

SRL Limited

Standalone Financial Statements

Statutory Audit for the period ended 31 March 2019

B S R & Co. LLP

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Members of SRL LIMITED

Report on the Audit of Standalone Financial Statements

Qualified Opinion

We have audited the standalone financial statements of SRL Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019 and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and except for the effects/ possible effects, if any, of the matters described in "Basis for Qualified Opinion" paragraphs of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('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 31 March 2019, of its profit, total comprehensive income, cash flows and changes in equity for the year ended on that date.

Basis for Qualified Opinion

The matters stated below were also subject matter of qualification in predecessor auditor's audit opinion on the standalone financial statements as at 31 March 2018:

As explained in Note 47 of the standalone financial statements, pursuant to certain events/transactions, the erstwhile Audit and Risk Management Committee (the "ARMC") of the Fortis Healthcare Limited ("the Parent Company") had initiated an independent investigation by an external legal firm and special audits by professional firms on matters relating to systematic lapses/override of internal controls as described in Note 47 of the standalone financial statements. The report has since been submitted and is subject to the limitations on the information available to the external legal firm and their qualifications and disclaimers as described in their Investigation report.

Additionally, different regulatory authorities are currently undertaking their own investigations, details of which are described in Note 47 and 48 of the standalone financial statements and stated below:

- SEBI has initiated an investigation in respect of the various issues. On 17 October, 2018, 21 December 2018 and 19 March 2019, SEBI passed Orders ("Orders") and further investigations by regulatory authorities is continuing. In its Orders, SEBI observed that certain inter-corporate deposits ("ICDs") made by Fortis Hospitals Limited ("FHsL"), (a wholly owned subsidiary of the Parent Company), with certain identified entities were so structured that they seem to be prima facie fictitious and fraudulent in nature resulting, in inter alia, diversion of funds from the Fortis Group for the ultimate benefit of erstwhile promoters (and certain entities controlled by them) resulting in a misrepresentation in the financial statements of the Fortis Group in an earlier period. Further, SEBI issued certain interim directions inter alia directing the Parent



Company and FHsL to take all necessary steps to recover Rupees 40,300 Lacs along with the due interest from erstwhile promoters and various other entities, as mentioned in the Orders. It has also directed the erstwhile promoter and the said entities to repay the sums due. The aforesaid ICDs were fully provided for in the books as at 31 March 2018. SEBI, in its Orders also directed erstwhile promoters and the said entities that pending completion of the investigation and till further order, they shall not dispose off or alienate any of their assets or divert any funds, except for the purposes for meeting expenses of day to day business operations, without any prior permission of SEBI. Erstwhile promoters have also been directed not to associate themselves with the affairs of the Parent Company in any manner whatsoever, till further directions. The initial directions issued by SEBI have been confirmed by SEBI in their order dated 19 March, 2019.

- Serious Fraud Investigation Office (SFIO), Ministry of Corporate Affairs, under Section 217(1)(a) of the Companies Act, 2013, inter alia, has initiated an investigation and has been seeking information in relation to the Parent Company, its material subsidiaries, joint ventures and associates to which as informed to us the Parent Company and the Company have responded.

Since, the investigation and enquiries carried out by regulators as aforesaid are currently ongoing, need for additional procedures/ enquiries, if any, and an overall assessment of the impact of the investigations on the standalone financial statements of the Company is yet to be concluded.

Based on investigations carried out by an external legal firm, Orders by SEBI and other information available currently, as per the management all identified/required adjustments/ disclosures arising from the findings in the Investigation Report and the Orders by SEBI, were made in the standalone financial statements of the Company for the year ended 31 March 2018.

Following matter was included in the investigation report and highlighted by predecessor auditor in their audit report for the year ended 31 March 2018:

- Provision of Rupees 775.20 Lacs towards amount paid as security deposit, advances towards lease of office space and expenditure incurred towards capital work in progress due to uncertainty of recovery of these balances. (refer Note 50 of the standalone financial statements).

