Molbio Diagnostics Private Limited

Regd. Office : L-46, Phase- II-D, Verna Industrial Area, Verna,
Salcette, South Goa – PIN - 403 722 India Tel : 91 832 2783267
website : www.molbiodiagnostics.com; Email ID: suresbkini@bigtec.co.in
CIN : U33125GA2000PTC002909

Board's Report

Dear Members,

Your Directors have pleasure in presenting the Twenty Third (23rd) Annual Report, together with the Audited Statement of Accounts of **MOLBIO DIAGNOSTICS PRIVATE LIMITED** for the year ended 31st March, 2023.

1. FINANCIAL RESULTS OF THE COMPANY (Standalone):

(Amount in ₹ Million)

Sl No	Particulars	As on 31st March, 2023	As on 31st March, 2022
1	Total Revenue	**3,346.73**	7,813.43
2	Profit before tax	**228.55**	2,577.67
3	Less: a) Current tax b) Deferred tax(Liability)/Asset	**69.54** **3.55**	703.31 2.38
4	**Profit for the year**	**155.46**	**1,871.98**
5	**Earnings per Equity Share**	**69.09**	**847.48**

2. FINANCIAL RESULTS OF THE COMPANY (Consolidated):

(Amount in ₹ Million)

Sl No	Particulars	As on 31st March, 2023	As on 31st March, 2022
1	Total Revenue	3,374.11	7,815.47
2	Profit before tax	95.40	2,958.43
3	Less: a) Current tax b) Deferred tax(Liability)/Asset c) Adjustment of tax relating to earlier years	69.54 59.34 0.97	817. 48 (10.62) -
4	**Profit/(Loss) for the year**	**(34.45)**	**2,151.57**
5	**Earnings per Equity Share**	**(15.31)**	**974.05**

3. **STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK:**

Molbio Diagnostics Private Limited ("the Company") is a Private Limited Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at Plot No.L-46, Phase II-D Verna Industrial Area,Verna, Salcete South Goa GA 403722. The Company is engaged in the business of manufacturing chip based diagnostic devices, chips and reagents.

The Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and presentation requirements of Division II of Schedule III of the Companies Act, 2013 (Ind AS compliant Schedule III), as applicable.

The Standalone and Consolidated financial statements of the Company have been prepared and presented in accordance with Ind AS for the year ended March 31, 2023.

This year has been transformative, not only reinforcing our leadership in the biotechnology and diagnostics sector but also marking several landmark achievements that resonate with our commitment to improving global health.

During the year under review, the revenue of the Company has reduced from Rs. 7,813.43 million in FY 2021-22 to Rs.3,346.73 millions due to the delay in receiving the Central Government order for the MTB kits. The Company has 'however, performing better in the current financial year 2023 24.

This year, Molbio Diagnostics expanded its influence and operational capabilities significantly:

- Roll-out of Truenat: Successfully deployed in 9 countries across Africa and Southeast Asia as part of the 'Introduction of New Tools' project by USAID and Stop TB Partnership. This initiative has greatly extended our impact on global health.
- Strategic Agreements: Secured a Long-Term Agreement with the Global Fund, Stop TB Partnership, and USAID for the global procurement of Truenat for tuberculosis (TB), ensuring a continued impact and presence in critical markets.
- Production Milestones: During the year , surpassed the production of over 1,500Truenat devices in India, demonstrating our robust manufacturing capabilities. The devices installed globally so far has thus crossed more than 8,000 units.
- Global Distribution: During the year under review, distributed over 2.30 million TB test kits worldwide, making a significant contribution to the global fight against TB. The total distribution of the TB test kits worldwide till date is 15 million tests.
- Market Valuation: Attained the status of the first Medical Device manufacturing company in India to reach Unicorn status following a strategic investment by Temasek, underscoring our financial growth and investor confidence.
- WHO Prequalification (PQ) Process: Initiated the process for WHO PQ for Truenat TB, HCV, and HPV tests, aligning with international health standards and broadening our market reach.
- Research Highlights
    - Molbio continues to focus heavily on Research and development and brief highlights are as follows:

- Trueamp and Truelyse: Efforts to significantly improve multiplexing and sample processing for nucleic acid amplification testing have resulted in development of prototypes and completion of various stages of validation and evaluation. Partnerships with several national and international companies and institutions to enhance product capabilities and market reach.
- Truelyse: Address the need for a rapid, point of care CBC platform, the Truecye platform will begin external validations in the third quarter of 2024
- Oligonucleotide Synthesis: Expansion of in-house production capabilities, supporting increased research productivity and innovation in genetic analysis with an aim to backward integrate high quality oligonucleotide synthesis in manufacturing
- Collaborations: Significant partnerships include collaborations with Docturnal, ShanMukha, and Prognosys for the development and commercialization of advanced diagnostic solutions.

4. DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES

During the year under review, the details of Company's subsidiaries, joint ventures or associate companies are as follows:

Sl. No	Name of the company	Subsidiary/JV/ Associate
1	**Bigtec Private Limited** (CIN: U65192KA1996PTC020736)	Subsidiary
2	**Deciphar Life Sciences Private Limited** (CIN: U74140KA2001PTC029114)	Subsidiary
3	**Remfuel Bioenergy Private Limited** (CIN: U40102KA2008PTC048395)	Subsidiary
4	**Bigtec Healthcare Private Limited** (CIN: U85195KA2011PTC058084)	Subsidiary
5	**Prognosys Medical Systems Private Limited** (CIN: U72900KA2003PTC032831)	Subsidiary
6	**Chayagraphics (India) Private Limited** (CIN: U51507KA1996PTC021177)	Associate company

The statement containing the salient features of the Financial Statements of the Company's subsidiaries/ joint ventures/ associates is given in Form AOC – 1, forming part of the this Report as "**Annexure I**".

5. FINANCIAL RESULTS OF SUBSIDIARY COMPANIES

i. Bigtec Private Limited

(Amount in ₹ Million)

Sl No	Particulars	As on 31st March, 2023	As on 31st March, 2022
1	Total Revenue	316.88	774.49
2	Profit/(Loss) before tax	(130.87)	380.95
3	Less: a) Current tax b) Deferred Lax(Liability)/Asset c) IT Refund Adjustment	 - (18.12) 0.97	 114.17 (13.00) -
4	**Profit/(Loss) for the year**	**(113.72)**	**279.78**
5	**Earnings per Equity Share**	**(25.44)**	**62.59**

ii. Deciphar Life Sciences Private Limited

(Amount in ₹ Hundreds)

Sl No	Particulars	As on 31st March, 2023	As on 31st March, 2022
1	Total Revenue	-	-
2	Profit/(Loss) before tax	(584.00)	(874.00)
3	Less: a) Current tax b) Deferred tax(Liability)/Asset	 - -	 - -
4	**Profit/(Loss) for the year**	(584.00)	(874.00)
5	**Earnings per Equity Share**	**(0.06)**	**(0.09)**

iii. Remfuel Bioenergy Private Limited

(Amount in ₹ Hundreds)

Sl No	Particulars	As on 31st March, 2023	As on 31st March, 2022
1	Total Revenue	-	-
2	Profit/(Loss) before tax	(631.88)	(921.00)
3	Less: a) Current tax b) Deferred tax(Liability)/Asset	- -	- -
4	**Profit/(Loss) for the year**	(631.88)	(921.00)
5	**Earnings per Equity Share**	**(0.06)**	**(0.09)**

iv. Bigtec Healthcare Private Limited

(Amount in ₹ Hundreds)

Sl No	Particulars	As on 31st March, 2023	As on 31st March, 2022
1	Total Revenue	-	-
2	Profit/(Loss) before tax	(631.00)	(1,027.00)
3	Less: a) Current tax b) Deferred tax(Liability)/Asset	- -	- -
4	**Profit/(Loss) for the year**	**(631.00)**	**(1,027.00)**
5	**Earnings per Equity Share**	**(0.06)**	**(0.10)**

6. FINANCIAL RESULTS OF ASSOCIATES COMPANIES

i) Chayagraphics (India) Private Limited

(Amount in ₹ Lakhs)

Sl No	Particulars	As on 31st March, 2023	As on 31st March, 2022
1	Total Revenue	-	-
2	Profit before tax	(3.07)	(0.88)

3	Less: a) Current tax Expense for current year b) Deferred tax(Liability)/Asset	- (0.02)	- 0.01
4	**Profit/(Loss) for the year**	(3.06)	(0.89)
5	**Earnings per Equity Share**	(0.31)	(0.09)

7. DIVIDEND

No Dividend was declared for the current financial year due to the utilization of the internal accrual for business expansion.

8. TRANSFER TO RESERVES

Standalone
During the year under review, the Company has incurred a loss of Rs. 155.46 millions as against the previous year's profit of Rs. 18/1.98 millions and the same has been adjusted to Reserves and Surplus Account.

Consolidated
During the year under review, the Company has incurred a loss of Rs. 34.45 millions as against the previous year's profit of Rs. 2151.57 millions and the same has been adjusted to Reserves and Surplus Account.

9. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCTION AND PROTECTION FUND:

Since there was no unpaid/unclaimed Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

10. PARTICULARS OF EMPLOYEES:

As required by Rule 5(2) and (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, As provided below, there were employees employed during the year who were in receipt of remuneration which is more than Rs. 8,50,000/- (Rupee Fight lakhs fifty thousand only) per month or Rs. 1,02,00,000/- (Rupees One crore two lakhs only) per annum.

Sl No	Name of the Employee	Remuneration for FY 2022-23	Remuneration for FY 2020-21
1	Mr. Sriram Natarajan	1,79,66,800	1,80,00,000

11. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There is no change in the nature of business of the Company during the year.

12. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relate and the date of this report.

13. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Disclosure pursuant to Section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) of companies (accounts) Rules, 2014:

A. Conservation of Energy:
Energy conservation is a continuous programme and the company has laid emphasis on creating awareness amongst employees for optimizing operations and improving efficiency of machinery and equipment.

B. Technology Absorption: **(Amount in Rs.)**

PARTICULARS	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Expenditure incurred on Research and Development	-	24,79,069
Technology imported during last three years	-	-

C. Foreign Exchange Earnings & Outgo:

i. Expenditure in Foreign Currency **(Amount in Millions)**

PARTICULARS	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Advertising and sales promotion	63.92	31.50
Training and Installation	47.17	-
Imports	332.16	1068.88
Commission to Distributors	13.12	-
TOTAL	**456.37**	**1100.38**

ii. Earnings in Foreign Currency **(Amount in Millions)**

PARTICULARS	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Sale of products	487.10	1385.23

15. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

As a socially responsible Company, Molbio is committed to increasing its Corporate Social Responsibility (CSR) impact with an aim of playing a bigger role in sustainable development of our society. In pursuit of this objective, a Corporate Social Responsibility (CSR) Committee had been formed by the Company which oversees the activities relating to activities supporting the social and environmental causes.

The Company has in place a Corporate Social Responsibility Policy pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021. The CSR Policy of the Company is available on the website of the Company and can be accessed through the web link https://www.molbiodiagnostics.com/

The initiatives undertaken by your Company during the year have been detailed in CSR Section of the Annual Report. The Annual Report on CSR activities in accordance with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, is set out herewith as "**Annexure II**" to this Report.

16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

Loans, Guarantees or Investments covered under Section 186 of the Companies Act, 2013 forms part of the notes to the Financial Statements provided in the Annual Report.

17. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

There were contracts or arrangements entered into by the company in accordance with provisions of section 188 of the Companies Act, 2013. All material related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Further, there are no materially significant related party transactions during the year under review made by the Company with Promoters, Directors, or other designated persons which may have a potential conflict with the interest of the Company at large. Details of the transactions are given in form**"AOC-2"** which is annexed herewith as "**Annexure III**".

18. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

<table>
<tr><th>SL No</th><th>Auditors Qualifications</th><th>Company Remarks</th></tr>
<tr><td>1</td><td>The Company has given loans to Companies in which the Director is interested and which is not in compliance with section 185 of the Companies Act, 2013 and the details are tabulated below:
<table>
<tr><th>S.No.</th><th>Name of party to whom Company advanced advances in the nature of loan</th><th>Nature of non-compliance</th><th>Maximum Amount outstanding during the year</th><th>Balance as at Balance sheet date</th></tr>
<tr><td>1</td><td>Prognosys Medical Systems Private Limited</td><td>Advanced without special resolution</td><td>₹ 240.00 Million</td><td>-</td></tr>
</table></td><td>The Company has obtained necessary approvals.</td></tr>
<tr><td>2</td><td>The Company has defaulted in repayment of dues to financial institutions, banks and Government / debenture holders during the year as stated below. This matter has been disclosed in Note 15 to the financial statements:</td><td>The minor delay was on account of the glitches in the bank's auto debit</td></tr>
</table>

Nature of borrowing, including debt securities	Name of lender	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid	Remarks, if any
Vehicle Loans	HDFC Bank	₹ 0.09 Million	Principal and interest	01- 13 days	3 installments

method. As soon as the Company became aware of the non-debit, it has immediately paid the dues.

3 Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, custom duty, cess and other material statutory dues, as applicable to the Company, have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases except in case of professional tax and tax collected at source where the dues have not been regularly deposited with the appropriate authorities and there have been serious delays in few cases. According to the information and explanations given to us and based on audit procedures performed by us, undisputed dues in respect of goods and services tax, professional tax, provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Statement of Arrears of Statutory Dues Outstanding for More than Six Months

Name of the Statute	Nature of the Dues	Amount (₹.)	Period to which the amount relates	Due Date	Date of Payment	Remarks, any
Income Tax Act, 1961	Tax collected at source	₹ 0.06 Million	August 2022	September 07, 2022	July 18, 2023	-
Professional Tax Act	Professional Tax	₹ 0.02 Million	FY 2022-23	April 04, 2022	Not paid till date	-

The Company has implemented appropriate systems to ensure that no delay in statutory payment will occur.

4 The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, custom duty, excise duty, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute, are as follows:

These disputes/appeals are pending with the

Name of the Statute	Nature of the Dues	Amount of dispute (₹.)	Period to which the amount relates	Forum where it is pending
Income tax Act, 1961	Income tax	-*	FY 2017-18	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income tax	₹ 0.30 Million	FY 2020-21	Commissioner of Income Tax
CGST Act, 2017	Goods and service tax	₹ 64.83 Million	FY 2017-18 to FY 2020-21	Assistant Commissioner of CGST
Customs Act, 1962	Custom duty	₹ 0.70 Million	FY 2012-13	Commissioner of Customs (Appeals)
Customs Act, 1962	Custom duty	₹ 0.47 Million	FY 2017-18 to FY 2018-19	The Commissioner of Customs (Imports)
Central Sales Tax, 1944	Value added tax	₹ 0.45 Million	FY 2016-17	Appellate Authority

* Demand of ₹ Nil has been raised for FY 2017-18, however the brought forward loss of ₹ 77.15 has been disallowed which may impact tax liabilities for future years.

statutory authorities. The Company is hopeful of favourable decision in it's favour and as such does not forsee any liabilities.

5	(a) Though the Company is required to have an internal audit system under section 138 of the Act, it does not have the internal audit system commensurate with the size and nature of the business of the Company. (b) We were unable to obtain any of the internal audit reports of the Company, hence the internal audit reports have not been considered by us.	Internal audit has been carried out for the F.Y 2022-23. However the company is taking necessary steps to conduct the internal audit commensurate with the size and nature of the business of the company.

6	As disclosed in Note 40 to the accompanying standalone Ind AS financial statements, the Company has not transferred unspent amount to a fund specified in Schedule VII to the Act, within a period of six months from end of the financial year in compliance with second proviso to sub section (5) of section 135 of the Act as follows: Financial year: 2021-22; Amount unspent on corporate social responsibility activities for other than ongoing projects: ₹ 32.49 Million; Amount transferred to Fund specified in Schedule VII within six months end of the financial year: -; Amount transferred after due date: - Financial year: 2022-23; Amount unspent on corporate social responsibility activities for other than ongoing projects: ₹ 52.04 Million; Amount transferred to Fund specified in Schedule VII within six months end of the financial year: -; Amount transferred after due date: -	The Company has opened bank account separately and deposited the unspent amount
7	According to the information and explanation given to us, the Company has not established its internal financial control with reference to standalone Ind AS financial statements on criteria based on or considering the essential components of internal control stated in the Guidance Note issued by ICAI. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls with reference to standalone Ind AS financial statements as at March 31, 2023 and whether such internal financial controls were operating effectively. Accordingly, we do not express an opinion on Internal Financial Controls with reference to these standalone Ind AS financial statements.	Though Company is not having formal internal control mechanism as defined in ICAI guidelines, the Company is having appropriate system which ensures that required financials controls with respect to various activities are in place. The Company is in the process of putting up a robust and

		formal internal financial controls and the same shall be completed soon.

19. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company and hence the Company has not devised any policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

20. ANNUAL RETURN

As per the provisions of Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the Annual Return of the Company has been placed on the website of the Company and can be accessed through https://www.molbiodiagnostics.com/

21. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:

During the Financial Year ended 31.03.2023, 16 meetings of the Board of Directors of the Company were held.

SL No	Date of Meeting	No of directors on the Board	No. of Directors Present
1	June 17, 2022	05	04
2	August 14, 2022	05	04
3	September 07, 2022	05	05
4	September 12, 2022	05	04
5	September 15, 2022	05	02
6	September 23, 2022	05	04
7	November 07, 2022	05	05
8	December 02, 2022	05	04
9	December 10, 2022	05	04
10	December 22, 2022	05	03
11	December 27, 2022	05	02
12	December 31, 2022	05	05
13	January 12, 2023	05	05
14	January 23, 2023	05	05
15	March 23, 2023	05	05
16	March 27,2023	05	05

22. COMMITTEES OF THE BOARD

During the year under review, the Company has formed Corporate Social Responsibility (CSR) Committee.

The Corporate Social Responsibility (CSR) Committee of the Company comprises of three Directors headed by Mr. Sriram Natrajan, Mr. Chandrasekhar Bhaskaran Nair and Mr. Rohit Brihmohan Mantri as its members.

During the year under review the Corporate Social Responsibility (CSR) committee met on June 17, 2022, September 15, 2022 and 3 members attended the meeting.

23. DEPOSITS:

The Company has neither accepted nor renewed any deposits during the year under review.

24. DECLARATION OF INDEPENDENT DIRECTORS:

The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to our Company.

25. DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:-

a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
d) the directors have prepared the annual accounts on a going concern basis;
e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

26. STATEMENT IN RESPECT OF COMPLIANCE WITH SECRETARIAL STANDARD, PURSUANT TO PARAGRAPH 9 OF SECRETARIAL STANDARD ON MEETINGS OF THE BOARD OF DIRECTORS (SS-1):

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

27. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Company being a Private Limited, provisions of Section 203 of the Companies Act, 2013 relating to appointment of Key Managerial Personnel is not applicable for the Company.

A) Induction, Re-Appointment and Resignation

During the reporting period, following changes took place in the composition of the Board of Directors of the Company:

Mr. Rohit Ashok Kumar Mullangi (DIN: 02501034) was appointed as an Additional Director with effect from August 14, 2022 on the Board of the Company in terms of Section 161(1) of the Companies Act, 2013. Subsequently, at the Annual General Meeting (AGM) held on December 31, 2022, with the consent of members the designation of Mr. Rohit Ashok Kumar Mullangi has been regularized from Additional Director to Director.

During the year under review, Mr. Mulangi Krishnaswamy Ashokkumar (DIN: 08764459) has tendered his resignation from the position of directorship w.e.f July 3, 2022.

B) Composition of Directors

The Board comprised of the following Directors as on March 31, 2023:

Sr No	Name of the Directors	DIN	Designation	Date of Appointment
1	Chandrasekhar Nair	01787875	Director	01/08/2011
2	Rohit Asbok Kumar Mullangi	02501034	Director	14/08/2022
3	Sangeetha Sriram	02103165	Director	19/06/2020
4	Rohit Brijmohan Mantri	07435803	Nominee Director	22/01/2020
5	Sriram Natarajan	00013843	Director	19/03/2011

28. STATUTORY AUDITORS:

M/s S.R. Batliboi & Associates LLP, Chartered Accountants, Bangalore (FRN: 101049W/E300004) were appointed as the Statutory Auditors of the Company, who shall hold the office till the conclusion of Annual General Meeting to be held for the financial year 2025-26 at a remuneration as may be decided between the Board and the Statutory Auditors.

29. COST AUDITOR

M/s K.S. Kamalakara & Co., Cost Accountants, Bengaluru were appointed as the Cost Auditor of the Company in accordance with the requirement of Central Government and provisions of Section 148 of the Companies Act, 2013.

The Company has duly maintained Cost Records required under Section 148 (1) of the Act, in compliance with the cost auditing standards in accordance with the Companies (Cost Records and Audit) Rules, 2014.

The remuneration payable to the Cost Auditors is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a resolution seeking Members' ratification for the remuneration payable to K.S. Kamalakara & Co., forms part of the Notice of the 23rd AGM forming part of this Annual Report.

30. RISK MANAGEMENT POLICY:

The Company has in place a mechanism to identify access, monitor and mitigate various risks to the key business activities of the Company. The Company has been following the principle of risk minimization as a norm though it has not been in the written form of a policy. However, it is to be noted that the elements which threaten the Company's existence are very minimal; hence the Company does not have a written Risk Management Policy.

31. INTERNAL FINANCIAL CONTROL OVER FINANCIAL STATEMENTS (IFCFR):

Though Company is not having formal Internal control mechanism as defined in ICAI guidelines, the Company is having appropriate system which ensures that required financials controls with respect to various activities are in place. The Company is in the process of putting up a robust and formal internal financial controls and the same shall be completed soon.

32. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND NOMINATION AND REMUNERATION COMMITTEE:

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 and Rule 4 of the Companies (Appointment and Qualifications of Directors) is not applicable to the Company.

33. DISCLOSURE OF COMPOSITION OF COMMITTEE FOR PROVIDING VIGIL MECHANISM:

The establishment of vigil mechanism for directors and employees to report genuine concerns has been incorporated in company's vigil mechanism policy. The Company has designated Mr. Sriram Natarajan as ombudsperson for receiving any complaints under the policy.

34. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

In accordance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act") and Rules made thereunder, the Company has in place a policy which mandates no tolerance against any conduct amounting to sexual harassment of women at workplace.

The Company has constituted Internal Committee(s) (ICs) to redress and resolve any complaints arising under the POSH Act. Training / awareness programs are conducted throughout the year to create sensitivity towards ensuring respectable workplace.

The following is a summary of Sexual Harassment complaints received and disposed of during the year 2022-23:

No of complaints filed during the financial year	No of complaints disposed off during the financial year	No of complaints pending as on end of the financial year
Nil	Nil	Nil

35. FRAUD REPORTING

Pursuant to the provisions of section 143(12) of the Companies Act, 2013, the Statutory Auditors have not reported any incident of fraud to the Board.

36. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

During the financial year under review, no application has been made and no proceeding is pending against the Company under the Insolvency and Bankruptcy Code, 2016.

37. SHARES:

A. AUTHORISED CAPITAL

The Authorized Capital of the Company is Rs. 12,20,00,000/- (Rupees twelve crore twenty lakh only) divided into 1,19,00,000 (One crore nineteen lakh only) Equity Shares of Rs.10/- (Rupees ten only) each and 3,00,000 (Three lakh only) preference shares of Rs. 10/- (Rupees ten only) each.

B. PAID UP CAPITAL

The Paid up Capital of the Company is Rs. 2,25,36,600/- (Rupees two crore twenty five lakh tharty six thousand and six hundred only) divided into 2,25,36,60 (Twenty two lakh fifty three thousand six hundred and sixty only) Equity shares of Rs.10/- (Rupees ten only) each.

C. CHANGES IN SHARE CAPITAL, IF ANY

There is no change in the Authorised Capital. However, Paid up capital of the Company changed as per below during the year under review.

During the year ended Mareh 31, 2023, the Company has allotted 7,340 equity shares of face value ₹ 10 each at a premium of ₹ 54,485.91 each in favor of V Sciences Investments Pte. Ltd

The Company has increased its paid up share capital from INR 2,24,63,200/- (Indian Rupees two crore twenty four lakh sixty three thousand and two hundred only) divided into 22,46,320 (Twenty two lakh forty six thousand three hundred and twenty only) having Equity shares of Rs.10/- (Rupees ten only) each to INR 2,25,36,600/- (Indian Rupees two crore twenty five lakh tharty six thousand and six hundred only) divided into 22,53,660 (Twenty two lakh fifty three thousand six hundred and sixty only) Equity shares of Rs.10/- (Rupees ten only) each.

D. BUY BACK OF SECURITIES:

The Company has not bought back any of its securities during the year under review.

E. SWEAT EQUITY:

The Company has not issued any Sweat Equity Shares during the year under review.

F. BONUS SHARES:

No Bonus Shares were issued during the year under review.

G. EMPLOYEES STOCK OPTION PLAN:

The Company has not provided any Stock Option Scheme to the employees.

38. ACKNOWLEDGEMENTS:

Your Directors place on record their sincere thanks to the employees, bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

Molbio Diagnostics Private Limited

Regd. Office : L-46, Phase- II-D, Verna Industrial Area, Verna,
Salcette, South Goa – PIN - 403 722 India Tel : 91 832 2783267
website : www.molbiodiagnostics.com; Email ID: sureshkini@bigtec.co.in
CIN : U33125GA2000PTC002909

By and on behalf of the Board of Directors
For Molbio Diagnostics Private Limited

Date: December 30, 2023
Place: Goa

Sriram Natarajan
CEO & Director
DIN: 00013843
13 Sagar Society Dona Paula, Nio Dona Paula, Tiswadi Tiswadi Goa 403004

Chandrasekhar Nair
Director
DIN: 01787875
Address: 1802-A, Salarpuria Sattva Luxuria, 8th Main, Opposite Yeshwantpur Police Station, Malleswaram, Bengaluru 560003

ANNEXURE I

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries or Associate Companies or Joint ventures

(Information in respect of each subsidiary to be presented with amounts in Hundreds)

Part A Subsidiaries

1.	S. No	1	2	3	4	5
2.	Name of the subsidiary	Bigtec Private Limited	Deciphar Life Sciences Private Limited	Remfuei Bioenergy Private Limited	Bigtec Healthcare Private Limited	Prognosys Medical Systems Private Limited
3.	The date since when subsidiary was acquired	20/12/2016	20/12/2016	20/12/2016	20/12/2016	01/03/2023
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/22 to 31/03/23	01/04/22 to 31/03/23	1/04/22 to 31/03/23	01/04/22 to 31/03/23	01/04/22 to 31/03/23
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA	NA	NA	NA	NA
6.	Share capital	4,47,100.00	1000	1000	1000	2,20,562
7.	Reserves and surplus	17,33,900.00	-89423.06	-7600.83	-4336.60	7,96,034.88
8.	Total assets	65,14,400.00	898.45	199.27	500	79,73,452.93
9.	Total Liabilities	43,33,400.00	88321.35	6,800.1	3836.60	68,05,368.83
10.	Investments	-	0.00	0.00	0.00	0.00
11.	Turnover	31,61,200.00	-	-	-	28,83,135.95
12.	Profit/(Loss) before taxation	(13,08,700.00)	(584.00)	(631.88)	(631)	(13,67,245.10)
13.	Provision for taxation	(1,71,500.00)	-	-	-	(10,67,860.00)

14.	Profit/(Loss) after taxation	(11,35,200.00)	(584.00)	(631.88)	(631)	(13,99,407.83)
15.	Proposed Dividend	NIL	NIL	NIL	NIL	NIL
16.	Extent of sharehoiding (in percentage)	100	100	100	50	65.47%

Notes: The following information shall be furnished at the end of the statement

1. Names of subsidiaries which are yet to commence operations : NIL
2. Names of subsidiaries which have been liquidated or soid during the year.: NIL

Part B Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2O13 related to Associate Companies and Joint Ventures

	Name of Associates or Joint Ventures	**Chayagraphics (India) Private Limited**
1.	**Latest audited Balance Sheet Date**	**31/03/2023**
2.	**Date on which the Associate or Joint Venture was associated or acquired**	**13-02-2023**
3.	**Shares of Associate or Joint Ventures held by the company on the year end**	
	Number	415,622
	Amount of Investment in Associates or Joint Venture	6,00,00,000
	Extent of Holding (in percentage)	22.11%
4.	**Description of how there is significant influence**	The Company has control of more than 20% of the total Share Capital of the Associate Company
5.	**Reason why the associate/Joint venture Is not consolidated**	No
6.	**Net worth attributable to shareholding as per latest audited Balance Sheet**	**11,68,99,094.00**
7.	**Profit or Loss for the year**	**(3,05,543.00)**
	Considered in Consolidation	**0.00%**
	Not Considered in Consolidation	-

1. Names of associates or joint ventures which are yet to commence operations.
2. Names of associates or joint ventures which have been liquidated or sold during the year.

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified

By and on behalf of the Board of Directors
For Molbio Diagnostics Private Limited

Date: December 30, 2023
Place: Goa

Sriram Natarajan
CEO & Director
DIN: 00013843
13 Sagar Society Dona Paula, Nio Dona Paula, Tiswadi Tiswadi Goa 403004

Chandrasekhar Nair
Director
DIN: 01787875
Address: 1802-A, Salarpuria Sattva Luxuria, 8th Main, Opposite Yeshwantpur Police Station, Malleswaram, Bengaluru 560003

Annexure II

THE ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2022-23

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

The Company's CSR policy encompasses the company's philosophy towards corporate social responsibility and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large. The Company, through its CSR activities, strives to create maximum impact by leveraging its financial and human resources, networks and expertise. The CSR Policy and programs focus on the areas covered under Schedule VII of the Companies Act, 2013.

The following are the list of CSR projects or programs which Company plans to undertake pursuant to Schedule VII of the Companies Act, 2013. The list of CSR projects or programs encompassed below are part of the CSR Policy adopted by the Company:

i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
vi) Measures for the benefit of armed forces veterans, war widows and their dependents;
vii) Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
viii) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
x) Rural development projects;
xi) Providing the PCR diagnostic devices and test kits to the needy persons/organizations for conducting detection of different infectious disease;
xii) Setting up of makeshift hospital for treatment of COVID-19;
xiii) Any other measures with the approval of Board of Directors on the recommendation of CSR Committee subject to the provisions of Section 135 of Companies Act, 2013 and rules made there-under.

2. COMPOSITION OF THE CSR COMMITTEE:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Sriram Natarajan	Director	2	2
2.	Mr. Chandrasekhar Bhaskaran Nair	Director	2	2
3.	Mr. Rohit Brijmohan Mantri	Nominee Director	2	2

3. **PROVIDE THE WEB-LINK WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY.**

The details and the web-links, where such details can be accessed are given hereunder:

Details	Web-links
Composition of CSR committee	https://www.molbiodiagnostics.com/
CSR Policy	https://www.molbiodiagnostics.com/
CSR projects approved by the Board	https://www.molbiodiagnostics.com/

4. **PROVIDE THE EXECUTIVE SUMMARY ALONG WITH WEB-LINK(S) OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8, IF APPLICABLE.**

Not Applicable - as the Company does not have an average CSR obligation of INR 10 Crores or more in the three immediately preceding financial years.

5.

a. **Average net profit of the company as per sub-section (5) of section 135;**

INR Rs.2,60,20,58,954/-/- (Rupees Two Hundred Sixty Crore Twenty Lakhs Fifty Eight Thousand Ninety Hundred Fifty Four only)

b. **Two percent of average net profit of the company as per sub-section (5) of section 135;**

INR 5,20,41,179/- (Rupees five crore twenty lakhs forty one thousand one hundred and seventy nine only)

c. **Surplus arising out of the CSR Projects or programmes or activities of the previous financial years;**

NIL

d. **Amount required to be set-off for the financial year, if any.**

NIL

e. **Total CSR obligation for the financial year [(b)+(c)-(d)].**

INR 5,20,41,179/- (Rupees five crore twenty lakhs forty one thousand one hundred and seventy nine only)

6.

a. **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).**

Other than Ongoing Project : NIL

b. **Amount spent in Administrative Overheads.**

NIL

c. **Amount spent on Impact Assessment, if applicable.**

NIL

d. **Total amount spent for the Financial Year [(a)+(b)+(c)].**

NIL

e. **CSR amount spent or unspent for the Financial Year:**

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer	Name of the Fund	Amount.	Date of transfer.
NIL	Rs. 5,20,41,179/-	*29/11/2023*	*NIL*	*NIL*	*Nil*

f. **Excess amount for set-off, if any:**

Sl No	Particular	Amount (in Rs.)
(1)	(2)	(3)
	Two percent of average net profit of the company as per sub-section (5) of section 135	Rs. 5,20,41,179/-
	Total amount spent for the Financial Year	*NIL*
	Excess amount spent for the Financial Year [(ii)-(i)]	*NIL*
	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	*NIL*
	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Rs. 5,20,41,179/-

7. **Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:**

1.	2.	3.	4.	5.	6.		7.	8.
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount (in Rs)	Date of Transfer		
1	FY-1	N.A.	N.A.	N.A.	N.A.		N.A.	
2	FY-2	N.A.	N.A.	NIL	N.A		N.A.	
3	FY-3	32,488,733.00	32,488,733.00	NIL	NIL		32,488,733.00	

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:**

○ YES ● NO

If Yes, enter the number of Capital assets created/ acquired - Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

Sl No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
1)	2)	3)	4)	5)	6)		
					CSR Registration Number, if Applicable	Name	Registered Address

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135.**

The Company has had a plan for spending of identified amount however due to unavoidable circumstances, Company could not execute the plan of spend. The Company shall make appropriate arrangement to spend the CSR funds as per the decision of committee formed.

