and was diverted to various other beneficiaries. The Company immediately initiated criminal and civil proceedings against the fraudsters with appropriate authorities who are investigating the matter. The company in the process has been successful in recovering about Rs 1.49 Crores as deposits into its account and additionally has also recovered Rs 4.76 Crores by other means. The balance amount of Rs 19.95 Crores, reflected as "asset" in the Balance Sheet of the Company as on 31.03.2023, is yet to be recovered. Considering the process of investigation and legal formalities, the recovery process and the financial status of the people involved, the actual recovery of the amounts may be delayed and full recovery of the balance does looks doubtful. Hence, Company has created a provision for 100% of the balance does, ie Rs 19.95 Crores as "potential loss" on this transaction in previous financial years. However, during FY 2024-25 the company has recovered Rs 1.18 Cr against the same and hence provision to the tune of the amount recovered during FY 2024-25 has been reversed in books.



10 Income tax

The Company is subject to income tax in India on the basis of Standalone Ind AS Financial Statements. Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ('Ordinance') issued by Ministry of Law and Justice (Legislative Department) on September 20, 2019 which was effective from April 01, 2019, domestic companies had the option to pay income tax at 22% plus applicable surcharge and cess ('new tax regime') subject to certain conditions. However, the Company based on the projections continue to provide for taxes at the normal rates of tax as per the Income Tax Act, 1961.

a. Income tax expenses in the Standalone Ind AS statement of profit and loss and other comprehensive income consist of the following:

| | INR in Lakhs | |
|--|--------------|----------------|
| | 31-Mar-25 | 31-Mar-24 |
| (a) Current tax | - | - |
| (b) Deferred tax charge / (credit) | 16.63 | (23.05) |
| | <u>16.63</u> | <u>(23.05)</u> |
| Other comprehensive income ("OCI") | | |
| Deferred tax related to re-measurement losses on defined benefit plans | - | - |
| Income tax credit to OCI | <u>-</u> | <u>-</u> |

b. Reconciliation of taxes to the amount computed by applying the statutory income tax rate to the income before taxes is summarised below:

| | INR in Lakhs | |
|---|---------------------|-----------------------|
| | 31-Mar-25 | 31-Mar-24 |
| Profit before taxes | (435.08) | (2,267.95) |
| Applicable tax rates in India | 28.60% | 28.60% |
| Computed tax charge | (124.43) | (648.63) |
| Non-deductible expenses for tax purposes | - | 13.00 |
| Error in opening deferred tax (Reversal of excess DTA tax created) | 286.00 | 682.06 |
| Others | (144.94) | (69.48) |
| Total tax expense | <u>16.63</u> | <u>(23.05)</u> |
| Income tax reported in the Standalone Ind AS statement of profit and loss | <u>16.63</u> | <u>(23.05)</u> |

c. Deferred tax assets (net)

| | 31-Mar-25 | 31-Mar-24 |
|---|-----------------|-----------------|
| Deferred tax liabilities | | |
| On account of Right to use assets | 33.12 | 44.77 |
| Gross deferred tax liabilities | <u>33.12</u> | <u>44.77</u> |
| Deferred tax assets | | |
| Difference between carrying amounts of property, plant and equipment in financial statement and the income tax return | 8.48 | 14.75 |
| On account of provision for gratuity & leave encashment | 46.53 | 37.96 |
| On account of Minimum Alternate Tax Credit | 70.04 | 70.04 |
| On account of Security deposits | 2.89 | 0.34 |
| On account of expected credit loss allowance | 386.41 | 647.56 |
| On account of brought forward losses | 647.79 | 400.98 |
| On account of Lease Liability | 40.57 | 56.19 |
| On account of others | - | 3.18 |
| Gross deferred tax assets | <u>1,202.69</u> | <u>1,230.98</u> |
| Net deferred tax Asset | <u>1,169.57</u> | <u>1,186.20</u> |
| Net deferred tax Asset recognised* | <u>1,169.57</u> | <u>1,186.20</u> |

*Deferred tax asset is recognised to the extent of the probability of taxable profits in future periods.

*During the financial year 2023-24, according to section 79 of Income Tax Act, 1961, the company has reversed the DTA On account of brought forward losses to the tune of INR 682.06 Lakhs.



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11 Tax Assets (Net)

| | 31-Mar-25 | 31-Mar-24 |
|-------------------------------|--------------|--------------|
| Non- Current | | |
| Taxes paid (Net of provision) | 23.57 | 53.84 |
| | <u>23.57</u> | <u>53.84</u> |

12 Other assets

| | 31-Mar-25 | 31-Mar-24 |
|------------------------------------|-----------------|---------------|
| Non - Current | | |
| Unsecured, considered good | | |
| Deposit with Authorities | 12.00 | 12.00 |
| Prepaid expenses | 10.11 | 18.47 |
| Deferred Asset (Security Deposit) | - | 8.23 |
| Balance with Statutory Authorities | 0.00 | 1.37 |
| Deferred Revenue Expenditure | 10.26 | 40.21 |
| Other assets | - | - |
| | <u>32.37</u> | <u>80.28</u> |
| Current | | |
| Unsecured, considered good | | |
| Deposit with Authorities | 7.21 | 6.20 |
| Advance to suppliers | 507.99 | 54.53 |
| Deferred Asset (Security Deposit) | - | 2.63 |
| Balance with Statutory Authorities | 641.22 | 670.22 |
| Other assets | 63.23 | 44.22 |
| | <u>1,214.65</u> | <u>777.80</u> |

Note: The figures of the previous year have been regrouped/reclassified, where necessary, to conform with the current year's

13 Inventories

| | 31-Mar-25 | 31-Mar-24 |
|---------------------------|-----------------|-----------------|
| INR in Lakhs | | |
| Stock of Raw Material | 2,877.93 | 1,798.24 |
| Stock of Work-in-progress | 330.19 | 87.66 |
| Stock of Finished Goods | 555.36 | 235.80 |
| | <u>3,763.48</u> | <u>2,121.69</u> |

Note: 1. The management based on the physical verification done by them has found certain obsolete and nonmoving items, which has been written off in books for FY24-25 and for FY 23-24.
2. The closing balance of inventories for year ending 31-03-2025 is after writeoff of INR 47.11 Lakhs (FY 23-24 is net of writeoff of ₹ 537.48 Lakhs)

14 Trade receivable

| | 31-Mar-25 | 31-Mar-24 |
|--|-----------------|-----------------|
| INR in Lakhs | | |
| Trade receivables | | |
| Unsecured, considered good, unless stated otherwise | | |
| -From Others | 6,797.98 | 6,545.40 |
| | <u>6,797.98</u> | <u>6,545.40</u> |
| Less: Allowances for credit losses | 231.23 | 26.34 |
| Total Trade receivables | <u>6,566.74</u> | <u>6,519.06</u> |
| Expected credit loss allowance | | |
| At the beginning of the year | 26.34 | - |
| Provision made during the year | 204.89 | 26.34 |
| Utilised/ reversed during the year | - | - |
| At the end of the year | <u>231.23</u> | <u>26.34</u> |