No additional adjustments/ disclosures were required to be made in the standalone financial statements for the year ended 31 March 2019 in respect of the above.

As explained in Note 37 and 47(d) of the standalone financial statements, related party relationships prior to loss of control of erstwhile promoters/directors in the year ended 31 March 2018 were identified by the management taking into account the information available with the management and including the findings and limitations in the Investigation Reports. In this regard, specific declarations from the erstwhile directors/promoters, especially considering the substance of the relationship rather than the legal form, were not available. Therefore, the possibility cannot be ruled out that there may be additional related parties of erstwhile promoters/directors whose relationships may not have been disclosed to the Company and, hence, not known to the Management.

Further, as explained in Note 49 of the standalone financial statements, a Civil Suit was filed by a third party against various entities including the Company relating to "Fortis, SRL and La-Femme" brands. The Parent Company has received four demand notices aggregating to Rupees 25,344 Lacs in respect to this Civil Suit. Allegations made by third party has been duly responded to by the Parent Company denying i) execution of any binding agreement with third party; and ii) liability of any kind whatsoever. Based on legal advice of external legal counsel, the Management believes that the claims are without legal basis and not tenable. The matter is currently sub-judice.



Due to the ongoing nature of the various inquiries/investigations, we are unable to comment on the adjustments/ disclosures which may become necessary as a result of further findings of the ongoing regulatory investigations on the standalone financial statements including completeness/accuracy of the related party transactions which relate to or which originated before 31 March 2018, the regulatory non-compliances, if any, and the consequential impact, if any, on the standalone financial statements.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone 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 qualified opinion.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows 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. 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 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 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 financial statements, Management and Board of Directors are 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.



Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

We believe that except as stated in the "Basis for Qualified Opinion" paragraphs, the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other




matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The comparative financial information for the year ended 31 March 2018 prepared in accordance with Ind AS included in these standalone financial statements were audited by the predecessor auditor who expressed a qualified opinion thereon as per their report dated 6 July 2018.

Our report on the financial statements is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, which is subject to the effects/ possible effects of the matters described in the "Basis for Qualified Opinion" paragraphs of our Audit Report and the material weakness described in the "Basis for Qualified Opinion" paragraphs in our separate Report on the Internal Financial Controls with reference to Financial Statements.
 2. A. As required by Section 143(3) of the Act, we report, that:
 - a) We have sought and, except for the matters described in the "Basis for Qualified Opinion" paragraphs above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) Except for the effects/ possible effects of the matters described in the "Basis for Qualified Opinion" paragraphs above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone cash flow statement dealt with by this Report are in agreement with the books of account.
 - d) Except for effects/ possible effects of the matters described in the "Basis for Qualified Opinion" paragraphs above, in our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) The matters described in the "Basis for Qualified Opinion" paragraphs, 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 of the Company as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - g) The qualification relating to maintenance of accounts and other matters connected therewith are as stated in the "Basis for Qualified Opinion" paragraphs above.
 - h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
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- B. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) Except for the effects/ possible effects of matters described in the "Basis for Qualified Opinion" paragraphs above, the Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 40 to the standalone financial statements;
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.
- C. With respect to the matter to be included in the Auditors' report under Section 197(16):
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year by the Company is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Registration Number: 101248W/W-100022



Pravin Tulsyan
Partner
Membership No: 108044

Place: Gurugram
Date: 23 May 2019

Annexure A to the Independent Auditors' report on the standalone financial statements of SRL Limited for the year ended 31 March 2019

(Referred to in paragraph (1) under 'Report on Other Legal and Regulatory Requirements' section of our Audit Report of even date and except for the effects/possible effects of the matters described in the "Basis for Qualified Opinion" paragraphs of our Audit Report and the material weakness described in the "Basis for Qualified Opinion" in our separate Report on the Internal Financial Controls with reference to Financial Statements)