By and on behalf of the Board of Directors
For Molbio Diagnostics Private Limited

Chandrasekhar

Date: December 30, 2023
Place: Goa

Sriram Natarajan
CEO & Director
DIN: 00013843
13 Sagar Society Dona Paula, Nio Dona Paula, Tiswadi Tiswadi Goa 403004

Chandrasekhar Nair
Director
DIN: 01787875
Address: 1802-A, Salarpuria Sattva Luxuria, 8th Main, Opposite Yeshwantpur Police Station, Malleswaram, Bengaluru 560003

ANNEXURE - III

Form No. AOC-2

(Pursuant to *clause (h) of sub-section (3) of section 134 of the Act and* Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at Arm's length basis:

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	-
b)	Nature of contracts/arrangements/transaction	-
c)	Duration of the contracts/ arrangements/ transaction	-
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	-
e)	Justification for entering into such contracts or arrangements or transactions'	-
f)	Date of approval by the Board	-
g)	Amount paid as advances, if any	-
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	-

2 Details of material contracts or arrangement or transactions at arm's length basis

a. The contracts entered during the year ended March 31st, 2023, which were at arm's length basis

(a)	Name(s) of the related party and nature of relationship	Bigtec Private Limited (Wholly owned subsidiary)	Bigtec Private Limited (Wholly owned subsidiary)
(b)	Nature of contracts/arrangements/transactions	Royalty	Purchase of traded goods
(c)	Duration of the contracts /arrangements	15 years	1 year
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	31,59,59,000.00	1,60,000
(e)	Date(s) of approval by the Board	02/08/2011	General Business Operations
(f)	Amount paid as advances, if any	Nil	NIL

b. The arrangement and transactions entered during the year ended March 31st, 2023, which were at arm's length basis:

Nature of Relationship	Name of the Party
(i) Related party where control exists	
Subsidiary Companies	Bigtec Private Limited (Subsidiary) Deciphar Life Sciences Private Limited (Subsidiary) Remfuel Bioenergy Private Limited (Subsidiary) Bigtec Healthcare Private Limited (Subsidiary)

	Prognosys Medical Systems Private Limited (Subsidiary)
(ii) Other related parties with whom transactions have been taken place during the year:	
(a) Enterprise with common director	Prognosys Medical Systems Private Limited
(b) Shareholder with whom transaction exist during the year	India Business Excellence Fund III (IBEF III)
(c) Key managerial personnel	- Mr. Sriram Natarajan (Director) - Mr. Chandrasekhar Bhaskaran Nair (Director) - Mrs. Sangeetha Sriram (Director) - Mr. Rohit Brijmohan Mantri (Director) - Mr. Mulangi Krishnaswamy Ashokkumar (ceased to be director w.e.f July 03, 2022) - Mr. Rohit Ashok Kumar Mullangi (Director) (w.e.f August 14, 2022)
(d) Relatives of key managerial personnel	- Mr. Shiva Sriram - Mrs. Sarada Natarajan

(i) Transactions with the above related parties during the year:

(₹ in Million)

		For the year ended March 31, 2023	For the year ended March 31, 2022
Transactions during the year			
Interest income on loan			
Prognosys Medical Systems Private Limited	Enterprise with common director	20.25	1.10
Bigtec Private Limited	Subsidiary Company	30.93	
Finance costs			
Mr. Sriram Natarajan	Director	28.73	87.71
Mrs. Sarada Natarajan	Relative of key managerial personnel	-	1.17
India Business Excellence Fund III (IBEF III)	Shareholder with whom transaction exist during the year	-	134.08
Deposits given			
Bigtec Private Limited	Subsidiary Company	-	465.10
Expenses incurred on behalf of the Company			
Bigtec Private Limited	Subsidiary Company	1.93	3.20
Mr. Sriram Natarajan	Director	5.99	3.11
Mrs. Sangeetha Sriram	Director	-	0.02
Mr. Shiva Sriram	Relative of key managerial personnel	-	0.11
Loans taken			
Mr. Sriram Natarajan	Director	80.00	-
India Business Excellence Fund III (IBEF III)2	Shareholder with whom transaction exist during the year		-

Loans repaid Mr. Sriram Natarajan Mrs. Sarada Natarajan	 Director Relative of key managerial personnel	 447.33	 530.01 9.00
Loans given Prognosys Medical Systems Private Limited Bigtec Private Limited	 Enterprise with common director Subsidiary Company	 40.00 483.04	 200.00 -
Loans received back			
Prognosys Medical Systems Private Limited	Enterprise with common director	240.00	-
Loans adjusted against trade payables			
Bigtec Private Limited	Subsidiary Company	360.55	-
Investment in equity shares			
Prognosys Medical Systems Private Limited	Enterprise with common director	144.60	-
Investment in compulsorily convertible preference shares			
Prognosys Medical Systems Private Limited	Enterprise with common director	246.11	-
Chayagraphics (India) Private Limited	Associate company	60.00	-
Remuneration Mr. Sriram Natarajan Mrs. Sangeetha Sriram Mr. Shiva Sriram	 Director Director Relative of key managerial personnel	 18.02 2.42 3.26	 18.00 2.40 2.45
Provision for diminution in the value of investments			
Remfuel Bioenergy Private Limited	Subsidiary Company	0.10	-
Bigtec Healthcare Private Limited	Subsidiary Company	0.05	-
Change in fair valuation of 10% Optionally Convertible Secured Redeemable Debentures India Business Excellence Fund III (IBEF III)2	Shareholder with whom transaction exist during the year	-	-

(ii) Outstanding balances as at year end

(₹ in Million)

		For the year ended March 31, 2023	For the year ended March 31, 2022
Balances payable to related parties are as follows			
Long-term borrowings Mr. Sriram Natarajan	Director	-	-

India Business Excellence Fund III (IBEF III)	Shareholder with whom transaction exist during the year	-	-
Current maturities of long-term borrowings Mr. Sriram Natarajan	Director	-	-
Current borrowings Mr. Sriram Natarajan Mrs. Sarada Natarajan	Director Relative of key managerial personnel	73.89 -	441.22 -
Trade payables Bigtec Private Limited Mr. Sriram Natarajan Mr. Shiva Sriram Mrs. Sangeetha Sriram	Subsidiary Company Director Relative of key managerial personnel Director	0.00 - - -	8.03 - - -
Employee related payables Mr. Sriram Natarajan Mr. Shiva Sriram Mrs. Sangeetha Sriram	Director Relative of key managerial personnel Director	6.91 20.25 0.16	2.61 0.03 0.03
Interest accrued Mr. Sriram Natarajan Mrs. Sarada Natarajan India Business Excellence Fund III (IBEF III)	Director Relative of key managerial personnel Shareholder with whom transaction exist during the year	-	11.67 - -
Capital creditors Prognosys Medical Systems Private Limited	Enterprise with common director	-	-
Balances receivable from related parties are as follows:			
Security deposits Bigtec Private Limited	Subsidiary Company	- 	-
Trade receivables Prognosys Medical Systems Private Limited	Enterprise with common director	0.76	3.00
Loan - Current (Unsecured) Prognosys Medical Systems Private Limited Bigtec Private Limited	Enterprise with common director Subsidiary Company	- 122.49	200.00
Interest accrued on loans given Prognosys Medical Systems Private Limited Bigtec Private Limited	Enterprise with common director Subsidiary Company	19.32 30.93	1.10 -

Advances other than capital advances – (Current) Bigtec Private Limited	Subsidiary Company	31.79	-

By and on behalf of the Board of Directors
For Molbio Diagnostics Private Limited

Date: December 30, 2023
Place: Goa

Sriram Natarajan
CEO & Director
DIN: 00013843
13 Sagar Society Dona Paula, Nio Dona Paula, Tiswadi Tiswadi Goa 403004

Chandrasekhar Nair
Director
DIN: 01787875
Address: 1802-A, Salarpuria Sattva Luxuria, 8th Main, Opposite Yeshwantpur Police Station, Malleswaram, Bengaluru 560003

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

12th Floor
"UB City" Canberra Block
No. 24, Vittal Mallya Road
Bengaluru - 560 001, India
Tel : +91 80 6648 9000

INDEPENDENT AUDITOR'S REPORT

To the Members of Molbio Diagnostics Private Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Molbio Diagnostics Private Limited ("the Company"), which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including 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, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year 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 (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the standalone Ind AS 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 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Emphasis of Matter

We draw attention to Note 5 of standalone financial statements as regards the investment made by the Company in Prognosys Medical Systems Private Limited ('PMS') amounting to ₹ 390.71 Million during the current year. PMS has suffered a fraud as regards misappropriation of earnest money deposits ('EMD') of ₹ 199.00 Million made by PMS prior to the investment by the Company and is taking legal recourse to recover the same. The Company is confident of recovery of the aforesaid EMD, based on the various legal actions taken by PMS and the management of the Company and accordingly has not made any adjustments in the accompanying financial statements.

Our opinion is not modified in respect of this matter.

S.R. Batliboi & Associates LLP Bengaluru

Information Other than the standalone Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. The Directors' report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

Responsibility of Management for the standalone Ind AS 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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 statements 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 Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the standalone Ind AS 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,

S.R. Batliboi & Associates LLP Bengaluru

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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS 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 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 with reference to financial statements 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 standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure I" a statement on the matters specified in paragraphs 3 and 4 of the Order.

S.R. Batliboi & Associates LLP Bangaluru

2. 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 except that the Company does not have server physically located in India for the daily backup of the books of account and other books and papers maintained in electronic mode;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) The matter described in the Emphasis of Matter paragraph, clause (i)(a), (ii)(b), (iii), (iv), (vii)(a), (vii)(b), (ix)(a), (ix)(d), (xiv), (xx)(a) of "Annexure I" to this report and Disclaimer of Opinion paragraph of "Annexure II" to this report, in our opinion, may have an adverse effect on the functioning of the Company;

   (f) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

   (g) The observation relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above;

   (h) With respect to the adequacy of the internal financial controls with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure II" to this report;

   (i) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2023;

   (j) 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 – Refer Note 34 to the 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;

S.R. Batliboi & Associates LLP
Bengaluru

iii. There were no amounts which were 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 and as disclosed in the Note 41(vii) to the standalone Ind AS financial statements, no funds 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 and as disclosed in the Note 41(viii) to the standalone Ind AS financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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 such audit procedures performed that have 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 (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Sandeep Karnani
Partner
Membership Number: 061207
UDIN: 24061207BKBJUP4917
Place: Bengaluru
Date: December 30, 2023

S.R. Batliboi & Associates LLP
Bengaluru

Annexure II to the Independent auditor's report of even date on the standalone Ind AS financial statements of Molbio Diagnostics Private Limited

Report on the Internal Financial Controls 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 with reference to standalone Ind AS financial statements of Molbio Diagnostics Private Limited ("the Company") as of March 31, 2023, in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The company's management is responsible for establishing and maintaining internal financial controls 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("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 the 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by ICAI.

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls with reference to these standalone Ind AS financial statements of the Company.

Meaning of Internal Financial Controls With Reference to standalone Ind AS Financial Statements

A company's internal financial control with reference to standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone Ind AS financial statements 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 standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

S.R. Batliboi & Associates LLP Bangaluru

Disclaimer of Opinion

According to the information and explanation given to us, the Company has not established its internal financial control with reference to standalone Ind AS financial statements on criteria based on or considering the essential components of internal control stated in the Guidance Note issued by ICAI. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls with reference to standalone Ind AS financial statements as at March 31, 2023 and whether such internal financial controls were operating effectively. Accordingly, we do not express an opinion on Internal Financial Controls with reference to these standalone Ind AS financial statements.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by ICAI, as specified under Section 143(10) of the Act, the standalone Ind AS financial statements of Molbio Diagnostics Private Limited, which comprise the Balance Sheet as at March 31, 2023, and the related Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information, and our report dated December 30, 2023 expressed an unqualified opinion. We have considered the disclaimer of opinion reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone Ind AS financial statements of the Company, and the disclaimer does not affect our opinion on the standalone Ind AS financial statements of the Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

S.R. Batliboi & Associates LLP
Bengaluru

per Sandeep Karnani
Partner
Membership Number: 061207
UDIN: 24061207BKBJUP4917
Place: Bengaluru
Date: December 30, 2023

Annexure I referred to in clause 1 of paragraph on the 'Report on Other Legal and Regulatory Requirements' of our report of even date

Re: Molbio Diagnostics Private Limited ('the Company')

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, except that the records for property, plant and equipment are maintained for group of similar assets and not for each individual asset.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) Property, Plant and Equipment were physically verified by the management during the year in accordance with a planned programme of verifying them over a period of three years which is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets during the year ended March 31, 2023 and hence not commented upon.

(e) As disclosed in Note 41(i) to the accompanying standalone Ind AS financial statements, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them to the management as at March 31, 2023. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification and confirmation.

(b) As disclosed in Note 15 to the standalone Ind AS financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The Company does not have a process of preparing the financial statements on a quarterly basis. Accordingly, the quarterly statements filed by the Company with such banks cannot be reconciled with the audited/ reviewed books of accounts of the Company and hence we are unable to comment on the same.

(iii) (a) During the year the Company has provided loans as summarized below:

Particulars	Loans
Aggregate amount granted/ provided during the year - Subsidiary (Prognosys Medical Systems Private Limited) - Subsidiary (Bigtec Private Limited)	 ₹ 40.00 Million ₹ 483.04 Million
Balance outstanding as at balance sheet date (excluding interest accrued) in respect of above cases - Subsidiary (Prognosys Medical Systems Private Limited) - Subsidiary (Bigtec Private Limited)	 - ₹ 122.49 Million

Other than the above, the Company has not provided loans, advances in the nature of loans, stood guarantee and provided security to the companies, firms, Limited Liability Partnerships or any other parties.

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(b) During the year the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans, investments and guarantees to companies, firms, Limited Liability Partnerships or any other parties, as applicable, are not prejudicial to the Company's interest.

(c) The Company has granted loans during the year to subsidiary companies as stated in clause iii(a) above where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.

(d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

(e) The Company had granted loan of ₹ 200.00 Million to a company in the previous year, which had fallen due during the year. The Company had renewed / extended the aforesaid loan during the year to settle the dues which had fallen due for the existing loans.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company and hence not commented upon.

(iv) The Company has given loans to Companies in which the Director is interested and which is not in compliance with section 185 of the Companies Act, 2013 and the details are tabulated below:

S.No.	Name of party to whom Company advanced advances in the nature of loan	Nature of non-compliance	Maximum Amount outstanding during the year	Balance as at Balance sheet date
1	Prognosys Medical Systems Private Limited	Advanced without special resolution	₹ 240.00 Million	-

Further, according to the information and explanations given to us, provisions of sections 186 of the Companies Act, 2013 in respect of loans, investments and, guarantees, and security have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company and hence not commented upon.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act related to the manufacture of the Company's products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, custom duty, cess and other material statutory dues, as applicable to the Company, have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases except in case of professional tax and tax collected at source where the dues have not been regularly deposited with the appropriate authorities and there have been serious delays in few cases. According to the information and explanations given to us and based on audit procedures performed by us, undisputed dues in respect of goods and services tax, professional tax, provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

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Statement of Arrears of Statutory Dues Outstanding for More than Six Months

Name of the Statute	Nature of the Dues	Amount (₹.)	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
Income Tax Act, 1961	Tax collected at source	₹ 0.06 Million	August 2022	September 07, 2022	July 18, 2023	-
Professional Tax Act	Professional Tax	₹ 0.02 Million	FY 2022-23	April 04, 2022	Not paid till date	-

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, custom duty, excise duty, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute, are as follows:

Name of the Statute	**Nature of the Dues**	**Amount of dispute (₹.)**	**Period to which the amount relates**	**Forum where it is pending**
Income tax Act, 1961	Income tax	-*	FY 2017-18	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income tax	₹ 0.30 Million	FY 2020-21	Commissioner of Income Tax
CGST Act, 2017	Goods and service tax	₹ 64.83 Million	FY 2017-18 to FY 2020-21	Assistant Commissioner of CGST
Customs Act, 1962	Custom duty	₹ 0.70 Million	FY 2012-13	Commissioner of Customs (Appeals)
Customs Act, 1962	Custom duty	₹ 0.47 Million	FY 2017-18 to FY 2018-19	The Commissioner of Customs (Imports)
Central Sales Tax, 1944	Value added tax	₹ 0.45 Million	FY 2016-17	Appellate Authority

* Demand of ₹ Nil has been raised for FY 2017-18, however the brought forward loss of ₹ 77.15 has been disallowed which may impact tax liabilities for future years.

(viii) As disclosed in Note 41(v) to the accompanying standalone Ind AS financial statements, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company and hence not commented upon.

(ix) (a) The Company has defaulted in repayment of dues to financial institutions, banks and Government / debenture holders during the year as stated below. This matter has been disclosed in Note 15 to the financial statements:

Nature of borrowing, including debt securities	Name of lender	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid	Remarks, if any
Vehicle Loans	HDFC Bank	₹ 0.09 Million	Principal and interest	01-13 days	3 installments

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(b) As disclosed in Note 41 (vi) to the accompanying standalone Ind AS financial statements, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans obtained during the year were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the accompanying standalone Ind AS financial statements of the Company, the Company has used funds raised on short-term basis in the form of cash credit facility from banks aggregating to ₹ 219.03 Million for long-term purposes towards acquisition of property plant and equipment, repayment of loans and making investments.

(e) On an overall examination of the accompanying standalone Ind AS financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates. Further the Company does not have any joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company. Further the Company does not have any joint ventures.

(x) (a) The Company has not raised any money during the year by way of initial public offer/ further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has complied with provisions of sections 42 and 62 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares during the year. The funds raised, have been used for the purposes for which the funds were raised. Further, according to the information and explanations given to us and on overall examination of the balance sheet, the Company has not made any preferential allotment / private placement of fully or partially or optionally convertible debentures during the year.

(xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by auditors, as applicable in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management of the Company, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(a) to 3(xii)(c) of the Order is not applicable to the Company and hence not commented upon.

(xiii) Transactions with the related parties are in compliance with section 188 of the Act where applicable and the details have been disclosed in the notes to the accompanying standalone Ind AS financial statements, as required by the applicable accounting standards. The provisions of section 177 of the Act are not applicable to the Company and accordingly the reporting under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.

(xiv) (a) Though the Company is required to have an internal audit system under section 138 of the Act, it does not have the internal audit system commensurate with the size and nature of the business of the Company.

(b) We were unable to obtain any of the internal audit reports of the Company, hence the internal audit reports have not been considered by us.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with the directors as referred to in section 192 of the Act and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company and hence not commented upon.

S.R. Batliboi & Associates LLP Bengaluru

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company and hence not commented upon.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company and hence not commented upon.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company and hence not commented upon.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company and hence not commented upon.

(xvii) The Company has not incurred cash losses in the current financial year or in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company and hence not commented upon.

(xix) On the basis of the financial ratios disclosed in Note 39 to the accompanying standalone Ind AS financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not 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. We, further, state that this is not an assurance as to the future viability of the Company and state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) As disclosed in Note 40 to the accompanying standalone Ind AS financial statements, the Company has not transferred unspent amount to a fund specified in Schedule VII to the Act, within a period of six months from end of the financial year in compliance with second proviso to sub section (5) of section 135 of the Act as follows:

Financial year	Amount unspent on corporate social responsibility activities for other than ongoing projects	Amount transferred to Fund specified in Schedule VII within six months end of the financial year	Amount transferred after due date
2021-22	₹ 32.49 Million	-	-
2022-23	₹ 52.04 Million	-	-

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of the Act.

For S.R. Batliboi & Associates LLP
ICAI firm registration number: 101049W/E300004
Chartered Accountants

per Sandeep Kamani
Partner
Membership Number: 061207
UDIN: 24061207BKBJUP4917
Place: Bengaluru
Date: December 30, 2023

S.R. Batliboi & Associates LLP Bengaluru

Molbio Diagnostics Private Limited
Corporate Identity Number (CIN): U33125GA2000PTC002909
Standalone Ind AS Balance Sheet as at March 31, 2023

(₹ in Million)

	Notes	March 31, 2023	March 31, 2022
I Assets			
(1) Non-current assets			
(a) Property, plant and equipment	3	1,745.63	1,818.01
(b) Intangible assets	4	23.49	2.64
(c) Right-of-use assets	33	123.97	129.64
(d) Capital work-in-progress	3	-	-
(e) Financial assets			
(i) Investments	5	537.94	87.38
(ii) Other financial assets	6	274.75	249.04
(f) Deferred tax assets (net)	29	61.82	65.86
(g) Non-current tax assets (net)	8	289.81	31.48
(h) Other non-current assets	12	30.37	41.20
		3,087.78	**2,425.25**
(2) Current assets			
(a) Inventories	10	3,277.52	2,957.61
(b) Financial assets			
(i) Trade receivables	9	1,733.11	2,405.95
(ii) Cash and cash equivalents	11	43.14	60.07
(iii) Bank balances other than (ii) above	11	2.64	3.87
(iv) Loans	7	122.49	200.00
(v) Other financial assets	6	161.09	109.60
(c) Other current assets	12	767.59	579.44
		6,107.58	**6,316.54**
Total assets (1+2)		**9,195.36**	**8,741.79**
II Equity and liabilities			
(1) Equity			
(a) Equity share capital	13	22.54	22.46
(b) Other equity	14	7,367.20	6,810.36
Total equity		**7,389.74**	**6,832.82**
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	9.85	13.07
(ii) Lease liabilities	33	18.96	23.41
(b) Net employee defined benefit liabilities	16	1.78	3.72
		30.59	**40.20**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	530.71	1,040.85
(ii) Lease liabilities	33	9.45	6.77
(iii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	20	49.84	46.04
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises.	20	695.87	427.64
(iv) Other financial liabilities	18	106.76	118.10
(b) Net employee defined benefit liabilities	16	3.50	2.50
(c) Provisions	17	91.64	43.01
(d) Other current liabilities	19	287.26	183.86
		1,775.03	**1,868.77**
Total liabilities (2+3)		**1,805.62**	**1,908.97**
Total equity and liabilities (1+2+3)		**9,195.36**	**8,741.79**
Summary of significant accounting policies	2.4		

The accompanying notes are an integral part of the Standalone Ind AS Financial Statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI firm registration number: 101049W/ E300004

per Sandeep Kalnani
Partner
Membership No: 061207
Place: Bengaluru
Date: December 30, 2023

S.R. Batliboi & Associates LLP Bengaluru

For and on behalf of the Board of Directors of
Molbio Diagnostics Private Limited

Chandrasekhar Bhaskaran Nair
Director
DIN: 01787875
Place: Bengaluru
Date: December 30, 2023

Sriram Natarajan
Director
DIN: 00013843
Place: Goa
Date: December 30, 2023

Suhas Advant
Chief Financial Officer
Place: Bengaluru
Date: December 30, 2023

MOLBIO DIAGNOSTICS (P) LTD.

Molbio Diagnostics Private Limited
Corporate Identity Number (CIN): U33125GA2000PTC002909
Standalone Ind AS Statement of Profit and Loss for the year ended March 31, 2023

(₹ in Million)

		Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
I	**Income**			
	Revenue from operations	21	3,265.72	7,762.30
	Other income	22	81.01	51.13
	Total income		**3,346.73**	**7,813.43**
II	**Expenses**			
	Cost of raw material and components consumed	23	1,771.96	3,072.34
	Changes in inventories	24	(427.71)	(399.69)
	Purchase of traded goods		7.16	15.89
	Employee benefit expenses	25	340.12	288.05
	Depreciation and amortisation expenses (refer note 3 with respect to change in estimate)	26	193.88	417.54
	Finance costs	27	59.44	248.59
	Other expenses	28	1,173.33	1,593.04
	Total expenses		**3,118.18**	**5,235.76**
III	**Profit before tax (I - II)**		**228.55**	**2,577.67**
IV	**Tax expenses**			
	(a) Current tax	29	69.54	703.31
	(b) Deferred tax charge / (credit)	29	3.55	2.38
	Total tax expenses		**73.09**	**705.69**
V	**Profit for the year (III - IV)**		**155.46**	**1,871.98**
VI	**Other comprehensive income**			
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
	(i) Re-measurement (losses) / gains on defined benefit plan		1.94	(1.70)
	Income tax effect on above		(0.49)	0.43
	Total other comprehensive (loss) / income for the year (net of tax)		**1.45**	**(1.27)**
VII	**Total comprehensive (loss) / income for the year (net of tax) (V + VI)**		**156.91**	**1,870.71**
VIII	**Earnings per equity share (EPS)** (face value - ₹ 10 each)			
	Basic (₹)	30	69.09	847.48
	Diluted (₹)	30	69.05	847.27
	Summary of significant accounting policies	2.4		

The accompanying notes are an integral part of the Standalone Ind AS Financial Statements

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI firm registration number: 101049W/ E300004

per Sandeep Karnani
Partner
Membership No: 061207
Place: Bengaluru
Date: December 30, 2023

S.R. Batliboi & Associates LLP Bengaluru

For and on behalf of the Board of Directors of
Molbio Diagnostics Private Limited

Chandrasekhar Bhaskaran Nair
Director
DIN: 01787875
Place: Bengaluru
Date: December 30, 2023

Sriram Natarajan
Director
DIN: 00013843
Place: Goa
Date: December 30, 2023

Suhas Advant
Chief Financial Officer
Place: Bengaluru
Date: December 30, 2023

MOLBIO DIAGNOSTICS (P) LTD.

Molbio Diagnostics Private Limited
Corporate Identity Number (CIN): U33125GA2000PTC002909
Standalone Ind AS Statement of Cashflows for the year ended March 31, 2023

	For the year ended March 31, 2023	For the year ended March 31, 2022
A. Cash flow from / (used in) operating activities		
Profit before tax	**228.55**	**2,577.67**
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expenses	193.88	417.54
Provision for doubtful trade receivables and advances (including bad debts written off)	2.06	10.48
Provision for diminution in investments (refer note 35)	0.15	-
Net gain on termination / expiry of lease contracts	-	(1.49)
Provision / liabilities no longer required, written back	-	(1.46)
Net foreign exchange differences	7.37	3.59
Loss / (Gain) on disposal / discard of property, plant and equipment	(0.07)	-
Interest income	(65.09)	(11.39)
Finance costs	57.19	245.76
	424.04	**3,240.70**
Operating profit before working capital changes		
Working capital adjustments :		
(Increase) / decrease in inventories	(319.91)	(307.20)
Decrease / (increase) in trade receivables	669.88	(301.66)
(Increase) / decrease in non-current and current other financial and other assets	(192.41)	277.19
Increase / (decrease) in trade payables, non-current and current other financial, other liabilities and provisions	425.23	(1,203.71)
Cash generated from operations	**1,006.83**	**1,705.32**
Direct taxes paid (net of refund)	(327.87)	(727.50)
Net cash flow from operating activities (A)	**678.96**	**977.82**
B. Cash flow (used in) / from investing activities		
Purchase of property, plant and equipment (including capital work-in- progress and capital advances) and Intangible assets	(129.37)	(630.31)
Proceeds from sale of property, plant and equipment	0.25	-
Interest income received	15.05	10.23
Investment in bank deposits (net)	(22.82)	(47.09)
Loans to related parties	(523.04)	(200.00)
Loan repaid/adjusted against payables by the related parties	600.55	-
Investment in equity instruments of subsidiary	(144.60)	-
Investment in compulsorily convertible preference shares of subsidiary and associate	(306.11)	
Net cash used in investing activities (B)	**(510.09)**	**(867.17)**
C. Cash flow (used in) / from financing activities		
Proceeds from issue of equity shares (net of refund of surplus consideration)	400.01	63.27
Payment of principal portion of lease liabilities	(8.81)	(27.75)
Payment of interest portion of lease liabilities	(2.80)	(4.28)
Proceeds from long-term borrowings	14.56	2.19
Repayment of long-term borrowings	(15.25)	(543.50)
Proceeds / (repayment) from short-term borrowings (net)	(512.67)	576.00
Finance costs paid	(60.84)	(265.98)
Net cash used in financing activities (C)	**(185.80)**	**(200.05)**
Net increase in cash and cash equivalents (A+B+C)	(16.93)	(89.40)
Cash and cash equivalents at the beginning of the year	60.07	149.47
Cash and cash equivalents at the end of the year	**43.14**	**60.07**
Components of cash and cash equivalents		
Balances with banks		
- On current accounts	42.92	59.95
Cash on hand	0.22	0.12
Total cash and cash equivalents (refer note 11.1)	**43.14**	**60.07**
Non-cash investing activities		
Acquisition of right-of-use assets (refer note 33)	7.19	26.01

S.R. Batliboi & Associates LLP Bengaluru

MOLBIO DIAGNOSTICS (P) LTD.

Molbio Diagnostics Private Limited
Corporate Identity Number (CIN): U33125GA2000PTC002909
Standalone Ind AS Statement of Cashflows for the year ended March 31, 2023

Explanatory notes to statements of cash flows

(₹ in Million)

	Borrowings (refer note 15)	Lease liabilities (including current portion of lease liabilities) (refer note 33)
As at April 01, 2022	**1,053.92**	**30.18**
Cash flow changes		
Proceeds from long-term borrowings	14.56	-
Repayment of long-term borrowings	(15.25)	-
Proceeds / (repayment) from short-term borrowings (net)	(512.67)	-
Payment of principal and interest portion of lease liabilities	-	(11.61)
Non-cash changes		
Accretion of interest on lease liabilities (refer note 33)	-	2.80
Additions to lease liabilities	-	7.04
As at March 31, 2023	**540.56**	**28.41**
As at April 01, 2021	**2,567.98**	**44.22**
Cash flow changes		
Proceeds from long-term borrowings	2.19	-
Repayment of long-term borrowings	(543.50)	-
Proceeds / (repayment) from short-term borrowings (net)	576.00	-
Payment of principal and interest portion of lease liabilities	-	(32.03)
Non-cash changes		
Accretion of interest on lease liabilities (refer note 33)	-	4.28
Conversion of 10% Optionally Convertible Secured Redeemable Debentures into equity shares	(1,548.75)	-
Additions to lease liabilities	-	25.39
Derecognition of lease liabilities (refer note 33)	-	(11.68)
As at March 31, 2022	**1,053.92**	**30.18**

Summary of significant accounting policies 2.4

The accompanying notes are an integral part of the Standalone Ind AS Financial Statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI firm registration number: 101049W/ E300004

per Sandeep Karnani
Partner
Membership No: 061207
Place: Bengaluru
Date: December 30, 2023

S.R. Batliboi & Associates LLP Bengaluru

For and on behalf of the Board of Directors of
Molbio Diagnostics Private Limited

Chandrasekhar Bhaskaran Nair
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Place: Goa
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Suhas Advant
Chief Financial Officer
Place: Bengaluru
Date: December 30, 2023

MOLBIO DIAGNOSTICS (P) LTD.

Molbio Diagnostics Private Limited
Corporate Identity Number (CIN): U33125GA2000PTC002909
Standalone Ind AS Statement of Changes in Equity for the year ended March 31, 2023

A. Equity share capital*

	Number (in Million)	₹ in Million
For the year ended March 31, 2022		
Equity shares of ₹ 10 each issued, subscribed and fully paid		
At April 01, 2021	**2.02**	**20.22**
Issue of equity shares pursuance to conversion of 10% Optionally Convertible Secured Redeemable Debentures ('OCDs') and to meet minimum shareholding commitment for Investors (refer note 15)	0.22	2.24
At March 31, 2022	**2.24**	**22.46**
For the year ended March 31, 2023		
Equity shares of ₹ 10 each issued, subscribed and fully paid		
At April 01, 2022	**2.24**	**22.46**
Issuance of share capital (refer note 13(f))	0.01	0.08
At March 31, 2023	**2.25**	**22.54**

*Also refer note 13

B. Other equity**

(₹ in Million)

Particulars	Amount attributable to shareholders					Total other equity
	Reserves and surplus				Money received against share warrants	
	Retained earnings	Amalgamation reserve	Securities premium	Other reserves		
Balance as at April 01, 2021	**3,145.87**	**92.78**	**87.72**	-	**3.50**	**3,329.87**
Profit for the year	1,871.98	-	-	-	-	1,871.98
	(1.27)	-	-	-	-	(1.27)
Total comprehensive income	**1,870.71**	-	-	-	-	**1,870.71**
Amount transferred on account of conversion of OCDs (refer note 15)	-	-	-	148.75	-	148.75
Issue of equity shares pursuance to conversion of OCDs and to meet minimum shareholding commitment for Investors (refer note 15)	-	-	1,461.03	-	-	1,461.03
Balance as at March 31, 2022	**5,016.58**	**92.78**	**1,548.75**	**148.75**	**3.50**	**6,810.36**
Balance as at April 01, 2022	**5,016.58**	**92.78**	**1,548.75**	**148.75**	**3.50**	**6,810.36**
Profit for the year	155.46	-	-	-	-	155.46
Other comprehensive (loss) / income for the year (net of taxes)***	1.45	-	-	-	-	1.45
Total comprehensive income	**156.91**	-	-	-	-	**156.91**
Issue of equity shares (refer note 13(f))	-	-	399.93	-	-	399.93
Balance as at March 31, 2023	**5,173.49**	**92.78**	**1,948.68**	**148.75**	**3.50**	**7,367.20**

**Also refer note 14
***As required under Ind AS compliant Schedule III, the Company has recognised remeasurement gains / (losses) of defined benefit plans as part of retained earnings.

Summary of significant accounting policies 2.4

The accompanying notes are an integral part of the Standalone Ind AS Financial Statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI firm registration number: 101049W/E300004

per Sandeep Kumani
Partner
Membership No: 061207
Place: Bengaluru
Date: December 30, 2023

For and on behalf of the Board of Directors of
Molbio Diagnostics Private Limited

Chandrasekhar Bhaskaran Nair
Director
DIN: 01787875
Place: Bengaluru
Date: December 30, 2023

Sriram Natarajan
Director
DIN: 00013843
Place: Goa
Date: December 30, 2023

Suhas Advant
Chief Financial Officer

Place: Bengaluru
Date: December 30, 2023

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1. Corporate Information

Molbio Diagnostics Private Limited ('the Company') is a private company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at Plot No.L-46, Phase II-D Verna Industrial Area,Verna, Salcete South Goa, Goa – 403722. The Company is engaged in the business of manufacturing chip based diagnostic devices, chips and reagents.

The Standalone Ind AS Financial Statements were approved by the Board of Directors and authorised for issue in accordance with a resolution of the directors on December 30, 2023.

2. Significant accounting policies

The significant accounting policies applied by the Company in the preparation of its Standalone Ind AS Financial Statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

2.1. Basis of preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable. The standalone financial statements of the Company, have been prepared and presented in accordance with Ind AS.

The Standalone Ind AS Financial Statements have been prepared by the Company as a going concern on the basis of relevant Ind AS that are effective as at March 31, 2023.

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

The functional and presentation currency of the Company is Indian Rupee ('₹') which is the currency of the primary economic environment in which the Company operates. All values are rounded to the nearest million with two decimals ('₹ ,000,000.00), except when otherwise indicated.

2.2 Change in accounting policies and disclosures:

Impact of implementation of new standards/amendments:

(i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

The amendments to Ind AS 37 specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs for example direct labour and materials and an allocation of other costs directly related to contract activities for example an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments had no impact on the Standalone Ind AS Financial Statements of the Company.

(ii) Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately.

It has also been clarified that the existing guidance in Ind AS 103 for contingent assets would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards.

These amendments had no impact on the Standalone Ind AS Financial Statements of the Company.

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MOLBIO DIAGNOSTICS (P) LTD.

(iii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

These amendments had no impact on the Standalone Ind AS Financial Statements of the Company.

(iv) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

These amendments had no impact on the Standalone Ind AS Financial Statements of the Company.

2.3 Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2023 dated March 31, 2023 to amend the following Ind AS which are effective from April 01, 2023.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the Company's Standalone Ind AS Financial Statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1 April 2023. Consequential amendments have been made in Ind AS 107.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.

The amendments are not expected to have a material impact on the Company's Standalone Ind AS Financial Statements.