Trade Receivables Ageing Schedule

#No Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

At March 31, 2025

| Particulars | Outstanding for following periods from due date of payments | | | | | Total |
|---|---|-------------------|-----------------|--------------|-------------------|-----------------|
| | Less than 6 months | 6 months - 1 year | 1- 2 years | 2- 3 years | More than 3 years | |
| Undisputed trade-receivables - considered good | 5,419.71 | 131.23 | 1,134.68 | 79.94 | 32.40 | 6,797.98 |
| Undisputed trade-receivables - which have significant increase in credit risk | - | (105.07) | (69.96) | (23.80) | (32.40) | (231.23) |
| Undisputed trade-receivables - credit impaired | - | - | - | - | - | - |
| Disputed trade-receivables - considered good | - | - | - | - | - | - |
| Disputed trade-receivables - which have significant increase in credit risk | - | - | - | - | - | - |
| Disputed trade-receivables - credit impaired | - | - | - | - | - | - |
| Total | 5,419.71 | 26.16 | 1,064.73 | 56.15 | - | 6,566.74 |

At March 31, 2024

| Particulars | Outstanding for following periods from due date of payments | | | | | Total |
|---|---|-------------------|---------------|--------------|-------------------|-----------------|
| | Less than 6 months | 6 months - 1 year | 1- 2 years | 2- 3 years | More than 3 years | |
| Undisputed trade-receivables - considered good | 5,301.08 | 1,099.23 | 113.95 | 28.89 | 2.26 | 6,545.40 |
| Undisputed trade-receivables - which have significant increase in credit risk | - | (21.98) | (3.42) | (0.87) | (0.07) | (26.34) |
| Undisputed trade-receivables - credit impaired | - | - | - | - | - | - |
| Disputed trade-receivables - considered good | - | - | - | - | - | - |
| Disputed trade-receivables - which have significant increase in credit risk | - | - | - | - | - | - |
| Disputed trade-receivables - credit impaired | - | - | - | - | - | - |
| Total | 5,301.08 | 1,077.25 | 110.53 | 28.03 | 2.19 | 6,519.06 |

Note: The total Trade Receivables of INR 6,545.40 Lakhs is net of Bad debts of INR 238.47 Lakhs

15. Cash and cash equivalents

| | INR in Lakhs | |
|--|--------------|-------------|
| | 31-Mar-25 | 31-Mar-24 |
| Cash and cash equivalents | | |
| Balances with banks: | | |
| - On current accounts | 9.38 | 2.75 |
| Cash on hand | 0.00 | 0.00 |
| Cheques on hand | - | - |
| Cash and cash equivalents Balances with banks | 9.38 | 2.75 |

Note:

Short-term deposits are made for varying periods of between seven day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

16. Bank balances other than cash and cash equivalent

| | INR in Lakhs | |
|---|--------------|-----------|
| | 31-Mar-25 | 31-Mar-24 |
| Bank balance other than cash and cash equivalents | | |
| - Deposits with maturity for more than 3 months but less than 12 months | - | - |

Note: The figures of the Previous period have been regrouped/reclassified, where necessary, to conform with the current year's classification



17 Equity share capital

| | INR in Lakhs | |
|---|---------------|---------------|
| | 31-Mar-25 | 31-Mar-24 |
| Authorised Share Capital | | |
| Class 'A' Equity Shares of Rs. 10/- each | 255 | 255 |
| Class 'B' Equity Shares of Rs. 10/- each | 0.00 | 0.00 |
| Non-Cumulative Convertible Preference Shares of Rs. 10/- each | 160 | 160 |
| Issued, subscribed and fully paid-up shares | | |
| Class 'A' Equity Shares of Rs. 10/- each | 220.56 | 220.56 |
| Class 'B' Equity Shares of Rs. 10/- each | 0.00 | 0.00 |
| Total issued, subscribed and fully paid-up share capital | 220.56 | 220.56 |

| Authorised Share Capital | INR in Lakhs | | | |
|---------------------------------------|--|--------|---------------|--------|
| | Non-Cumulative Convertible Preference Shares | | Equity Shares | |
| | No. of Shares | Amount | No. of Shares | Amount |
| At March 31, 2024 | 16,00,000 | 160.00 | 25,50,000 | 255.00 |
| Increase/(decrease) during the period | | | | |
| At March 31, 2025 | 16,00,000 | 160.00 | 25,50,000 | 255.00 |

Terms/ rights attached to equity shares

All Equity Shares rank equally with regards to entitlement of dividends of the Company

Voting Rights for Class 'A' Equity Shares

Entitled by way of One vote for One Share held

Voting Rights for Class 'B' Equity Shares

(a) 26% (twenty six percent) of the aggregate voting rights in respect of any resolution prior to the conversion of the NCCPS into Equity Shares in accordance with the provisions of Shareholders Agreement, and

(b) 2% (two percent) of the aggregate voting rights in respect of any resolution relating to the amendment of the Memorandum of Association or Articles of Association, after the conversion of the NCCPS into Equity Shares

Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

Details of shareholders holding more than 5% shares in the Company

| Name of the shareholder | 31-Mar-25 | | 31-Mar-24 | |
|---|--------------|--------------------|--------------|---------|
| | No of Shares | Holding percentage | No of Shares | Holding |
| Equity shares of INR.10 each fully paid up | | | | |
| V. Krishna Prasad | 1,30,216 | 5.90% | 1,30,216 | 5.90% |
| Chayagraphics (India) Private Limited | 8,88,600 | 40.29% | 8,88,600 | 40.29% |
| Molbio Diganostics Private Limited # | 8,90,103 | 40.36% | 8,90,103 | 40.36% |
| Purushottam Financiers Private Limited | 1,03,217 | 4.68% | 1,03,217 | 4.68% |
| Somerset Indus Healthcare Fund I Limited | 1,93,484 | 8.77% | 1,93,484 | 8.77% |

Note:

shares held by holding company

Details of Shares held by promoters

| Promoter Name | As at March 31, 2025 | | | As at March 31, 2024 | | |
|---|--|----------------------------------|-----------------------|--|----------------------------------|-----------------------|
| | No. of Shares at the beginning of the year | No. of shares at the end of year | % age of Total Shares | No. of Shares at the beginning of the year | No. of shares at the end of year | % age of Total Shares |
| Equity shares of INR.10 each fully paid up | | | | | | |
| V. Krishna Prasad | 1,30,216 | 1,30,216 | 5.90% | 1,30,216 | 1,30,216 | 5.90% |
| Chayagraphics (India) Private Limited | 8,88,600 | 8,88,600 | 40.29% | 8,88,600 | 8,88,600 | 40.29% |
| Total | 10,18,816 | 10,18,816 | 46.19% | 10,18,816 | 10,18,816 | 46.19% |

I. For a period of five years immediately preceding the date of Balance Sheet

- There are no shares allotted for consideration other than cash
- There are no shares allotted as fully paid up in the form of Bonus Shares
- There are no shares bought back

II. There are no equity shares reserved for issue under options and contracts/commitments for the sale of shares.

III. There are no calls unpaid on any equity shares.

IV. There are no forfeited shares.



Disclosure of Exit Obligation under Shareholders Agreement

The Company entered into a Shareholders Agreement dated 13th January 2023 with strategic investors, SIHF1 and PF LLP, under which it is contractually obligated to provide an exit to the said investors through a buyback of the equity shares held by them within 36 (thirty-six) months from the closing date or by 31st December 2025, whichever is earlier, subject to compliance with applicable laws.