- (i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (Property, plant and equipment).
- (b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the books of account, the title deeds of immovable properties of land and buildings which are freehold, are held in the name of the Company.
- (ii) The inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us, discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 during the current year.
- (b) According to the information and explanations given to us, the schedule of repayment of principal and payment of interest has been stipulated in respect of loans granted in earlier years and repayments or receipts of principal amounts and interest have been as per the terms.
- (c) According to the information and explanations given to us, there is no overdue amount remaining outstanding as at the year-end.
- (iv) Except for the effects/ possible effects of the matters described in "Basis for Qualified Opinion" paragraphs of the Audit Report, in our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year under the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013. Accordingly, paragraph 3(v) of the Order is not applicable.



- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 in respect of its services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, duty of customs, cess and other material statutory dues have generally been regularly deposited during the year with the appropriate authorities though there have been a slight delay in a few cases of income-tax, labour welfare fund and professional tax. As explained to us, the Company did not have any dues on account of sales-tax, value added tax, duty of excise and service tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and services tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, except as stated below, there are no dues of income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax and goods and services tax which have not been deposited by the Company with the appropriate authorities on account of disputes:

Name of Statute	Nature of the dues	Period to which the amount relates	Amount (Rupees in Lacs)	Forum where dispute is pending
Income Tax Act, 1961	Disallowance of discounts given to collection center.	AY 2006-07	158.20	Delhi High Court
Income Tax Act, 1961	Disallowance of discounts given to collection center.	AY 2007-08	1,256.14	Delhi High Court
Income Tax Act, 1961	Disallowance of discounts given to collection center.	AY 2008-09	1,526.72	Delhi High Court
Income Tax Act, 1961	Disallowance of discounts given to collection center.	AY 2009-10	1,318.73	Delhi High Court
Income Tax Act, 1961	Disallowance of discounts given to collection center.	AY 2010-11	738.44	Delhi High Court
Income Tax Act, 1961	Disallowance of discounts given to collection center.	AY 2012-13	55.14	ITAT
Income Tax Act, 1961	Disallowance of discounts given to collection center.	AY 2013-14	26.08	ITAT
Income Tax Act, 1961	Disallowance of discounts given to collection center.	AY 2014-15	26.17	CIT (Appeals)

Name of Statute	Nature of the dues	Period to which the amount relates	Amount (Rupees in Laacs)	Forum where dispute is pending
Income Tax Act, 1961	Disallowance of discounts given to collection center.	AY 2015-16	22.13*	CIT (Appeals)
Income Tax Act, 1961	Dispute with regard to tax deducted at source in different section.	AY 2017-18, 2018-19	80.67*	CIT (Appeals)
Maharashtra value Added Tax Act, 2002	Dispute with regard to classification of services.	2011-12	4.46	Sales Tax Officer
Central Sales Tax Act, 1956	Dispute with regard to classification of services.	2011-12	39.67	Sales Tax Officer
Finance Act 1994 read with service tax rules, 1994	Dispute with regard to nature of business.	July 2003 – April 2006	81.44	Commissioner of service tax, Mumbai

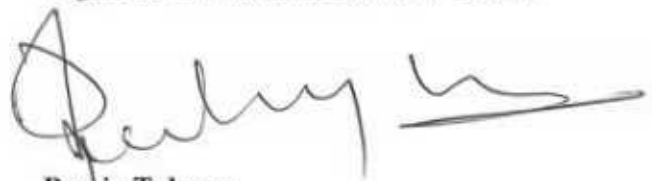
*Net of Rupees 25.77 Laacs paid under protest.

- viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to its banks. The Company did not have any outstanding dues to debenture holders and loans or borrowings from financial institutions or government during the year.
- (ix) According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) As explained in Note 47 of the Standalone Financial Statements:
- (a) At this juncture the Board is unable to make a determination on whether a fraud has occurred on the Company in respect of the matters covered in the investigation by the external legal firm, considering the limitations on the information available to the external legal firm and their qualifications and disclaimers as described in their Investigation Report.
- (b) Various regulatory authorities are currently undertaking their own investigation (refer Note 47 of the Standalone Financial Statements), and it is likely that they may make a determination on whether any fraud or any other non-compliance/ illegalities have occurred in relation to the matters addressed in the Investigation Report.
- Subject to the above, and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) Based on our examination of the books of account and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provision of section 197 read with Schedule V of the Act.