2.4 Summary of significant accounting policies:

a. Current versus non-current classification

The Company presents assets and liabilities in the Standalone Ind AS Balance Sheet based on current/ non-current classification. An asset is treated as current when it is:

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

S.R. Batliboi & Associates LLP Bangaluru

MOLBIO DIAGNOSTICS (P) LTD.

All other assets are classified as non-current.

A liability is current when:

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

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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.

b. Fair value measurement

The Company measures financial instruments at fair value at each Balance sheet date.
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.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

All assets and liabilities for which fair value is measured or disclosed in the Standalone Ind AS Financial Statements are categorised within the fair value 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

For assets and liabilities that are recognised in the Standalone Ind AS Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy (refer note 37)
- Financial instruments (including those carried at amortised cost)

c. Revenue recognition

Revenue from operations is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

S.R. Batliboi & Associates LLP Bengaluru

MOLBIO DIAGNOSTICS (P) LTD.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

The specific recognition criteria described below must be met before revenue is recognised:

Revenue from contracts with customers

(i) Revenue from sale of goods:

Revenues are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

(ii) Other operating revenue:

Revenues from maintenance contracts are recognised pro-rata over the period of the contract as and when services are rendered.

Other income

(i) Interest Income

For all financial instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

(ii) Export benefits

Export incentives receivable are accrued for, when the right to receive the credit is established and there is no significant uncertainty regarding the realisability of the incentive

Contract balances

(i) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognised as and when the performance obligation is satisfied.

Contract assets are subject to impairment assessment. Refer to accounting policies of financial assets in section (i) Financial assets - Impairment of financial assets and section (l) Financial instruments below.

(ii) Trade receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (i) Financial assets - Impairment of financial assets and section (l) Financial instruments below.

(iii) Contract liabilities

A contract liability is recognised if a payment is received, or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

d. Taxes on income

Current income tax

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Standalone Ind AS statement of Profit and Loss because it

S.R. Batliboi & Associates LLP Bengaluru

MOLBIO DIAGNOSTICS (P) LTD.

excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The Company's liability for current tax is calculated using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income ('OCI') 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 considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the Standalone Ind AS Financial Statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, 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 utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet 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 utilized. 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 realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet 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.

e. Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate assets are derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

During the year ended March 31, 2023, the management of the Company performed an operational review of its property, plant and equipment and intangible assets which resulted in changes in expected usage of assets. Considering the trend of scale of operations the Company, the management expects to derive future economic benefits from its property, plant and equipment and intangible assets evenly throughout the useful lives of the assets. Based on above assessment, the depreciation method is changed from written down value method to straight line method.

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Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Sl. No.	Block	Useful lives estimated by the management (in years)
1	Building – factory on leasehold land	30
2	Plant and machinery	5-15
3	Furnitures and fixtures	10
4	Office equipments	5
5	Electrical installations & fittings	10
6	Computer equipments	3
7	Vehicles	8

Leasehold improvements are depreciated over the period of lease or estimated useful life, whichever is lower, on straight-line basis.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

f. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Based on the assessment performed as mentioned in note (e) above, the depreciation method is changed from written down value method to straight line method

Computer software is amortised over the useful life of 3 years on straight-line basis.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period with the effect of any change in the estimate being accounted for on a prospective basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is derecognised.

g. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

h. Leases

The Company has lease contracts for office spaces. The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies stated under 'Impairment of non-financial assets'.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

i. Impairment of non-financial assets

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE and intangible assets determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. Intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

(i) in the case of an individual asset, at the higher of the fair value less costs of disposal and the value in use; and

(ii) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net fair value less costs of disposal and the value in use.

The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset.

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the statement of profit and loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

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In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the Company operates, or for the market in which the asset is used.

Impairment losses are recognised in the statement of profit and loss.

When an impairment loss subsequently reversed, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

j. Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the Standalone Ind AS Financial Statements.

Provisions and contingent liability are reviewed at each balance sheet.

Warranty provisions

The Company provides warranties for its products, systems and services, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision represents the amount of the expected cost based on technical evaluation and past experience of meeting such obligations. It is expected that this expenditure will be incurred over the contractual warranty period.

k. Retirement and other employee benefits

Retirement benefit in the form of provident fund and pension fund are defined contribution scheme. The Company has no obligation, other than the contribution payable. The Company recognises contribution payable to provident fund and pension fund as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company recognises expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the Standalone Ind AS Balance Sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.
The Company presents the leave as a current liability in the Standalone Ind AS Balance Sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method using actuarial valuation to be carried out at each balance sheet date.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Standalone Ind AS Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:
a) The date of the plan amendment or curtailment, and
b) The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:
a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
b) Net interest expense or income.

I. Financial instruments

Initial recognition and measurement of financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through profit or loss and fair value through other comprehensive income. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price as disclosed under Revenue recognition policy.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

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Subsequent measurement of financial instruments

For purposes of subsequent measurement:

a. Financial assets are classified in below categories:
   - Financial assets at amortised cost
   - Financial assets at fair value through other comprehensive income – Debt instruments
   - Financial assets at fair value through other comprehensive income – Equity instruments
   - Financial assets at fair value through profit or loss (FVTPL)

b. Financial liabilities are classified in two categories:
   - Financial liabilities at fair value through profit or loss
   - Financial liabilities at amortised cost (loans and borrowings)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

Financial assets

a. Financial assets at amortised cost

Financial assets are measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets 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.

b. Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and to sell these 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 asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

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.

c. Equity investments

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company elected to classify irrevocably its equity investments in the entities other than subsidiaries.

Equity investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

Investment in preference shares of the subsidiary and associate companies are treated as equity instruments if the same are convertible into equity shares or are redeemable out of the proceeds of equity instruments issued for the purpose of redemption of such investments. Investment in preference shares not meeting the aforesaid conditions are classified as debt instruments at FVTPL.

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d. Impairment of financial assets

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 on the financial instruments has significantly increased since initial recognition.

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

e. De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of de-recognition and the consideration received is recognised in statement of profit or loss.

Financial liabilities and equity instruments

a. Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

b. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

c. Financial Liabilities at amortised cost

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

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.

d. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. This include 10% Optionally Convertible Secured Redeemable Debentures (OCDs) shares for which gain or loss is routed through profit or loss. For more details on OCDs, refer to Note 15.

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e. De-recognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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 de-recognition 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 and loss.

Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Standalone Ind AS Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

m. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Provisions are made towards slow-moving and obsolete items based on historical experience of utilisation on a product category basis, which consideration of product lines and market conditions.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

n. Segment reporting

Operating segments are identified as those components of the Company (a) that engage in business activities to earn revenues and incur expenses (including transactions with any of the Company's other components); (b) 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 (c) for which discrete financial information is available. The accounting policies consistently used in the preparation of Standalone Ind AS Financial Statements are also applied to record revenue and expenditure in individual segments. The Company is engaged in the business of manufacturing chip based diagnostic devices, chips and reagents. Accordingly, the Company's activities and business is reviewed regularly by the chief operating decision maker from an overall business perspective, rather than reviewing its products/services as individual standalone components and therefore subject to the same risk and reward and accordingly falls within single business segment.

o. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management.

p. Foreign currencies

The Standalone Ind AS Financial Statements are presented in INR, which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded at functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

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Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Exchange differences arising on the retranslation or settlement of other monetary items are included in the statement of profit and loss for the period.

q. Corporate social responsibility ('CSR') expenditure

The Company charges its CSR expenditure during the year to the statement of profit and loss. Refer note 40 for details.

r. Earnings per share

The Company presents basic and diluted Earnings per share for its ordinary shares. Basic earnings per share are 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 period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or 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 potential dilutive equity shares.

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3 Property, plant and equipment and capital work-in-progress

(₹ in Million)

Particulars	Property, plant and equipment								Capital work-in-progress
	Building - factory on leasehold land	Plant and machinery	Furnitures and fixtures	Office equipments	Electrical installations & fittings	Computer equipments	Vehicles	Total	
Gross Block (At cost / deemed cost)									
At April 01, 2021	196.06	357.27	30.29	3.93	8.86	5.03	56.65	658.09	1,002.14
Additions	395.57	1,151.34	38.08	3.07	75.72	8.71	2.90	1,675.39	673.25
Disposals / discard	-	(0.04)	-	(0.01)	-	-	-	(0.05)	-
Transfer to Property, plant and equipment	-	-	-	-	-	-	-	-	(1,675.39)
At March 31, 2022	591.63	1,508.57	68.37	6.99	84.58	13.74	59.55	2,333.43	-
Additions	2.14	72.71	5.45	-	3.97	4.82	15.06	104.15	104.15
Disposals / discard	-	-	-	-	-	-	(0.49)	(0.49)	-
Transfer to Property, plant and equipment	-	-	-	-	-	-	-	-	(104.15)
At March 31, 2023	593.77	1,581.28	73.82	6.99	88.55	18.56	74.12	2,437.09	-
Accumulated depreciation									
At April 01, 2021	18.49	80.23	4.23	2.07	1.70	1.45	4.55	112.72	-
Charge for the year	44.81	302.89	13.92	1.92	15.94	6.42	16.85	402.75	-
Disposals / discard	-	(0.04)	-	(0.01)	-	-	-	(0.05)	-
At March 31, 2022	63.30	383.08	18.15	3.98	17.64	7.87	21.40	515.42	-
Charge for the year[2]	18.57	133.50	6.05	0.89	7.35	3.87	6.12	176.35	-
Disposals / discard	-	-	-	-	-	-	(0.31)	(0.31)	-
At March 31, 2023	81.87	516.58	24.20	4.87	24.99	11.74	27.21	691.46	-
Net Block									
At March 31, 2022	528.33	1,125.49	50.22	3.01	66.94	5.87	38.15	1,818.01	-
At March 31, 2023	511.90	1,064.70	49.62	2.12	63.56	6.82	46.91	1,745.63	-

(1) On transition to Ind AS (i.e. April 01, 2020), 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.

(2) During the year ended March 31, 2023, the management of the Company performed an operational review of its property, plant and equipment and intangible assets which resulted in changes in expected usage of assets. Considering the trend of scale of operations of the Company, the management expects to derive future economic benefits from its property, plant and equipment and intangible assets evenly throughout the useful lives of the assets. Based on above assessment, the depreciation method is changed from written down value method to straight line method. The effect of this change on actual and expected depreciation expense, in current and future years, is as follows:

Particulars	For the year ended March 31, 2023	For the year ending March 31, 2024	For the year ending March 31, 2025
Decrease in depreciation expense:			
- Property, plant and equipment	245.89	146.70	65.28
- Intangible assets	3.28	8.56	1.07

(3) Refer note 15 for the charge / hypothecation created on the property, plant and equipment against borrowing facilities availed by the Company.

(4) There are no Capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2023 and March 31, 2022.

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MOLBIO DIAGNOSTICS (P) LTD.

4 Intangible assets

(₹ in Million)

Particulars	Computer software
Gross Block (At cost / deemed cost)	
At April 01, 2021	**3.63**
Additions	2.35
Disposals / discard / other adjustment	-
At March 31, 2022	**5.98**
Additions	25.52
Disposals / discard / other adjustment	(2.89)
At March 31, 2023	**28.61**
Accumulated amortisation	
At April 01, 2021	**0.89**
Charge for the year	2.45
Disposals / discard / other adjustment	-
At March 31, 2022	**3.34**
Charge for the year	4.67
Disposals / discard / other adjustment	(2.89)
At March 31, 2023	**5.12**
Net Block	
At March 31, 2022	**2.64**
At March 31, 2023	**23.49**

1. On transition to Ind AS (i.e. April 01, 2020), the Company has elected to continue with the carrying value of all Intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of Intangible assets.

2. Also refer note 3(2).

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MOLBIO DIAGNOSTICS (P) LTD.

5 Non-current investments

(₹ in Million)

	March 31, 2023	March 31, 2022
Investments (Unquoted) (measured at cost)		
A) In equity shares of subsidiaries:		
Deciphar Life Sciences Private Limited - 10,000 (March 31, 2022: 10,000) shares of ₹ 10 each (at cost less provision for other than temporary diminution in the value of investments ₹ 0.11 Million (March 31, 2022: ₹ 0.11 Million))	-	-
Remfuel Bioenergy Private Limited - 10,000 (March 31, 2022: 10,000) shares of ₹ 10 each (at cost less provision for other than temporary diminution in the value of investments ₹ 0.10 Million (March 31, 2022: Nil))	-	0.10
Bigtec Healthcare Private Limited - 5,000 (March 31, 2022: 5,000) shares of ₹ 10 each (at cost less provision for other than temporary diminution in the value of investments ₹ 0.05 Million (March 31, 2022: Nil))	-	0.05
Bigtec Private Limited - 4,471,177 (March 31, 2022: 4,471,177) shares of ₹ 10 each	87.20	87.20
Prognosys Medical Systems Private Limited ('PMS') (refer note a) - 890,103 (March 31, 2022: Nil) shares of ₹ 10 each	144.60	-
B) In compulsorily convertible preference shares of subsidiary in the nature of equity: **Prognosys Medical Systems Private Limited** (refer note a) - 1,514,872 (March 31, 2022: Nil) 0.0001% compulsorily convertible preference shares of ₹ 10 each	246.11	-
C) In compulsorily convertible preference shares of associate in the nature of equity: **Chayagraphics (India) Private Limited ('CGIPL')** (refer note b) - 415,622 (March 31, 2022: Nil) 0.0001% compulsorily convertible preference shares of ₹ 10 each	60.00	-
Investments at fair value through other comprehensive income		
D) Investment in unquoted equity shares		
The Saraswat Co-operative Bank Limited - 2,500 (March 31, 2022: 2,500) shares of ₹ 10 each	0.03	0.03
Total non-current investments	**537.94**	**87.38**
Aggregate book value of unquoted investments	538.20	87.49
Aggregate amount of impairment in value of investments	0.26	0.11

a. During the year ended March 31, 2023 , the Company, PMS, promoters and other existing shareholders of PMS have entered into share purchase agreement and shareholder agreement (collectively referred as "PMS SHA agreement") pursuant to which the Company has acquired 890,103 Class A equity shares (face value : ₹ 10) from the existing shareholders for a cash consideration amounting to ₹ 144.60 Million and subscribed 1,514,872 0.0001% compulsorily convertible preference shares (face value : ₹ 10) for a cash consideration amounting to ₹ 246.11 Million in PMS. The 0.0001% compulsorily convertible preference shares shall be convertible into Class A equity shares as per the terms as mentioned in PMS SHA agreement. PMS has become subsidiary of the Company pursuant to such acquisition. PMS is engaged in manufacturing of X-ray equipment's, single / dual detector solutions, etc. Also refer note 35.

Prior to investment by the Company, there was a fraud/misappropriation of earnest money deposit ('EMD') of ₹ 199.00 Million (net of recovery) in PMS. The fraud was committed by two individuals who floated a fake tender by forging signature of high ranking Government officials of West Bengal. The Company is confident of recovery of the aforesaid EMD, based on the various legal actions taken by PMS and the management of the Company. Further, based on business plan as approved by the Board of the Company; and keeping in view the strategic long term nature of investment, the management of the Company is of the view that the carrying value of investments in PMS as at March 31, 2023 is appropriate.

b. During the year ended March 31, 2023 , the Company, CGIPL and promoters have entered into shareholder agreement (referred as "CGIPL SHA agreement") pursuant to which the Company has subscribed 415,622 0.0001% compulsorily convertible preference shares (face value : ₹ 10) in CGIPL. The 0.0001% compulsorily convertible preference shares shall be convertible into equity shares as per the terms as mentioned in CGIPL SHA agreement. CGIPL has become associate of the Company pursuant to such acquisition. As per the terms of the agreement the Company has subscribed to 0.0001% compulsorily convertible preference shares of CGIPL for a cash consideration amounting to ₹ 60 Million. Also refer note 35.

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MOLBIO DIAGNOSTICS (P) LTD.

6 Other financial assets

(₹ in Million)

	March 31, 2023	March 31, 2022
Unsecured, considered good unless otherwise stated		
Non-current		
Financial instruments at amortised cost		
Security deposits	7.46	5.80
Non-current bank balances (refer note 11)	267.29	243.24
Total other non-current financial assets	**274.75**	**249.04**
Current		
Financial instruments at amortised cost		
Security deposits	1.31	1.65
Other receivables	108.04	106.25
Interest accrued on fixed deposits	1.49	0.60
Interest accrued on loans (also refer note 35)	50.25	1.10
Total other current financial assets	**161.09**	**109.60**

7 Loans - Current (Unsecured)

(₹ in Million)

	March 31, 2023	March 31, 2022
Loans to related parties (refer note 35)	122.49	200.00
Total current loans	**122.49**	**200.00**

8 Non-current tax assets (net)

(₹ in Million)

	March 31, 2023	March 31, 2022
Advance income-tax (net of provision for current tax)	289.81	31.48
	289.81	**31.48**

9 Trade receivables

(₹ in Million)

		March 31, 2023	March 31, 2022
Trade receivables- Unsecured, considered good		1,733.11	2,405.95
Trade receivables which have significant increase in credit risk		15.39	20.88
Trade receivables - Unsecured, credit impaired		24.75	18.36
	(A)	**1,773.25**	**2,445.19**
Impairment allowance (allowance for bad and doubtful debts)			
Trade receivables which have significant increase in credit risk		(15.39)	(20.88)
Trade receivables - Unsecured, credit impaired		(24.75)	(18.36)
	(B)	**(40.14)**	**(39.24)**
Total trade receivables	(A + B)	**1,733.11**	**2,405.95**

Notes :

1. No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Also refer note 35
2. Trade receivables are non-interest bearing and are generally on terms of upto 90 days.
3. The Company's exposure to credit and currency risk, and loss allowances are disclosed in note 37
4. Movement in expected credit loss allowance under simplified approach are provided in the table below:

(₹ in Million)

	March 31, 2023	March 31, 2022
Expected credit loss allowance		
At the beginning of the year	20.88	23.82
Provision made during the year	-	-
(Utilised) / (reversed) during the year	(5.49)	(2.94)
At the end of the year	**15.39**	**20.88**

5. There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

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MOLBIO DIAGNOSTICS (P) LTD.

9.i Trade receivables ageing schedule

As at March 31, 2023 (₹ in Million)

Particulars	Outstanding for following periods from due date of invoice					Total
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - considered good	1,332.79	5.71	168.54	26.07	-	1,733.11
Undisputed Trade receivables - which have significant increase in credit risk	0.10	4.07	7.85	1.34	2.03	15.39
Undisputed Trade receivables - credit impaired	-	-	19.35	3.29	2.11	24.75
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-
Total	**1,532.89**	**9.78**	**195.74**	**30.70**	**4.14**	**1,773.25**

As at March 31, 2022 (₹ in Million)

Particulars	Outstanding for following periods from due date of invoice					Total
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - considered good	1,465.58	631.89	307.51	0.97	-	2,405.95
Undisputed Trade receivables - which have significant increase in credit risk	0.80	16.25	3.82	0.01	-	20.88
Undisputed Trade receivables - credit impaired	-	11.33	2.34	1.91	2.78	18.36
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-
Total	**1,466.38**	**659.47**	**313.67**	**2.89**	**2.78**	**2,445.19**

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MOLBIO DIAGNOSTICS (P) LTD.

10 Inventories (valued at lower of cost and net realisable value)

(₹ in Million)

	March 31, 2023	March 31, 2022
Raw materials and components[1,2]	1,415.16	1,522.96
Work-in-progress[2]	1,026.19	717.87
Finished goods	811.57	693.96
Traded goods	24.60	22.82
Total inventories	**3,277.52**	**2,957.61**

1. Includes goods in transit of ₹ Nil (March 31, 2022 : ₹ 36.59 Million)
2. The closing balance of inventories is net of provision of ₹ 55.81 Million (March 31, 2022 : ₹ 76.22 Million).

11 Cash and cash equivalents and Other bank balances

11.1 Cash and cash equivalents

(₹ in Million)

	March 31, 2023	March 31, 2022
Balances with banks		
- On current accounts	42.92	59.95
Cash on hand	0.22	0.12
Total cash and cash equivalents	**43.14**	**60.07**

11.2 Other bank balances

(₹ in Million)

	March 31, 2023	March 31, 2022
- Deposits with remaining maturity for less than twelve months	2.64	3.87
- Deposits with remaining maturity of twelve months or more	-	20.05
- Margin money deposits*	267.29	223.19
	269.93	**247.11**
Amounts disclosed under other non-current financial assets (refer note 6)	(267.29)	(243.24)
Total other bank balances	**2.64**	**3.87**

* A lien has been created over the deposits of ₹ 267.29 Million (March 31, 2022: ₹ 223.19 Million) towards performance security bank guarantee given to its customers.

12 Other assets

(₹ in Million)

	March 31, 2023	March 31, 2022
Non-current		
Capital advances		
Unsecured, considered good	30.37	41.20
Total other non-current assets	**30.37**	**41.20**
Current		
Advances other than capital advances		
Unsecured, considered good	246.42	127.03
Others (Unsecured, considered good)		
Prepaid expenses	4.34	5.87
Balance with statutory / government authorities	516.83	446.26
Others	-	0.28
Total other current assets	**767.59**	**579.44**

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MOLBIO DIAGNOSTICS (P) LTD.

13 Share capital

	Equity Shares		Preference Shares	
	Number (in Million)	₹ in Million	Number (in Million)	₹ in Million
Authorised share capital				
Equity shares of ₹ 10 each (March 31, 2022 : ₹ 10 each)				
As at April 01, 2021	11.90	119.00	0.30	3.00
Increase / (decrease) during the year	-	-	-	-
As at March 31, 2022	11.90	119.00	0.30	3.00
Increase / (decrease) during the year	-	-	-	-
As at March 31, 2023	11.90	119.00	0.30	3.00

(a) Issued share capital

	Equity shares	
	Number (in Million)	₹ in Million
Equity shares of ₹ 10 each (March 31, 2022 : ₹ 10 each) Issued, subscribed and fully paid up		
As at April 01, 2021	2.02	20.22
Issue of equity shares pursuance to conversion of 10% Optionally Convertible Secured Redeemable Debentures ('OCDs') and to meet minimum shareholding commitment for Investors (refer note 15)	0.22	2.24
As at March 31, 2022	2.24	22.46
Changes during the year (refer note f)	0.01	0.08
As at March 31, 2023	2.25	22.54

(b) Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of Shareholders holding more than 5% shares in the Company

Equity Shares	March 31, 2023		March 31, 2022	
	Number of Shares	% Holding	Number of Shares	% Holding
Exxora Trading LLP	929,752	41.26%	939,528	41.83%
India Business Excellence Fund III	305,720	13.57%	305,720	13.62%
V Sciences Investments Pte Limited	201,403	8.94%	-	0.00%
Mr. N D Prabhu	122,291	5.43%	143,688	6.40%
Mr. J Guru Dutt & Mrs. Sandhya Guru Dutt	122,197	5.42%	143,594	6.39%
Mr. B Chandrasekhar Nair & Mrs. Anita Chandrasekhar	122,197	5.42%	143,594	6.39%
Mr. G Sampathgiri & Mrs. Jayshree Sampathgiri	122,197	5.42%	143,594	6.39%
Mr. G.M. Kini	122,104	5.42%	143,501	6.39%

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

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MOLBIO DIAGNOSTICS (P) LTD

13 Share capital (continued)

(d) Details of shares held by promoters

As at March 31, 2023

Name of the Promoter	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Exxora Trading LLP	939,528	(9,776)	929,752	41.26%	(1.04%)
Mr. N D Prabhu	143,688	(21,397)	122,291	5.43%	(14.89%)
Mr. J Guru Dutt & Mrs. Sandhya Guru Dutt	143,594	(21,397)	122,197	5.42%	(14.90%)
Mr. B Chandrasekhar Nair & Mrs. Anita Chandrasekhar	143,594	(21,397)	122,197	5.42%	(14.90%)
Mr. G Sampathgiri & Mrs. Jayshree Sampathgiri	143,594	(21,397)	122,197	5.42%	(14.90%)
Mr. G.M. Kini	143,501	(21,397)	122,104	5.42%	(14.91%)
Mrs. M.A. Usha Rani	78,923	(12,842)	66,081	2.93%	(16.27%)
Mr. M.A. Rohit	43,894	(4,273)	39,621	1.76%	(9.73%)
Mr. M.A. Sharath	30,844	(4,273)	26,571	1.18%	(13.85%)
Sujay Limited	26,287	(6,960)	19,327	0.86%	(26.48%)
Chewbacca Services Limited	26,287	(6,960)	19,327	0.86%	(26.48%)
Ms. Shaheeda Abdul Kader	14,134	(4,350)	9,784	0.43%	(30.78%)
Mr. Vivek Devraj	7,830	-	7,830	0.35%	0.00%
Mr. Ashish Kacholia	10,750	(3,617)	7,133	0.32%	(33.65%)
Mr. Abdul Qudir Mohamed Theruvath	7,067	(2,175)	4,892	0.22%	(30.78%)
Dr. M. Ganesh Kamath	2,595	(873)	1,722	0.08%	(33.64%)
Mr. Narendrakumar Agarwal	17,152	(15,490)	1,662	0.07%	(90.31%)
Mr. Anilkumar Agarwal	10,254	(9,260)	994	0.04%	(90.31%)
Mr. Manojkumar Agarwal	6,898	(6,229)	669	0.03%	(90.30%)
Mrs. Jayanthi D Prabhu	93	-	93	0.00%	0.00%
Mrs. Sangeetha Kini	93	-	93	0.00%	0.00%
Total	**1,940,600**	**(194,063)**	**1,746,537**	**77.50%**	**(10.00%)**

As at March 31, 2022

Name of the Promoter	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Exxora Trading LLP	939,528	-	939,528	41.83%	0.00%
Mr. N D Prabhu	143,688	-	143,688	6.40%	0.00%
Mr. J Guru Dutt & Mrs. Sandhya Guru Dutt	143,594	-	143,594	6.39%	0.00%
Mr. B Chandrasekhar Nair & Mrs. Anita Chandrasekhar	143,594	-	143,594	6.39%	0.00%
Mr. G Sampathgiri & Mrs. Jayshree Sampathgiri	143,594	-	143,594	6.39%	0.00%
Mr. G.M. Kini	143,501	-	143,501	6.39%	0.00%
Mrs. M.A. Usha Rani	78,923	-	78,923	3.51%	0.00%
Mr. M.A. Rohit	43,894	-	43,894	1.95%	0.00%
Mr. M.A. Sharath	30,844	-	30,844	1.37%	0.00%
Sujay Limited	26,287	-	26,287	1.17%	0.00%
Chewbacca Services Limited	26,287	-	26,287	1.17%	0.00%
Mr. Narendrakumar Agarwal	17,152	-	17,152	0.76%	0.00%
Ms. Shaheeda Abdul Kader	21,626	(7,492)	14,134	0.63%	(34.64%)
Mr. Ashish Kacholia	11,466	(716)	10,750	0.48%	(6.24%)
Mr. Anilkumar Agarwal	10,254	-	10,254	0.46%	0.00%
Mr. Vivek Devraj	7,830	-	7,830	0.35%	0.00%
Mr. Abdul Qudir Mohamed Theruvath	10,813	(3,746)	7,067	0.31%	(34.64%)
Mr. Manojkumar Agarwal	6,898	-	6,898	0.31%	0.00%
Dr. M. Ganesh Kamath	4,195	(1,600)	2,595	0.12%	(38.14%)
Mrs. Jayanthi D Prabhu	93	-	93	0.00%	0.00%
Mrs. Sangeetha Kini	93	-	93	0.00%	0.00%
Total	**1,954,154**	**(13,554)**	**1,940,600**	**86.38%**	**(0.69%)**

(e) Shares reserved for issue under contract / commitment

1. For details of shares reserved for issuance on conversion of share warrant, refer note 14(b).

(f) During the year ended March 31, 2023, the Company has allotted 7,340 equity shares of face value ₹ 10 each at a premium of ₹ 54,485.91 each in favor of V Sciences Investments Pte. Ltd. Further, certain shareholder of the Company has also transferred 194,063 equity shares to V Sciences Investments Pte. Ltd for a consideration as agreed between the parties. Such allotment is pursuant to the approval of the Board of Directors in the board meeting and the special resolution passed by the Shareholders in the extra-ordinary general meeting held during the year ended March 31, 2023.

(g) The Company has not allotted any fully paid equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date nor has issued shares for consideration other than cash.

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MOLBIO DIAGNOSTICS (P) LTD.

14 Other Equity

a) Reserves and surplus

	₹ in Million
Securities premium	
Balance as at April 01, 2021	87.72
Add: Issue of equity shares pursuance to conversion of OCDs and to meet minimum shareholding commitment for Investors*	1,461.03
Balance as at March 31, 2022	1,548.75
Changes during the year (refer note 13(f))	399.93
Balance as at March 31, 2023	1,948.68

* The amount presented above is net of refund of surplus consideration post adjustment of Net Debt as per the terms of the Investment Agreement and amendments thereto. Also refer note 15

Amalgamation reserve	
Balance as at April 01, 2021	92.78
Changes during the year	-
Balance as at March 31, 2022	92.78
Changes during the year	-
Balance as at March 31, 2023	92.78
Retained earnings	
Balance as at April 01, 2021	3,145.87
Profit for the year	1,871.98
Add: Re-measurement (losses) / gains on defined benefit plans	(1.27)
Balance as at March 31, 2022	5,016.58
Profit for the year	155.46
Add: Re-measurement (losses) / gains on defined benefit plans	1.45
Balance as at March 31, 2023	5,173.49
Other reserves	
Balance as at April 01, 2021	-
Amount transferred on account of conversion of OCDs (refer note 15)	148.75
Balance as at March 31, 2022	148.75
Changes during the year	-
Balance as at March 31, 2023	148.75
Total reserves and surplus	
Balance as at March 31, 2022	6,806.86
Balance as at March 31, 2023	7,363.70

Nature and purpose of reserves

14.1 Securities premium
Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

14.2 Amalgamation reserves
Represents reserve recognised during the year ended March 31, 2016 pursuant to the scheme of amalgamation of Bigtec India Private Limited with the Company.

14.3 Retained earnings
Retained earnings are the profit / (loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

b) Money received against share warrants

	₹ in Million
Balance as at April 01, 2021	3.50
Changes during the year	-
Balance as at March 31, 2022	3.50
Changes during the year	-
Balance as at March 31, 2023	3.50

Terms / rights attached to share warrant:
During the year ended March 31, 2020, pursuant to the approval of the Board of Directors and approval of the Shareholders in the extra-ordinary general meeting, the Company had issued 5,000 share warrants of ₹ 2,000 each with warrant subscription price of ₹ 700 each by way of private placement under the provisions of Companies Act, 2013 and provisions of all other applicable laws and regulations. The Company and promoters shall cause the Company to convert the warrants (all and not less than all) into equity shares as per Investment agreement and amendments thereto ('the Investment agreement') referred in note 15. During the year ended March 31, 2023 as per the share purchase and share subscription agreement entered on August 16, 2022, the said share warrants can be exercised in accordance with the terms of warrants subscription agreement, to receive 1,535 equity shares.

Total other equity (a+b)	
Balance as at March 31, 2022	6,810.36
Balance as at March 31, 2023	7,367.20

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MOLBIO DIAGNOSTICS (P) LTD.

15 Borrowings

(₹ in Million)

	March 31, 2023	March 31, 2022
Non Current		
Debentures (at fair value)		
10% Optionally Convertible Secured Redeemable Debentures (refer note a) (secured)	-	-
Vehicle loans from bank (secured)		
Vehicle loans (refer note b) (secured)	9.85	13.07
Total non-current borrowings	**9.85**	**13.07**
Current borrowings		
Short-term loan from bank and financial institutions		
Bank overdraft (refer note d) (unsecured)	-	585.00
Bank overdraft (refer note d) (secured)	89.66	-
Loan (refer note e) (secured)	350.00	-
Loans from related parties (unsecured)		
Loans (refer note c)	73.89	441.22
Current maturities of long term borrowings		
Vehicle loans from bank (secured)		
Vehicle loans (refer note b)	17.16	14.63
Total current borrowings	**530.71**	**1,040.85**
The above amount includes		
Secured borrowings	466.67	27.70
Unsecured borrowings	73.89	1,026.22

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MOLBIO DIAGNOSTICS (P) LTD.

15 Borrowings (continued)

Notes :

a. 10% Optionally Convertible Secured Redeemable Debentures

During the year ended March 31, 2020, pursuant to the approval of the Board of Directors, the Company allotted 80,000 ("First Tranche") and 15,000 ("Second Tranche") 10% Optionally Convertible Secured Redeemable Debentures, of face value of ₹ 10,000 each to India Business Excellence Fund III (IBEF III) ("the Investor") in accordance with the terms of investment agreement dated September 10, 2019 and amendments thereto (collectively referred as "the Investment agreement"). Further, during the year ended March 31, 2021, pursuant to the approval of the Board of Directors, the Company further allotted 45,000 ("Third Tranche") 10% Optionally Convertible Secured Redeemable Debentures of face value of ₹ 10,000 each to the Investor in accordance with the terms of the Investment agreement (hereinafter First Tranche, Second Tranche and Third Tranche of 10% Optionally Convertible Secured Redeemable Debentures are collectively referred as "OCDs"). The OCDs were secured by (i) first charge on all the cash-flows, current assets, fixed assets and receivables of the Company and its subsidiaries except to extent first charge created to secure Existing Debt; (ii) pledge over 100% of the shareholding of M/s. Exxora Trading LLP, Mr. Chandrasekhar B Nair, Mr. G M Kini and Mr. G Sampathgiri (held individually or jointly through their nominees and/or Relatives) held in the Company on Fully Diluted Basis; and (iii) first charge on all Intellectual Properties of the Company and Bigtec Private Limited.

The OCDs carried an interest coupon rate of 10% p.a and was payable for the period upto 2 years from the respective closing dates of each tranche. As per the terms of Investment agreement, the interest accrual was immediately from the date of issuance of OCDs by the Company and the accumulated arrears of interest were required to be paid to the Investor by the Company on a half yearly basis till the redemption of the OCDs or till the conversion of the OCDs, as the case may be, to be calculated from the respective closing dates. However, as per the amendment agreement dated May 29, 2021, in case conversion / redemption of Initial Debentures (i.e. First, second and third tranche) was prior to the expiry of the Interest Entitlement Period, (a) an upfront Interest of ₹ 111.00 Million (Rupees Eleven Crores Ten Lakhs only) was required to be paid on or before January 14, 2022 and (b) the Interest accrued upto the date of such conversion / redemption was required to be paid within 7 days from the date of such conversion / redemption.