As per the terms of Clause 7 of the Shareholders Agreement:

•The exit shall be by way of buyback of the equity shares of the Company held by SIHF1 and PF LLP

•The consideration for the buyback is linked to the higher of the face value or a price derived from the "Delivered EBITDA" of the Company for the financial years ending 31st March 2024 and 31st March 2025, adjusted for any shortfall in the recovery of dues under the "WB EMD Case".

•The aggregate consideration payable to SIHF1 shall not exceed one time the value of their investment (SIHF Exit Value), and the total amount payable to PF LLP is capped at ₹6.23 crores, including shares held through Prognosis Healthcare (India) Private Limited.

As at 31st March 2025, the Company does not have adequate free reserves as defined under Section 68 of the Companies Act, 2013 to undertake the buyback transaction.

Accordingly:

•No liability has been recognized in these standalone financial statements in relation to the exit obligation, as the condition precedent of sufficient distributable reserves is not satisfied as of the reporting date.

•The Company continues to monitor its financial position and explore possible options for complying with the Shareholders Agreement, in alignment with the applicable legal and regulatory framework.

•This matter has been disclosed as a contingent commitment since the obligation is dependent on future availability of free reserves and the determination of final buyback price as per contractual EBITDA adjustments.

| 18 Instruments entirely equity in nature | INR in Lakhs | |
|---|------------------|------------------|
| | 31-Mar-25 | 31-Mar-24 |
| Issued, subscribed and fully paid-up shares | | |
| Non-Cumulative Convertible Preference Shares of Rs. 10/- each | 151.49 | 151.49 |
| | 151.49 | 151.49 |
| | | |
| | 31-Mar-25 | 31-Mar-24 |
| Compulsorily Convertible Preference Shares | 151.49 | 151.49 |
| Total | 151.49 | 151.49 |

Terms for conversion into equity shares

The NCCPS held by the Investor shall convert into 31.94% of the paid up share capital of the Company as existing on the "Closing date", or upon earlier of the occurrence of any of the following events:

- The Company shall convert the Investor NCCPS into Equity Shares prior to the afore-mentioned period of 10 (ten) years, only after providing full exit to Seller 1 and Seller 3
- At any time prior to the Long Stop Conversion Date (as defined below) upon the Investor issuing a notice to the Company for conversion of all NCCPS into Equity Share(s); or
- Upon the expiry of 10 (ten) years from the Closing ("Long Stop Conversion Date") if the Investor has not issued a notice under paragraph (b) above.
- On the Promoters not having and/or losing Control over the Company.

| 19 Other equity | INR in Lakhs | |
|---|-------------------|-------------------|
| | 31-Mar-25 | 31-Mar-24 |
| Security Premium | | |
| Balance at the beginning of the year | 4,529.00 | 4,571.14 |
| Changes during the period | - | (42.14) |
| Closing balance | 4,529.00 | 4,529.00 |
| Retained Earnings | | |
| Balance at the beginning of the year | (6,013.03) | (3,768.14) |
| Profit / (Loss) for the period | (451.71) | (2,244.89) |
| Less: Dividend | - | - |
| Closing balance | (6,464.74) | (6,013.03) |
| Other comprehensive income | | |
| Balance at the beginning of the year | (2.55) | (7.24) |
| Re-measurement gains/ (losses) on defined benefit plans | (10.91) | 6.56 |
| Less: Deferred Tax Asset | - | 1.88 |
| Closing balance | (13.46) | (2.55) |
| Closing balance | (6,478.21) | (6,015.59) |
| Capital Redemption Reserve | | |
| Balance at the beginning of the year | 0.27 | 0.27 |
| Add: Transferred from Surplus in statement of profit and loss | - | - |
| Balance at the end of the year (D) | 0.27 | 0.27 |
| Total other equity | (1,948.94) | (1,486.32) |

Note: The company has incurred losses during the year and its net worth is negative as at the balance sheet date. However, the holding company has issued a letter of financial support, confirming its intention to provide the necessary funding to enable the company to meet its liabilities as and when they fall due. Based on this commitment, the management is confident that the company will continue to operate in the foreseeable future.



20 Borrowings

| | INR in Lakhs | |
|--|------------------|------------------|
| | 31-Mar-25 | 31-Mar-24 |
| Current | | |
| Secured | | |
| Term Loans | - | - |
| Cash Credit from Bank | 5,149.94 | 5,636.16 |
| Unsecured | | |
| From Related Parties (Refer Note 35 for the detailed bifurcation for the movement for loan and party wise balance) | 5,369.42 | 4,379.43 |
| Interest accrued and due on borrowings | 1,596.09 | 1,259.81 |
| | 12,115.45 | 11,275.40 |
| Secured Cash Credit from banks | | |
| a) Security Pledged - Primary: | | |
| Corporate Guarantee by Molbio Diagnostics Private Limited | | |
| b) Repayment Terms: | | |
| Cash Credit from Banks are repayable within 1 year but subject to annual renewal. | | |
| Unsecured loans From Related Parties are repayable on demand | | |
| c) Interest Rate: | | |
| Secured Cash Credit from banks | 8% a - 10% p a | |
| Unsecured loans From Related Parties | 8% a - 10% p a | |

21 LEASE LIABILITIES

The carrying amounts of lease liabilities assets recognised and the movements during the year is as follows:

| | INR in Lakhs | |
|------------------------|------------------|------------------|
| | 31-Mar-25 | 31-Mar-24 |
| Opening balance | 196.46 | 237.85 |
| Additions | - | - |
| Accretion of interest | 16.49 | 21.28 |
| Disposal | - | - |
| Payments | (71.10) | (62.67) |
| Closing balance | 141.85 | 196.46 |
| | 31-Mar-25 | 31-Mar-24 |
| Non- Current | | |
| Lease liability | 80.76 | 144.44 |
| | 80.76 | 144.44 |
| Current | | |
| Lease liability | 61.09 | 52.03 |
| | 61.09 | 52.03 |

Disclosures required by Indian Accounting Standard (Ind AS) 116 - Leases

The Company has taken office, residential facilities and plant and machinery (including equipments) etc. under cancellable/non-cancellable lease agreements that are renewable on a periodic basis at the option of both the Lessor and the Lessee. The initial tenure of the lease generally is for 5 years from 15-5-2022.

The maturity analysis of lease liabilities are disclosed in note 42.

The following amounts are recognised in the Statement of Profit and Loss

| | INR in Lakhs | |
|---|--------------|--------------|
| | 31-Mar-25 | 31-Mar-24 |
| Depreciation expense of right-of-use assets (refer note 4B) | 54.81 | 49.44 |
| Interest expense on lease liabilities (refer note 31) | 16.49 | 21.28 |
| Expense relating to leases of low-value assets/short term leases (included in other expenses) | - | - |
| Total amount recognised in the Standalone Ind AS Statement of Profit and Loss | 71.30 | 70.71 |



Notes forming part of the financial statements for period ended 31st March 2025

22 Trade payables

| | INR in Lakhs | |
|--|-----------------|---------------|
| | 31-Mar-25 | 31-Mar-24 |
| Trade payables | | |
| - Total outstanding dues of micro enterprises and small enterprises | 443.57 | 191.69 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 2,407.97 | 663.57 |
| | <u>2,851.54</u> | <u>855.27</u> |

Note: The figures of the previous year have been regrouped/reclassified, where necessary, to conform with the current year's classification.