- (xii) According to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) Except for the effects / possible effects of the matter described in Basis for Qualified Opinion section, transactions with related parties are in compliance with sections 177 and 188 of the Act, where applicable, and the details of such transactions have been disclosed in the standalone financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For B S R & Co. LLP
Chartered Accountants
Registration Number: 101248W/W-100022



Pravin Tulsyan
Partner
Membership No: 108044

Place: Gurugram
Date: 23 May 2019

Annexure B to the Independent Auditor's report on the standalone financial statements of SRL Limited for the year ended 31 March 2019.

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (2)(A)(h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Qualified Opinion

We have audited the internal financial controls with reference to the standalone financial statements of SRL Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, except for the effects/ possible effects of the material weakness described below on the achievement of the objectives of the control criteria, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the Standalone Financial Statements of the Company for the year ended 31 March 2019 and this material weakness has, inter alia, affected our opinion on the said Standalone Financial Statements and we have issued a qualified opinion on the said Standalone Financial Statements.

Basis for Qualified Opinion

As explained in "Basis for Qualified Opinion" paragraphs of our Main Audit Report on the standalone financial statements for the year ended 31 March 2019, pursuant to certain events/transactions in earlier years, the erstwhile Audit and Risk Management Committee (the "ARMC") of the Parent Company had initiated an independent investigation by an external legal firm and special audits by professional firms on matters relating to systemic lapses and override of controls. The report has since been submitted and is subject to limitations on the information available to the external legal firm and their qualifications and disclaimers as described in their Investigation report. Further, the investigation by different regulatory authorities in these matters is still ongoing and an overall assessment of the impact of the investigations is yet to be concluded. Pending final outcome of the regulatory investigations and enquiries, completeness of identification of deficiencies cannot be ascertained.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.



Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the criteria established by the Company considering the essential components of internal control stated in the 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 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained (including the written representations by the Management which was taken on record by the Board of Directors) is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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.



Inherent Limitations of Internal Financial controls with Reference to standalone Financial Statements

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

For B S R & Co. LLP
Chartered Accountants
Registration Number: 101248W/W-100022



Pravin Tulsyan
Partner
Membership No: 108044

Place: Gurugram
Date: 23 May 2019

SRL LIMITED
STANDALONE BALANCE SHEET AS AT 31 MARCH 2019

ASSETS	Notes	As at 31 March 2019 (Rupees in Lakhs)	As at 31 March 2018 (Rupees in Lakhs)
Non-current assets			
(a) Property, plant and equipment	4	20,108.91	20,678.97
(b) Capital work-in-progress	4	188.30	45.05
(c) Intangible assets	5	665.28	1,191.60
(d) Investments in subsidiaries and joint ventures	6	39,944.69	40,019.18
(e) Financial assets			
(i) Loans	7	12,995.41	14,450.17
(ii) Other financial assets	8	109.60	19.53
(f) Deferred tax assets (net)	9	3,456.44	3,138.55
(g) Non-current tax assets (net)	10	736.30	669.56
(h) Other non-current assets	11	158.47	193.83
Total non-current assets		78,363.40	80,406.44
Current assets			
(a) Inventories	12	1,737.50	2,088.80
(b) Financial assets			
(i) Trade receivables	13	30,965.83	22,209.59
(ii) Cash and cash equivalents	14	1,339.56	337.51
(iii) Bank balances other than (ii) above	15	69.02	25.61
(iv) Loans	16	1,298.92	1,733.66
(v) Other financial assets	17	117.91	1,561.77
(c) Other current assets	18	665.05	590.80
Total current assets		36,193.79	28,547.74
Total assets		114,557.19	108,954.18
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	19	7,842.56	7,841.77
(b) Other equity		94,501.41	88,858.73
Total Equity		102,343.97	96,700.50
LIABILITIES			
Non-current liabilities			
(a) Provisions	20	1,180.33	1,156.33
(b) Other non-current liabilities	21	7.26	123.01
Total non-current liabilities		1,187.59	1,279.34
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	198.77	1,477.07
(ii) Trade payables	23		
- Total outstanding dues of micro enterprises and small enterprises		61.23	1.06
- Total outstanding dues of creditors other than micro enterprises and small enterprises		6,372.61	5,628.17
(iii) Other financial liabilities	24	2,592.50	2,553.64
(b) Other current liabilities	25	1,243.65	873.15
(c) Provisions	26	444.62	299.96
(d) Current tax liabilities (net)	27	112.25	141.29
Total current liabilities		11,025.63	10,974.34
Total liabilities		12,213.22	12,253.68
Total equity and liabilities		114,557.19	108,954.18