The Investor had an option either to exercise the right (but not an obligation) to ask for a redemption of the OCDs at any time after 9 months after the first closing date (January 21, 2020) and prior to 3 years from the first closing date (January 21, 2020) or convert the OCDs into equity shares at the sole discretion of the Investor at any time within 3 years from the first closing date. Further, the Investor had an exit right including right requiring the Company to buy back the securities held by them. The number of equity shares to be issued upon the conversion of OCDs and the price per equity share at which the OCDs would convert were determined in accordance with the terms of the Investment agreement. Further as per the Investment agreement, upon conversion, if the shareholding of the Investor in the share capital was less than 10%, the Investor had an option to subscribe (without any commitment or obligation) such number of new securities to be issued by the Company ("Fourth Tranche Securities") such that the shareholding of the Investor (taking into account the conversion of OCDs and allotment of Fourth Tranche Securities) equals to 10% of the share capital. Further, as per the terms of the investment agreement and amendments thereto, in the event, the Certified Net Debt was less than the Net Debt considered in the computation of conversion price ("Projected Net Debt"), the Investor was required to pay an amount as computed in accordance with the terms of the Investment agreement to the Company and in the event Certified Net Debt was more than the Projected Net Debt, the Company shall, and the promoter group shall cause the Company to, pay an amount computed in accordance with the terms of the Investment agreement to the Investor.

Considering the buy-back obligation of the Company and not meeting fixed to fixed criteria, the OCDs, at inception, were recorded as liability at fair value through profit and loss. As at April 1, 2020 and March 31, 2021 the fair value of liability amounted to ₹ 986.61 Million and ₹ 1,548.75 Million respectively. The change in fair value of liability was recorded in Statement of profit and loss account during the year ended March 31, 2021. Further, subsequently on April 01, 2021, the Investor had agree to waive the buy-back rights granted to them in Investment agreement. Hence, upon conversion the fair value loss of ₹ 148.75 Million was transferred to other equity during the year ended March 31, 2022.

During the year ended March 31, 2022, based on the right exercised by the Investor on May 27, 2021 and pursuant to the approval of Board of Directors in the board meeting held on May 29, 2021, 140,000 OCDs were converted into 193,138 equity shares of face value of ₹ 10 each at a premium. Further, pursuant to the communication by the Investor on May 27, 2021 and approval of the Board of Directors in the board meeting held on May 29, 2021 and approval of the Shareholders in the extra-ordinary general meeting held on May 31, 2021, 31,494 equity shares of face value of ₹ 10 each were issued to the Investor as Fourth Tranche Securities at a premium for an amount aggregating to ₹ 205.15 Million (Fourth Tranche Investment Amount) to meet the minimum shareholding commitment for investors.

Post conversion of OCDs and issuance of Fourth Tranche Securities, due to Certified Net Debt derived being more than the Projected Net Debt, the Company refunded the surplus premium paid by the investor amounting to ₹ 165.01 Million as per the terms of Investment agreement.

b. Secured Indian rupee vehicle loans from banks

As at March 31, 2023, the vehicle loans from the Banks amounting to ₹ 27.01 Million (March 31, 2022: ₹ 27.70 Million) carries an effective interest rate ranging between 7.42% to 9.93% p.a. and is secured by the hypothecation of the respective vehicle. The loan is repayable in 36 to 39 equal monthly instalments.

During the year ended March 31, 2023, the Company has defaulted in repayment of principal and interest in the following instances of vehicle loans:

Name of lender	Amount not paid on due date	No. of days delay or unpaid	Remarks
HDFC Bank	₹ 0.03 Million	13 days	Due to process of change in bank account in e-mandate
HDFC Bank	₹ 0.03 Million	11 days	
HDFC Bank	₹ 0.03 Million	1 day	

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15 Borrowings (continued)

c. Loans from related parties (also refer note 35)

Loans from related parties include a loan of ₹ 73.89 Million (March 31, 2022: ₹ 441.22 Million) from Mr. Sriram Natarajan which carries an interest rate ranging from 9% p.a. to 12% p.a. and was initially repayable on conversion of OCDs. Post conversion of OCDs during the year ended March 31, 2022, the same is repayable on demand.

d. Bank overdraft

1. Bank overdraft from Credit Suisse AG of ₹ Nil (March 31, 2022: ₹ 585.00 Million) carried an interest rate of MCLR+1.75% and is secured by way of pledge of personal mutual funds of the director Mr. Sriram Natarajan.

2. Bank overdraft from Yes Bank Limited of ₹ 89.66 Million (March 31, 2022: ₹ Nil) carries an interest rate of 3 month MCLR + Spread 0.25% p.a. and is secured by way of pledge of current assets (both current & future), plant & machinery excluding vehicles (both current & future) and undated cheque for the facility amount.

e. Short-term Loan from bank

Short-term Loan from Yes Bank Limited of ₹ 350.00 Million (March 31, 2022: ₹ Nil) carries an interest rate of 1 month MCLR + Spread 0.25% p.a. and is secured by way of pledge of current assets (both current & future), plant & machinery excluding vehicles (both current & future) and undated cheque for the facility amount.

16 Net employee defined benefit liabilities

(₹ in Million)

	March 31, 2023	March 31, 2022
Non-current		
Provision for employee benefits:		
Provision for gratuity (refer note 32)	1.78	3.72
	1.78	**3.72**
Current		
Provision for employee benefits:		
Provision for gratuity (refer note 32)	3.50	2.50
	3.50	**2.50**

17 Provisions

(₹ in Million)

	March 31, 2023	March 31, 2022
Current		
Provision for compensated absences	10.77	5.70
Provision for warranty[1]	80.87	37.31
Total current provisions	**91.64**	**43.01**

1. The Company provides warranties for its products, systems and services, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision represents the amount of the expected cost based on technical evaluation and past experience of meeting such obligations. It is expected that this expenditure will be incurred over the contractual warranty period.

Details of changes in warranty provision during the year

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
At the beginning of the year	37.31	21.85
Add : Additions made during the year	59.40	32.89
Less : Amounts utilised during the year	(15.84)	(17.43)
At the end of the year	**80.87**	**37.31**

18 Other financial liabilities

(₹ in Million)

	March 31, 2023	March 31, 2022
Current		
Employee related payables (refer note 35)	83.84	73.65
Interest accrued (also refer note 35)	2.78	14.03
Payable towards capital goods	20.14	30.42
	106.76	**118.10**

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19 Other liabilities

(₹ in Million)

	March 31, 2023	March 31, 2022
Current		
Contract liabilities - Deferred revenue (refer note 21.2)	94.45	28.30
Advance from customers (refer note 21.2)	58.13	27.81
Statutory dues payable	50.15	95.26
Liability towards corporate social responsibility (refer note 40)	84.53	32.49
	287.26	**183.86**

20 Trade payables

(₹ in Million)

	March 31, 2023	March 31, 2022
Total outstanding dues of micro enterprises and small enterprises[1,2]	49.84	46.04
Total outstanding dues of creditors other than micro enterprises and small enterprises[1]	695.87	427.64
	745.71	**473.68**

The above amount includes:

(₹ in Million)

	March 31, 2023	March 31, 2022
Trade payables to related parties (refer note 35)	-	23.46
Trade payables to others	745.71	450.22
	745.71	**473.68**

1. Trade payables are non-interest bearing and are normally settled on terms upto 90 days.

2. Trade payables and capital creditors include due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Amount due to suppliers under the MSMED Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with and filings made by the Company. The Company has not received any claim for interest from any supplier as at the balance sheet date. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the MSMED Act 2006 is not expected to be material. The disclosure pursuant to the said act is made under note 20.1.

20.1 Disclosure as per the MSMED Act, 2006

(₹ in Million)

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:	March 31, 2023	March 31, 2022
- Principal amount due to micro and small enterprises	36.27	37.26
- Interest due on above	0.82	1.05
	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	3.98	4.94
The amount of interest accrued and remaining unpaid at the end of each accounting year.	4.80	5.99
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	8.78	2.79

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20.2 Trade payables ageing Schedule

As at March 31, 2023 (₹ in Million)

Particulars	Unbilled	Outstanding for following periods from due date of payment*				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues of micro enterprises and small enterprises	-	48.71	1.13	-	-	49.84
Undisputed dues of creditors other than micro enterprises and small enterprises	193.80	478.34	19.90	-	3.84	695.87
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	**193.80**	**527.05**	**21.03**	**-**	**3.84**	**745.71**

As at March 31, 2022 (₹ in Million)

Particulars	Unbilled	Outstanding for following periods from due date of payment*				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues of micro enterprises and small enterprises	-	45.94	0.06	0.04	-	46.04
Undisputed dues of creditors other than micro enterprises and small enterprises	103.68	303.57	16.00	2.50	1.89	427.64
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	**103.68**	**349.51**	**16.06**	**2.54**	**1.89**	**473.68**

*Note: The management has considered transaction date as the basis for determining the ageing of the trade payables.

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21 Revenue from operations

21.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

(₹ in Million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from contracts with customers		
Sale of products		
Finished Goods	3,159.59	7,707.36
Traded goods	5.78	19.43
Other operating revenue	100.35	35.51
Total revenue from contracts with customers	**3,265.72**	**7,762.30**
India	2,778.62	6,377.07
Outside India	487.10	1,385.23
Total revenue from contracts with customers	**3,265.72**	**7,762.30**

21.1 Timing of revenue recognition

(₹ in Million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Services transferred over time	100.35	22.15
Goods transferred at a point in time	3,165.37	7,740.15
	3,265.72	**7,762.30**

21.2 Contract Balances

(₹ in Million)

	March 31, 2023	March 31, 2022
Trade receivables :-		
- Current (Gross)	1773.25	2,445.19
- Impairment allowance	(40.14)	(39.24)
Contract liabilities:-		
Advance from customers		
- Current	58.13	27.81
Deferred revenue:		
- Current (refer note a below)	94.45	28.30

a) Movement in Contract Liabilities - Deferred Revenue

(₹ in Million)

	March 31, 2023	March 31, 2022
Opening balance	**28.30**	**15.78**
Add: Revenue to be recognized from performance obligations to be satisfied in succeeding years	81.46	15.73
Less: Revenue recognized that was included in contract liability at the beginning of the year	(15.31)	(3.21)
Closing balance	**94.45**	**28.30**

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22 Other income

(₹ in Million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income on bank deposits	13.91	10.29
Duty drawback	7.57	14.29
Gain on account of foreign exchange fluctuation (net)	-	17.79
Interest income on loan (refer note 35)	51.18	1.10
Gain on sale of assets	0.07	-
Miscellaneous income	8.28	7.66
	81.01	**51.13**

23 Cost of raw material consumed

(₹ in Million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventory at the beginning of the year	1,522.96	1,615.45
Add: Purchases	1,664.16	2,979.85
Less: inventory at the end of the year	(1,415.16)	(1,522.96)
Cost of material and components consumed	**1,771.96**	**3,072.34**

24 (Increase) / decrease in inventories of finished goods, work-in-progress and traded goods

(₹ in Million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance		
Work-in-progress	717.87	287.21
Finished goods	693.96	740.17
Traded goods	22.82	7.58
Total opening balance	**1,434.65**	**1,034.96**
Closing balance		
Work-in-progress	1,026.19	717.87
Finished goods	811.57	693.96
Traded goods	24.60	22.82
Total closing balance	**1,862.36**	**1,434.65**
Total (increase) / decrease in inventories of finished goods, work-in-progress and traded goods	**(427.71)**	**(399.69)**

25 Employee benefit expenses

(₹ in Million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	316.18	265.03
Gratuity expenses (refer note 32)	4.34	3.47
Contribution to provident and other funds	13.73	11.74
Staff welfare expenses	5.87	7.81
Total employee benefit expenses	**340.12**	**288.05**

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.

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26 Depreciation and amortisation expenses

(₹ in Million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment (refer note 3)	176.35	402.75
Amortisation of intangible assets (refer note 4)	4.67	2.45
Depreciation of right-of-use assets (refer note 33)	12.86	12.34
	193.88	417.54

27 Finance costs

(₹ in Million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expenses (also refer note 35)	49.59	235.49
Interest expense on micro and small enterprises (refer note 20.1)	4.80	5.99
Interest on lease liabilities (refer note 33)	2.80	4.28
Bank charges	2.25	2.83
	59.44	248.59

28 Other expenses

(₹ in Million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Royalty expenses (also refer note 35)	330.45	784.80
Manpower cost	131.11	201.85
Freight expenses	60.87	143.51
Commission expenses	118.89	80.04
Travelling and conveyance	83.66	63.27
Power and fuel	60.95	68.77
Warranty expenses	59.40	32.89
Advertising and sales promotion	87.63	36.42
Legal and professional charges	36.11	9.55
Payment to auditor*	3.24	3.83
Rent (refer note 33)	7.09	10.51
Rates and taxes	44.51	15.64
Loss on account of foreign exchange fluctuation (net)	3.37	-
Provision for doubtful debts	0.91	10.47
Bad debts / advances written off	1.15	0.01
Provision for diminution in investments (refer note 35)	0.15	-
Corporate social responsibility expenses (refer note 40)	52.04	32.49
Miscellaneous expenses	91.80	98.99
	1,173.33	1,593.04

***Payment to auditor (exclusive of goods and services tax)**

(₹ in Million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
As auditor:		
Statutory audit fees	3.00	3.00
Certification fees	-	0.62
Reimbursement of expenses	0.24	0.21
	3.24	3.83

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29 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. The Company based on the projections had adopted the reduced rates of tax as per the Income Tax Act, 1961 from April 01, 2019.

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

(₹ in Million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Ind AS statement of profit and loss		
(a) Current tax	69.54	703.31
(b) Deferred tax charge / (credit)	3.55	2.38
	73.09	705.69
Other comprehensive income ('OCI')		
Deferred tax related to re-measurement losses on defined benefit plans	0.49	(0.43)
Income tax credit to OCI	0.49	(0.43)

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

(₹ in Million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before taxes	228.55	2,577.67
Applicable tax rates in India	25.17%	25.17%
Computed tax charge	57.53	648.80
Non-deductible expenses for tax purposes	17.18	12.65
Reversal of deferred tax asset created on change in fair valuation of Optionally convertible debentures	-	37.44
Others	(1.62)	6.80
Total tax expense	73.09	705.69
Income tax reported in the Standalone Ind AS statement of profit and loss	73.09	705.69

c. Recognised deferred tax assets and liabilities

The following is the movement of deferred tax assets/liabilities presented in the balance sheet:

(₹ in Million)

For the Year ended March 31, 2023	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
A. Deferred tax liabilities				
Gross deferred tax liabilities	-	-	-	-
B. Deferred tax Assets				
Property, plant and equipment and Intangible assets - Impact of difference between tax depreciation and depreciation / amortization charged for the purpose of financial reporting	36.37	(26.75)	-	9.62
Impact of expenditure charged to the statement of profit and loss in the current period but allowed for tax purposes on payment basis	29.19	22.03	(0.49)	50.73
Others	0.30	1.17	-	1.47
Gross deferred tax assets	65.86	(3.55)	(0.49)	61.82
C. Net deferred tax liabilities / (Asset) (A-B)	(65.86)	3.55	0.49	(61.82)

(₹ in Million)

For the Year ended March 31, 2022	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
A. Deferred tax liabilities				
Gross deferred tax liabilities	-	-	-	-
B. Deferred tax Assets				
Property, plant and equipment and Intangible assets - Impact of difference between tax depreciation and depreciation / amortization charged for the purpose of financial reporting	10.66	25.71	-	36.37
Change in fair valuation of Optionally convertible debentures	37.44	(37.44)	-	-
Impact of expenditure charged to the statement of profit and loss in the current period but allowed for tax purposes on payment basis	19.51	9.25	0.43	29.19
Others	0.20	0.10	-	0.30
Gross deferred tax assets	67.81	(2.38)	0.43	65.86
C. Net deferred tax liabilities / (Asset) (A-B)	(67.81)	2.38	(0.43)	(65.86)

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MOLBIO DIAGNOSTICS (P) LTD.

30 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit/ loss for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the years. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting years. The weighted average number of equity shares outstanding during the years is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS is calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the years 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	For the year ended March 31, 2023	For the year ended March 31, 2022
Face value of equity shares (₹ per share)	10.00	10.00
Earnings		
Profit for the year as per Standalone Statement of Profit and Loss for Basic EPS and Diluted EPS (₹ in Million) (a)	155.46	1,871.98
Shares		
Weighted average number of equity shares used for computing EPS (Basic) (b)	2,250,121	2,208,881
Add: Weighted average number of potential equity shares on account of share warrants (refer note 14)	1,416	537
Weighted average number of equity shares used for computing EPS (Diluted) (c)	2,251,536	2,209,418
EPS - Basic (₹) (d=a/b)	**69.09**	**847.48**
EPS - Diluted (₹) (e=a/c)*	**69.05**	**847.27**

* During the year ended March 31, 2022, the Company has paid interest of ₹ 134.08 Million on conversion of OCDs as per the terms of the Investment agreement. The allotment of equity shares against the OCDs would have an antidilutive effect on earning per share for the year ended March 31, 2022 and accordingly was ignored for the purpose of calculation of diluted EPS for the year ended March 31, 2022.

31 Significant accounting judgements, estimates and assumptions

The preparation of the Company's Standalone Ind AS Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could differ from those estimates. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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 and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include fair value measurement of financial instruments, contingencies, defined benefit plans (gratuity benefits), provision for expected credit losses of trade receivables, leases - estimating the incremental borrowing rate, provision for inventory obsolescence and impairment of investments.

(i) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Standalone Ind AS Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Standalone Ind AS Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 37 for further disclosures.

(b) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and contractual claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence and potential quantum of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events. Refer note 34 for further disclosures.

(c) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plan operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for India.

Further details about gratuity obligations are given in note 32.

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31 Significant accounting judgements, estimates and assumptions (continued)

(d) Provision for expected credit losses of trade receivables and contract assets
The company estimates the credit allowance as per practical expedient based on the historical credit loss experience as enumerated in note 37.

(e) Leases - Estimating the incremental borrowing rate
The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates. Refer note 33 for further disclosures.

f) Impairment of investments
Determining whether investment are impaired requires an estimation of the value in use of the respective asset or the relevant cash generating units. The value in use calculation is based on DCF model. Further, the cash flow projections are based on estimates and assumptions which are considered as reasonable by the management.

g) Property, plant and equipment
Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. Further, refer note 3 for details around change in estimate with respect to change in depreciation method during the current year.

h) Impairment of non-financial assets
Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow (DCF) model. The cash flows are derived from the budget and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

i) Taxes
The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. Uncertainties exist with respect to the interpretation of tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous assessments and interpretations of tax regulations by the Company.

j) Provision
Significant estimates are involved in the determination of provisions related to liquidated damages and warranty provision. Warranty provision is determined based on the historical trend of warranty expense for the same types of goods for which the warranty is currently being determined, after adjusting for unusual factors related to the goods that were sold or based on specific warranty clause in an agreement. Such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence. The provision for warranty and liquidated damages is based on the best estimate required to settle the present obligation at the end of reporting period.

k) Provision for inventory obsolescence
Inventory obsolescence provision are determined using policies framed by the Company and in accordance with the methodologies that the Company deems appropriate to the business. There is a significant level of judgment involved in assessing whether provision for obsolescence for slow moving, excess or obsolete inventory items should be recognized considering orders in hand, expected orders, alternative usage, etc.

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32 Gratuity and other post-employment benefit plans

I) Defined contribution plan

The Company's contribution to provident fund and other funds are considered as defined contribution plans. The contributions are charged to the Standalone Ind AS Statement of Profit and Loss as they accrue. Contributions to provident and other funds included in employee benefit expenses (refer note 25) are as under:

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contribution to provident fund	12.02	10.22
Total	**12.02**	**10.22**

II) Defined benefit plan

Gratuity

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, every employee who has completed five years or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The level of benefits provided depends on the member's length of service and salary at retirement age. The Gratuity plan is funded.

The following tables summarise the components of net benefit expenses recognised in the Standalone Ind AS Statement of Profit or Loss and amounts recognised in the Standalone Ind AS Balance Sheet for gratuity benefit:

i. Net benefit expenses (recognised in the Standalone Ind AS Statement of Profit and Loss)

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	4.01	3.31
Net interest expense	0.33	0.16
Net benefit expenses	**4.34**	**3.47**

ii. Remeasurement loss/(gain) recognised in other comprehensive income (OCI):

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Actuarial (gain) / loss on obligations arising from changes in experience adjustments	(1.14)	1.04
Actuarial (gain) / loss on obligations arising from changes in financial assumptions	(0.71)	0.52
Actuarial (gain) / loss on obligations arising from changes in demographic adjustments	-	-
Actuarial (gain) / loss on arising from re-measurements on Plan Assets	(0.09)	0.14
Actuarial (gain) / loss recognised in OCI	**(1.94)**	**1.70**

iii. Net defined benefit (liability) / asset

(₹ in Million)

Particulars	March 31, 2023	March 31, 2022
Defined benefit obligation	(16.11)	(13.95)
Fair value of plan assets	10.83	7.73
Plan (liability) / asset	**(5.28)**	**(6.22)**
Non-current	**(1.78)**	**(3.72)**
Current	**(3.50)**	**(2.50)**

iv. Changes in the present value of the defined benefit obligation are as follows:

(₹ in Million)

Particulars	March 31, 2023	March 31, 2022
Opening defined benefit obligation	13.95	8.48
Current service cost	4.01	3.31
Interest cost on defined benefit obligation	0.92	0.60
Benefits paid	(0.92)	-
Actuarial (gain)/ loss		
Actuarial (gain) / loss on obligations arising from changes in experience adjustments	(1.14)	1.04
Actuarial (gain) / loss on obligations arising from changes in financial assumptions	(0.71)	0.52
Actuarial (gain) / loss on obligations arising from changes in demographic adjustments	-	-
Closing defined benefit obligation	**16.11**	**13.95**

v. Changes in the fair value of planned assets

(₹ in Million)

Particulars	March 31, 2023	March 31, 2022
Opening planned assets	7.73	5.03
Contribution by employer	3.34	2.40
Benefits paid	(0.92)	
Interest income on planned assets	0.59	0.44
Return on plan assets, excluding interest income	0.09	(0.14)
Closing planned assets	**10.83**	**7.73**

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32 Gratuity and other post-employment benefit plans (continued)

vi. The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

Particulars	March 31, 2023	March 31, 2022
Discount rate (in %)	7.20%	6.60%
Salary escalation rate (in %)	7.00%	7.00%
Employee turnover/ withdrawal rate	10.00%	10.00%
Retirement age	58 years	58 years
Weighted-average duration of the defined benefit obligation	6.5 years	6.5 years
Mortality rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)

Notes:
a) The estimate of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

b) 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:
a. 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
b. Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation
c. 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 career employee typically costs less per year as compared to a long service employee.

vii. A quantitative sensitivity analysis for significant assumption as at March 31, 2023 and March 31, 2022 is as shown below:

(₹ in Million)

Particulars	March 31, 2023	March 31, 2022
Discount rate		
Impact on defined benefit obligation due to 1% increase in discount rate	(1.05)	(0.90)
Impact on defined benefit obligation due to 1% decrease in discount rate	1.21	1.04
Salary escalation rate		
Impact on defined benefit obligation due to 1% increase in salary escalation rate	1.20	1.03
Impact on defined benefit obligation due to 1% decrease in salary escalation rate	(1.06)	(0.91)
	-	
Attrition rate	-	
Impact on defined benefit obligation due to 1% increase in attrition rate	(0.13)	(0.16)
Impact on defined benefit obligation due to 1% decrease in attrition rate	0.13	0.17

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Standalone Ind AS Balance Sheet.

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33 Leases and commitments

a. Leases

Company as a lessee during the year

The Company has lease contracts for office facilities/store premises, warehouses and lands. The lease term of the office facilities/store premises and warehouse is generally 1-5 years and the lease term of leasehold lands ranges from 30 to 99 years. The Company also has certain leases with lease term of 12 months or less (short term leases) or where the underlying asset is of low value. The Company has elected to avail the exemption and not to recognise right-of-use assets and lease liabilities for short term leases or the leases where the underlying asset is of low value.

The Company has lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The carrying amounts of right-of-use assets recognised and the movements during the year is as follows:

(₹ in Million)

Particulars	Leasehold land	Building	Total
At April 01, 2021	**102.65**	**23.51**	**126.16**
Additions	-	26.01	26.01
Disposals	-	(10.19)	(10.19)
Depreciation	(2.58)	(9.76)	(12.34)
At March 31, 2022	**100.07**	**29.57**	**129.64**
Additions	-	7.19	7.19
Disposals	-	-	-
Depreciation	(2.58)	(10.28)	(12.86)
At March 31, 2023	**97.49**	**26.48**	**123.97**

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

(₹ in Million)

	March 31, 2023	March 31, 2022
Opening balance	**30.18**	**44.22**
Additions	7.04	25.39
Accretion of interest	2.80	4.28
Disposal	-	(11.68)
Payments	(11.61)	(32.03)
Closing balance	**28.41**	**30.18**
The same is shown under:		
Current	9.45	6.77
Non-current	18.96	23.41

The maturity analysis of lease liabilities are disclosed in note 37.

The effective interest rate for lease liabilities is 8.67% (March 31, 2022: 8.81%).

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

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation expense of right-of-use assets (refer note 26)	12.86	12.34
Interest expense on lease liabilities (refer note 27)	2.80	4.28
Expense relating to leases of low-value assets/short term leases (included in other expenses)	7.09	10.51
Total amount recognised in the Standalone Ind AS Statement of Profit and Loss	**22.75**	**27.13**

The Company had total cash outflows for leases of ₹ 18.70 Million during the year ended March 31, 2023 (March 31, 2022: ₹ 42.54 Million).

b. Commitment

(₹ in Million)

Particulars	March 31, 2023	March 31, 2022
i) Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances	9.69	44.64
ii) Refer note 14 pertaining to the terms / rights attached to share warrants		
iii) The Company has extended comfort letter to provide continued support to its following subsidiaries to meet its debt and liabilities as they fall due and continue as going concern:		
- Deciphar Life Sciences Private Limited		
- Remfuel Bioenergy Private Limited		
- Bigtec Healthcare Private Limited		

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34 Contingent liabilities

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its Standalone Ind AS Financial Statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the Standalone Ind AS Financial Statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

(₹ in Million)

Particulars	March 31, 2023	March 31, 2022
i) Bank guarantees given by the Company	260.05	209.47
ii) Matter relating to direct taxes under dispute[1,2]	0.30	102.53
iii) Matter relating to indirect taxes under dispute[2]	59.19	2.54

1. Certain demands from the income tax authorities were set off against the brought forward business loss and depreciation of previous years which has not been disclosed above.

2. The amounts under disputes is as per the demands from the respective authorities for the respective periods and has not been adjusted to include further interest, penalty leviable, if any, at the time of final outcome of the appeals.

3. The Supreme court of India in the month of February 2019 had passed a judgement relating to definition of wages under the Provident Fund Act, 1952. The Management is of the view that there are interpretative challenges on the application of the judgement retrospectively. In the absence of reliable measurement of the provision for earlier periods, the Company has made a provision for provident fund contribution pursuant to the judgement only from the date of Supreme Court Order. The Company will evaluate its position and update its provision, if required, on receiving further clarity on the subject. The Company does not expect any material impact of the same.

4. The Company has received objections on four trade mark applications under Section 11 of the Trade Mark Act, 1999 because the same/similar trade mark(s) is/are already on record of the register for the same or similar goods/services. The management of the Company is in the process of filling necessary replies and is confident of the outcome of the aforementioned trade mark applications to be favourable and accordingly no adjustments have been made in the Standalone Ind AS Financial Statements in this regard.

5. Also refer note 25.

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35 Related party disclosures

a) Names of the related parties and description of relationship

Nature of Relationship	Name of the Party
(i) Related party where control exists	
Subsidiary Companies	Bigtec Private Limited (wholly owned) Deciphar Life Sciences Private Limited (wholly owned) Remfuel Bioenergy Private Limited (wholly owned) Bigtec Healthcare Private Limited (wholly owned) Prognosys Medical Systems Private Limited (w.e.f March 01, 2023)
(ii) Entities on which significant influence exists	Chayagraphics (India) Private Limited (w.e.f February 13, 2023)
(iii) Other related parties with whom transactions have been taken place during the year:	
(a) Enterprise with common director	Prognosys Medical Systems Private Limited (upto February 28, 2023, subsidiary w.e.f March 01, 2023)
(b) Shareholder with whom transaction exist during the year	India Business Excellence Fund III (IBEF III)
(c) Key managerial personnel	- Mr. Sriram Natarajan (Director) - Mr. Chandrasekhar Bhaskaran Nair (Director) - Mrs. Sangeetha Sriram (Director) - Mr. Rohit Brijmohan Mantri (Director) - Mr. Mulangi Krishnaswamy Ashokkumar (ceased to be director w.e.f July 03, 2022) - Mr. Rohit Ashok Kumar Mullangi (Director) (w.e.f August 14, 2022)
(d) Relatives of key managerial personnel	- Mr. Shiva Sriram - Mrs. Sarada Natarajan

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

(b) Transactions with the above related parties during the year:

(₹ in Million)

		For the year ended March 31, 2023	For the year ended March 31, 2022
Transactions during the year			
Interest income on loan			
Prognosys Medical Systems Private Limited	Enterprise with common director (upto February 28, 2023, subsidiary w.e.f March 01, 2023)	20.25	1.10
Bigtec Private Limited	Subsidiary Company	30.93	-
Purchase of traded goods			
Bigtec Private Limited	Subsidiary Company	0.16	1.00
Other expenses - Royalty expense			
Bigtec Private Limited	Subsidiary Company	315.96	771.22
Finance costs			
Mr. Sriram Natarajan	Director	28.73	87.71
Mrs. Sarada Natarajan	Relative of key managerial personnel	-	1.17
India Business Excellence Fund III (IBEF III)	Shareholder with whom transaction exist during the year	-	134.08
Advance to supplier			
Bigtec Private Limited	Subsidiary Company	-	465.10
Expenses incurred on behalf of the Company			
Bigtec Private Limited	Subsidiary Company	1.93	3.20
Mr. Sriram Natarajan	Director	5.99	3.11
Mrs. Sangeetha Sriram	Director	-	0.02
Mr. Shiva Sriram	Relative of key managerial personnel	-	0.11
Loans taken			
Mr. Sriram Natarajan	Director	80.00	-
Loans repaid			
Mr. Sriram Natarajan	Director	447.33	530.01
Mrs. Sarada Natarajan	Relative of key managerial personnel	-	9.00
Loans given[6]			
Prognosys Medical Systems Private Limited	Enterprise with common director (upto February 28, 2023, subsidiary w.e.f March 01, 2023)	40.00	200.00
Bigtec Private Limited	Subsidiary Company	483.04	-
Loans refunded			
Prognosys Medical Systems Private Limited	Enterprise with common director (upto February 28, 2023, subsidiary w.e.f March 01, 2023)	240.00	-
Loans adjusted against trade payables			
Bigtec Private Limited	Subsidiary Company	360.55	-
Investment in equity shares			
Prognosys Medical Systems Private Limited	Enterprise with common director (upto February 28, 2023, subsidiary w.e.f March 01, 2023)	144.60	-
Investment in compulsorily convertible preference shares			
Prognosys Medical Systems Private Limited	Enterprise with common director (upto February 28, 2023, subsidiary w.e.f March 01, 2023)	246.11	-
Chayagraphics (India) Private Limited	Associate company	60.00	-
Remuneration			
Mr. Sriram Natarajan	Director	18.02	18.00
Mrs. Sangeetha Sriram	Director	2.42	2.40
Mr. Shiva Sriram	Relative of key managerial personnel	3.26	2.45
Provision for diminution in the value of investments			
Remfuel Bioenergy Private Limited	Subsidiary Company	0.10	-
Bigtec Healthcare Private Limited	Subsidiary Company	0.05	-

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35 Related party disclosures (continued)

2) Outstanding balances as at year end

(₹ in Million)

		March 31, 2023	March 31, 2022
Balances payable to related parties are as follows:			
Current borrowings			
Mr. Sriram Natarajan	Director	73.89	441.22
Trade payables			
Bigtec Private Limited	Subsidiary Company	-	8.03
Employee related payables			
Mr. Sriram Natarajan	Director	6.91	2.64
Mr. Shiva Sriram	Relative of key managerial personnel	20.25	0.03
Mrs. Sangeetha Sriram	Director	0.16	0.03
Interest accrued on loans taken			
Mr. Sriram Natarajan	Director	-	11.67
Balances receivable from related parties are as follows:			
Trade receivables			
Prognosys Medical Systems Private Limited	Enterprise with common director (upto February 28, 2023, subsidiary w.e.f March 01, 2023)	0.76	3.00
Loan - Current (Unsecured)			
Prognosys Medical Systems Private Limited	Enterprise with common director (upto February 28, 2023, subsidiary w.e.f March 01, 2023)	-	200.00
Bigtec Private Limited	Subsidiary Company	122.49	-
Interest accrued on loans given			
Prognosys Medical Systems Private Limited	Enterprise with common director (upto February 28, 2023, subsidiary w.e.f March 01, 2023)	19.32	1.10
Bigtec Private Limited	Subsidiary Company	30.93	-
Advances other than capital advances - Current			
Bigtec Private Limited	Subsidiary Company	31.79	-

Notes

1. The remuneration to the key managerial personnel does not include provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.
2. Refer note 13 for details of share issued during the year ended March 31, 2022.
3. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.
4. In respect of transactions with related parties, the Company has complied with the provisions of Section 188 of the Companies Act, 2013 where applicable, and the details have been disclosed above, as required by the applicable accounting standards.
5. Refer note 14 and 15 for details of conversion of OCD's into equity shares.
6. Details of loans under section 186(4) of the Companies Act, 2013:

- During the year ended March 31, 2023

Name of loanee	Rate of interest	Due date	Secured / Unsecured	Purpose	At the beginning of the year	Loans given	Loans received back / adjusted	At the end of the year
Prognosys Medical Systems Private Limited	10.00%	March 31, 2023	Unsecured	Utlising for making earnest money deposit for tenders and business purpose	200.00	40.00	(240.00)	-
Bigtec Private Limited	10.00%	March 31, 2024	Unsecured	Financial assistance for the purpose of carrying on its R&D activities	-	483.04	(360.55)	122.49

- During the year ended March 31, 2022

Name of loanee	Rate of interest	Due date	Secured / Unsecured	Purpose	At the beginning of the year	Loans given	Loans received back / adjusted	At the end of the year
Prognosys Medical Systems Private Limited	10.00%	March 31, 2023	Unsecured	Utlising for making earnest money deposit for tenders and business purpose	-	200.00	-	200.00

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MOLBIO DIAGNOSTICS (P) LTD.

36 Segment information - Disclosure pursuant to Ind AS 108 'Operating Segments'

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 business of manufacturing chip based Diagnostic Devices, chips and reagents. Accordingly, the Company's activities and business is reviewed regularly by the chief operating decision maker from an overall business perspective, rather than reviewing its products / services as individual standalone components. Thus, the Company has only one operating segment, and has no reportable segment in accordance with Ind AS- 108 'Operating Segments'.