Note: The company has created provision for interest on any delayed payments made to MSME creditors after 45 days.

Trade Payable Aging Schedule

As at March 31, 2025

| Particulars | Outstanding for following periods from due date of payments * | | | |
|--|---|-------------|-------------|-------------------|
| | Less than 1 year | 1- 2 years | 2- 3 years | More than 3 years |
| Total outstanding dues of micro enterprises and small enterprises | 443.57 | - | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 2,349.61 | 0.06 | 9.16 | 49.14 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - |
| Total | 2,793.18 | 0.06 | 9.16 | 49.14 |

As at March 31, 2024

| Particulars | Outstanding for following periods from due date of payments * | | | |
|--|---|--------------|--------------|-------------------|
| | Less than 1 year | 1- 2 years | 2- 3 years | More than 3 years |
| Total outstanding dues of micro enterprises and small enterprises | 191.69 | - | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 575.44 | 26.06 | 41.10 | 20.97 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - |
| Total | 767.13 | 26.06 | 41.10 | 20.97 |

23 Other financial liabilities

| | INR in Lakhs | |
|--|--------------|--------------|
| | 31-Mar-25 | 31-Mar-24 |
| Current | | |
| Payable to capital creditors | - | 0.62 |
| Employee related payables | 10.01 | 71.25 |
| Total other current financial liabilities | <u>10.01</u> | <u>71.87</u> |

Note: The figures of the previous year have been regrouped/reclassified, where necessary, to conform with the current year's

24 Provisions

| | INR in Lakhs | |
|---|---------------|---------------|
| | 31-Mar-25 | 31-Mar-24 |
| Non-Current | | |
| Provision for employee benefits | | |
| -Provision for gratuity (refer note 37) | 133.12 | 101.57 |
| | <u>133.12</u> | <u>101.57</u> |
| Current | | |
| Provision for employee benefits | | |
| -Provision for gratuity (refer note 37) | 29.57 | 31.14 |
| Provision for warranty | 565.46 | 467.24 |
| Provision for unearned revenue | - | - |
| | <u>595.03</u> | <u>498.38</u> |

25 Other liabilities

| | INR in Lakhs | |
|--------------------------------|---------------|--------------|
| | 31-Mar-25 | 31-Mar-24 |
| Current | | |
| Advance received from customer | 68.48 | 13.89 |
| Payable towards statutory dues | 47.74 | 50.96 |
| | <u>116.22</u> | <u>64.85</u> |



26 Revenue from operations

| | 01-April-2024 to 31-March-2025 | 01-April-2023 to 31-March-2024 |
|--|-----------------------------------|-----------------------------------|
| Sale of Products | 6,465.40 | 8,218.11 |
| Sale of traded goods | 155.68 | - |
| Sale of services | | |
| Other operating revenue | 368.47 | 305.27 |
| | 6,989.55 | 8,523.38 |
| India | 6,884.81 | 8,397.26 |
| Outside India | 104.74 | 126.12 |
| Total revenue from contracts with customers | 6,989.55 | 8,523.38 |
| Revenue as per Contracted Price | 7,010.25 | 8,545.02 |
| Adjustments | | |
| Liquidated damages | (19.70) | (21.64) |
| Unearned Revenue | - | - |
| Discounts | (1.00) | - |
| Total revenue from contracts with customers | 6,989.55 | 8,523.38 |
| Timing of revenue recognition | | |
| Service transferred over time | | |
| - Other operating revenue | 284.76 | 305.27 |
| Service transferred at a point in time | | |
| - Other operating revenue | 83.72 | - |
| Goods transferred at a point in time | | |
| - Sale of products | 6,641.77 | 8,218.11 |

27 Other income

| | 01-April-2024 to 31-March-2025 | 01-April-2023 to 31-March-2024 |
|---|-----------------------------------|-----------------------------------|
| Interest Income | | |
| - Others | 72.62 | 41.61 |
| Discounts Received | 0.19 | 0.02 |
| Duty drawback received | - | 1.04 |
| Exchange gain | - | 14.18 |
| Profit on sale of asset | - | 28.00 |
| Interest accrued on Rent Security Deposit | 3.97 | - |
| Income Tax refund received | - | 0.63 |
| | 76.78 | 85.48 |

28 Cost of Materials Consumed

| | 01-April-2024 to 31-March-2025 | 01-April-2023 to 31-March-2024 |
|----------------------------|-----------------------------------|-----------------------------------|
| Opening stock | 1,798.24 | 1,793.14 |
| Add: Purchases of material | 5,227.40 | 7,045.62 |
| Less: Closing stock | 2,877.93 | 1,798.24 |
| | 4,147.71 | 7,040.52 |

29 Changes in Inventories

| | 01-April-2024 to 31-March-2025 | 01-April-2023 to 31-March-2024 |
|----------------------------------|-----------------------------------|-----------------------------------|
| Opening Inventory | | |
| Stock of Work-in-progress | 87.66 | 102.97 |
| Stock of Finished Goods | 235.80 | 4.32 |
| Less: Closing Inventory | | |
| Stock of Work-in-progress | 330.19 | 87.66 |
| Stock of Finished Goods | 555.36 | 235.80 |
| (Increase) in Inventories | (562.10) | (216.17) |

30 Employee benefits expense

| | 01-April-2024 to 31-March-2025 | 01-April-2023 to 31-March-2024 |
|---|-----------------------------------|-----------------------------------|
| Salaries, wages and bonus | 928.16 | 655.72 |
| Contribution to provident and other funds | 30.92 | 23.55 |
| Gratuity expenses | 28.62 | 23.12 |
| Staff welfare expenses | 86.17 | 32.57 |
| | 1,074.17 | 734.96 |



31 Finance cost

| | 01-April-2024 to 31-March-2025 | 01-April-2023 to 31-March-2024 |
|-------------------------------------|-----------------------------------|-----------------------------------|
| Interest expense | 792.99 | 596.85 |
| Interest expense on lease liability | 16.49 | 21.28 |
| Interest on delayed payment to MSME | 0.71 | 9.02 |
| Bank commission charges | 16.43 | 22.85 |
| Interest to others | 0.65 | 3.54 |
| Loan processing charges | 38.08 | 13.54 |
| | 865.35 | 667.07 |

32 Depreciation and amortisation expense

| | 01-April-2024 to 31-March-2025 | 01-April-2023 to 31-March-2024 |
|---|-----------------------------------|-----------------------------------|
| Depreciation on property, plant and equipment * | 1.84 | 10.59 |
| Depreciation on intangible assets | 9.34 | 11.70 |
| Depreciation on Right-of-use Asset | 54.81 | 49.44 |
| | 65.99 | 71.73 |

Note:

* As per group policy, depreciation method has been alligned to Straight Line Method in FY 24-25 with retrospective change given in the current year FY 24-25