See accompanying notes forming part of the financial statements
In terms of our report attached

1-52

For BSR & Co. LLP
Chartered Accountants

Pravin Tulsyan
Partner
Membership Number: 108044



Gurugram
Date : 23 May 2019

For and on behalf of the Board Of Directors
SRL Limited

Dr. Ashutosh Raghuvanshi
Director
DIN: 02775637

Ravi Rajagopal
Director
DIN: 00067073

Ajindam Haidar
Chief Executive Officer

Saurabh Chadiha
Chief Financial Officer

Sumit Goel
Company Secretary

Gurugram
Date : 23 May 2019



SRL LIMITED
STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Year ended 31 March 2019 (Rupees in Lakhs)	Year ended 31 March 2018 (Rupees in Lakhs)
Revenue from operations	28	70,468.51	68,054.57
Other income	29	2,002.81	2,186.40
Total Income		72,471.32	70,240.97
Expenses			
(a) Cost of materials consumed	30	17,310.08	18,030.31
(b) Cost of tests outsourced		1,214.23	5,656.20
(c) Employee benefits expense	31	17,246.72	16,477.98
(d) Finance costs	32	324.20	276.13
(e) Depreciation and amortisation expense	33	1,942.29	2,273.76
(f) Other expenses	34	24,676.15	17,886.95
Total expenses		62,713.67	60,601.33
Profit before exceptional items and tax		9,757.65	9,639.64
Exceptional items	34A	280.92	2,830.38
Profit before tax		9,476.73	6,809.26
Tax expense			
(a) Current tax (net)	35	4,215.11	3,735.15
(b) Deferred tax credit	35	(325.73)	(472.24)
Total tax expenses		3,889.38	3,262.91
Profit for the year		5,587.35	3,546.35
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit liabilities	41	22.46	(85.86)
(b) Income tax relating to items that will not be reclassified to profit or loss	35	(7.85)	29.80
Total other comprehensive income (a+b)		14.61	(56.06)
Total comprehensive income for the year		5,601.96	3,490.29
Earnings per equity share			
(a) Basic (In Rupees)	36	7.10	4.58
(b) Diluted (in Rupees)	36	7.03	4.49
See accompanying notes forming part of the financial statement	1-52		