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

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of products	3,165.37	7,726.79
Other operating revenue	100.35	35.51
Total	**3,265.72**	**7,762.30**

(ii) Geographical information

Revenue from customers

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
India	2,778.62	6,377.07
Outside India*	487.10	1,385.23
Total	**3,265.72**	**7,762.30**

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

Non-current assets**

(₹ in Million)

Particulars	March 31, 2023	March 31, 2022
India	1,923.46	1,991.49
Outside India	-	-
Total	**1,923.46**	**1,991.49**

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

(iii) No customers accounted for more than 10% of total revenue of the Company during the year ended March 31, 2023. During the year ended March 31, 2022 two customers accounted for ₹ 2,074.84 Million which was more than 10% of total revenue of the Company for the said year.

37 Disclosures on financial instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in accounting policy to the financial statements.

(a) Financial assets and liabilities

The management assessed that cash and bank balances, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Non-current financial assets and liabilities are discounted using an appropriate discounting rate where the time value of money is material.

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2023 and March 31, 2022:

(₹ in Million)

Particulars	Carrying and Fair Value	
	March 31, 2023	March 31, 2022
Financial assets		
At Amortised cost		
(i) Loans	122.49	200.00
(ii) Investments*	537.91	87.35
(iii) Trade receivables	1,733.11	2,405.95
(iv) Cash and cash equivalents	43.14	60.07
(v) Other bank balances	2.64	3.87
(vi) Other financial assets	435.84	358.64
At Fair value through other comprehensive income		
(i) Investments	0.03	0.03
Total	**2,875.16**	**3,115.91**
Financial liabilities		
At Amortised cost		
(i) Borrowings	540.56	1,053.92
(ii) Trade payables	745.71	473.68
(iii) Lease liabilities	28.41	30.18
(iv) Other financial liabilities	106.76	118.10
Total	**1,421.44**	**1,675.88**

* Investment in equity shares and compulsory convertible preference shares in subsidiaries and associate has been accounted at cost as per Ind AS 27 "Separate Financial Statements"

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MOLBIO DIAGNOSTICS (P) LTD.

37 Disclosures on financial instruments (continued)

(b) Fair value hierarchy

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

(₹ in Million)

Particulars	Fair value measurements at reporting date using			
	Total	Level 1	Level 2	Level 3
March 31, 2023				
Financial assets				
Investments (at fair value through OCI)	0.03	-	-	0.03
Financial liabilities				
Borrowings (at amortised cost)	540.56	-	540.56	-
March 31, 2022				
Financial assets				
Investments (at fair value through OCI)	0.03	-	-	0.03
Financial liabilities				
Borrowings (at amortised cost)	1,053.92	-	1,053.92	-

(i) Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

(ii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(iii) There have been no transfers between Level 1, Level 2 and Level 3 for the year ended March 31, 2023 and March 31, 2022.

(c) Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, other financial assets and cash and bank balances derived from its operations.

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

(i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
(ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

Market risk
Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

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MOLBIO DIAGNOSTICS (P) LTD.

37 Disclosures on financial instruments (continued)

(1) Market risk- 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. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. Thus profits and cash flows from financing activities are dependent on market interest rates. Further, any decline in the credit rating of the Company will have an adverse impact on the interest rates.

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

(₹ in Million)

Particulars	March 31, 2023	March 31, 2022
Fixed rate instruments:		
Financial liabilities	100.90	468.92
Variable rate instruments:		
Financial liabilities	439.66	585.00

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rate on the portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings as following:

(₹ in Million)

Particulars	Increase / decrease in basis points	March 31, 2023	March 31, 2022
Interest rate fluctuation	+50	(2.20)	(2.93)
Interest rate fluctuation	-50	2.20	2.93

(2) Market risk- Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating and financing activities. The Company's exposure to foreign currency changes from operating activities is not material and the Company primarily has overseas transactions in USD.

The following table shows foreign currency exposure at the end of reporting year:

As at March 31, 2023

Particulars	USD
Financial Assets	
Trade receivables	
Foreign Currency (In Million)	1.36
Indian rupees (In Million)	109.48
Impact on profit and loss (₹ in Million):	
5% increase	5.47
5% decrease	(5.47)
Financial liabilities	
Trade payables	
Foreign Currency (In Million)	2.66
Indian rupees (In Million)	222.84
Impact on profit and loss (₹ in Million):	
5% increase	(11.14)
5% decrease	11.14

As at March 31, 2022

Particulars	USD
Financial Assets	
Trade receivables	
Foreign Currency (In Million)	2.54
Indian rupees (In Million)	187.89
Impact on profit and loss (₹ in Million):	
5% increase	9.39
5% decrease	(9.39)
Financial liabilities	
Trade payables	
Foreign Currency (In Million)	1.41
Indian rupees (In Million)	109.35
Impact on profit and loss (₹ in Million):	
5% increase	(5.47)
5% decrease	5.47

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MOLBIO DIAGNOSTICS (P) LTD.

37 Disclosures on financial instruments (continued)

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Financial instruments that are subject to credit risk and concentration thereof principally consist of loan receivables, trade receivables, cash and cash equivalents, bank balances and other financial assets of the Company.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹ 2,875.16 Million (March 31, 2022: ₹ 3,115.91 Million), being the total carrying value of investments (other than investment in subsidiaries and associate), loans receivables from related parties, trade receivables, cash and cash equivalents, bank balances and other financial assets of the Company.

Customer credit risk is managed based on the Company's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major customers. The Company does not hold collateral as security.

With respect to Trade receivables, the Company has constituted the terms to review the receivables on periodic basis and to take necessary mitigations, wherever required. The Company creates allowance for unsecured receivables based on historical credit loss experience and is adjusted for forward looking information. The allowance of trade receivables is based on the ageing of the receivables that are due.

Refer note 9 for movement in expected credit loss for the years ended March 31, 2023 and March 31, 2022.

Credit risk from balances with bank and financial institutions and in respect to loans and security deposits is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

(iii) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund based working capital limits from a bank. The Company invests its surplus funds in bank fixed deposit, which carry no or low market risk.

The Company monitors its risk of shortage of funds on a regular basis. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, etc. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be medium.

The following table shows a maturity analysis of the anticipated cash flows excluding interest obligations for the Company's financial liabilities on an undiscounted basis, which may differ from both carrying value and fair value.

(₹ in Million)

Particulars	0 - 1 years	1 to 5 years	> 5 years	Total
March 31, 2023				
Borrowings[1]	530.71	9.85	-	540.56
Lease liabilities	12.43	13.57	24.07	50.08
Trade payables	745.71	-	-	745.71
Other financial liabilities	106.76	-	-	106.76
	1,395.61	**23.42**	**24.07**	**1,443.11**
March 31, 2022				
Borrowings[1]	1,040.85	13.07	-	1,053.92
Lease liabilities	9.68	19.17	24.71	53.57
Trade payables	473.68	-	-	473.68
Other financial liabilities	118.10	-	-	118.10
	1,642.31	**32.24**	**24.71**	**1,699.27**

Notes:

1. The above disclosure excludes interest and other finance charges to be paid on the borrowings, by the Company.

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MOLBIO DIAGNOSTICS (P) LTD.

38 Capital management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan coupled with long-term and short-term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long-term and short-term borrowings.

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity share holders of the Company.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is total debt divided by total capital plus total debt. The Company's policy is to keep the gearing ratio at an optimum level to ensure that the debt related covenants are complied with.

(₹ in Million)

Particulars	March 31, 2023	March 31, 2022
Borrowings (refer note 15)	540.56	1,053.92
Less: Cash and cash equivalents (refer note 11)	(43.14)	(60.07)
Total debts (A)	**497.42**	**993.85**
Equity share capital (refer note 13)	22.54	22.46
Other equity (refer note 14)	7,367.20	6,810.36
Total capital (B)	**7,389.74**	**6,832.82**
Capital and borrowings C= (A+B)	**7,887.16**	**7,826.67**
Gearing ratio (%) D= (A/C)	**6.31%**	**12.70%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 and March 31, 2022.

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39 Ratio Analysis and its elements

(₹ in Million)

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance (March 2023 vs March 2022)	Explanation for Variance (March 2023 vs March 2022)
Current ratio	Current assets	Current liabilities	3.44	3.38	1.80%	
Debt- Equity Ratio	Total borrowings (including lease liabilities)	Total equity	0.08	0.16	(51.47%)	Decrease is mainly due to repayment of borrowings and increase in equity on account of profits during the year.

(₹ in Million)

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance (March 2023 vs March 2022)	Explanation for Variance (March 2023 vs March 2022)
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses + Finance costs	Debt service = Finance costs and Lease Payments + Principal Repayments of borrowings	0.71	3.14	(77.48%)	Decrease is mainly due to decrease in net profit after tax.
Return on Equity ratio	Net Profit after taxes	Average Total equity	0.02	0.37	(93.99%)	Decrease is mainly due decrease in net profit after tax during the current year and increase in average equity on account of profits.
Inventory Turnover ratio	Cost of Goods Sold	Average Inventory	0.43	0.96	(54.79%)	Decrease is mainly due to decrease in consumption and increase in average inventory balances.
Trade Receivable Turnover Ratio	Revenue from operations	Average Trade Receivables	1.58	3.43	(54.05%)	Decrease is mainly due to decrease in revenue from operations during the current year.
Trade Payable Turnover Ratio	Net Credit Purchases	Average Trade Payables	4.67	5.31	(11.96%)	
Net Capital Turnover Ratio	Revenue from operations	Working capital = Current assets - Current liabilities	0.75	1.75	(56.81%)	Decrease is mainly due to decrease in revenue from operations during the current year.
Net Profit ratio	Net profit after tax	Revenue from operations	0.05	0.24	(80.06%)	Decrease is mainly due to decrease in volume of revenue from operations.
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt	0.04	0.36	(89.84%)	Decrease is mainly due to decrease in net profit after tax.
Return on Investment	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

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40 Details of CSR expenses:

(₹ in Million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Gross amount required to be spent by the	52.04	32.49
b) Amount approved by the board to be spent	-	-

c) Amount spent during the year ending March 31, 2023

(₹ in Million)

	In Cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	-	-	-

d) Amount spent during the year ending March 31, 2022

(₹ in Million)

	In Cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	-	-	-

e) Details related to spent / unspent obligations:

(₹ in Million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
i) Contribution to others	-	-
ii) Unspent amount in relation to:		
- Ongoing project	-	-
- Other than Ongoing Project	52.04	32.49
	52.04	32.49

f) Details of other than ongoing project

(₹ in Million)

In case of S. 135(5) (Other than ongoing project)					
Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance	Remarks
32.49	-	52.04	-	84.53	Refer note (g) below

g) As per sub section (5) of Section 135 of the Companies Act, 2013 in respect of other than ongoing projects, the Company is required to transfer such unspent amount to any fund as mentioned in schedule VII within six months from the end of the financial year, however till the date of these Standalone Ind AS financial statement the unspent amount for the year ended March 31, 2022 and March 31, 2023 has not been transferred to a fund specified in schedule VII to the Act.

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MOLBIO DIAGNOSTICS (P) LTD.

41 Other Statutory information

(i) 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 the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) The Company does not have any transactions with companies struck off during the year.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period except for below:

Nature of transaction	Location of Registrar of Company (ROC)	Period by which such charge had to be registered (in days or months)	Reason for delay in registration
7 - Vehicle term loans	ROC - Goa	30 days	Procedural delay

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the years ended March 31, 2023 and March 31, 2022

(v) The Company has no such 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 (such as search or survey or any other relevant provisions of the Income Tax Act, 1961).

(vi) The Company has not been declared willful defaulter by any bank, financial institution, government or government authority.

(vii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) 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
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(viii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) 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
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

42 As at March 31, 2023, trade and other payables amounting to ₹ 159.93 Million (out of which ₹ 158.18 Million has been paid subsequent to March 31, 2023) and trade and other receivables amounting to ₹ 7.94 Million towards purchase and sale of goods and services respectively, are outstanding beyond permissible time period stipulated under the Master Circular on Import of Goods and Services and Master Circular on Export of Goods and Services issued by Reserve Bank of India ('the RBI'), which states that payments against imports of goods and receipts against exports of goods and services within defined regulatory timelines from date of shipment.

The management is in the process of regularising the above non-compliances, with the appropriate regulatory authorities and is of the view that penalties, if any that may be imposed on the Company would not be material. Accordingly, no adjustments have been made by the management in these financial statements in this regard.

43 Interest in significant investment in subsidiaries and associates as per Ind AS - 27

Name of the entity	Relationship as at		Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting rights held as at		Date of incorporation	Country of incorporation/ place of business
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022		
Bigtee Private Limited	Subsidiary	Subsidiary	100%	100%	100%	100%	July 03, 1996	India
Deciphar Life Sciences Private Limited	Subsidiary	Subsidiary	100%	100%	100%	100%	June 06, 2001	India
Renfuel Bioenergy Private Limited	Subsidiary	Subsidiary	100%	100%	100%	100%	November 11, 2008	India
Bigtee Healthcare Private Limited *	Subsidiary	Subsidiary	100%	100%	100%	100%	April 11, 2011	India
Prognosys Medical Systems Private Limited #	Subsidiary	NA	65.47%	0.00%	65.47%	0.00%	November 07, 2003	India
Chayagraphics (India) Private Limited #	Associate	NA	22.11%	0.00%	22.11%	0.00%	September 23, 1996	India

* Includes 50% shareholding held by Bigtee Private Limited in Bigtee Healthcare Private Limited.
\# Includes investment in compulsory convertible preference shares in the nature of equity. Also refer note 5.

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MOLBIO DIAGNOSTICS (P) LTD.

44 MCA has amended the Rule 3 of the Companies (Accounts) Rules, 2014 (the "Accounts Rules") vide notification dated August 05, 2022, relating to the mode of keeping books of account and other books and papers in electronic mode. Back-ups of the books of account and other books and papers of the company maintained in electronic mode are now required to be retained on a server located in India on daily basis (instead of back-ups on a periodic basis as provided earlier) as prescribed under Rule 3(5) of the Accounts Rules. With respect to above stated requirement, the Company does not have server physically located in India for the daily backup of the books of account and other books and papers maintained in electronic mode. The Company would initiate the necessary steps as regards the compliance with Rule 3 of the Companies (Accounts) Rules, 2014 with respect to maintenance of backups in server physically located in India on a daily basis.

45 Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in these Standalone Ind AS financial statements have been rounded off or truncated as deemed appropriate by the management of the Company.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI firm registration number: 101049W/ E300004

per Sandeep Karnani
Partner
Membership No: 061207
Place: Bengaluru
Date: December 30, 2023

For and on behalf of the Board of Directors of
Molbio Diagnostics Private Limited

Chandrasekhar Bhaskaran Nair
Director
DIN: 01787875
Place: Bengaluru
Date: December 30, 2023

Sriram Natarajan
Director
DIN: 00013843
Place: Goa
Date: December 30, 2023

Suhas Advant
Chief Financial Officer
Place: Bengaluru
Date: December 30, 2023

Molbio Diagnostics Private Limited

Consolidated Financial Statements for the year ended March 31, 2023

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

12th Floor
"UB City" Canberra Block
No. 24, Vittal Mallya Road
Bengaluru - 560 001, India
Tel : +91 80 6648 9000

INDEPENDENT AUDITOR'S REPORT

To the Members of Molbio Diagnostics Private Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Molbio Diagnostics Private Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate comprising of the consolidated Balance sheet as at March 31 2023, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us [and based on the consideration of reports of other auditors on separate Ind AS financial statements and on the other financial information of the subsidiaries and associate, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2023, their consolidated loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 6 in the accompanying consolidated financial statements as regards the earnest money deposits ('EMD') of ₹ 199.00 Million made by Prognosys Medical Systems Private Limited ('PMS'), a subsidiary. PMS has suffered a fraud as regards misappropriation of earnest money deposits ('EMD') made by PMS prior to the Holding Company's investment in PMS during the current year. The Group has a provision of ₹ 100.00 Million against the aforesaid deposit as at March 31, 2023 and is taking legal recourse to recover the EMD and is confident of recovery based on the various legal actions taken by the Group. Our opinion is not modified in respect of this matter.

S.R. Batliboi & Associates LLP
Bengaluru

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. The Director's report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies 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 the 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the Companies included in the Group and of its associate are responsible for assessing the ability of their respective Companies 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 Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of their respective Companies.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated Ind AS financial statements.

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Bengaluru

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS 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 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 Holding Company has adequate internal financial controls with reference to the consolidated Ind AS financial statements 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 ability of the Group and its associate 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 consolidated Ind AS 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 Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors 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.

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Bengaluru

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of 4 subsidiaries, whose financial statements include total assets of ₹ 797.51 Million as at March 31, 2023, and total revenues of ₹ Nil and net cash flows of ₹ Nil for the year ended on that date. These financial statement and other financial information have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net profit/ loss of ₹ Nil for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of an associate (consolidated with effect from February 13, 2023), whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the reports of such other auditors.

(b) The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of 1 subsidiary (consolidated with effect from March 01, 2023), whose financial statements and other financial information reflect total revenues of ₹ 5.89 Million and net cash inflows of ₹ 5.72 Million for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies and associate, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure I" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associate, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

   (a) We/the other auditors whose report we have relied upon 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 of the aforesaid consolidated Ind AS financial statements;

S.R. Batliboi & Associates LLP Bengaluru

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors except as disclosed in Note 42 to the consolidated financial statements that the server is not physically located in India for the daily backup of the books of account and other books and papers maintained in electronic mode.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) The matters described in the Emphasis of Matter paragraph, Disclaimer of Opinion paragraph of 'Annexure II' to this report and 'Annexure I' to this report, in our opinion, may have an adverse effect on the functioning of the Holding Company;

(f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and associate, none of the directors of the Group's and its associate incorporated in India are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

(g) The observation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above.

(h) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies and associate, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure II" to this report

(i) The provisions of section 197 read with Schedule V of the Act are not applicable to the Holding Company, its subsidiaries and associate incorporated in India for the year ended March 31, 2023;

(j) 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associate, as noted in the 'Other matter' paragraph

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associate in its consolidated Ind AS financial statements – Refer Note 34 to the consolidated Ind AS financial statements;

ii. The Group and its associate did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2023;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries and its associate, incorporated in India during the year ended March 31, 2023.

S.R. Batliboi & Associates LLP Bengaluru

iv. a) The respective managements of the Holding Company and its subsidiaries and associate, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associate respectively that, to the best of its knowledge and belief and as disclosed in the Note 40(vi) to the consolidated Ind AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries and associate, to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries and associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company ,its subsidiaries and associate, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associate respectively that, to the best of its knowledge and belief and as disclosed in the Note 40(vii) to the consolidated financial statements, no funds have been received by the respective Holding Company or any of such subsidiaries and associate, from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and associate shall, whether, 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 have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and associate, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Holding Company, its subsidiaries and associate, incorporated in India.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company, its subsidiaries and associate companies incorporated in India, hence reporting under this clause is not applicable.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

S.R. Batliboi & Associates LLP Bengaluru

per Sandeep Karnani
Partner
Membership Number: 061207

UDIN: 24061207BKBJVL3517
Place of Signature: Bengaluru
Date: December 30, 2023

Annexure I referred to in clause 1 of paragraph on the 'Report on Other Legal and Regulatory Requirements' of our report of even date

Re: Molbio Diagnostics Private Limited ("the Holding Company")

In terms of the information and explanations sought by us and given by the Holding Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, and based on the consideration of reports of auditors in respect of subsidiaries and associate as applicable, we state that the qualifications or adverse remarks by the respective auditors in their reports on Companies (Auditor's Report) Order, 2020 of the companies included in the Consolidated Ind AS Financial Statements are:

Sl. No	Name	CIN	Holding company/ subsidiary / associate	Clause number of the CARO report which is qualified or is adverse
1	Molbio Diagnostics Private Limited	U33125GA2000PTC002909	Holding company	Clause 3(i)(a), Clause 3(ii)(b), Clause 3(iii)(e), Clause 3(iv), Clause 3(vii)(a), Clause 3(ix)(a), Clause 3(ix)(d), Clause 3(xiv), Clause 3(xx)(a)
2	Bigtec Private Limited	U65192KA1996PTC020736	Subsidiary company	Clause 3(i)(a), Clause 3(iii), Clause 3(iv), Clause 3(vii)(a), Clause 3(ix)(d) and Clause 3(xx)(a)
3	Prognosys Medical System Private Limited	U72900KA02003PTC032831	Subsidiary company	Clause 3(ii)(b), Clause 3(xi)(a) Clause 3(xvii)

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

S.R. Batliboi & Associates LLP Bengaluru

per Sandeep Karnani
Partner
Membership Number: 061207
UDIN: 24061207BKBJVL3517
Place of Signature: Bengaluru
Date: December 30, 2023

Annexure II to the Independent auditor's report of even date on the consolidated Ind AS financial statements of Molbio Diagnostics Private Limited
Report on the Internal Financial Controls 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 with reference to consolidated Ind AS financial statements of Molbio Diagnostics Private Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate which are companies incorporated in India, as of March 31, 2023, in conjunction with our audit of the consolidated Ind AS financial statements of the Holding Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group and its associate, which are companies incorporated in India, are responsible for laying down and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 (ICAI) ("Guidance Note"). 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 the respective 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated Ind AS financial statements based on our audit conducted in accordance with the Guidance Note and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI.

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company.

Meaning of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements

A company's internal financial control with reference to consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated Ind AS financial statements 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 consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

S.R. Batliboi & Associates LLP
Bengaluru

Disclaimer of Opinion

According to the information and explanation given to us, the Holding Company has not established its internal financial control with reference to consolidated Ind AS financial statements on criteria based on or considering the essential components of internal control stated in the Guidance Note issued by the ICAI. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Holding Company had adequate internal financial controls with reference to consolidated financial statements as at March 31, 2023 and whether such internal financial controls were operating effectively. Accordingly, we do not express an opinion on Internal Financial Controls with reference to consolidated financial statements.

Other Matter

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to these consolidated financial statements insofar as it relates to 4 subsidiaries and 1 associate, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the ICAI , as specified under Section 143(10) of the Act, the consolidated financial statements of the Holding Company, which comprise the consolidated Balance Sheet as at March 31, 2023, and the consolidated Statement of Profit and Loss, including other comprehensive income and consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and our report dated December 30, 2023 expressed an unqualified opinion. We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Holding Company, and the disclaimer does not affect our opinion on the consolidated financial statements of the Holding Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

S.R. Batliboi & Associates LLP
Bengaluru

per Sandeep Karnani
Partner
Membership Number: 061207
UDIN: 24061207BKBJVL3517
Place of Signature: Bengaluru
Date: December 30, 2023

Molbio Diagnostics Private Limited
Corporate Identity Number (CIN): U33125GA2000PTC002909
Consolidated Ind AS Balance Sheet as at March 31, 2023

(₹ in Million)

	Notes	March 31, 2023	March 31, 2022
I Assets			
(1) Non-current assets			
(a) Property, plant and equipment	3	1,777.50	1,833.52
(b) Capital work-in-progress	3	-	-
(c) Intangible assets	4	858.75	449.63
(d) Intangible assets under development	4	53.63	113.12
(e) Goodwill on consolidation	4	80.90	42.49
(f) Right-of-use assets	33	187.39	189.96
(g) Investment in associate	5A	60.00	-
(h) Financial assets			
(i) Investments	5B	0.05	0.03
(ii) Other financial assets	6	439.39	260.01
(i) Deferred tax assets (net)	29	104.42	65.86
(j) Non-current tax assets (net)	8	370.13	56.47
(k) Other non-current assets	12	30.37	42.05
		3,962.53	**3,053.14**
(2) Current assets			
(a) Inventories	10	3,470.16	2,957.61
(b) Financial assets			
(i) Trade receivables	9	1,887.55	2,406.05
(ii) Cash and cash equivalents	11	69.75	80.15
(iii) Bank balances other than (ii) above	11	2.64	3.87
(iv) Loans	7	22.12	200.00
(v) Other financial assets	6	119.35	110.13
(c) Other current assets	12	797.30	585.76
		6,368.87	**6,343.57**
(3) Asset held-for-sale		53.20	-
Total assets (1+2+3)		**10,384.60**	**9,396.71**
II Equity and liabilities			
(1) Equity			
(a) Equity share capital	13	22.54	22.46
(b) Other equity	14	7,234.74	7,087.42
Equity attributable to equity holders of the parent		**7,257.28**	**7,109.88**
Non-controlling interest	14	158.62	-
Total equity		**7,415.90**	**7,109.88**
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	9.85	13.07
(ii) Lease liabilities	33	69.43	72.18
(iii) Other financial liabilities	18	247.00	-
(b) Net employee defined benefit liabilities	16	15.28	7.28
(c) Deferred tax liabilities (net)	29	52.59	70.65
		394.15	**163.18**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	989.68	1,081.76
(ii) Lease liabilities	33	31.54	22.18
(iii) Trade payables	20	855.22	507.31
(iv) Other financial liabilities	18	228.20	143.90
(b) Net employee defined benefit liabilities	16	7.79	3.70
(c) Provisions	17	116.21	45.70
(d) Other current liabilities	19	345.91	319.10
		2,574.55	**2,123.65**
Total liabilities (2+3)		**2,968.70**	**2,286.83**
Total equity and liabilities (1+2+3)		**10,384.60**	**9,396.71**
Summary of significant accounting policies	2.4		

The accompanying notes are an integral part of the Consolidated Ind AS Financial Statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI firm registration number: 101049W/ E300004

per Sandeep Karnani
Partner
Membership No. 061207
Place: Bengaluru
Date: December 30, 2023

S.R. Batliboi & Associates LLP Bengaluru

For and on behalf of the Board of Directors of
Molbio Diagnostics Private Limited

Chandrasekhar Bhaskaran Nair
Director
DIN: 01787875
Place: Bengaluru
Date: December 30, 2023

Sriram Natarajan
Director
DIN: 00013843
Place: Goa
Date: December 30, 2023

Suhas Advant
Chief Financial Officer
Place: Bengaluru
Date: December 30, 2023

MOLBIO DIAGNOSTICS (P) LTD.

Molbio Diagnostics Private Limited
Corporate Identity Number (CIN): U33125GA2000PTC002909
Consolidated Ind AS Statement of Profit and Loss for the year ended March 31, 2023

(₹ in Million)

		Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
I	**Income**			
	Revenue from operations	21	3,324.63	7,763.83
	Other income	22	49.48	51.64
	Total income		**3,374.11**	**7,815.47**
II	**Expenses**			
	Cost of raw material and components consumed	23	1,853.28	3,104.36
	Changes in inventories	24	(430.31)	(399.69)
	Purchase of traded goods		9.74	15.97
	Employee benefit expenses	25	497.26	442.81
	Depreciation and amortisation expenses (refer note 3 with respect to change in estimate)	26	317.22	546.09
	Finance costs	27	68.49	255.49
	Other expenses	28	963.03	892.01
	Total expenses		**3,278.71**	**4,857.04**
III	**Profit before share of profit / loss of an associate (I - II)**		**95.40**	**2,958.43**
	Share of profit / (loss) of an associate		-	-
IV	**Profit before tax**		**95.40**	**2,958.43**
V	**Tax expenses**			
	(a) Current tax	29	69.54	817.48
	(b) Deferred tax charge / (credit)	29	59.34	(10.62)
	(c) Adjustment of tax relating to earlier years	29	0.97	-
	Total tax expenses		**129.85**	**806.86**
VI	**(Loss) / Profit for the year (IV-V)**		**(34.45)**	**2,151.57**
VII	**Other comprehensive income / (loss)**			
	Other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent periods:			
	(i) Re-measurement gains / (losses) on defined benefit plan		2.20	(6.98)
	(ii) Income tax effect on above		(0.55)	1.76
	Total other comprehensive income / (loss) for the year (net of tax)		**1.65**	**(5.22)**
VIII	**Total comprehensive (loss) / income for the year (net of tax) (VI + VII)**		**(32.80)**	**2,146.35**
IX	**(Loss) / Profit for the year attributable to:**			
	(a) Owners of the Company		(7.26)	2,151.57
	(b) Non-controlling interest		(27.19)	-
X	**Other comprehensive income / (loss) for the year attributable to:**			
	(a) Owners of the Company		1.65	(5.22)
	(b) Non-controlling interest		-	-
XI	**Total comprehensive (loss) / income for the year attributable to:**			
	(a) Owners of the Company		(5.61)	2,146.35
	(b) Non-controlling interest		(27.19)	-
XII	**Earnings per equity share (EPS)** (face value - ₹ 10 each)			
	Basic (₹)	30	(15.31)	974.05
	Diluted (₹)	30	(15.31)	973.82
	Summary of significant accounting policies	2.4		

The accompanying notes are an integral part of the Consolidated Ind AS Financial Statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI firm registration number: 101049W/ E300004

per Sandeep Karnani
Partner
Membership No: 061207
Place: Bengaluru
Date: December 30, 2023

S.R. Batliboi & Associates LLP Bengaluru

For and on behalf of the Board of Directors of
Molbio Diagnostics Private Limited

Chandrasekhar Bhaskaran Nair
Director
DIN: 01787875
Place: Bengaluru
Date: December 30, 2023

Sriram Natarajan
Director
DIN: 00013843
Place: Goa
Date: December 30, 2023

Suhas Advant
Chief Financial Officer
Place: Bengaluru
Date: December 30, 2023

MOLBIO DIAGNOSTICS (P) LTD.

Molbio Diagnostics Private Limited
Corporate Identity Number (CIN): U33125GA2000PTC002909
Consolidated Ind AS Statement of Cashflows for the year ended March 31, 2023

(₹ in Million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
A. Cash flow from / (used in) operating activities		
Profit before tax	**95.40**	**2,958.43**
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expenses	317.22	546.09
Provision for doubtful trade receivables and advances (including bad debts written off)	7.12	10.70
Net gain on termination / expiry of lease contracts	-	(1.49)
Provision / liabilities no longer required, written back	-	(1.46)
Intangible assets under development written off	9.78	4.40
Net foreign exchange differences	7.37	3.59
Loss on disposal / discard of property, plant and equipment	0.44	-
Interest income	(33.23)	(12.12)
Finance costs	66.49	252.51
Operating profit before working capital changes	**470.59**	**3,760.65**
Working capital adjustments :		
(Increase) / decrease in inventories	(319.79)	(307.20)
Decrease / (increase) in trade receivables	634.17	(293.41)
Decrease in non-current and current other financial and other assets	(115.77)	(95.41)
(Decrease) / increase in trade payables, non-current and current other financial, other liabilities and provisions	353.56	(1,183.78)
Cash generated from operations	**1,022.76**	**1,880.85**
Direct taxes paid (net of refund)	(381.44)	(873.05)
Net cash flow from operating activities (A)	**641.32**	**1,007.80**
B. Cash flow from/ (used in) investing activities		
Purchase of property, plant and equipment (including capital work-in- progress and capital advances) and Intangible assets	(144.98)	(644.61)
Proceeds from sale of property, plant and equipment	0.25	-
Interest income received	13.36	10.26
Consideration paid for business combination (refer note 4.2)	(390.71)	-
Investment in bank deposits (net)	(23.00)	(47.11)
Loans repaid by / (given to) the related parties	200.00	(200.00)
Loans repaid by others	7.34	-
Investment in compulsorily convertible preference shares of associate	(60.00)	-
Net cash used in investing activities (B)	**(397.74)**	**(881.46)**
C. Cash flow from/ (used in) financing activities		
Proceeds from issue of equity shares (net of refund of surplus consideration)	400.01	63.27
Payment of principal portion of lease liabilities	(24.86)	(40.72)
Payment of interest portion of lease liabilities	(8.36)	(10.69)
Proceeds from long-term borrowings	14.56	2.19
Repayment of long-term borrowings	(15.25)	(543.50)
Proceeds/ (repayment) from short-term borrowings (net)	(558.25)	576.00
Finance costs paid	(62.25)	(265.98)
Net cash used in financing activities (C)	**(254.40)**	**(219.43)**
Net increase in cash and cash equivalents (A+B+C)	(10.82)	(93.09)
Cash and cash equivalents at the beginning of the year	80.15	173.24
Add: Acquired through Business Combination (refer note 4.2)	0.42	-
Cash and cash equivalents at the end of the year	**69.75**	**80.15**
Components of cash and cash equivalents		
Balances with banks		
- On current accounts	69.40	79.89
Cash on hand	0.35	0.26
Total cash and cash equivalents (refer note 11.1)	**69.75**	**80.15**
Non-cash investing activities		
Acquisition of right-of-use assets (refer note 33)	7.19	26.73

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Molbio Diagnostics Private Limited
Corporate Identity Number (CIN): U33125GA2000PTC002909
Consolidated Ind AS Statement of Cashflows for the year ended March 31, 2023

Explanatory notes to statements of cash flows

(₹ in Million)

	Borrowings (refer note 15)	Lease liabilities (including current portion of lease liabilities) (refer note 33)
As at April 01, 2022	**1,094.83**	**94.36**
Cash flow changes		
Proceeds from long-term borrowings	14.56	-
Repayment of long-term borrowings	(15.25)	-
Proceeds/ (repayment) from short-term borrowings (net)	(558.25)	-
Payment of principal and interest portion of lease liabilities	-	(33.22)
Non-cash changes		
Accretion of interest on lease liabilities (refer note 33)	-	8.36
Liability assumed in Business Combination (refer note 4.2)	463.64	24.43
Additions to lease liabilities	-	7.04
Derecognition of lease liabilities (refer note 33)	-	-
As at March 31, 2023	**999.53**	**100.97**
As at April 01, 2021	**2,608.89**	**120.68**
Cash flow changes		
Proceeds from issue of 10% Optionally Convertible Secured Redeemable Debentures	-	-
Proceeds from long-term borrowings	2.19	-
Repayment of long-term borrowings	(543.50)	-
Proceeds/ (repayment) from short-term borrowings (net)	576.00	-
Payment of principal and interest portion of lease liabilities	-	(51.41)
Non-cash changes		
Accretion of interest on lease liabilities (refer note 33)	-	10.69
Conversion of 10% Optionally Convertible Secured Redeemable Debentures into equity shares	(1,548.75)	-
Additions to lease liabilities	-	26.08
Derecognition of lease liabilities (refer note 33)	-	(11.68)
As at March 31, 2022	**1,094.83**	**94.36**

Summary of significant accounting policies 2.4

The accompanying notes are an integral part of the Consolidated Ind AS Financial Statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI firm registration number: 101049W/ E300004

per Sandeep Karnani
Partner
Membership No: 061207
Place: Bengaluru
Date: December 30, 2023

S.R. Batliboi & Associates LLP Bengaluru

For and on behalf of the Board of Directors of
Molbio Diagnostics Private Limited

Chandrasekhar Bhaskaran Nair
Director
DIN: 01787875
Place: Bengaluru
Date: December 30, 2023

Sriram Natarajan
Director
DIN: 00013843
Place: Goa
Date: December 30, 2023

Suhas Advant
Chief Financial Officer
Place: Bengaluru
Date: December 30, 2023

MOLBIO DIAGNOSTICS (P) LTD.