33 Other expenses

| | 01-April-2024 to 31-March-2025 | 01-April-2023 to 31-March-2024 |
|-------------------------------------|-----------------------------------|-----------------------------------|
| Power and fuel | 6.89 | 8.98 |
| Rental expenses for operating lease | 11.06 | 0.38 |
| Repairs and maintenance | | |
| - Plant and machinery | 2.33 | 1.22 |
| - Others | 24.98 | 46.52 |
| Rates and Taxes | 53.97 | 41.09 |
| Travelling and conveyance | 229.06 | 143.98 |
| Freight and transportation charges | 101.03 | 117.42 |
| Office maintenance | 11.34 | 8.44 |
| Legal and professional fees | 479.43 | 137.29 |
| Payment to auditors* | 16.54 | 13.41 |
| Advertising and sales promotion | 124.15 | 37.14 |
| Job work and labour charges | 34.71 | 92.28 |
| Warranty cost | 98.22 | 246.04 |
| Bank charges | 3.43 | 0.90 |
| Brokerage and commission | 223.06 | - |
| Development charges | 276.87 | 13.07 |
| Insurance | 15.78 | 28.49 |
| Packing and forwarding Charges | 8.70 | 12.12 |
| Quality assurance test charges | 14.35 | 4.60 |
| Printing and stationery | 10.14 | 15.11 |
| Sundry balances written off | 29.95 | 30.82 |
| Exchange loss | 3.90 | - |
| Allowances for credit losses | 204.89 | 26.34 |
| Miscellaneous expenses | 43.52 | 76.73 |
| | 2,028.29 | 1,102.38 |

*** Payment to auditor**

| | 01-April-2024 to 31-March-2025 | 01-April-2023 to 31-March-2024 |
|---------------------|-----------------------------------|-----------------------------------|
| As auditor | | |
| Statutory Audit Fee | 7.20 | 4.00 |
| Internal Audit fee | 9.34 | 9.00 |
| | 16.54 | 13.00 |

34 Exceptional items

| | 01-April-2024 to 31-March-2025 | 01-April-2023 to 31-March-2024 |
|--|-----------------------------------|-----------------------------------|
| - Bad Debts - | - | 238.47 |
| - Potential Write Off of doubtful balances | (118.00) | 1,237.85 |
| | (118.00) | 1,476.32 |

" Bad debts represents long unrecoverable receivables which has been written off

* Includes provision created against potential impairment of advances to Generev

* Includes provision created reversal of recovery against West Bengal Pradesh



35 Related party transactions

a) The following table provides the name of the related party and the nature of its relationship with the Company:

Key Managerial Personnel (KMP)

| | |
|-------------------|------------------------|
| Managing Director | Mr. V. Krishna Prasad |
| Director | Mr. Natarajan Sriram |
| Director | Mr. Ashok Prabhala |
| Director | Mr. Chandrasekhar Nair |

Relatives of KMP

| | |
|--|--------------------------------------|
| LLP in which Relative of KMP is a Director | Drongo LLP |
| Company in which Relative is a Director | Drongo AI Pvt Ltd |
| Company in which Directors are Interested | Chayagraphics Health Care Pvt Ltd |
| Company in which Directors are Interested | Prognosis Healthcare (India) Pvt Ltd |
| Company in which Directors are Interested | Molbio Diagnostics Private Limited |
| LLP in which Directors are Interested | Exxora Trading LLP |
| Company in which Directors are Interested | Genex Power Systems Pvt Ltd |

b) Details of the transactions with the related parties:

| Name of the Related party | Relationship | Nature of Transactions | INR in Lakhs | | |
|--------------------------------------|---|--|-----------------|-----------------|--------------------------------------|
| | | | 31-Mar-25 | 31-Mar-24 | Outstanding at the end of the period |
| Mr. V. Krishna Prasad | Managing Director | Remuneration | 73.41 | 73.41 | - |
| Mr. V. Krishna Prasad | Managing Director | Loan | - | - | 134.62 |
| Mr. V. Krishna Prasad | Managing Director | Interest on Unsecured Loans | 10.77 | 10.77 | 48.85 |
| Mr. Natarajan Sriram | Director | Loan | - | - | 1,081.00 |
| Mr. Natarajan Sriram | Director | Loan Received | - | - | 2,297.28 |
| Mr. Natarajan Sriram | Director | Interest on Unsecured Loans | 242.68 | 243.92 | 895.55 |
| Mr. Ashok Prabhala | Director | Loan | - | - | 18.00 |
| Mr. Ashok Prabhala | Director | Interest on Unsecured Loans | 1.44 | 1.44 | 6.49 |
| Molbio Diagnostics Private Limited | Company in which Directors are Interested | Loan | 989.98 | 500.00 | 500.00 |
| Molbio Diagnostics Private Limited | Company in which Directors are Interested | Interest on Unsecured Loans | 88.98 | 25.90 | 205.58 |
| Molbio Diagnostics Private Limited | Company in which Directors are Interested | Trade Payable | - | - | 5.49 |
| Molbio Diagnostics Private Limited | Company in which Directors are Interested | Sale of Goods | 2,191.14 | 544.00 | - |
| Exxora Trading LLP | LLP in which Directors are Interested | Loan Received | - | - | 200.00 |
| Exxora Trading LLP | LLP in which Directors are Interested | Interest on Unsecured Loans | 16.00 | 16.00 | 36.31 |
| Chayagraphics Health Care Pvt Ltd | Company in which Directors are Interested | Purchase of Materials | 74.86 | 196.33 | 20.95 |
| Chayagraphics Health Care Pvt Ltd | Company in which Directors are Interested | Interest Expenses | 17.98 | 15.00 | 17.98 |
| Prognosis Healthcare (India) Pvt Ltd | Company in which Directors are Interested | Purchases | 30.91 | 179.40 | 155.74 |
| Drongo AI Pvt Ltd | Company in which Relative is a Director | Development Charges | 246.52 | 8.08 | 8.08 |
| Genex Power Systems Pvt Ltd | Company in which Directors are Interested | Investment in Shares | - | - | 0.15 |
| Genex Power Systems Pvt Ltd | Company in which Directors are Interested | Provision for Impairment of Investment | 0.15 | - | - |
| Genex Power Systems Pvt Ltd | Company in which Directors are Interested | Purchase of Materials | 79.86 | 59.76 | - |
| Genex Power Systems Pvt Ltd | Company in which Directors are Interested | Provision for doubtful receivable | - | 242.71 | 242.71 |
| Genex Power Systems Pvt Ltd | Company in which Directors are Interested | Interest on Unsecured Loans | - | 95.23 | 242.71 |
| | | | 4,064.69 | 2,356.85 | 6,117.50 |

Note: The Molbio Diagnostics Private Limited has issued a letter of comfort, committing to provide financial support to the company, ensuring its ability to meet obligations as they fall due. The estimated amount of support required has not been determined at this time.

36 Segment Information

An operating segment is a component that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the other components, whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker (CODM) to make decisions about resource allocation and performance assessment and for which discrete financial information is available. The Company is engaged in the manufacturing of medical equipments and is governed by a similar set of risks and returns. The Managing director reviews the operations of the entity as one operating segment. Hence no separate segment information has been furnished herewith pursuant to the explanation given in IND AS - 108 "Operating Segments".