In terms of our report attached

For **BSR & Co. LLP**
Chartered Accountants

Pravin Tulsyan
Partner
Membership Number: 108044

Gurugram
Date : 23 May 2019



For and on behalf of the Board Of Directors
SRL Limited

Dr. Ashutosh Raghuvanshi
Director
DIN:02775637

Arindam Haider
Chief Executive Officer

Sumit Goel
Company Secretary

Gurugram
Date : 23 May 2019

Ravi Rajagopal
Director
DIN:00067073

Saurabh Chadha
Chief Financial Officer



SRL LIMITED
STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Year ended 31 March 2019 (Rupees in Lakhs)	Year ended 31 March 2018 (Rupees in Lakhs)
A. Cash flows from operating activities			
Profit before tax		9,476.73	6,809.26
Adjustment for:			
Depreciation and amortisation expense	33	1,942.29	2,273.76
Exceptional items	34A	280.92	2,830.38
Profit on disposal of property, plant and equipments (net)	29,34	(27.98)	8.37
Dividend income from equity instruments in joint venture	29	-	(15.00)
Net foreign exchange (gain)/loss		(7.35)	12.13
Provision for doubtful deposits and advances	34	83.48	128.35
Expected credit loss allowance (refer note 13)	34	1,865.93	751.78
Equity settled share based payments	31	27.09	282.15
Amortisation of prepaid rent on security deposit receivable		85.80	33.91
Financial guarantee income		(9.00)	-
Advances written off		-	0.05
Recovery/balances no longer required written back	28	(560.11)	(351.54)
Finance costs	32	345.55	276.13
Interest income	29	(1,885.02)	(2,086.64)
Operating profit before changes in following assets and liabilities		11,618.33	10,953.09
Decrease/(Increase) in inventories		351.30	(335.23)
(Increase) in trade receivables		(10,614.81)	(10,487.86)
Decrease/(Increase) in loans and other financial assets		1,074.91	(669.71)
Decrease/(Increase) in other assets		(207.52)	21.01
Increase in trade payables		1,364.71	1,263.52
Increase in provisions		126.48	66.53
Increase/(Decrease) in other financial liabilities		23.08	(41.20)
Increase/(Decrease) in other liabilities		254.76	(115.57)
Cash generated from operations		3,991.24	654.58
Income tax paid (net)		(4,240.56)	(3,671.00)
Net cash (used in) operating activities		(249.32)	(3,016.42)
B. Cash flows from investing activities			
Equity investment in subsidiary		-	(979.66)
Interest received		2,143.02	1,636.97
Fixed deposits (with maturity of more than three months) (net)		(133.49)	70.98
Repayments of loan by related parties		1,830.00	2,350.00
Payments for purchase of property, plant and equipment and intangible assets		(1,088.26)	(1,878.23)
Proceeds from disposal of property, plant and equipment		56.16	247.87
Net cash generated from investing activities		2,807.43	1,447.93
C. Cash flows from financing activities *			
Proceeds from issue of equity share capital (including securities premium)		3.15	25.65
Finance cost paid		(280.90)	(226.18)
Cash (used in) financing activities		(277.75)	(200.53)
Net increase/ (decrease) in cash and cash equivalents [A+B+C]		2,280.36	(1,769.02)
Cash and cash equivalents at the beginning of the year		(1,139.56)	629.46
Cash and cash equivalents at the end of the year	14	1,140.80	(1,139.56)

***Changes in liabilities arising from financing activities**

Particulars	Equity shares (including premium)	Interest accrued
As at 31 March 2017	76,438.85	-
Proceeds from issue of equity shares (including securities premium)	25.65	-
Issue of equity shares on conversion of Compulsorily convertible preference shares (CCPS)	597.02	-
Premium on conversion of CCPS into Equity shares	202.99	-
Finance cost	-	226.18
Finance cost paid	-	(226.18)
As at 31 March 2018	77,264.51	-
Proceeds from issue of equity shares (including securities premium)	3.15	-
Finance cost	-	259.55
Finance cost paid	-	(259.55)
As at 31 March 2019	77,267.66	-

Note:

During the year, the Company paid Rs. 318.79 lakhs (31 March 2018 Rs. 92.18 lakhs) towards corporate social responsibility expenditure (refer note 42).