Molbio Diagnostics Private Limited
Corporate Identity Number (CIN): U33125GA2000PTC002909
Consolidated Ind AS Statement of Changes in Equity for the year ended March 31, 2023

A. Equity share capital*

	Number (in Million)	₹ in Million
For the year ended March 31, 2022		
Equity shares of ₹ 10 each issued, subscribed and fully paid		
At April 01, 2021	**2.02**	**20.22**
Issue of equity shares pursuance to conversion of 10% Optionally Convertible Secured Redeemable Debentures ('OCDs') and to meet minimum shareholding commitment for Investors (refer note 15)	0.22	2.24
At March 31, 2022	**2.24**	**22.46**
For the year ended March 31, 2023		
Equity shares of ₹ 10 each issued, subscribed and fully paid		
At April 01, 2022	**2.24**	**22.46**
Issuance of share capital (refer note 13(f))	0.01	0.08
At March 31, 2023	**2.25**	**22.54**

*Also refer note 13

B. Other equity**

(₹ in Million)

Particulars	Amount attributable to shareholders							Total other equity (A)	Non-controlling interests (B)	Total (A+B)
	Reserves and surplus					Put option liability towards non controlling interest shareholders	Money received against share warrants			
	Retained earnings	Amalgamation reserve	Securities premium	Other reserves	General reserve					
Balance as at April 01, 2021	**3,043.16**	**92.78**	**190.98**	**-**	**0.87**	**-**	**3.50**	**3,331.29**	**-**	**3,331.29**
Profit for the year	2,151.57	-	-	-	-	-	-	2,151.57	-	2,151.57
Other comprehensive (loss) / income for the year (net of taxes)***	(5.22)	-	-	-	-	-	-	(5.22)	-	(5.22)
Total comprehensive income	**2,146.35**	**-**	**-**	**-**	**-**	**-**	**-**	**2,146.35**	**-**	**2,146.35**
Amount transferred on account of conversion of OCDs (refer note 15)	-	-	-	148.75	-	-	-	148.75	-	148.75
Issue of equity shares pursuance to conversion of OCDs and to meet minimum shareholding commitment for Investors (refer note 15)	-	-	1,461.03	-	-	-	-	1,461.03	-	1,461.03
Balance as at March 31, 2022	**5,189.51**	**92.78**	**1,652.01**	**148.75**	**0.87**	**-**	**3.50**	**7,087.42**	**-**	**7,087.42**
Balance as at April 01, 2022	5,189.51	92.78	1,652.01	148.75	0.87	-	3.50	7,087.42	-	7,087.42
Profit for the year	(7.26)	-	-	-	-	-	-	(7.26)	(27.19)	(34.45)
Other comprehensive (loss) / income for the year (net of taxes)***	1.65	-	-	-	-	-	-	1.65	-	1.65
Total comprehensive income	**(5.61)**	**-**	**-**	**-**	**-**	**-**	**-**	**(5.61)**	**(27.19)**	**(32.80)**
Issue of equity shares	-	-	399.93	-	-	-	-	399.93	-	399.93
Acquisition of subsidiary (refer note 5)	-	-	-	-	-	-	-	-	185.81	185.81
Put option liability towards non controlling interest shareholders (refer note 18)	-	-	-	-	-	(247.00)	-	(247.00)	-	(247.00)
Balance as at March 31, 2023	**5,183.90**	**92.78**	**2,051.94**	**148.75**	**0.87**	**(247.00)**	**3.50**	**7,234.74**	**158.62**	**7,393.36**

**Also refer note 14
***As required under Ind AS compliant Schedule III , the Group has recognised remeasurement gains / (losses) of defined benefit plans as part of retained earnings.

Summary of significant accounting policies 2.4

The accompanying notes are an integral part of the Consolidated Ind AS Financial Statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI firm registration number: 101049W/ E300004

per Sandeep Karnani
Partner
Membership No: 061207
Place: Bengaluru
Date: December 30, 2023

For and on behalf of the Board of Directors of
Molbio Diagnostics Private Limited

Chandrasekhar Bhaskaran Nair
Director
DIN: 01787875
Place: Bengaluru
Date: December 30, 2023

Sriram Natarajan
Director
DIN: 00013843
Place: Goa
Date: December 30, 2023

Suhas Advant
Chief Financial Officer
Place: Bengaluru
Date: December 30, 2023

1. Corporate Information

Molbio Diagnostics Private Limited ("the Parent Company") and its subsidiaries (collectively referred to as "the Group") are mainly engaged in the business of manufacturing chip based diagnostic devices, chips and reagents, X-ray equipment's, single / dual detector solutions, developing diagnostic devices, performing tests in the bio-sensing domain, etc. The Parent Company is a private company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at Plot No. L-46, Phase II-D Verna Industrial Area, Verna, Salcete South Goa, Goa – 403722.

The Consolidated Ind AS Financial Statements were approved by the Board of Directors and authorised for issue in accordance with a resolution of the directors on December 30, 2023.

2. Significant accounting policies

The significant accounting policies applied by the Group in the preparation of its Consolidated Ind AS Financial Statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

2.1. Basis of preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable. The consolidated financial statements of the Company, have been prepared and presented in accordance with Ind AS.

The Consolidated Ind AS Financial Statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (refer accounting policy regarding financial instruments) which have been measured at fair value.

The functional and presentation currency of the Group is Indian Rupee ('₹') which is the currency of the primary economic environment in which the Group operates. All values are rounded to the nearest million with two decimals ('₹ ,000,000.00), except when otherwise indicated.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

2.2. Basis of Consolidation

The Consolidated Ind AS Financial Statements comprise the financial statements of the Group and its subsidiaries and an associate as of March 31, 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary

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acquired or disposed of during the year are included in the Consolidated Ind AS Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Ind AS Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated Ind AS Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Consolidated Ind AS Financial Statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

a) Combine like items of assets, liabilities, equity, income, expenses, and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated Ind AS Financial Statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated Ind AS Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

d) Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

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2.2 Change in accounting policies and disclosures:

Impact of implementation of new standards/amendments:

(i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

The amendments to Ind AS 37 specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs for example direct labour and materials and an allocation of other costs directly related to contract activities for example an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments had no impact on the Consolidated Ind AS Financial Statements of the Group.

(ii) Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately.

It has also been clarified that the existing guidance in Ind AS 103 for contingent assets would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards.

These amendments had no impact on the Consolidated Ind AS Financial Statements of the Group.

(iii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

These amendments had no impact on the Consolidated Ind AS Financial Statements of the Group.

(iv) Ind AS 101 First-time Adoption of Indian Accounting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply the exemption in paragraph D16(a) of Ind AS 101 to measure cumulative translation differences for all foreign operations in its financial statements using the amounts reported by the parent, based on the parent's date of transition to Ind AS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also available to an associate or joint venture that uses exemption in paragraph D16(a) of Ind AS 101.

These amendments had no impact on the Consolidated Ind AS Financial Statements of the Group.

(v) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

The amendments had no impact on the Consolidated Ind AS Financial Statements of the Group.

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2.3 Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2023 dated March 31, 2023 to amend the following Ind AS which are effective from April 01, 2023.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the Consolidated Ind AS Financial Statements of the Group.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1 April 2023. Consequential amendments have been made in Ind AS 107.

The Group is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.

The amendments are not expected to have a material impact on the Consolidated Ind AS Financial statements of the Group.

2.4 Summary of significant accounting policies:

a. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.

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- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss in accordance with Ind AS 109. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS and shall be recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Business combinations arising from transfers of interests in entities that are under the common control are accounted using pooling of interest method. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the Group recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

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b. Investment in an associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The considerations made in determining whether significant influence is similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The Consolidated Ind AS Statement of Profit and Loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate is eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate or exceeds its interest in the associate (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the Consolidated Ind AS Statement of Profit and Loss outside operating profit.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate' in the Consolidated Ind AS Statement of Profit and Loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

c. Current versus non-current classification

The Group presents assets and liabilities in the Consolidated Ind AS Balance Sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period; or
- 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:

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

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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.

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d. Fair value measurement

The Group measures financial instruments at fair value at each Balance sheet date.
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.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Ind AS Financial Statements are categorized within the fair value 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

For assets and liabilities that are recognised in the Consolidated Ind AS Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- ► Disclosures for valuation methods, significant estimates and assumptions
- ► Quantitative disclosures of fair value measurement hierarchy (refer note 37)
- ► Financial instruments (including those carried at amortised cost)

e. Revenue recognition

Revenue from operations is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

The specific recognition criteria described below must be met before revenue is recognised:

Revenue from contracts with customers

(i) Revenue from sale of goods:

Revenues are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

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(ii) Other operating revenue:

Revenues from maintenance contracts are recognised pro-rata over the period of the contract as and when services are rendered.

Other income

(i) Interest Income

For all financial instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

(ii) Export benefits

Export incentives receivable are accrued for, when the right to receive the credit is established and there is no significant uncertainty regarding the realisability of the incentive.

Contract balances

(i) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognised as and when the performance obligation is satisfied.

(ii) Contract assets are subject to impairment assessment. Refer to accounting policies of financial assets in section (i) Financial assets - Impairment of financial assets and section (n) Financial instruments below. **Trade receivables**

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (i) Financial assets - Impairment of financial assets and section (n) Financial instruments below.

(iii) Contract liabilities

A contract liability is recognised if a payment is received, or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

f. Taxes on income

Current income tax

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Consolidated Ind AS Statement of Profit and Loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The Group's liability for current tax is calculated using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income ('OCI') 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 considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

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Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the Consolidated Ind AS Financial Statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, 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 utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet 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 utilized. 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 realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet 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.

g. Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

The Group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

During the year ended March 31, 2023, the management of the Group performed an operational review of its property, plant and equipment and intangible assets which resulted in changes in expected usage of assets. Considering the trend of scale of operations of the Group, the management expects to derive future economic benefits from its property, plant and equipments evenly throughout the useful lives of the assets. Further, management of the Group expects to derive future economic benefits from Intangible asset - computer software evenly throughout the useful lives of the assets, in line with other blocks of intangible assets. Based on the above assessment, the depreciation method is changed from written down value method to straight line method.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Sl. No.	Block	Useful lives estimated by the management (in years)
1	Building – factory on leasehold land	30
2	Plant and machinery	5-15
3	Furnitures and fixtures	10
4	Office equipments	5
5	Electrical installations & fittings	10
6	Research and development equipments	5
7	Computer equipments	3
8	Vehicles	8

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Leasehold improvements are depreciated over the period of lease or estimated useful life, whichever is lower, on straight-line basis.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

h. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life on a straight-line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Further, based on the assessment performed as mentioned in note (g) above, the depreciation method for computer software is changed from written down value method to straight line method. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period with the effect of any change in the estimate being accounted for on a prospective basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss. when the asset is derecognised.

Computer software is amortized over the useful life of 3 years on straight-line basis.

Research and development cost

Research costs are expensed as incurred. The development expenditure incurred on an individual project is recognised as an intangible asset when the Group can demonstrate all the following:

a. the technical feasibility of completing the intangible asset so that it will be available for use or sale.
b. its intention to complete the intangible asset and use or sell it.
c. its ability to use or sell the intangible asset.
d. how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset.
e. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
f. its ability to measure reliably the expenditure attributable to the intangible asset during its development.

i. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs

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j. Leases

The Group has lease contracts for office spaces. The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies stated under 'Impairment of non-financial assets'.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

k. Impairment of non-financial assets and investments

As at the end of each accounting year, the Group reviews the carrying amounts of its PPE and intangible assets determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. Intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

(i) in the case of an individual asset, at the higher of the fair value less costs of disposal and the value in use; and

(ii) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net fair value less costs of disposal and the value in use.

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The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the group suitably adjusted for risks specified to the estimated cash flows of the asset.

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the statement of profit and loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the Group operates, or for the market in which the asset is used.

Impairment losses are recognised in the statement of profit and loss.

When an impairment loss subsequently reversed, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

I. Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the Consolidated Ind AS Financial Statements.

Provisions and contingent liability are reviewed at each balance sheet.

Warranty provisions

The Group provides warranties for its products, systems and services, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision represents the amount of the expected cost based on technical evaluation and past experience of meeting such obligations. It is expected that this expenditure will be incurred over the contractual warranty period.

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m. Retirement and other employee benefits

Retirement benefit in the form of provident fund and pension fund are defined contribution scheme. The Group has no obligation, other than the contribution payable. The Group recognises contribution payable to provident fund and pension fund as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group recognises expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the Consolidated Ind AS Balance Sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

The Group presents the leave as a current liability in the Consolidated Ind AS Balance Sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method using actuarial valuation to be carried out at each balance sheet date.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Consolidated Ind AS Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:
a) The date of the plan amendment or curtailment, and
b) The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

a. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
b. Net interest expense or income.

n. Financial instruments

<u>Initial recognition and measurement of financial instruments</u>

Financial assets and financial liabilities are recognised when the Group becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through profit or loss and fair value through other comprehensive income. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price as disclosed under Revenue recognition policy.

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In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and put option liability.

Subsequent measurement of financial instruments

For purposes of subsequent measurement:

a. Financial assets are classified in below categories:
   - Financial assets at amortised cost
   - Financial assets at fair value through other comprehensive income – Debt instruments
   - Financial assets at fair value through other comprehensive income – Equity instruments
   - Financial assets at fair value through profit or loss (FVTPL)

b. Financial liabilities are classified in two categories:
   - Financial liabilities at fair value through profit or loss
   - Financial liabilities at amortised cost (loans and borrowings)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(i) Financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets 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 measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and to sell these 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 asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

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.

Equity investments

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

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Impairment of financial assets

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 Group 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 Group's historical observed default rates. The Group 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 on the financial instruments has significantly increased since initial recognition.

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

De-recognition of financial assets

The Group de-recognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of de-recognition and the consideration received is recognised in statement of profit or loss.

(ii) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities at amortised cost

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

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.

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Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. This include 10% Optionally Convertible Secured Redeemable Debentures (OCDs) shares for which gain or loss is routed through profit or loss. For more details on OCDs, refer to Note 15.

Put option liability

The potential cash payments related to put options issued by the Group over the equity of subsidiary companies to non-controlling interests are accounted for as financial liabilities when such options may only be settled other than by exchange of a fixed amount of cash or another financial asset for a fixed number of shares in the subsidiary. The financial liability for such put option is accounted for under IND AS 109.

The amount that may become payable under the option on exercise is initially recognised at fair value under other financial liabilities with a corresponding charge directly to equity. All subsequent changes in the carrying amount of the financial liability are recognised in other equity attributable to the parent. The entity recognises both the non-controlling interest and the financial liability under the NCI put. It continues to measure non-controlling interests at proportionate share of net assets.

If the put option is exercised, the entity accounts for an increase in its ownership interest. At the same time, the entity derecognises the financial liability and recognises an offsetting credit in the same component of equity reduced on initial recognition. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to equity.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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 de-recognition 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 and loss.

(iii) Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Ind AS Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

o. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Provisions are made towards slow-moving and obsolete items based on historical experience of utilisation on a product category basis, which consideration of product lines and market conditions.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

p. Segment reporting

Operating segments are identified as those components of the Group (a) that engage in business activities to earn revenues and incur expenses (including transactions with any of the Group's other components); (b) whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker (CODM) to make decisions about resource allocation and performance assessment and (c) for which discrete financial information is available. The accounting policies consistently used in the preparation of Consolidated Ind AS Financial Statements are also applied to record revenue and expenditure in individual segments.

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The Group is engaged in the business of manufacturing chip based diagnostic devices, chips and reagents, X-ray equipment's, single / dual detector solutions, etc. The Group is also engaged in the business of developing diagnostics devices and tests in the bio-sensing domain and licensing of technology / patents in order to generate revenue.

Accordingly, the Group's activities and business is reviewed regularly by the chief operating decision maker from an overall business perspective, rather than reviewing its products/services as individual consolidated components.

q. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Group's cash management.

r. Government grants and subsidies

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

s. Foreign currencies

The Consolidated Ind AS Financial Statements are presented in Indian Rupee ('₹'), which is also the Group's functional currency.

Transactions in foreign currencies are initially recorded at functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Exchange differences arising on the retranslation or settlement of other monetary items are included in the statement of profit and loss for the period.

t. Corporate social responsibility ('CSR') expenditure

The Group charges its CSR expenditure during the year to the statement of profit and loss.

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u. Earnings per share

The Group presents basic and diluted Earnings per share for its ordinary shares. Basic earnings per share are 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 period.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or 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 potential dilutive equity shares.

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3 Property, plant and equipment and capital work-in-progress

(₹ in Million)

Particulars	Property, plant and equipment										
	Building - factory on leasehold land	Plant and machinery	Furnitures and fixtures	Office equipments	Research and development equipments	Electrical installations & fittings	Computer equipments	Vehicles	Leasehold improvements	Total	Capital work-in-progress
Gross Block (At cost / deemed cost)											
At April 01, 2021	**196.06**	**357.27**	**32.10**	**3.93**	**7.71**	**8.86**	**10.37**	**56.65**	**2.50**	**675.45**	**1,002.14**
Additions	395.57	1,151.34	38.60	3.07	12.30	75.72	11.00	2.90	-	1,690.50	688.36
Disposals / discard	-	(0.04)	(0.04)	(0.01)	(0.14)	-	(0.22)	-	-	(0.45)	-
Transfer to Property, plant and equipment	-	-	-	-	-	-	-	-	-	-	(1,690.50)
At March 31, 2022	**591.63**	**1,508.57**	**70.66**	**6.99**	**19.87**	**84.58**	**21.15**	**59.55**	**2.50**	**2,365.50**	**-**
Assets acquired through Business Combination (refer note 4.2)	-	0.02	0.36	2.11	-	-	0.57	0.02	0.10	3.18	-
Additions	2.14	72.71	6.39	-	16.52	3.97	6.89	15.06	-	123.68	123.68
Disposals / discard	-	-	-	-	(1.54)	-	(0.13)	(0.49)	-	(2.16)	-
Transfer to Property, plant and equipment	-	-	-	-	-	-	-	-	-	-	(123.68)
At March 31, 2023	**593.77**	**1,581.30**	**77.41**	**9.10**	**34.85**	**88.55**	**28.48**	**74.14**	**2.60**	**2,490.20**	**-**
Accumulated depreciation											
At April 01, 2021	**18.49**	**80.23**	**4.83**	**2.07**	**1.40**	**1.70**	**2.99**	**4.55**	**1.22**	**117.48**	**-**
Charge for the year	44.81	302.89	14.91	1.92	6.49	15.94	9.86	16.85	1.28	414.95	-
Disposals / discard	-	(0.04)	(0.04)	(0.01)	(0.14)	-	(0.22)	-	-	(0.45)	-
At March 31, 2022	**63.30**	**383.08**	**19.70**	**3.98**	**7.75**	**17.64**	**12.63**	**21.40**	**2.50**	**531.98**	**-**
Charge for the year [3]	18.57	133.49	6.21	0.94	3.99	7.35	5.51	6.12	0.01	182.19	-
Disposals / discard	-	-	-	-	(1.07)	-	(0.09)	(0.31)	-	(1.47)	-
At March 31, 2023	**81.87**	**516.57**	**25.91**	**4.92**	**10.67**	**24.99**	**18.05**	**27.21**	**2.51**	**712.70**	**-**
Net Block											
At March 31, 2022	**528.33**	**1,125.49**	**50.96**	**3.01**	**12.12**	**66.94**	**8.52**	**38.15**	**-**	**1,833.52**	**-**
At March 31, 2023	**511.90**	**1,064.73**	**51.50**	**4.18**	**24.18**	**63.56**	**10.43**	**46.93**	**0.09**	**1,777.50**	**-**

(1) On transition to Ind AS (i.e. April 01, 2020), the Group 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.

(2) During the year ended March 31, 2023, the management of the Group performed an operational review of its property, plant and equipment and intangible assets which resulted in changes in expected usage of assets. Considering the trend of scale of operations of the Group, the management expects to derive future economic benefits from its property, plant and equipments evenly throughout the useful lives of the assets. Further, management of the Group expects to derive future economic benefits from Intangible asset - computer software evenly throughout the useful lives of the assets, in line with other blocks of intangible assets. Based on the above assessment, the depreciation method is changed from written down value method to straight line method. The effect of this change on actual and expected depreciation expense, in current and future years, is as follows:

Particulars	For the year ended March 31, 2023	For the year ending March 31, 2024	For the year ending March 31, 2025
Decrease in depreciation expense:			
- Property, plant and equipment	251.06	149.76	63.84
- Intangible assets	3.28	8.56	1.07

(3) Refer note 15 for the charge / hypothecation created on the property, plant and equipment against borrowing facilities availed by the Group.

(4) There are no capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2023 and March 31, 2022.

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4 **Intangible assets, Goodwill on consolidation and Intangible assets under development (IAUD)**

(₹ in Million)

Particulars	Computer software[2]	PCR (polymerase chain reaction) related projects[3]	Business Intellectual Property	Other Intangible assets	Total intangible assets	Goodwill on consolidation	Intangible assets under development (IAUD)[3, 4, 4.1]
Gross Block (At cost / deemed cost)							
At April 01, 2021	3.63	626.73	-	-	630.36	42.49	117.26
Additions	2.35	-	-	-	2.35	-	0.26
Disposals / discard	-	-	-	-	-	-	-
Less: written off during the year	-	-	-	-	-	-	(4.40)
At March 31, 2022	5.98	626.73	-	-	632.71	42.49	113.12
Assets acquired through Business Combination (refer note 4.2)	-	-	431.25	6.49	437.74	38.41	-
Additions	25.52	55.43	-	-	80.95	-	(55.43)
Less: written off during the year	(2.89)	(10.01)	-	-	(12.90)	-	(4.06)
At March 31, 2023	28.61	672.15	431.25	6.49	1,138.50	80.90	53.63
Accumulated amortisation							
At April 01, 2021	0.89	80.86	-	-	81.75	-	-
Charge for the year	2.45	98.88	-	-	101.33	-	-
Disposals / discard	-	-	-	-	-	-	-
At March 31, 2022	3.34	179.74	-	-	183.08	-	-
Charge for the year	4.67	95.45	3.59	0.14	103.85	-	-
Disposals / discard	(2.89)	(4.29)	-	-	(7.18)	-	-
At March 31, 2023	5.12	270.90	3.59	0.14	279.75	-	-
Net Block							
At March 31, 2022	2.64	446.99	-	-	449.63	42.49	113.12
At March 31, 2023	23.49	401.25	427.66	6.35	858.75	80.90	53.63

1. On transition to Ind AS (i.e. April 01, 2020), the Group has elected to continue with the carrying value of all Intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of Intangible assets.

2. Also refer note 3(2).

3. The charge was created towards 10% Optionally Convertible Secured Redeemable Debentures ('OCDs') issued by the Parent Company. The charge was released during the year ended March 31, 2022, pursuant to conversion of OCDs into equity shares of Parent Company. Further refer note 15.
4. Also refer note 19.

4.1 **IAUD ageing schedule as at March 31, 2023*:**

(₹ in Million)

Particulars	Amount in IAUD for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	-	-	11.52	42.11	53.63
Projects temporarily suspended	-	-	-	-	-
Total	-	-	11.52	42.11	53.63

IAUD ageing schedule as at March 31, 2022*:

(₹ in Million)

Particulars	Amount in IAUD for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	0.26	15.32	-	97.54	113.12
Projects temporarily suspended	-	-	-	-	-
Total	0.26	15.32	-	97.54	113.12

*There are no IAUD whose completion is overdue or has exceeded its cost compared to its original plan, as at March 31, 2023 and March 31, 2022.

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4.2 Goodwill on Consolidation

During the year ended March 31, 2023 , the Parent Company, Prognosys Medical Systems Private Limited ('PMS'), promoters and other existing shareholders of PMS have entered into share purchase agreement and shareholder agreement (collectively referred as "PMS SHA agreement") pursuant to which the Company has acquired 890,103 Class A equity shares (face value : ₹ 10) from the existing shareholders for a cash consideration amounting to ₹ 144.60 Million and subscribed 1,514,872 0.0001% compulsorily convertible preference shares (face value : ₹10) for a cash consideration amounting to ₹ 246.11 Million in PMS. The 0.0001% compulsorily convertible preference shares shall be convertible into Class A equity shares as per the terms as mentioned in PMS SHA agreement. PMS has become subsidiary of the Parent Company pursuant to such acquisition. PMS is engaged in manufacturing of X-ray equipment's, single / dual detector solutions, etc. The Parent Company has acquired 65.47% voting right in PMS on March 01, 2023. The acquisition is done to enhance the operations of the Group as PMS is engaged in similar business as that of the Group. Post acquisition, the said entity has become the subsidiary of the Parent Company.

Below are the details of purchase price allocation:

(₹ in Million)

Particulars	Amount
A. Consideration (paid through cash)	**390.71**
B. Assets acquired	
Property, plant and equipment	3.18
Intangible asset - Business Intellectual Property*	431.25
Other Intangible assets*	6.49
Goodwill	38.41
Right of use assets	21.42
Investment	0.02
Deferred tax asset	116.51
Non-current tax assets (net)	2.73
Trade receivables	118.63
Other bank balances	34.54
Cash and cash equivalents	0.42
Loans	29.46
Inventories	192.76
Asset held-for-sale - Immovable property	53.20
Other financial assets	168.59
Other assets	62.06
Total Assets acquired	**1,279.67**
C. Liabilities assumed	
Borrowings	463.64
Lease liabilities	24.43
Trade payables	65.58
Provision for warranty	22.12
Provision for gratuity	11.69
Other financial liabilities	110.10
Other liabilities	5.59
Total Liabilities assumed	**703.15**
D. Non controlling interest as on acquisition date	**185.81**
E. Total net assets acquired (B-C-D)	**390.71**

*Business Intellectual Property and other intangible assets which have been recognised at fair value in accordance with purchase price allocation report as at the date of acquisition are based on estimates and assumptions which are considered reasonable by the management including estimating revenues generated from future forecast, existing contracts / relationships, attrition rates, tax rates, etc.

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5A Investment in an associate

(₹ in Million)

	March 31, 2023	March 31, 2022
Investment in compulsorily convertible preference shares of associate in the nature of equity:		
Chayagraphics (India) Private Limited ('CGIPL') - 415,622 (March 31, 2022: Nil) 0.0001% compulsorily convertible preference shares of ₹ 10 each	60.00	-
	60.00	-

a. During the year ended March 31, 2023 , the Company, CGIPL and promoters have entered into shareholder agreement (referred as "CGIPL SHA agreement") pursuant to which the Company has subscribed 415,622 0.0001% compulsorily convertible preference shares (face value : ₹ 10) in CGIPL on February 13, 2023. The 0.0001% compulsorily convertible preference shares shall be convertible into equity shares as per the terms as mentioned in CGIPL SHA agreement. CGIPL has become associate of the Company pursuant to such acquisition and accounted for using the equity method. As per the terms of the agreement the Company has subscribed to 0.0001% compulsorily convertible preference shares of CGIPL for a cash consideration amounting to ₹ 60 Million. CGIPL holds 888,600 Class A Equity shares in Prognosys Medical Systems Private Limited ('PMS') and has no operations, the valuation of CGIPL is derived mainly based on valuation of its shareholding in PMS. In view of the insignificant activities carried out during post-acquisition period, share of profit or loss of CGIPL is not disclosed by the Group in the consolidated Ind AS financial statements.

b. Refer note 39 for percentage of effective ownership interest held (directly and indirectly) and voting rights details.

c. Summarised financial information of the Group's investment in Chayagraphics (India) Private Limited

(₹ in Million)

Particulars	March 31, 2023	March 31, 2022
Current assets	60.72	-
Non-current assets	57.39	-
Current liabilities	(1.21)	-
Non-current liabilities	-	-
	116.90	-
Group's Share - 22.11% (March 31, 2022: Nil)	25.85	-
Goodwill	34.15	-
Group's carrying amount of the investment	**60.00**	-

5B Non-current investments

(₹ in Million)

	March 31, 2023	March 31, 2022
Investments at fair value through statement of profit and loss account		
Investment in unquoted equity shares		
The Saraswat Co-operative Bank Limited - 2,500 (March 31, 2022: 2,500) shares of ₹ 10 each	0.03	0.03
Generex Power Systems Private Limited - 1,500 (March 31, 2022: Nil) shares of ₹ 10 each	0.02	-
Total non-current investments	**0.05**	**0.03**
Aggregate book value of unquoted investments	0.05	0.03
Aggregate amount of impairment in value of investments	-	-

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6 Other financial assets

(₹ in Million)

	March 31, 2023	March 31, 2022
Unsecured, considered good unless otherwise stated		
Non-current		
Financial instruments at amortised cost		
Security deposits, unsecured, considered good	136.33	15.72
Security deposits, unsecured, considered doubtful (refer note a below)	100.00	-
Less: Provision for doubtful debts	(100.00)	
Non-current bank balances (refer note 11)	303.06	244.29
Total other non-current financial assets	**439.39**	**260.01**
Current		
Financial instruments at amortised cost		
Security deposits	5.42	2.02
Other receivables	108.04	106.25
Interest accrued on fixed deposits	3.71	0.72
Interest accrued on loans (refer note 35)	-	1.10
Receivables from related parties (refer note 35)		
Unsecured, considered good	2.18	0.04
Unsecured, considered doubtful	0.22	0.22
Less: Provision for doubtful debts	(0.22)	(0.22)
Total other current financial assets	**119.35**	**110.13**

(a) There was a fraud / misappropriation of earnest money deposit ('EMD') of ₹ 199.00 Million (net of recovery) in PMS. The fraud was committed by two individuals who floated a fake tender by forging signature of high ranking Government officials of West Bengal. The Group is confident of recovery of the aforesaid EMD, based on the various legal actions taken by PMS and the management of the Group. However, considering the process of investigation and legal formalities, the recovery process and financial status of the individuals involved, the actual recovery can be delayed and accordingly the management of PMS has provided for 50% of the balance dues, same is acquired as part of business combination.

7 Loans - Current (Unsecured)

(₹ in Million)

	March 31, 2023	March 31, 2022
Loans to related parties (refer note 35)	-	200.00
Loans to others	22.12	-
Total current loans	**22.12**	**200.00**

8 Non-current tax assets (net)

(₹ in Million)

	March 31, 2023	March 31, 2022
Advance income-tax (net of provision for current tax)	370.13	56.47
Total non-current tax assets (net)	**370.13**	**56.47**

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9 Trade receivables

(₹ in Million)

		March 31, 2023	March 31, 2022
Trade receivables- Unsecured, considered good		1,887.55	2,406.05
Trade receivables which have significant increase in credit risk		17.59	20.88
Trade receivables - Unsecured, credit impaired		24.75	18.36
	(A)	**1,929.89**	**2,445.29**
Impairment allowance (allowance for bad and doubtful debts)			
Trade receivables which have significant increase in credit risk		(17.59)	(20.88)
Trade receivables - Unsecured, credit impaired		(24.75)	(18.36)
	(B)	**(42.34)**	**(39.24)**
Total trade receivables	(A + B)	**1,887.55**	**2,406.05**

Notes :

1. No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Also refer note 35.
2. Trade receivables are non-interest bearing and are generally on terms of upto 90 days.
3. The Group's exposure to credit and currency risk, and loss allowances are disclosed in note 37.
4. Movement in expected credit loss allowance under simplified approach are provided in the table below:

(₹ in Million)

	March 31, 2023	March 31, 2022
Expected credit loss allowance		
At the beginning of the year	20.88	23.82
Provision made during the year	-	-
Acquired through Business Combination (refer note 4.2)	2.20	-
(Utilised) / (reversed) during the year	(5.49)	(2.94)
At the end of the year	**17.59**	**20.88**

5. There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

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9.1 Trade receivables ageing schedule

As at March 31, 2023 (₹ in Million)

Particulars	Outstanding for following periods from due date of invoice					Total
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - considered good	1,610.27	24.66	198.60	27.04	26.98	1,887.55
Undisputed Trade receivables - which have significant increase in credit risk	0.10	4.45	8.80	1.37	2.87	17.59
Undisputed Trade receivables - credit impaired	-	-	19.35	3.29	2.11	24.75
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-
Total	**1,610.37**	**29.11**	**226.75**	**31.70**	**31.96**	**1,929.89**

As at March 31, 2022 (₹ in Million)

Particulars	Outstanding for following periods from due date of invoice					Total
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - considered good	1,465.58	631.99	307.51	0.97	-	2,406.05
Undisputed Trade receivables - which have significant increase in credit risk	0.80	16.25	3.82	0.01	-	20.88
Undisputed Trade receivables - credit impaired	-	11.33	2.34	1.91	2.78	18.36
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-
Total	**1,466.38**	**659.57**	**313.67**	**2.89**	**2.78**	**2,445.29**

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MOLBIO DIAGNOSTICS (P) LTD.

10 Inventories (valued at lower of cost and net realisable value)

(₹ in Million)

	March 31, 2023	March 31, 2022
Raw materials and components[1,2]	1,594.47	1,522.96
Work-in-progress[2]	1,036.49	717.87
Finished goods	812.00	693.96
Traded goods	27.20	22.82
Total inventories	**3,470.16**	**2,957.61**

1. Includes goods in transit of ₹ Nil (March 31, 2022 : ₹ 36.59 Million)
2. The closing balance of inventories is net of provision of ₹ 65.81 Million (March 31, 2022 : ₹ 76.22 Million).

11 Cash and cash equivalents and Other bank balances

11.1 Cash and cash equivalents

(₹ in Million)

	March 31, 2023	March 31, 2022
Balances with banks		
- On current accounts	69.40	79.89
Cash on hand	0.35	0.26
Total cash and cash equivalents	**69.75**	**80.15**

11.2 Other bank balances

(₹ in Million)

	March 31, 2023	March 31, 2022
- Deposits with remaining maturity for less than twelve months	2.64	3.87
- Deposits with remaining maturity of twelve months or more	-	20.25
- Margin money deposits*	303.06	224.04
	305.70	**248.16**
Amounts disclosed under other non-current financial assets (refer note 6)	(303.06)	(244.29)
Total other bank balances	**2.64**	**3.87**

* A lien has been created over the deposits of ₹ 303.06 Million (March 31, 2022: ₹ 224.04 Million) towards performance security bank guarantee given to its customers.