(i) The entity wide disclosures as required by Ind AS-108 are as follows:

| Particulars | For the period ended March 31, 2025 | For the period ended March 31, 2024 |
|-------------------------|--|--|
| Sale of products | 6,465.40 | 8,218.11 |
| Sale of traded goods | 155.68 | - |
| Other operating revenue | 368.47 | 305.27 |
| Total | 6,989.55 | 8,523.38 |

(ii) Geographical information
Revenue from customers

| Particulars | For the period ended March 31, 2025 | For the period ended March 31, 2024 |
|----------------|--|--|
| India | 6,884.81 | 8,397.26 |
| Outside India* | 104.74 | 126.12 |
| Total | 6,989.55 | 8,523.38 |

*Exports to any single country are not material to be disclosed.

Non-current assets**

| Particulars | For the period ended March 31, 2025 | For the period ended March 31, 2024 |
|---------------|--|--|
| India | 309.38 | 341.74 |
| Outside India | - | - |
| Total | 309.38 | 341.74 |

** Non current assets does not include deferred tax assets, financial assets and non-current tax assets.

37 Gratuity and other post-employment benefit plans

INR in Lakhs

| Particulars | 31-Mar-25 | 31-Mar-24 |
|----------------------|-----------|-----------|
| Define benefit plan: | 162.69 | 132.71 |
| Non-current | 133.12 | 101.57 |
| Current | 29.57 | 31.14 |

Employees are entitled to a benefit equivalent to fifteen days' last drawn salary for each completed year of service in line with the Payment of Gratuity Act, 1972 subject to a maximum of INR 20 Lakhs. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service. The Company has not funded the liability as on March 31, 2025.

Following figures are as per the actuarial valuation carried out by an independent actuary as at the Balance Sheet date:

Changes in the projected benefit obligation and fair value of plan assets:

INR in Lakhs

| | 31-Mar-25 | 31-Mar-24 |
|---|---------------|---------------|
| Change in projected benefit obligation | | |
| Obligation at beginning of the year | 132.71 | 119.85 |
| Past Service cost | - | - |
| Interest cost | 8.61 | 8.04 |
| Current Service cost | 20.01 | 15.07 |
| Benefits directly paid | (9.55) | (3.69) |
| Liability transfer | - | - |
| Actuarial (gain)/loss (through OCI) | - | - |
| Obligation at end of the year | 151.78 | 139.28 |
| Re-measurement (gains)/ losses in OCI | | |
| Obligation at beginning of the year | - | - |
| Actuarial (gain) / loss due to financial assumption changes | 6.21 | 2.37 |
| Actuarial (gain) / loss due to experience adjustments | 4.70 | (8.93) |
| Total expenses routed through OCI | 10.91 | (6.56) |
| Present Value of Obligation at end of year | 162.69 | 132.71 |
| Expenses recognised in statement of profit and loss | | |
| Current Service cost | 30.92 | 8.51 |
| Interest cost (net) | 8.61 | 8.04 |
| Gratuity cost | 39.53 | 16.55 |
| Net gratuity cost | 39.53 | 16.55 |
| Bifurcation of Net Liability | | |
| Current Liability | 29.57 | 31.14 |
| Non-Current Liability (Long Term) | 133.12 | 101.57 |
| Total Liability | 162.69 | 132.71 |



Actuarial Assumptions

Principal Financial Assumptions

| | 31-Mar-25 | 31-Mar-24 |
|-------------------------|-----------|-----------|
| Discount rate | 6.70% | 7.20% |
| Future salary increases | 7.00% | 7.00% |

Demographic Assumptions

| | 31-Mar-25 | 31-Mar-24 |
|----------------|--|--|
| Mortality Rate | The Indian Assured Lives Mortality (2012-14) | The Indian Assured Lives Mortality (2012-14) |

vii. A quantitative sensitivity analysis for significant assumption as at March 31, 2025 is as shown below:

| Particulars | 31-Mar-25 | 31-Mar-24 |
|---|-----------|-----------|
| Discount rate | | |
| Impact on defined benefit obligation due to 0.5% increase in discount rate | (6.21) | (4.65) |
| Impact on defined benefit obligation due to 0.5% decrease in discount rate | 6.72 | 5.02 |
| Salary escalation rate | | |
| Impact on defined benefit obligation due to 0.5% increase in salary escalation rate | 4.41 | 3.61 |
| Impact on defined benefit obligation due to 0.5% decrease in salary escalation rate | (4.55) | (3.53) |
| Attrition rate | | |
| Impact on defined benefit obligation due to 0.5% increase in attrition rate | 0.36 | 0.54 |
| Impact on defined benefit obligation due to 0.5% decrease in attrition rate | (0.42) | (0.56) |

Summary of Membership data

| | 31-Mar-25 | 31-Mar-24 |
|------------------------|----------------|----------------|
| No of employees | 159 | 123 |
| Total monthly salary | ₹ 47,87,815.00 | ₹ 34,92,005.00 |
| Average monthly salary | ₹ 30,112.00 | ₹ 28,390.00 |
| Average Age | 34.54 | 34.91 |
| Average Past Service | 4.83 | 5.38 |

Notes:

a) Plan characteristics and associated risks:

The Gratuity scheme is a Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

- Discount rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase
- Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation
- Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short service employee typically costs less per year as compared to a long service employee.



38 Earnings per share ('EPS')

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders (after adjusting for interest on the convertible debentures) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity Shares.

The following table reflects the income and share data used in the basic and diluted EPS computations:

| Particulars | INR in Lakhs | |
|--|--------------|------------|
| | 31-Mar-25 | 31-Mar-24 |
| Profit / (Loss) attributable to equity shareholders | (462.62) | (2,240.21) |
| Effect of dilution | - | - |
| Profit / (Loss) attributable to equity holders adjusted for the effect of dilution | (462.62) | (2,240.21) |
| Weighted average number of equity shares for basic and diluted EPS (No.) * | 22.06 | 22.06 |
| Effect of dilution | 10.35 | 10.35 |
| Weighted average number of equity shares adjusted for the effect of dilution (No.) | 32.41 | 32.41 |
| EPS (Basic) | (20.97) | (101.57) |
| EPS (Diluted) | (14.28) | (69.13) |

39 Contingent liabilities and commitments

In the normal course of business, the Company encounters claims and assertions from various parties. The Company continuously evaluates these matters and monitors the legal environment with the support of external legal counsel when necessary. A liability is recorded for any claims where a potential loss is both probable and can be reasonably estimated. If material, such matters are disclosed in the Company's Ind AS Financial Statements. However, for potential losses considered possible but not probable, the Company provides disclosure in its Ind AS Financial Statements without recognizing a liability unless the loss becomes probable.

The following table outlines claims and assertions where a potential loss is considered possible but not probable as of the reporting period. The Company believes that none of these contingencies would have a material adverse impact on its financial condition, results of operations, or cash flows.

| Particulars | 31-Mar-25 |
|---|-----------|
| i) Bank guarantees given by the Company | 744.21 |
| ii) Matter relating to direct taxes under dispute | - |
| iii) Matter relating to indirect taxes under dispute* | 229.55 |
| iv) Claims against the Company not acknowledged as debt- Matters relating to legal case under dispute | - |

*The amounts under dispute represent demands raised by the respective authorities for the relevant periods. These amounts do not include any potential additional interest or penalties that may be levied at the time of the final outcome of the appeals.

Also refer note 9 with regard to fraud - misappropriation of earnest money deposit and Note 21 with regard to lease liability.

The financial statements have been prepared on a going concern basis. The company has incurred losses during the year and its net worth is negative as at the balance sheet date. However, the holding company has issued a letter of financial support, confirming its intention to provide the necessary funding to enable the company to meet its liabilities as and when they fall due. Based on this commitment, the management is confident that the company will continue to operate in the foreseeable future.

40 Corporate Social Responsibility

The company is not obligated to establish a Corporate Social Responsibility (CSR) Committee, as specified in Section 135 of the Companies Act, 2013. Consequently, the company has not established such a committee.



41. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. Company consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

| | INR in Lakhs | |
|---|-------------------|-------------------|
| | 31-Mar-25 | 31-Mar-24 |
| Borrowings | 12,115.45 | 11,275.40 |
| Less: Cash and Bank balances (refer note 15 & 16) | 9.38 | 2.75 |
| Net debt | 12,106.08 | 11,272.65 |
| Equity share capital (refer note 17) | 220.56 | 220.56 |
| Instruments entirely equity in nature (refer note 18) | 151.49 | 151.49 |
| Other equity (refer note 19) | (1,948.94) | (1,486.32) |
| Total Equity | (1,576.89) | (1,114.27) |
| Capital and net debt | 10,529.19 | 10,158.38 |
| Gearing ratio | 114.98% | 110.97% |

The company net worth has eroded due to operating losses and currently dependent upon borrowed fund for its operations.



PROGNOSYS MEDICAL SYSTEMS PRIVATE LIMITED

No.249, Ground Floor, Front Building 4th Main Road, Chamrajpet, Bangalore-560 018

CIN : U72900KA2003PTC032831

Notes forming part of the financial statements for period ended 31st March 2025

42 FINANCIAL RISK MANAGEMENT

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and advises on the appropriate financial risk governance framework for the Company. The Company's financial risk activities are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks in order to secure long term and short term cash flows, which are summarised below.

A. MANAGEMENT OF MARKET RISK:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

(i) Management of interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk arises on interest-bearing financial instruments recognised in the balance sheet (eg loans and receivables and debt instruments issued) and on some financial instruments not recognised in the balance sheet (eg some loan commitments). The Company does not have any exposure to interest rate risks since it has no borrowings and all the investments in fixed deposits are fixed rate instruments.

(ii) Management of other price risk:

Other price risk arises on financial instruments because of changes in commodity prices or equity prices i.e. stock market index, commodity price, or other risk variable. The Company does not have exposure to other price risk arising from investments in equity shares (Unquoted) held by the Company and classified in the balance sheet at fair value through profit and loss.

(iii) Management of currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has no foreign currency payables or receivables and is therefore not exposed to foreign exchange risk.



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No.249, Ground Floor, Front Building 4th Main Road, Chamrajpet, Bangalore-560 018

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Notes forming part of the financial statements for period ended 31st March 2025

42. FINANCIAL RISK MANAGEMENT (Contd.)
B. MANAGEMENT OF CREDIT RISK:

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Group periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business;
- ii) Actual or expected significant changes in the operating results of the counter-party;
- iii) Financial or economic conditions that are expected to cause a significant change to the counter-party's ability;
- iv) Significant increase in credit risk on other financial instruments of the same counter-party; and
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

The Group measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

The Group limits its exposure to credit risk of balances held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus in bank accounts.

The Group recognises expected credit loss based on the following:

| Description of category | Category | Basis of recognition of expected credit loss provision | |
|---|---|--|--|
| Assets where the probability of default is considered moderate, counter-party where the capacity to meet the obligations is not strong | Standard assets with moderate credit risk | Loans, deposits and other receivables | Trade receivables |
| Assets where there is significant increase in credit risk and high probability of default | Substandard assets with high credit risk | Life time expected credit losses | Life time expected credit losses (simplified approach) |
| Assets are written off when there is no reasonable expectation of recovery. As and when recoveries are made these are recognised in profit and loss | Doubtful assets, credit impaired | Asset is written off | |

Under the simplified approach, the company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

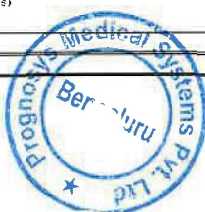
For recognition of impairment loss on other financial assets, the company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity recognises impairment loss allowance based on 12-month ECL.

The movement in ECL in respect of trade receivables & Security Deposits is as follows:

Note:

##Management is in view of providing Expected credit loss at a rate of 2% on balances outstanding of trade receivables from 6 months to 1 year old whereas at a rate of 3% for balances outstanding more than 1 year as at each reporting period. The debtors in general settles within such credit period and hence given impact represent fair presentation of accounts. However, the ECL Policy has been aligned with the group policy from FY 24-25.

| Particulars | Mar-25 | Mar-24 |
|--|----------|----------|
| Gross carrying amount (Trade Receivables & Security deposit) | 6,797.98 | 6,545.40 |
| Provision for doubtful receivables (Expected credit loss) | 231.23 | 26.34 |
| Balance at the end of the year | 6,566.74 | 6,519.06 |



42 FINANCIAL RISK MANAGEMENT (Contd.)

C. MANAGEMENT OF LIQUIDITY RISK:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserves borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the The Company's principal sources of liquidity are cash and cash equivalents, Fixed deposits and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows

| INR in Lakhs | | | | | | |
|---|-----------------|------------------------|------------------|-----------|-----------|---------------|
| March 31, 2025 | Carrying amount | Contractual cash flows | | | | |
| | | Total | Less than 1 Year | Years 1-3 | Years 3-5 | Above 5 Years |
| Non-derivative financial liabilities | | | | | | |
| Borrowings | 12,115.45 | 12,115.45 | 12,115.45 | - | - | - |
| Lease liability | 141.85 | 141.85 | 61.09 | 80.76 | - | - |
| Trade payables | 2,851.54 | 2,851.54 | 2,851.54 | - | - | - |
| Other financial liabilities | 10.01 | 10.01 | 10.01 | - | - | - |

| INR in Lakhs | | | | | | |
|---|-----------------|------------------------|------------------|-----------|-----------|---------------|
| March 31, 2024 | Carrying amount | Contractual cash flows | | | | |
| | | Total | Less than 1 Year | Years 1-3 | Years 3-5 | Above 5 Years |
| Non-derivative financial liabilities | | | | | | |
| Borrowings | 11,275.40 | 11,275.40 | 11,275.40 | - | - | - |
| Lease liability | 196.46 | 196.46 | 52.03 | 144.44 | - | - |
| Trade payables | 855.27 | 855.27 | 855.27 | - | - | - |
| Other financial liabilities | 71.87 | 71.87 | 71.87 | - | - | - |