12 Other assets

(₹ in Million)

		March 31, 2023	March 31, 2022
Non-current			
Capital advances			
Unsecured, considered good		30.37	42.05
Total other non-current assets		**30.37**	**42.05**
Current			
Advances other than capital advances			
Unsecured, considered good (refer note 35)		222.76	132.16
Unsecured, considered doubtful		1.28	-
Less: Provision for doubtful advances		(1.28)	-
	A	**222.76**	**132.16**
Others (Unsecured, considered good)			
Prepaid expenses		6.12	7.03
Balance with statutory / government authorities		567.50	446.29
Others		0.92	0.28
	B	**574.54**	**453.60**
Others (Unsecured, considered doubtful)			
Balance with statutory / government authorities		3.52	-
Less: Provision for doubtful receivables		(3.52)	-
	C	-	-
Total other current assets	**(A+B+C)**	**797.30**	**585.76**

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MOLBIO DIAGNOSTICS (P) LTD.

13 Share capital

	Equity Shares		Preference Shares	
	Number (in Million)	₹ in Million	Number (in Million)	₹ in Million
Authorised share capital				
Equity shares of ₹ 10 each (March 31, 2022: ₹ 10 each)				
As at April 01, 2021	11.90	119.00	0.30	3.00
Increase / (decrease) during the year	-	-	-	-
As at March 31, 2022	11.90	119.00	0.30	3.00
Increase / (decrease) during the year	-	-	-	-
As at March 31, 2023	11.90	119.00	0.30	3.00

(a) Issued share capital

	Equity shares	
	Number (in Million)	₹ in Million
Equity shares of ₹ 10 each (March 31, 2022: ₹ 10 each)		
Issued, subscribed and fully paid up		
As at April 01, 2021	2.02	20.22
Issue of equity shares pursuance to conversion of 10% Optionally Convertible Secured Redeemable Debentures ('OCDs') and to meet minimum shareholding commitment for Investors (refer note 15)	0.22	2.24
As at March 31, 2022	2.24	22.46
Changes during the year (refer note f)	0.01	0.08
As at March 31, 2023	2.25	22.54

(b) Terms / rights attached to equity shares

The Parent Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Parent Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of Shareholders holding more than 5% shares in the Company

Equity Shares	March 31, 2023		March 31, 2022	
	Number of Shares	% Holding	Number of Shares	% Holding
Exxora Trading LLP	929,752	41.26%	939,528	41.83%
India Business Excellence Fund III	305,720	13.57%	305,720	13.62%
V Sciences Investments Pte Limited	201,403	8.94%	-	0.00%
Mr. N D Prabhu	122,291	5.43%	143,688	6.40%
Mr. J Guru Dutt & Mrs. Sandhya Guru Dutt	122,197	5.42%	143,594	6.39%
Mr. B Chandrasekhar Nair & Mrs. Anita Chandrasekhar	122,197	5.42%	143,594	6.39%
Mr. G Sampathgiri & Mrs. Jayshree Sampathgiri	122,197	5.42%	143,594	6.39%
Mr. G.M. Kini	122,104	5.42%	143,501	6.39%

As per records of the Parent Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

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MOLBIO DIAGNOSTICS (P) LTD.

13 Share capital (continued)

(d) Details of shares held by promoters

As at March 31, 2023

Name of the Promoter	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Exxora Trading LLP	939,528	(9,776)	929,752	41.26%	-1.04%
Mr. N D Prabhu	143,688	(21,397)	122,291	5.43%	-14.89%
Mr. J Guru Dutt & Mrs. Sandhya Guru Dutt	143,594	(21,397)	122,197	5.42%	-14.90%
Mr. B Chandrasekhar Nair & Mrs. Anita Chandrasekhar	143,594	(21,397)	122,197	5.42%	-14.90%
Mr. G Sampathgiri & Mrs. Jayshree Sampathgiri	143,594	(21,397)	122,197	5.42%	-14.90%
Mr. G.M. Kini	143,501	(21,397)	122,104	5.42%	-14.91%
Mrs. M.A. Usha Rani	78,923	(12,842)	66,081	2.93%	-16.27%
Mr. M.A. Rohit	43,894	(4,273)	39,621	1.76%	-9.73%
Mr. M.A. Sharath	30,844	(4,273)	26,571	1.18%	-13.85%
Sujay Limited	26,287	(6,960)	19,327	0.86%	-26.48%
Chewbacca Services Limited	26,287	(6,960)	19,327	0.86%	-26.48%
Ms. Shaheeda Abdul Kader	14,134	(4,350)	9,784	0.43%	-30.78%
Mr. Vivek Devraj	7,830	-	7,830	0.35%	0.00%
Mr. Ashish Kacholia	10,750	(3,617)	7,133	0.32%	(33.65%)
Mr. Abdul Qudir Mohamed Theruvath	7,067	(2,175)	4,892	0.22%	-30.78%
Dr. M. Ganesh Kamath	2,595	(873)	1,722	0.08%	-33.64%
Mr. Narendrakumar Agarwal	17,152	(15,490)	1,662	0.07%	(90.31%)
Mr. Anilkumar Agarwal	10,254	(9,260)	994	0.04%	-90.31%
Mr. Manojkumar Agarwal	6,898	(6,229)	669	0.03%	(90.30%)
Mrs. Jayanthi D Prabhu	93	-	93	0.00%	0.00%
Mrs. Sangeetha Kini	93	-	93	0.00%	0.00%
Total	**1,940,600**	**(194,063)**	**1,746,537**	**77.50%**	**(10.00%)**

As at March 31, 2022

Name of the Promoter	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Exxora Trading LLP	939,528	-	939,528	41.83%	0.00%
Mr. N D Prabhu	143,688	-	143,688	6.40%	0.00%
Mr. J Guru Dutt & Mrs. Sandhya Guru Dutt	143,594	-	143,594	6.39%	0.00%
Mr. B Chandrasekhar Nair & Mrs. Anita Chandrasekhar	143,594	-	143,594	6.39%	0.00%
Mr. G Sampathgiri & Mrs. Jayshree Sampathgiri	143,594	-	143,594	6.39%	0.00%
Mr. G.M. Kini	143,501	-	143,501	6.39%	0.00%
Mrs. M.A. Usha Rani	78,923	-	78,923	3.51%	0.00%
Mr. M.A. Rohit	43,894	-	43,894	1.95%	0.00%
Mr. M.A. Sharath	30,844	-	30,844	1.37%	0.00%
Sujay Limited	26,287	-	26,287	1.17%	0.00%
Chewbacca Services Limited	26,287	-	26,287	1.17%	0.00%
Mr. Narendrakumar Agarwal	17,152	-	17,152	0.76%	0.00%
Ms. Shaheeda Abdul Kader	21,626	(7,492)	14,134	0.63%	(34.64%)
Mr. Ashish Kacholia	11,466	(716)	10,750	0.48%	(6.24%)
Mr. Anilkumar Agarwal	10,254	-	10,254	0.46%	0.00%
Mr. Vivek Devraj	7,830	-	7,830	0.35%	0.00%
Mr. Abdul Qudir Mohamed Theruvath	10,813	(3,746)	7,067	0.31%	(34.64%)
Mr. Manojkumar Agarwal	6,898	-	6,898	0.31%	0.00%
Dr. M. Ganesh Kamath	4,195	(1,600)	2,595	0.12%	(38.14%)
Mrs. Jayanthi D Prabhu	93	-	93	0.00%	0.00%
Mrs. Sangeetha Kini	93	-	93	0.00%	0.00%
Total	**1,954,154**	**(13,554)**	**1,940,600**	**86.38%**	**(0.69%)**

(e) Shares reserved for issue under contract / commitment

1. For details of shares reserved for issuance on conversion of share warrant, refer note 14(c).

(f) During the year ended March 31, 2023, the Parent Company has allotted 7,340 equity shares of face value ₹ 10 each at a premium of ₹ 54,485.91 each in favor of V Sciences Investments Pte. Ltd. Further, certain shareholder of the Company has also transferred 194,063 equity shares to V Sciences Investments Pte. Ltd for a consideration as agreed between the parties. Such allotment is pursuant to the approval of the Board of Directors in the board meeting and the special resolution passed by the Shareholders in the extra-ordinary general meeting held during the year ended March 31, 2023.

(g) The Parent Company has not allotted any fully paid equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date nor has issued shares for consideration other than cash.

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MOLBIO DIAGNOSTICS (P) LTD.

14 Other Equity

a) Reserves and surplus

	₹ in Million
Securities premium	
Balance as at April 01, 2021	**190.98**
Add: Issue of equity shares pursuance to conversion of OCDs and to meet minimum shareholding commitment for Investors*	1,461.03
Balance as at March 31, 2022	**1,652.01**
Changes during the year (refer note 13(f))	399.93
Balance as at March 31, 2023	**2,051.94**

* The amount presented above is net of refund of surplus consideration post adjustment of Net Debt as per the terms of the Investment Agreement and amendments thereto. Also refer note 15.

Amalgamation reserve	
Balance as at April 01, 2021	**92.78**
Changes during the year	-
Balance as at March 31, 2022	**92.78**
Changes during the year	-
Balance as at March 31, 2023	**92.78**
General reserve	
Balance as at April 01, 2021	**0.87**
Changes during the year	-
Balance as at March 31, 2022	**0.87**
Changes during the year	-
Balance as at March 31, 2023	**0.87**
Retained earnings	
Balance as at April 01, 2021	**3,043.16**
Profit for the year	2,151.57
Add: Re-measurement (losses) / gains on defined benefit plans	(5.22)
Balance as at March 31, 2022	**5,189.51**
Profit / (loss) for the year	(7.26)
Add: Re-measurement (losses) / gains on defined benefit plans	1.65
Balance as at March 31, 2023	**5,183.90**
Other reserves (refer note 15)	
Balance as at April 01, 2021	-
Amount transferred on account of conversion of OCDs (refer note 15)	148.75
Balance as at March 31, 2022	**148.75**
Changes during the year	-
Balance as at March 31, 2023	**148.75**
Total reserves and surplus	
Balance as at March 31, 2022	**7,083.92**
Balance as at March 31, 2023	**7,478.24**

Nature and purpose of reserves

14.1 Securities premium
Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

14.2 Amalgamation reserves
Represents reserve recognised during the year ended March 31, 2016 pursuant to the scheme of amalgamation of Bigtec India Private Limited with the Company.

14.3 General reserve
General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

14.4 Retained earnings
Retained earnings are the profit / (loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

b) Equity portion of put option liability reserve

	₹ in Million
Balance as at April 01, 2021	-
Changes during the year	-
Balance as at March 31, 2022	-
Changes during the year (refer note 18)	(247.00)
Balance as at March 31, 2023	**(247.00)**

c) Money received against share warrants

	₹ in Million
Balance as at April 01, 2021	**3.50**
Changes during the year	-
Balance as at March 31, 2022	**3.50**
Changes during the year	-
Balance as at March 31, 2023	**3.50**

Terms / rights attached to share warrant:

During the year ended March 31, 2020, pursuant to the approval of the Board of Directors and approval of the Shareholders in the extra-ordinary general meeting, the Parent Company had issued 5,000 share warrants of ₹ 2,000 each with warrant subscription price of ₹ 700 each by way of private placement under the provisions of Companies Act, 2013 and provisions of all other applicable laws and regulations. The Parent Company and promoters shall cause the Parent Company to convert the warrants (all and not less than all) into equity shares as per Investment agreement and amendments thereto ('the Investment agreement') referred in note 15. During the year ended March 31, 2023 as per the share purchase and share subscription agreement entered on August 16, 2022, the said share warrants can be exercised in accordance with the terms of warrants subscription agreement, to receive 1,535 equity shares.

Total other equity (a+b+c)	
Balance as at March 31, 2022	**7,087.42**
Balance as at March 31, 2023	**7,234.74**

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MOLBIO DIAGNOSTICS (P) LTD.

15 Borrowings

(₹ in Million)

	March 31, 2023	March 31, 2022
Non Current		
Debentures (at fair value)		
10% Optionally Convertible Secured Redeemable Debentures (refer note a) (secured)	-	-
Vehicle loans from bank (secured)		
Vehicle loans (refer note b)	9.85	13.07
Total non-current borrowings	**9.85**	**13.07**
Current borrowings		
Short-term loan from bank and financial institutions		
Bank overdraft (refer note d) (secured)	150.53	-
Bank overdraft (refer note d) (unsecured)	-	585.00
Loan (refer note e) (secured)	374.51	-
Loans from related parties (unsecured)		
Loans (refer note c)	417.22	482.13
Loans from others (unsecured)		
Loans (refer note f)	30.26	-
Current maturities of long term borrowings		
Vehicle loans from bank (secured)		
Vehicle loans (refer note b)	17.16	14.63
Total current borrowings	**989.68**	**1,081.76**
The above amount includes		
Secured borrowings	552.05	27.70
Unsecured borrowings	437.63	1,054.06

Notes :

a. 10% Optionally Convertible Secured Redeemable Debentures

During the year ended March 31, 2020, pursuant to the approval of the Board of Directors, the Parent Company allotted 80,000 ("First Tranche") and 15,000 ("Second Tranche") 10% Optionally Convertible Secured Redeemable Debentures, of face value of ₹ 10,000 each to India Business Excellence Fund III (IBEF III) ("the Investor") in accordance with the terms of investment agreement dated September 10, 2019 and amendments thereto (collectively referred as "the Investment agreement"). Further, during the year ended March 31, 2021, pursuant to the approval of the Board of Directors, the Parent Company further allotted 45,000 ("Third Tranche") 10% Optionally Convertible Secured Redeemable Debentures of face value of ₹ 10,000 each to the Investor in accordance with the terms of the Investment agreement (hereinafter First Tranche, Second Tranche and Third Tranche of 10% Optionally Convertible Secured Redeemable Debentures are collectively referred as "OCDs"). The OCDs were secured by (i) first charge on all the cash-flows, current assets, fixed assets and receivables of the Parent Company and its subsidiaries except to extent first charge created to secure Existing Debt; (ii) pledge over 100% of the shareholding of M/s. Exxora Trading LLP, Mr. Chandrasekhar B Nair, Mr. G M Kini and Mr. G Sampathgiri (held individually or jointly through their nominees and/or Relatives) held in the Parent Company on Fully Diluted Basis; and (iii) first charge on all Intellectual Properties of the Parent Company and Bigtec Private Limited.

The OCDs carried an interest coupon rate of 10% p.a and was payable for the period upto 2 years from the respective closing dates of each tranche. As per the terms of Investment agreement, the interest accrual was immediately from the date of issuance of OCDs by the Parent Company and the accumulated arrears of interest were required to be paid to the Investor by the Parent Company on a half yearly basis till the redemption of the OCDs or till the conversion of the OCDs, as the case may be, to be calculated from the respective closing dates. However, as per the amendment agreement dated May 29, 2021, in case conversion / redemption of Initial Debentures (i.e. First, second and third tranche) was prior to the expiry of the Interest Entitlement Period, (a) an upfront Interest of ₹ 111.00 Million (Rupees Eleven Crores Ten Lakhs only) was required to be paid on or before January 14, 2022 and (b) the Interest accrued upto the date of such conversion / redemption was required to be paid within 7 days from the date of such conversion / redemption.

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MOLBIO DIAGNOSTICS (P) LTD.

15 Borrowings (continued)

The Investor had an option either to exercise the right (but not an obligation) to ask for a redemption of the OCDs at any time after 9 months after the first closing date (January 21, 2020) and prior to 3 years from the first closing date (January 21, 2020) or convert the OCDs into equity shares at the sole discretion of the Investor at any time within 3 years from the first closing date. Further, the Investor had an exit right including right requiring the Parent Company to buy back the securities held by them. The number of equity shares to be issued upon the conversion of OCDs and the price per equity share at which the OCDs would convert were determined in accordance with the terms of the Investment agreement. Further as per the Investment agreement, upon conversion, if the shareholding of the Investor in the share capital was less than 10%, the Investor had an option to subscribe (without any commitment or obligation) such number of new securities to be issued by the Parent Company ("Fourth Tranche Securities") such that the shareholding of the Investor (taking into account the conversion of OCDs and allotment of Fourth Tranche Securities) equals to 10% of the share capital. Further, as per the terms of the investment agreement and amendments thereto, in the event, the Certified Net Debt was less than the Net Debt considered in the computation of conversion price ("Projected Net Debt"), the Investor was required to pay an amount as computed in accordance with the terms of the Investment agreement to the Parent Company and in the event Certified Net Debt was more than the Projected Net Debt, the Parent Company shall, and the promoter group shall cause the Parent Company to, pay an amount computed in accordance with the terms of the Investment agreement to the Investor.

Considering the buy-back obligation of the Company and not meeting fixed to fixed criteria, the OCDs, at inception, were recorded as liability at fair value through profit and loss. As at April 1, 2020 and March 31, 2021 the fair value of liability amounted to ₹ 986.61 Million and ₹ 1,548.75 Million respectively. The change in fair value of liability was recorded in Statement of profit and loss account during the year ended March 31, 2021. Further, subsequently on April 01, 2021, the Investor had agree to waive the buy-back rights granted to them in Investment agreement. Hence, upon conversion the fair value loss of ₹ 148.75 Million was transferred to other equity during the year ended March 31, 2022.

During the year ended March 31, 2022, based on the right exercised by the Investor on May 27, 2021 and pursuant to the approval of Board of Directors in the board meeting held on May 29, 2021, 140,000 OCDs were converted into 193,138 equity shares of face value of ₹ 10 each at a premium. Further, pursuant to the communication by the Investor on May 27, 2021 and approval of the Board of Directors in the board meeting held on May 29, 2021 and approval of the Shareholders in the extra-ordinary general meeting held on May 31, 2021, 31,494 equity shares of face value of ₹ 10 each were issued to the Investor as Fourth Tranche Securities at a premium for an amount aggregating to ₹ 205.15 Million (Fourth Tranche Investment Amount) to meet the minimum shareholding commitment for investors.

Post conversion of OCDs and issuance of Fourth Tranche Securities, due to Certified Net Debt derived being more than the Projected Net Debt, the Parent Company refunded the surplus premium paid by the investor amounting to ₹ 165.01 Million as per the terms of Investment agreement.

b. Secured Indian rupee vehicle loans from banks

As at March 31, 2023, the vehicle loans from the Banks amounting to ₹ 27.01 Million (March 31, 2022: ₹ 27.70 Million) carries an effective interest rate ranging between 7.42% to 9.93% p.a. and is secured by the hypothecation of the respective vehicle. The loan is repayable in 36 to 39 equal monthly instalments.

During the year ended March 31, 2023, the Group has defaulted in repayment of principal and interest in the following instances of vehicle loans:

Name of lender	Amount not paid on due date	No. of days delay or unpaid	Remarks
HDFC Bank	₹ 0.03 Million	13 days	Due to process of
HDFC Bank	₹ 0.03 Million	11 days	change in bank account
HDFC Bank	₹ 0.03 Million	1 day	in e-mandate

c. Loans from related parties (also refer note 35)

1. Loans from related parties include a loan of ₹ 73.89 Million (March 31, 2022: ₹ 441.22 Million) of Parent Company from Mr. Sriram Natarajan which carries an interest rate ranging from 9% p.a. to 12% p.a. and was initially repayable on conversion of OCDs. Post conversion of OCDs during the year ended March 31, 2022, the same is repayable on demand.

2. Loans from related parties includes a loan of ₹ Nil (March 31, 2022: ₹ 40.00 Million) of subsidiary Bigtec Private Limited ('BPL') from Mr. Chandrasekhar Bhaskaran Nair was interest free and was repayable on demand. The same was repaid during the year.

3. Loans from related parties include loans of subsidiary Prognosys Medical Systems Private Limited ('PMS') acquired as part of business combination taken from Mr. Sriram Natarajan and its affiliate entities carries interest ranging from 8% p.a to 10% p.a during the year ended March 31, 2023 and is repayable on demand (also refer note 4.2)

d. Bank overdraft

1. Bank overdraft of Parent Company from Credit Suisse AG of ₹ Nil (March 31, 2022: ₹ 585.00 Million) carried an interest rate of MCLR+1.75% and is secured by way of pledge of personal mutual funds of the director Mr. Sriram Natarajan.

2. Bank overdraft of Parent Company from Yes Bank Limited of ₹ 89.66 Million (March 31, 2022: ₹ Nil) carries an interest rate of 3 month MCLR + Spread 0.25% p.a. and is secured by way of pledge of current assets (both current & future), plant & machinery excluding vehicles (both current & future) and undated cheque issued by Parent Company for the facility amount.

3. Cash credit of PMS from the Canara Bank amounting to ₹ 26.01 Million carries an interest rate of RLLR + Spread 3.10% p.a. and is primarily secured by way of hypothecation of inventory and book debts of PMS.

4. Cash Credit of PMS under Guaranteed Emergency credit line (GECL) from State Bank of India amounting to ₹34.86 Million carries an interest rate of EBLR + Spread 4.00% p.a and is primarily secured by way of hypothecation of inventory, accessories, spare parts, book debts and other current assets of PMS.

e. Short-term Loan

1. Short-term Loan of Parent Company from Yes Bank Limited of ₹ 350.00 Million (March 31, 2022: ₹ Nil) carries an interest rate of 1 month MCLR + Spread 0.25% p.a. and is secured by way of pledge of current assets (both current & future), plant & machinery excluding vehicles (both current & future) and undated cheque for the facility amount.

2. Short-term assistance to PMS in the form of "Raw Material Assistance" from The National Small Industries Corporation Ltd amounting to ₹ 24.51 Million carries an interest rate of 12.00% and is issued against bank guarantee.

f. Loans from others

Loans from others include loans of subsidiary Prognosys Medical Systems Private Limited ('PMS') which is acquired during the year ended March 31, 2023 (also refer note 4.2) carries an interest rate of 8% p.a and the same is repayable on demand.

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MOLBIO DIAGNOSTICS (P) LTD.

16 Net employee defined benefit liabilities

(₹ in Million)

	March 31, 2023	March 31, 2022
Non-current		
Provision for employee benefits:		
Provision for gratuity (refer note 32)	15.28	7.28
	15.28	**7.28**
Current		
Provision for employee benefits:		
Provision for gratuity (refer note 32)	7.79	3.70
	7.79	**3.70**

17 Provisions

(₹ in Million)

	March 31, 2023	March 31, 2022
Current		
Provision for compensated absences	13.22	8.39
Provision for warranty[1]	102.99	37.31
Total current provisions	**116.21**	**45.70**

1. The Parent Company provides warranties for its products, systems and services, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision represents the amount of the expected cost based on technical evaluation and past experience of meeting such obligations. It is expected that this expenditure will be incurred over the contractual warranty period.

Details of changes in warranty provision during the year

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
At the beginning of the year	37.31	21.85
Add: Liability assumed in Business Combination (refer note 4.2)	22.12	-
Add : Additions made during the year	59.40	32.89
Less : Amounts utilised during the year	(15.84)	(17.43)
At the end of the year	**102.99**	**37.31**

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18 Other financial liabilities

(₹ in Million)

	For the year ended March 31, 2023	March 31, 2022
Non - current		
Put option liability (refer note 14)[1]	247.00	-
	247.00	-

1. Put option liability pertains to liabilities arising from options given to 2 non controlling interest shareholders by one of the subsidiary of the Group as at the date of acquisition to buyback 296,701 Class A equity shares (face value : ₹ 10) of the company. Further refer note 31(o).

Current		
Employee related payables (refer note 35)	113.98	97.33
Interest accrued (refer note 35)	84.85	14.03
Payable towards capital goods	25.08	32.54
Other payables	4.29	-
Total other current financial liabilities	**228.20**	**143.90**

19 Other liabilities

(₹ in Million)

	March 31, 2023	March 31, 2022
Current		
Contract liabilities - Deferred revenue (refer note 21.2)	94.45	28.30
Advance from customers (refer note 21.2)	60.92	27.81
Statutory dues payable	96.26	227.56
Liability towards corporate social responsibility (refer note 40)	94.28	35.43
Government grants (refer note 'a' below)	-	-
Total other current other liabilities	**345.91**	**319.10**

Note a: Government Grants*

(₹ in Million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
As at the beginning of the year	-	0.28
Received during the year	-	-
Released to the Ind AS statement of profit and loss	-	(0.28)
Total	-	-

* Grants pending utilisation during the year ended March 31, 2023 includes an amount of ₹ Nil (March 31, 2022: ₹ Nil) availed from Indo German Science & Technology Centre (IGSTC) for the project titled "Integrated Diagnostics of Contaminants in Water Supply and management System" with a purpose of developing a system for monitoring water quality in terms of specific bacterial cell / DNA and pharmaceutical residues. The total grant availed was of ₹ 4.28 Million. The grants received of ₹ Nil (March 31, 2022: ₹ 0.28 Million) had been adjusted against Intangible asset under development.

20 Trade payables

(₹ in Million)

	March 31, 2023	March 31, 2022
Total outstanding dues of creditors[1]	855.22	507.31
Total trade payables	**855.22**	**507.31**

The above amount includes:

	March 31, 2023	March 31, 2022
Trade payables to related parties	-	-
Trade payables to others	855.22	507.31
	855.22	**507.31**

1. Trade payables are non-interest bearing and are normally settled on terms upto 90 days.

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20.1 Trade payables ageing Schedule

As at March 31, 2023

(₹ in Million)

Particulars	Unbilled	Outstanding for following periods from due date of payment*				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues of creditors	211.46	612.53	26.08	1.06	4.09	855.22
Disputed dues of creditors	-	-	-	-	-	-
Total	**211.46**	**612.53**	**26.08**	**1.06**	**4.09**	**855.22**

As at March 31, 2022

(₹ in Million)

Particulars	Unbilled	Outstanding for following periods from due date of payment*				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues of creditors	119.38	349.86	32.19	3.90	1.98	507.31
Disputed dues of creditors	-	-	-	-	-	-
Total	**119.38**	**349.86**	**32.19**	**3.90**	**1.98**	**507.31**

*Note: The management has considered transaction date as the basis for determining the ageing of the trade payables.

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21 Revenue from operations

21.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

(₹ in Million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from contracts with customers		
Sale of products		
Finished Goods	3,218.50	7,707.36
Traded goods	5.78	20.96
Other operating revenue	100.35	35.51
Total revenue from contracts with customers	**3,324.63**	**7,763.83**
India	2,837.53	6,378.60
Outside India	487.10	1,385.23
Total revenue from contracts with customers	**3,324.63**	**7,763.83**

21.1 Timing of revenue recognition

(₹ in Million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Services transferred over time	100.35	22.15
Goods transferred at a point in time	3,224.28	7,741.68
	3,324.63	**7,763.83**

21.2 Contract Balances

(₹ in Million)

	March 31, 2023	March 31, 2022
Trade receivables :-		
- Current (Gross)	1,929.89	2,445.29
- Impairment allowance	(42.34)	(39.24)
Contract liabilities:-		
Advance from customers		
- Current	60.92	27.81
Deferred revenue:		
- Current (refer note a below)	94.45	28.30

a) Movement in Contract Liabilities - Deferred Revenue

(₹ in Million)

	March 31, 2023	March 31, 2022
Opening balance	**28.30**	**15.78**
Add: Revenue to be recognized from performance obligations to be satisfied in succeeding years	81.46	15.73
Less: Revenue recognized that was included in contract liability at the beginning of the year	(15.31)	(3.21)
Closing balance	**94.45**	**28.30**

22 Other income

(₹ in Million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income on bank deposits	13.98	10.37
Duty drawback	7.72	14.29
Gain on account of foreign exchange fluctuation (net)	-	17.56
Interest income on loan (refer note 35)	18.56	1.10
Interest income on security deposits	0.69	0.65
Miscellaneous income	8.53	7.67
Total other income	**49.48**	**51.64**

23 Cost of raw material consumed

(₹ in Million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventory at the beginning of the year	1,522.96	1,615.45
Add: Purchases	1,742.76	3,011.87
Add: Inventory acquired through Business Combination (refer note 4.2)	182.03	-
Less: Inventory at the end of the year	(1,594.47)	(1,522.96)
Cost of material and components consumed	**1,853.28**	**3,104.36**

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24 (Increase) / decrease in inventories of finished goods, work-in-progress and traded goods

(₹ in Million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance		
Work-in-progress	717.87	287.21
Finished goods	693.96	740.17
Traded goods	22.82	7.58
Total opening balance (A)	**1,434.65**	**1,034.96**
Inventory acquired through business combination (refer Note 4.2) (B)	**10.73**	**-**
Closing balance		
Work-in-progress	1,036.49	717.87
Finished goods	812.00	693.96
Traded goods	27.20	22.82
Total closing balance (C)	**1,875.69**	**1,434.65**
Total (Increase) / decrease in inventories of finished goods, work-in-progress and traded goods (A+B-C)	**(430.31)**	**(399.69)**

25 Employee benefit expenses

(₹ in Million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	464.53	414.04
Gratuity expenses (refer note 32)	7.12	5.36
Contribution to provident and other funds	13.91	11.74
Staff welfare expenses	11.70	11.67
Total employee benefit expenses	**497.26**	**442.81**

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 Group 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.

26 Depreciation and amortisation expenses

(₹ in Million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment (refer note 3)	182.19	414.95
Amortisation of intangible assets (refer note 4)	103.85	101.33
Depreciation of right-of-use assets (refer note 33)	31.18	29.81
Total depreciation and amortisation expenses	**317.22**	**546.09**

27 Finance costs

(₹ in Million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expenses (also refer note 35)	53.05	235.49
Interest on lease liabilities (refer note 33)	8.36	10.69
Interest - Others	5.08	6.33
Bank charges	2.00	2.98
Total finance costs	**68.49**	**255.49**

28 Other expenses

(₹ in Million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Royalty expenses	23.12	21.52
Manpower cost	131.11	201.85
Freight expenses	61.95	143.51
Commission expenses	119.93	80.04
Travelling and conveyance	93.19	64.67
Power and fuel	64.70	72.44
Warranty expenses	59.40	32.89
Advertising and sales promotion	87.71	36.42
Legal and professional charges	54.17	23.41
Payment to auditor	4.67	4.89
Rent (refer note 33)	6.86	10.82
Rates and taxes	45.84	21.70
Loss on account of foreign exchange fluctuation (net)	4.02	-
Provision for doubtful debts	5.71	10.69
Bad debts / advances written off	1.41	0.01
Corporate social responsibility expenses (refer note 40)	58.85	35.43
Loss on disposal of property, plant and equipment (net)	0.44	-
Patent search and renewal charges	11.50	12.73
Intangible assets under development written off	9.78	4.40
Miscellaneous expenses	118.67	114.59
Total other expenses	**963.03**	**892.01**

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29 Income tax

The Group is subject to income tax in India on the basis of Consolidated 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. The Company based on the projections had adopted the reduced rates of tax as per the Income Tax Act, 1961 from April 01, 2019.

a. Income tax expenses in the Consolidated Ind AS Statement of Profit and Loss and Other Comprehensive Income consist of the following:

(₹ in Million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Ind AS statement of profit and loss		
(a) Current tax	69.54	817.48
(b) Deferred tax charge / (credit)	59.34	(10.62)
(c) Adjustment of tax relating to earlier years	0.97	-
	129.85	**806.86**
Other comprehensive income ('OCI')		
Deferred tax related to re-measurement losses on defined benefit plans	0.55	(1.76)
Income tax credit to OCI	**0.55**	**(1.76)**

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

(₹ in Million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before taxes	95.40	2,958.43
Applicable tax rates in India	25.17%	25.17%
Computed tax charge	24.01	744.64
Non-deductible expenses for tax purposes	22.78	16.06
Reversal of deferred tax asset created on change in fair valuation of Optionally convertible debentures	-	37.44
Reversal of previously recognised DTA on business losses of subsidiary	73.91	-
Others	9.15	8.72
Total tax expense	**129.85**	**806.86**
Income tax reported in the Consolidated Ind AS statement of profit and loss	**129.85**	**806.86**

c. Recognised deferred tax assets and liabilities

The following is the movement of deferred tax assets / liabilities presented in the balance sheet:

(₹ in Million)

For the Year ended March 31, 2023

	Opening balance	Acquired through Business Combination (refer note 4.2)	Recognised in profit or loss	Recognised in OCI	Closing balance
A. Deferred tax liabilities (net)					
Property, plant and equipment and Intangible assets : Impact of difference between tax depreciation and depreciation/ amortization charged for the purpose of financial reporting	72.92	-	(12.79)		60.13
Impact of expenditure charged to the statement of profit and loss in the current period but allowed for tax purposes on payment basis	(1.48)	-	(4.98)	0.06	(6.40)
Others	(0.79)	-	(0.35)		(1.14)
Deferred tax liabilities (net)	**70.65**	**-**	**(18.12)**	**0.06**	**52.59**
B. Deferred tax assets					
Property, plant and equipment and Intangible assets : Impact of difference between tax depreciation and depreciation / amortization charged for the purpose of financial reporting	36.37	1.67	(26.75)	-	11.29
Impact of expenditure charged to the statement of profit and loss in the current period but allowed for tax purposes on payment basis	29.19	39.81	22.03	(0.49)	90.54
Carry forward of losses : Impact of brought forward losses	-	73.91	(73.91)	-	-
Others	0.30	1.12	1.17	-	2.59
Deferred tax assets (net)	**65.86**	**116.51**	**(77.46)**	**(0.49)**	**104.42**

(₹ in Million)

For the Year ended March 31, 2022

	Opening balance	Acquired through Business Combination (refer note 4.2)	Recognised in profit or loss	Recognised in OCI	Closing balance
A. Deferred tax liabilities (net)					
Property, plant and equipment and Intangible assets : Impact of difference between tax depreciation and depreciation / amortization charged for the purpose of financial reporting	87.46	-	(14.54)	-	72.92
Impact of expenditure charged to the statement of profit and loss in the current period but allowed for tax purposes on payment basis	(2.17)	-	2.02	(1.33)	(1.48)
Others	(0.31)	-	(0.48)	-	(0.79)
Deferred tax liabilities (net)	**84.98**	**-**	**(13.00)**	**(1.33)**	**70.65**
B. Deferred tax assets					
Property, plant and equipment and Intangible assets : Impact of difference between tax depreciation and depreciation / amortization charged for the purpose of financial reporting	10.66	-	25.71	-	36.37
Change in fair valuation of Optionally convertible debentures	37.44	-	(37.44)	-	-
Impact of expenditure charged to the statement of profit and loss in the current period but allowed for tax purposes on payment basis	19.51	-	9.25	0.43	29.19
Others	0.20	-	0.10	-	0.30
Deferred tax Assets (net)	**67.81**	**-**	**(2.38)**	**0.43**	**65.86**

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30 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit/ loss for the year attributable to equity shareholders of the Parent Company by the weighted average number of equity shares outstanding during the years. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting years. The weighted average number of equity shares outstanding during the years is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS is calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the years 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	For the year ended March 31, 2023 (refer note a)	For the year ended March 31, 2022 (refer note b)
Face value of equity shares (₹ per share)	10.00	10.00
Earnings		
(Loss) / Profit for the year as per Consolidated Ind AS Statement of Profit and Loss for basic EPS(₹ in Million) (a)	(34.45)	2,151.57
Shares		
Weighted average number of equity shares used for computing EPS (basic) (b)	2,250,121	2,208,881
Add: Weighted average number of potential equity shares on account of share warrants (refer note 14)	-	537
Weighted average number of equity shares used for computing EPS (diluted) (c)	2,250,121	2,209,418
EPS- Basic (₹) (d=a/b)	**(15.31)**	**974.05**
EPS- Diluted (₹) (e=a/c)*	**(15.31)**	**973.82**

a. Considering that the Group has incurred losses during the year ended March 31, 2023, the potential equity shares on account of share warrants would decrease the loss per share for the year ended March 31, 2023 and accordingly is considered for the purpose of calculation of diluted earnings per share.

b. During the year ended March 31, 2022, the Group has paid interest of ₹ 134.08 Million on conversion of OCDs as per the terms of the Investment agreement. The allotment of equity shares against the OCDs would have an antidilutive effect on earning per share for the year ended March 31, 2022 and accordingly was ignored for the purpose of calculation of diluted EPS for the year ended March 31, 2022.

31 Significant accounting judgements, estimates and assumptions

The preparation of the Group's Consolidated Ind AS Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could differ from those estimates. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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 and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include fair value measurement of financial instruments, contingencies, defined benefit plans (gratuity benefits), provision for expected credit losses of trade receivables, leases - estimating the incremental borrowing rate, provision for inventory obsolescence, intangible asset under development, useful life of Intangible assets and impairment of intangible assets and impairment of investments and goodwill.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the Consolidated Ind AS Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Consolidated Ind AS Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 37 for further disclosures.

(b) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal and contractual claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence and potential quantum of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events. Refer note 34 for further disclosures.

(c) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plan operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for India.

Further details about gratuity obligations are given in note 32.

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31 Significant accounting judgements, estimates and assumptions (continued)

(d) Provision for expected credit losses of trade receivables and contract assets
The Group estimates the credit allowance as per practical expedient based on the historical credit loss experience as enumerated in note 37.

(e) Leases - Estimating the incremental borrowing rate
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates. Refer note 33 for further disclosures.

f) Impairment of investments and goodwill
Determining whether investment and goodwill are impaired requires an estimation of the value in use of the respective asset or the relevant cash generating units. The value in use calculation is based on DCF model. Further, the cash flow projections are based on estimates and assumptions which are considered as reasonable by the management.

g) Property, plant and equipment
Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. Further, refer note 3 for details around change in estimate with respect to change in depreciation method during the current year.

h) Impairment of non-financial assets
Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow (DCF) model. The cash flows are derived from the budget and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

i) Taxes
The Group uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. Uncertainties exist with respect to the interpretation of tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous assessments and interpretations of tax regulations by the Group.

j) Provision
Significant estimates are involved in the determination of provisions related to liquidated damages and warranty provision. Warranty provision is determined based on the historical trend of warranty expense for the same types of goods for which the warranty is currently being determined, after adjusting for unusual factors related to the goods that were sold or based on specific warranty clause in an agreement. Such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence. The provision for warranty and liquidated damages is based on the best estimate required to settle the present obligation at the end of reporting period.

k) Intangible asset under development
The Group capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project and the expected period of benefits. This amount includes significant investment in the development of devices.

l) Useful life of Intangible assets

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period with the effect of any change in the estimate being accounted for on a prospective basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

m) Impairment of Intangible assets
As at the end of each accounting year, the Group reviews the carrying amounts of its Intangible assets determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any.

n) Provision for inventory obsolescence
Inventory obsolescence provision are determined using policies framed by the Group and in accordance with the methodologies that the Group deems appropriate to the business. There is a significant level of judgment involved in assessing whether provision for obsolescence for slow moving, excess or obsolete inventory items should be recognized considering orders in hand, expected orders, alternative usage, etc.

o) Put option liability
The Put Option liability granted on the non controlling interests of subsidiary is accounted for at the maximum amount payable based on the assessment made by the management of the Group as per PMS SHA agreement (refer note 4.2) on exercise of the option, as a financial liability. The subsequent changes in carrying amount at each reporting date is recognised in the Consolidated Ind AS statement of profit and loss. The key assumption taken into consideration is the projections of future EBITDA of subsidiary. As part of the accounting for the investment in subsidiary, put option liability with an estimated value of ₹ 247 Million was recognised at the acquisition date and subsequently measured at same value as at the reporting date.

p) Business combinations
Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. These valuations are conducted by external valuation experts. Estimates are required to be made in determining the value of contingent consideration and intangible assets. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by the management of the Group.

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32 Gratuity and other post-employment benefit plans

I) Defined contribution plan

The Group's contribution to provident fund and other funds are considered as defined contribution plans. The contributions are charged to the Consolidated Ind AS Statement of Profit and Loss as they accrue. Contributions to provident and other funds included in employee benefit expenses (refer note 25) are as under:

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contribution to provident fund	12.20	10.22
Total	**12.20**	**10.22**

II) Defined benefit plan

Gratuity

The Group has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, every employee who has completed five years or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The level of benefits provided depends on the member's length of service and salary at retirement age. The Gratuity plan is funded.

The following tables summarise the components of net benefit expenses recognised in the Consolidated Ind AS Statement of Profit or Loss and amounts recognised in the Consolidated Ind AS Balance Sheet for gratuity benefit:

i. Net benefit expenses (recognised in the Consolidated Ind AS Statement of Profit and Loss)

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	6.48	5.19
Net interest expense	0.64	0.17
Net benefit expenses	**7.12**	**5.36**

ii. Remeasurement loss/(gain) recognised in other comprehensive income (OCI):

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	(1.49)	4.68
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	(0.71)	2.07
Actuarial (gain)/ loss on obligations arising from changes in demographic adjustments	-	-
Actuarial (gain)/ loss on arising from re-measurements on Plan Assets	-	0.23
Actuarial (gain) / loss recognised in OCI	**(2.20)**	**6.98**

iii. Net defined benefit (liability) / asset

(₹ in Million)

Particulars	March 31, 2023	March 31, 2022
Defined benefit obligation	(50.91)	(33.54)
Fair value of plan assets	27.84	22.56
Plan (liability) / asset	**(23.07)**	**(10.98)**
Non-current	**(15.28)**	**(7.28)**
Current	**(7.79)**	**(3.70)**

iv. Changes in the present value of the defined benefit obligation are as follows:

(₹ in Million)

Particulars	March 31, 2023	March 31, 2022
Opening defined benefit obligation	33.54	24.65
Add: Liability assumed in Business Combination (refer note 4.2)	11.69	-
Current service cost	6.48	5.19
Interest cost on defined benefit obligation	2.39	1.64
Benefits paid (including direct payments from employer)	(0.99)	(4.69)
Actuarial (gain)/ loss		
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	(1.49)	4.68
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	(0.71)	2.07
Actuarial (gain)/ loss on obligations arising from changes in demographic adjustments	-	-
Closing defined benefit obligation	**50.91**	**33.54**

v. Changes in the fair value of planned assets

(₹ in Million)

Particulars	March 31, 2023	March 31, 2022
Opening planned assets	22.56	18.56
Contribution by employer	4.52	3.45
Interest income on planned assets	1.75	1.47
Benefits pay-outs from plan	(0.99)	(0.69)
Return on plan assets, excluding interest income	-	(0.23)
Closing planned assets	**27.84**	**22.56**

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32 Gratuity and other post-employment benefit plans (continued)

vi. The principal assumptions used in determining gratuity obligations for the Group's plan are shown below:

Particulars	March 31, 2023	March 31, 2022
Discount rate (in %)	7.2%-7.52%	6.6%-7.53%
Salary escalation rate (in %)	7%-10%	7%-10%
Employee turnover/ withdrawal rate	5%-10%	5%-10%
Retirement age	58-60 years	58-60 years
Weighted-average duration of the defined benefit obligation	6.5 years	6.5 years
Mortality rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)

Notes:

a) The estimate of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

b) 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:

a. 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

b. Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation

c. 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 career employee typically costs less per year as compared to a long service employee.

vii. A quantitative sensitivity analysis for significant assumption as at March 31, 2023 and March 31, 2022 is as shown below:

(₹ in Million)

Particulars	March 31, 2023	March 31, 2022
Discount rate		
Impact on defined benefit obligation due to 1% increase in discount rate	(2.90)	(2.53)
Impact on defined benefit obligation due to 1% decrease in discount rate	3.38	2.97
Salary escalation rate		
Impact on defined benefit obligation due to 1% increase in salary escalation rate	2.05	1.79
Impact on defined benefit obligation due to 1% decrease in salary escalation rate	(1.87)	(1.64)
Attrition rate		
Impact on defined benefit obligation due to 1% increase in attrition rate	(0.43)	(0.44)
Impact on defined benefit obligation due to 1% decrease in attrition rate	0.48	0.49

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Consolidated Ind AS Balance Sheet.

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33 Leases and commitments

a. Leases

Group as a lessee during the year

The Group has lease contracts for office facilities / store premises, warehouses and lands. The lease term of the office facilities/store premises and warehouse is generally 1 to 5 years and the lease term of leasehold lands ranges from 30 to 99 years. The Group also has certain leases with lease term of 12 months or less (short term leases) or where the underlying asset is of low value. The Group has elected to avail the exemption and not to recognise right-of-use assets and lease liabilities for short term leases or the leases where the underlying asset is of low value.

The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The carrying amounts of right-of-use assets recognised and the movements during the year is as follows:

(₹ in Million)

Particulars	Leasehold land	Building	Total
At April 01, 2021	**102.65**	**100.58**	**203.23**
Additions	-	26.73	26.73
Disposals	-	(10.19)	(10.19)
Depreciation	(2.58)	(27.23)	(29.81)
At March 31, 2022	**100.07**	**89.89**	**189.96**
Additions	-	7.19	7.19
Assets acquired through Business Combination (refer note 4.2)	-	21.42	21.42
Disposals	-	-	-
Depreciation	(2.58)	(28.60)	(31.18)
At March 31, 2023	**97.49**	**89.90**	**187.39**

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

(₹ in Million)

	March 31, 2023	March 31, 2022
Opening balance	**94.36**	**120.68**
Additions	7.04	26.08
Lease liability assumed in Business Combination (refer note 4.2)	24.43	-
Accretion of interest	8.36	10.69
Disposal	-	(11.68)
Payments	(33.22)	(51.41)
Closing balance	**100.97**	**94.36**
The same is shown under:		
Current	31.54	22.18
Non-current	69.43	72.18

The maturity analysis of lease liabilities are disclosed in note 37.

The effective interest rate for lease liabilities is 8.67% to 9% (March 31, 2022: 8.81% to 9%).

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

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation expense of right-of-use assets (refer note 26)	31.18	29.81
Interest expense on lease liabilities (refer note 27)	8.36	10.69
Expense relating to leases of low-value assets/short term leases (included in other expenses)	6.86	10.82
Total amount recognised in the Consolidated Ind AS Statement of Profit and Loss	**46.40**	**51.32**

The Group had total cash outflows for leases of ₹ 40.08 Million during the year ended March 31, 2023 (March 31, 2022: ₹ 62.23 Million) .

b. Commitment

(₹ in Million)

Particulars	March 31, 2023	March 31, 2022
i) Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances	9.90	45.26
ii) Refer note 14 pertaining to the terms / rights attached to share warrants		

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34 Contingent liabilities

In the ordinary course of business, the Group faces claims and assertions by various parties. The Group assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Group records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its Consolidated Ind AS Financial Statements, if material. For potential losses that are considered possible, but not probable, the Group provides disclosure in the Consolidated Ind AS Financial Statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Group believes that none of the contingencies described below would have a material adverse effect on the Group's financial condition, results of operations or cash flows.

(₹ in Million)

Particulars	March 31, 2023	March 31, 2022
i) Bank guarantees given by the Group	330.71	210.32
ii) Matter relating to direct taxes under dispute[1, 2]	194.94	130.40
iii) Matter relating to indirect taxes under dispute[2]	59.19	2.54
iv) Claims against the Company not acknowledged as debt- Matters relating to legal case under dispute[2]	1.38	1.38

1. Certain demands from the income tax authorities were set off against the brought forward business loss and depreciation of previous years which has not been disclosed above.

2. The amounts under disputes is as per the demands from the respective authorities for the respective periods and has not been adjusted to include further interest, penalty leviable, if any, at the time of final outcome of the appeals.

3. The Supreme court of India in the month of February 2019 had passed a judgement relating to definition of wages under the Provident Fund Act, 1952. The Management is of the view that there are interpretative challenges on the application of the judgement retrospectively. In the absence of reliable measurement of the provision for earlier periods, the Parent Company has made a provision for provident fund contribution pursuant to the judgement only from the date of Supreme Court Order. The Parent Company will evaluate its position and update its provision, if required, on receiving further clarity on the subject. The Parent Company does not expect any material impact of the same.

4. The Parent Company has received objections on four trade mark applications on relative grounds of refusal under Section 11 of the Trade Mark Act, 1999 because the same/similar trade mark(s) is/are already on record of the register for the same or similar goods/services. The management of the Parent Company is in the process of filling necessary replies and is confident of the outcome of the aforementioned trade mark applications to be favourable and accordingly no adjustments have been made in the Consolidated Ind As Financial Statements in this regard.

5. The subsidiary company, Bigtee Private Limited is in the process of obtaining registration under The Employees' Provident Funds And Miscellaneous Provisions Act, 1952 and regularising the delay in remittance with the authorities and do not expect any material financial impact in this regard and accordingly no adjustments have been made in the Consolidated Ind AS financial statements in this regard.

6. Also refer note 6(a) with regard to fraud / misappropriation of earnest money deposit in subsidiary.

7. Also refer note 25.

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35 **Related party disclosures**

a) Names of the related parties and description of relationship

Nature of Relationship	Name of the Party
(i) Related party where control exists	
Subsidiary Companies	Bigtec Private Limited (wholly owned) Deciphar Life Sciences Private Limited (wholly owned) Remfuel Bioenergy Private Limited (wholly owned) Bigtec Healthcare Private Limited (wholly owned) Prognosys Medical Systems Private Limited ('PMS') (w.e.f March 01, 2023)
(ii) Entities on which significant influence exists	Chayagraphics (India) Private Limited ('CGIPL') (w.e.f February 13, 2023)
(iii) Other related parties with whom transactions have been taken place during the year:	
(a) Enterprise with common director	Prognosys Medical Systems Private Limited (upto February 28, 2023, subsidiary w.e.f March 01, 2023)
(b) Shareholder with whom transaction exist during the year	India Business Excellence Fund III (IBEF III) Exxora Trading LLP Mr. G.Sampathgiri Mr. G.M.Kini
(c) Enterprise where key managerial personnel exercise significant influence	Gayathri Photon Aqua Private Limited (formerly known as Big System Private Limited) Prognosys Healthcare (India) Private Limited Chayagraphics Healthcare Private Limited
(d) Key managerial personnel	Mr. Sriram Natarajan (Director) Mr. Chandrasekhar Bhaskaran. Nair (Director) Mrs. Sangeetha Sriram (Director) Mr. Rohit Ashok Kumar Mullangi (Director)(w.e.f. August 14, 2022) Mr. Rohit Brijmohan Mantri (Director) (w.e.f January 22, 2020) Mr. Mulangi Krishnaswamy Ashokkumar (ceased to be director w.e.f July 03, 2022)
(e) Relatives of key managerial personnel	Mr. Shiva Sriram Mrs. Sarada Natarajan Mrs. Anita Chandrasekar

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

(b) Transactions with the above related parties during the year:

(₹ in Million)

Transactions during the year		For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income on loan			
Prognosys Medical Systems Private Limited	Enterprise with common director (upto February 28, 2023, subsidiary w.e.f March 01, 2023)	18.56	1.10
Finance costs			
Mr. Sriram Natarajan	Director	29.97	87.71
Mrs. Sarada Natarajan	Relative of key managerial personnel	-	1.17
India Business Excellence Fund III (IBEF III)	Shareholder with whom transaction exist during the year	-	134.08
Exxora Trading LLP	Shareholder with whom transaction exist during the year	0.11	-
Expenses incurred on behalf of the Group			
Mr. Sriram Natarajan	Director	5.99	3.11
Mrs. Sangeetha Sriram	Director	-	0.02
Mr. Shiva Sriram	Relative of key managerial personnel	-	0.11
Mrs. Anita Chandrasekhar	Relative of key managerial personnel	-	2.40
Mr. Chandrasekhar Bhaskaran Nair	Director	2.14	-
Loans taken			
Mr. Sriram Natarajan	Director	80.00	-
Loans repaid			
Mr. Sriram Natarajan	Director	447.33	530.01
Mrs. Sarada Natarajan	Relative of key managerial personnel	-	9.00
Mr. Chandrasekhar Bhaskaran Nair	Director	40.00	-
Mr. G.Sampathgiri	Shareholder with whom transaction exist during the year	0.91	-
Loans given			
Prognosys Medical Systems Private Limited	Enterprise with common director (upto February 28, 2023, subsidiary w.e.f March 01, 2023)	-	200.00
Loans refunded			
Prognosys Medical Systems Private Limited	Enterprise with common director (upto February 28, 2023, subsidiary w.e.f March 01, 2023)	200.00	-
Investment in compulsorily convertible preference shares			
Chayagraphics (India) Private Limited	Associate company	60.00	-
Remuneration			
Mr. Sriram Natarajan	Director	18.02	18.00
Mrs. Sangeetha Sriram	Director	2.42	2.40
Mr. Shiva Sriram	Relative of key managerial personnel	3.26	2.45
Mr. G.M.Kini	Shareholder with whom transaction exist during the year	-	3.77
Mr. G.Sampathgiri	Shareholder with whom transaction exist during the year	-	2.86
Mr. Chandrasekhar Bhaskaran Nair	Director	19.50	19.50
Provision for doubtful receivable			
Gayathri Photon Aqua Private Limited	Enterprise where key managerial personnel exercise significant influence	-	0.22
Purchases			
Prognosys Healthcare (India) Private Limited	Enterprise where key managerial personnel exercise significant influence	0.96	-

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35 Related party disclosures (continued)

2) Outstanding balances as at year end

(₹ in Million)

		March 31, 2023	March 31, 2022
Balances payable to related parties are as follows:			
Current borrowings			
Mr. Sriram Natarajan	Director	397.22	441.22
Mr. G.Sampathgiri	Shareholder with whom transaction exist during the year	-	0.91
Mr. Chandrasekhar Bhaskaran Nair	Director	-	40.00
Exxora Trading LLP	Shareholder with whom transaction exist during the year	20.00	-
Employee related payables			
Mr. Sriram Natarajan	Director	6.91	2.61
Mr. Shiva Sriram	Relative of key managerial personnel	20.25	0.03
Mrs. Sangeetha Sriram	Director	0.16	0.03
Mr. G.Sampathgiri	Shareholder with whom transaction exist during the year	-	0.02
Interest accrued on loans taken			
Mr. Sriram Natarajan	Director	67.60	11.67
Exxora Trading LLP	Shareholder with whom transaction exist during the year	2.19	-
Chayagraphics Healthcare Private Limited	Enterprise where key managerial personnel exercise significant influence	3.30	-
Balances receivable from related parties are as follows:			
Trade receivables			
Prognosys Medical Systems Private Limited	Enterprise with common director (upto February 28, 2023, subsidiary w.e.f March 01, 2023)	-	3.00
Loan - Current (Unsecured)			
Prognosys Medical Systems Private Limited	Enterprise with common director (upto February 28, 2023, subsidiary w.e.f March 01, 2023)	-	200.00
Interest accrued on loans given			
Prognosys Medical Systems Private Limited	Enterprise with common director (upto February 28, 2023, subsidiary w.e.f March 01, 2023)	-	1.10
Receivables from related parties- considered good			
Mr. Chandrasekhar Bhaskaran Nair	Director	2.18	0.04
Receivables from related parties- considered doubtful			
Gayathri Photon Aqua Private Limited	Enterprise where key managerial personnel exercise significant influence	0.22	0.22
Advances other than capital advances - Unsecured, considered good			
Prognosys Healthcare (India) Private Limited	Enterprise where key managerial personnel exercise significant influence	3.02	-

Notes

1. The remuneration to the key managerial personnel does not include provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Group as a whole.
2. Refer note 13 for details of share issued during the year.
3. The above information has been determined to the extent such parties have been identified on the basis of information available with the Group.
4. In respect of transactions with related parties, the Group has complied with the provisions of Section 188 of the Companies Act, 2013 where applicable, and the details have been disclosed above, as required by the applicable accounting standards.
5. Refer note 14 and 15 for details of conversion of OCD's into equity shares.
6. Refer note 4.2 and 5A for details of stake acquired by the Group in PMS and CGIPL during the year ended March 31, 2023.

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36 Segment information - Disclosure pursuant to Ind AS 108 'Operating Segments'

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 Group's Chief Operating Decision Maker (CODM) to make decisions about resource allocation and performance assessment and for which discrete financial information is available. The Group is engaged in the business of manufacturing chip based Diagnostic Devices, chips and reagents, X-ray equipment's, single / dual detector solutions, etc. The Group is also engaged in the business of developing diagnostics devices and tests in the bio-sensing domain and licensing of technology / patents in order to generate revenue. Accordingly, the Group's activities and business is reviewed regularly by the chief operating decision maker from an overall business perspective, rather than reviewing its products/services as individual consolidated components. Thus, the Group has only one operating segment, and has no reportable segment in accordance with Ind AS- 108 'Operating Segments'.

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

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of products	3,224.28	7,728.32
Other operating revenue	100.35	35.51
Total	**3,324.63**	**7,763.83**

(ii) Geographical information

Revenue from customers

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
India	2,837.53	6,378.60
Outside India*	487.10	1,385.23
Total	**3,324.63**	**7,763.83**

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

Non-current assets**

(₹ in Million)

Particulars	March 31, 2023	March 31, 2022
India	2,988.54	2,670.77
Outside India	-	-
Total	**2,988.54**	**2,670.77**

** Non current assets does not include deferred tax assets, investments accounted using equity method, financial assets and non-current tax assets.

(iii) No customers accounted for more than 10% of total revenue of the Group during the year ended March 31, 2023. During the year ended March 31, 2022 two customers accounted for ₹ 2,074.84 Million which was more than 10% of total revenue of the Group for the said year.

37 Disclosures on financial instruments

This section gives an overview of the significance of financial instruments for the Group and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in accounting policy to the financial statements.

(a) Financial assets and liabilities

The management assessed that cash and bank balances, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Non-current financial assets and liabilities are discounted using an appropriate discounting rate where the time value of money is material.

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2023 and March 31, 2022:

(₹ in Million)

Particulars	Carrying and Fair Value	
	March 31, 2023	March 31, 2022
Financial assets		
At Amortised cost		
(i) Loans	22.12	200.00
(ii) Trade receivables	1,887.55	2,406.05
(iii) Cash and cash equivalents	69.75	80.15
(iv) Other bank balances	2.64	3.87
(v) Other financial assets	558.74	370.14
At fair value through statement of profit or loss		
(i) Investments	0.05	0.03
Total	**2,540.85**	**3,060.24**
Financial liabilities		
At Amortised cost		
(i) Borrowings	999.53	1,094.83
(ii) Trade payables	855.22	507.31
(iii) Lease liabilities	100.97	94.36
(iv) Other financial liabilities	475.20	143.90
Total	**2,430.92**	**1,840.40**

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37 **Disclosures on financial instruments (continued)**

(b) Fair value hierarchy

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

(₹ in Million)

Particulars	Fair value measurements at reporting date using			
	Total	Level 1	Level 2	Level 3
March 31, 2023				
Financial assets				
Investments (at fair value through statement of profit or loss)	0.05	-	-	0.05
Financial liabilities				
Borrowings (at amortised cost)	999.53	-	999.53	-
March 31, 2022				
Financial assets				
Investments (at fair value through statement of profit or loss)	0.03	-	-	0.03
Financial liabilities				
Borrowings (at amortised cost)	1,094.83	-	1,094.83	-

(i) Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

(ii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Group could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(iii) There have been no transfers between Level 1, Level 2 and Level 3 for the year ended March 31, 2023 and March 31, 2022.

(c) Financial risk management objectives and policies

The Group's principal financial liabilities comprises of loans and borrowings, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, other financial assets and cash and bank balances derived from its operations.

In the course of its business, the Group is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Group has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

(i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Group's business plan.
(ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

Market risk
Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

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37 Disclosures on financial instruments (continued)

(1) Market risk- 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. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates. Thus profits and cash flows from financing activities are dependent on market interest rates. Further, any decline in the credit rating of the Group will have an adverse impact on the interest rates.

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows:

(₹ in Million)

Particulars	March 31, 2023	March 31, 2022
Fixed rate instruments:		
Financial liabilities	499.00	509.83
Variable rate instruments:		
Financial liabilities	500.53	585.00

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rate on the portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings as following:

(₹ in Million)

Particulars	Increase / decrease in basis points	March 31, 2023	March 31, 2022
Interest rate fluctuation	+50	(2.50)	(2.93)
Interest rate fluctuation	-50	2.50	2.93

(2) Market risk- Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating and financing activities. The Group's exposure to foreign currency changes from operating activities is not material and the Group primarily has overseas transactions in USD.

The following table shows foreign currency exposure at the end of reporting year:

As at March 31, 2023

Particulars	USD
Financial Assets	
Trade receivables	
Foreign Currency (In Million)	1.36
Indian rupees (In Million)	109.48
Impact on profit and loss (₹ in Million):	
5% increase	5.47
5% decrease	(5.47)
Financial liabilities	
Trade payables	
Foreign Currency (In Million)	2.84
Indian rupees (In Million)	238.04
Impact on profit and loss (₹ in Million):	
5% increase	(11.90)
5% decrease	11.90

As at March 31, 2022

Particulars	USD
Financial Assets	
Trade receivables	
Foreign Currency (In Million)	2.54
Indian rupees (In Million)	187.89
Impact on profit and loss (₹ in Million):	
5% increase	9.39
5% decrease	(9.39)
Financial liabilities	
Trade payables	
Foreign Currency (In Million)	1.50
Indian rupees (In Million)	115.84
Impact on profit and loss (₹ in Million):	
5% increase	(5.79)
5% decrease	5.79

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37 Disclosures on financial instruments (continued)

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Financial instruments that are subject to credit risk and concentration thereof principally consist of loan receivables, trade receivables, cash and cash equivalents, bank balances and other financial assets of the Group.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹2,540.83 Million (March 31,2022: ₹ 3,060.24 Million), being the total carrying value of investments (other than investment in associate), loans receivables from related parties, trade receivables, cash and cash equivalents, bank balances and other financial assets of the Group.

Customer credit risk is managed based on the Group's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major customers. The Group does not hold collateral as security.

With respect to Trade receivables, the Group has constituted the terms to review the receivables on periodic basis and to take necessary mitigations, wherever required. The Group creates allowance for unsecured receivables based on historical credit loss experience and is adjusted for forward looking information. The allowance of trade receivables is based on the ageing of the receivables that are due.

Refer note 9 for movement in expected credit loss for the years ended March 31, 2023 and March 31, 2022.

Credit risk from balances with bank and financial institutions and in respect to loans and security deposits is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

(iii) Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group has obtained fund based working capital limits from a bank. The Group invests its surplus funds in bank fixed deposit, which carry no or low market risk.

The Group monitors its risk of shortage of funds on a regular basis. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, etc. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be medium.

The following table shows a maturity analysis of the anticipated cash flows excluding interest obligations for the Group's financial liabilities on an undiscounted basis, which may differ from both carrying value and fair value.

(₹ in Million)

Particulars	0 - 1 years	1 to 5 years	> 5 years	Total
March 31, 2023				
Borrowings[1]	989.68	9.85	-	999.53
Lease liabilities	40.32	69.52	24.07	133.92
Trade payables	855.22	-	-	855.22
Other financial liabilities	228.20	247.00	-	475.20
	2,113.42	**326.37**	**24.07**	**2,463.87**
March 31, 2022				
Borrowings[1]	1,081.76	13.07	-	1,094.83
Lease liabilities	30.25	73.95	24.71	128.91
Trade payables	507.31	-	-	507.31
Other financial liabilities	143.90	-	-	143.90
	1,763.22	**87.02**	**24.71**	**1,874.95**

Notes:

1. The above disclosure excludes interest and other finance charges to be paid on the borrowings, by the Group.

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38 Capital management

The Group's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Group.

The Group determines the amount of capital required on the basis of annual business plan coupled with long-term and short-term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long-term and short-term borrowings.

For the purpose of the Group's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity share holders of the Group.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is total debt divided by total capital plus total debt. The Group's policy is to keep the gearing ratio at an optimum level to ensure that the debt related covenants are complied with.

Particulars	March 31, 2023	March 31, 2022
Borrowings (refer note 15)	999.53	1,094.83
Less: Cash and cash equivalents (refer note 11)	(69.75)	(80.15)
Total debts (A)	**929.78**	**1,014.68**
Equity share capital (refer note 13)	22.54	22.46
Other equity (refer note 14)	7,234.74	7,087.42
Total capital (B)	**7,257.28**	**7,109.88**
Capital and borrowings C= (A+B)	**8,187.06**	**8,124.56**
Gearing ratio (%) D= (A/C)	**11.36%**	**12.49%**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 and March 31, 2022.

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39 Statutory Group Information

Sl. No.	Name of the entity	Country of incorporation	Relationship as at March 31, 2023	Percentage of effective ownership interest held (directly and indirectly) and voting rights		Net assets / (liabilities) i.e total assets minus total liabilities[1]				Share in Total Comprehensive Income[1]			
						March 31, 2023		March 31, 2022		March 31, 2023		March 31, 2022	
				March 31, 2023	March 31, 2022	As % of consolidated net assets	₹ in million	As % of consolidated net assets	₹ in million	As % of total comprehensive income	₹ in million	As % of total comprehensive income	₹ in million
1	Molbio Diagnostics Private Limited	India	Parent Company	-	-	95.47%	7,389.74	95.50%	6,832.82	374.22%	156.91	87.16%	1,870.71
2	Bigtec Private Limited	India	Subsidiary	100.00%	100.00%	2.82%	218.10	4.63%	331.62	(270.74%)	(113.52)	12.85%	275.83
3	Bigtec Healthcare Private Limited	India	Subsidiary	100.00%	100.00%	(0.00%)	(0.33)	(0.00%)	(0.27)	(0.14%)	(0.06)	(0.00%)	(0.10)
4	Deciphar Life Sciences Private Limited	India	Subsidiary	100.00%	100.00%	(0.11%)	(8.84)	(0.12%)	(8.79)	(0.14%)	(0.06)	(0.00%)	(0.09)
5	Remfuel Bioenergy Private Limited	India	Subsidiary	100.00%	100.00%	(0.01%)	(0.66)	(0.01%)	(0.59)	(0.14%)	(0.06)	(0.00%)	(0.09)
6	Prognosys Medical Systems Private Limited[2]	India	Subsidiary	65.47%	-	1.51%	116.80	0.00%	-	(3.05%)	(1.28)	0.00%	-
7	Chayagraphics (India) Private Limited[3,4]	India	Associate	22.11%	-	0.00%	25.85	0.00%	-	-	-	0.00%	-
Sub-Total							**7,740.66**	**100.00%**	**7,154.79**	**100.00%**	**41.93**	**100%**	**2,146.26**
Non-controlling interest in subsidiaries							(158.62)		-		27.19		
Consolidation adjustments/ eliminations[5]							(324.76)		(44.91)		(74.73)		0.09
Total attributable to Owners of the Company							**7,257.28**	**100.00%**	**7,109.88**	**100.00%**	**(5.61)**	**100.00%**	**2,146.35**

1. The figures have been considered from the respective standalone financial statements before consolidation adjustments / eliminations.
2. During the year ended March 31, 2023, the Group has acquired 65.47% voting right in Prognosys Medical Systems Private Limited and the same is consolidated from the date of acquiring control. Also refer note 4.2.
3. During the year ended March 31, 2023, the Parent Company has acquired 22.11% voting right in Chayagraphics (India) Private Limited and the same is accounted using equity method from the date of obtaining significant influence. Also refer note 5A.
4. The amounts presented for Chayagraphics (India) Private Limited represents only Group's share of net assets and total comprehensive income. Also refer not 5A.
5. Consolidation adjustments/eliminations include intercompany eliminations and consolidation adjustments.
6. The standalone financial statements of subsidiaries and associate have been drawn up to the same reporting date as of the Parent Company, i.e. March 31, 2023.

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40 Other Statutory information

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) The Group does not have any transactions with companies struck off during the year.

(iii) The Group has not traded or invested in Crypto currency or Virtual Currency during the years ended March 31, 2023 and March 31, 2022.

(iv) The Group has no such 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 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(v) The Group has not been declared willful defaulter by any bank, financial institution, government or government authority.

(vi) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) 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
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

41 As at March 31, 2023, trade and other payables amounting to ₹ 159.93 Million (out of which ₹ 158.18 Million has been paid subsequent to March 31, 2023) and trade and other receivables amounting to ₹ 7.94 Million towards purchase and sale of goods and services respectively, which are outstanding beyond permissible time period stipulated under the Master Circular on Import of Goods and Services and Master Circular on Export of Goods and Services issued by Reserve Bank of India ('the RBI'), which states that payments against imports of goods and receipts against exports of goods and services within defined regulatory timelines from date of shipment.

The management is in the process of regularising the above non-compliances, with the appropriate regulatory authorities and is of the view that penalties, if any that may be imposed on the Parent Company would not be material. Accordingly, no adjustments have been made by the management in these financial statements in this regard.

42 MCA has amended the Rule 3 of the Companies (Accounts) Rules, 2014 (the "Accounts Rules") vide notification dated August 05, 2022, relating to the mode of keeping books of account and other books and papers in electronic mode. Back-ups of the books of account and other books and papers of the company maintained in electronic mode are now required to be retained on a sever located in India on daily basis (instead of back-ups on a periodic basis as provided earlier) as prescribed under Rule 3(5) of the Accounts Rules. With respect to above stated requirement, the Group does not have server physically located in India for the daily backup of the books of account and other books and papers maintained in electronic mode. The Group would initiate the necessary steps as regards the compliance with Rule 3 of the Companies (Accounts) Rules, 2014 with respect to maintenance of backups in server physically located in India on a daily basis.

43 Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in these Consolidated Ind AS financial statements have been rounded off or truncated as deemed appropriate by the management of the Group.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI firm registration number: 101049W/ E300004

per Sandeep Karnani
Partner
Membership No: 061207
Place: Bengaluru
Date: December 30, 2023

S.R. Batliboi & Associates LLP
Bengaluru

For and on behalf of the Board of Directors of
Molbio Diagnostics Private Limited

Chandrasekhar Bhaskaran Nair
Director
DIN: 01787875
Place: Bengaluru
Date: December 30, 2023

Sriram Natarajan
Director
DIN: 00013843
Place: Goa
Date: December 30, 2023

Suhas Advant
Chief Financial Officer
Place: Bengaluru
Date: December 30, 2023

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