43 Fair value measurements

A. Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

The carrying value of financial instruments by categories is as follows:

| Particulars | March 31, 2025 | | | | March 31, 2024 | | | |
|---|------------------|-----------------------------------|------------------------|-------------------|------------------|-----------------------------------|------------------------|-------------------|
| | At Cost | Fair value through profit or loss | Fair value through OCI | At Amortised Cost | At Cost | Fair value through profit or loss | Fair value through OCI | At Amortised Cost |
| Financial assets | | | | | | | | |
| Investments | - | - | - | - | 0.23 | - | - | 0.23 |
| Trade receivables | 6,566.74 | - | - | 6,566.74 | 6,519.06 | - | - | 6,519.06 |
| Loans | 30.53 | - | - | 30.53 | 7.08 | - | - | 7.08 |
| Cash and cash equivalents | 9.38 | - | - | 9.38 | 2.75 | - | - | 2.75 |
| Bank balance other than cash and cash equivalents | - | - | - | - | - | - | - | - |
| Other financial assets | 1,332.21 | - | - | 1,332.21 | 939.12 | - | - | 939.12 |
| Total | 7,938.86 | | | 7,938.86 | 7,468.25 | | | 7,468.25 |
| Financial liabilities | | | | | | | | |
| Borrowings | 12,115.45 | - | - | 12,115.45 | 11,275.40 | - | - | 11,275.40 |
| Trade payables | 2,851.54 | - | - | 2,851.54 | 855.27 | - | - | 855.27 |
| Other financial liabilities | 10.01 | - | - | 10.01 | 71.87 | - | - | 71.87 |
| Total | 14,976.99 | | | 14,976.99 | 12,202.54 | | | 12,202.54 |

Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

| Particulars | March 31, 2025 | | | | March 31, 2024 | | | |
|--|------------------|------------|---------|------------------|------------------|------------|---------|------------------|
| | Carrying amount | Fair value | | | Carrying amount | Fair value | | |
| | | Level 1 | Level 2 | Level 3 | | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | | | | | |
| <i>Measured at cost/ amortised cost/fair value through profit and loss</i> | | | | | | | | |
| Investments at cost | - | - | - | - | 0.23 | - | - | 0.23 |
| Trade receivables | 6,566.74 | - | - | 6,566.74 | 6,519.06 | - | - | 6,519.06 |
| Loans | 30.53 | - | - | 30.53 | 7.08 | - | - | 7.08 |
| Cash and cash equivalents | 9.38 | - | - | 9.38 | 2.75 | - | - | 2.75 |
| Bank balance other than cash and cash equivalents | - | - | - | - | - | - | - | - |
| Other financial assets | 1,332.21 | - | - | 1,332.21 | 939.12 | - | - | 939.12 |
| | 7,938.86 | | | 7,938.86 | 7,468.25 | | | 7,468.25 |
| Financial liabilities | | | | | | | | |
| <i>Measured at amortised cost</i> | | | | | | | | |
| Borrowings | 12,115.45 | - | - | 12,115.45 | 11,275.40 | - | - | 11,275.40 |
| Trade payables | 2,851.54 | - | - | 2,851.54 | 855.27 | - | - | 855.27 |
| Other financial liabilities | 10.01 | - | - | 10.01 | 71.87 | - | - | 71.87 |
| | 14,976.99 | | | 14,976.99 | 12,202.54 | | | 12,202.54 |

Notes:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
 Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
 Level 3 inputs are unobservable inputs for the asset or liability.

B. Measurement of fair values

i. Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the carrying amounts of trade receivables, trade payables, cash and cash equivalents and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

ii. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

iii. The borrowing rate of the Company has been taken as the discount rate used for determination of fair value.

iv. There have been no transfers between the levels during the period.



44 Share Based Payments

The Company has no active Employee Stock Options Scheme at BS date and hence, no impact has been given in financial statement under IND AS 102 "Share Based Payments".

45 Standards issued but not effective

There were no standards issued but not effective at the time of issuance of the Company's financial statements, hence the disclosure is not applicable.

46 Significant event after the reporting period

There were no significant adjusting event that accrued subsequent to the reporting period which may require an adjustment to the balance sheet.

47 Code of Social Security

The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

48 Ratio Analysis

| Ratio | March 31, 2025 | March 31, 2024 | % Change (Sept-24- Mar-24) |
|---------------------------------|----------------|----------------|-------------------------------|
| Current ratio | 0.81 | 0.82 | -1.20% |
| Debt: Equity Ratio | (7.68) | (10.12) | -24.07% |
| Debt Service Coverage ratio | (0.04) | (0.20) | -81.27% |
| Return on Equity ratio | 0.36 | (83.25) | -100.43% |
| Inventory Turnover ratio | 1.44 | 3.50 | -58.74% |
| Trade Receivable Turnover Ratio | 1.43 | 2.11 | -32.38% |
| Trade Payable Turnover Ratio | 2.34 | 10.69 | -78.11% |
| Net Capital Turnover Ratio* | (1.78) | (2.64) | -32.46% |
| Net Profit ratio | (0.06) | (0.26) | -75.46% |
| Return on Capital Employed | (0.05) | (0.08) | -32.64% |

Note: The Company is at the stage of reviving its operations and is expanding its customer base. In order to improve the Companies operations, growth and profitability, the Company has obtained debt and incurred expenses to meet its growing demands and foreseeing the prospective scale of operations. Hence the ratios has been affected accordingly.

48.1 Formula for computation of ratios are as follows:

| Ratio | Numerator | Denominator |
|---------------------------------|--|---|
| Current ratio | Current Assets | Current Liabilities |
| Debt: Equity Ratio | Total Debt | Shareholder's Equity |
| Debt Service Coverage ratio | Earnings for debt service = Net profit after taxes + Non-cash operating expenses | Debt service = Interest & Lease Payments + Principal Repayments |
| Return on Equity ratio | Net Profit after taxes - Preference Dividend | Average Shareholder's Equity |
| Inventory Turnover ratio | Cost of goods sold | Average Inventory |
| Trade Receivable Turnover Ratio | Net credit sales = Gross credit sales - sales return | Average Trade Receivable |
| Trade Payable Turnover Ratio | Net credit purchases = Gross credit purchases - purchase return | Average Trade Payables |
| Net Capital Turnover Ratio* | Net sales = Total sales - sales return | Working capital = Current assets - Current liabilities |
| Net Profit ratio | Net Profit | Net sales = Total sales - sales return |
| Return on Capital Employed | Earnings before interest and taxes | Capital Employed = Tangible Net Worth + Total Debt - Deferred Tax Liability |

49 Other Statutory Information

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property under Benami Transactions (Prohibition) Act, 1988 (45 of 1988).
- The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- The Company does not have any charges or satisfaction yet to be registered with ROC beyond the statutory period.
- The Company do not have any transactions with Crypto Currency or Virtual Currency where the Company has traded or invested in Crypto Currency or Virtual Currency during the year.
- The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.

50 Prior year comparatives

The figures of the previous year have been regrouped/reclassified, where necessary, to conform with the current year's classification.

51 Approval of Financial Statements

The financial statements were approved for issue by the Board of Directors on 03-06-2025.

As per our report of even date

For M/s Nagar & Navada
Chartered Accountants
ICAI Firm registration number: 22018328

Sandhya P. Nagar
Partner
Membership No. 22018328

Place: Bangalore
Date: 03-06-2025



For and on behalf of the Board of Directors of
PROGNOSYS MEDICAL SYSTEMS PRIVATE LIMITED
CIN : U72900KA2003PTC032831

Prakash Ashtekar
Director
DIN: 0918830

Place: Bangalore
Date: 03-06-2025

Srinivas Narayan
Director
DIN: 13813

Place: Bangalore
Date: 03-06-2025

UBIN: 25229158BM02JN8146