See accompanying notes forming part of the financial statements

1-52

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants

Pravish Tulsyan
Partner
Membership Number: 108044



Gurugram
Date : 23 May 2019

For and on behalf of the Board of Directors
SRL Limited

Dr. Ashutosh Raghuvanshi
Director
DIN: 02775637

Arjunam Haldar
Chief Executive Officer

Sumit Goel
Company Secretary
Gurugram
Date : 23 May 2019

Ravi Rajagopal
Director
DIN: 00067073

Saurabh Chadha
Chief Financial Officer



SRL LIMITED
STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

Particulars	Equity		Other equity			(Rupees in lakhs)		
	Notes	Equity share capital	Securities premium *	Share options outstanding account **	Retained earnings ***	General reserve ****	Total other equity	Total equity
Balance at April 1, 2017	19	7,238.34	69,200.51	264.78	15,398.76	-	84,864.05	92,102.39
Profit / (loss) for the year		-	-	-	3,546.35	-	3,546.35	3,546.35
Other comprehensive income for the year, (net of income tax)		-	-	-	(56.06)	-	(56.06)	(56.06)
Total comprehensive income for the year	46	-	-	-	3,490.29	-	3,490.29	3,490.29
Issue of shares under employee stock option plan:		6.41	19.24	-	-	-	19.24	25.65
Issue of equity shares on conversion of Compulsorily convertible preference shares (CCPS)	19(i)	597.02	-	-	-	-	-	597.02
Premium on conversion of CCPS into Equity shares		-	202.99	-	-	-	202.99	202.99
Recognition of share-based payments expense		-	-	282.16	-	-	282.16	282.16
Balance at March 31, 2018		7,841.77	69,422.74	546.94	18,899.05	-	88,658.73	96,700.50
Profit / (loss) for the year		-	-	-	5,587.35	-	5,587.35	5,587.35
Other comprehensive income for the year, (net of income tax)		-	-	-	14.61	-	14.61	14.61
Total comprehensive income for the year	46	-	-	-	5,601.96	-	5,601.96	5,601.96
Issue of equity shares under employee stock option plan		0.79	2.36	-	-	-	2.36	3.15
Recognition of share-based payments expense		-	-	38.36	-	-	38.36	38.36
Employee stock option forfeited/lapsed/cancelled		-	-	(161.24)	-	-	161.24	-
Balance at March 31, 2019		7,842.56	69,425.10	424.06	24,491.01	161.24	94,501.41	102,343.97

* The unutilized accumulated excess of issue price over face value on issue of shares. This reserve is utilised in accordance with the provisions of the Act.

** The fair value of the equity settled share based payment transactions with employees is recognised in the Standalone Statement of Profit and Loss with corresponding credit to share options outstanding account.

*** Retained earnings are the accumulated profits earned by the company till date.

**** In respect to 140,000 fully vested options forfeited during the current year, amount aggregating Rs 161.24 lakhs has been transferred to general reserve (refer note- 46).

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For B & Co. LLP
Chartered Accountants

Pravin Tulsyan
Partner

Membership Number: 108044

Place : Gurugram
Date : 23 May 2019



For and on behalf of the Board Of Directors
SRL Limited

Dr. Ashutosh Raghuvanshi
Director

DIN:02775637

Arindam Halder
Chief Executive Officer

Smit Goel
Company Secretary

Place : Gurugram

Date : 23 May 2019

Ravi Rajagopal
Director

DIN:00067073

Saurabh Choudhary
Chief Financial Officer



Note 1. Corporate Information

SRL Limited ("the Company" or "SRL") is a public company domiciled in India and incorporated under provisions of the Companies Act, having its registered office at Fortis Hospital, Sector-62, Phase - VIII, Mohali - 160062, Punjab, India.

The Company, is in the business of establishing, maintaining and managing clinical reference laboratories, to provide testing, diagnostics and prognostics monitoring/ screening tests services. The Company also provides laboratory support services for clinical research studies.

Note 2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. The accounting policies adopted are consistent with those of the previous financial year except for changes in revenue recognition due to amendment in applicable accounting guidance (also refer note 2(l)).

(a) Basis of preparation

(i) Statement of compliance

These Standalone Ind AS Financial Statements ("financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, ("the Act") and other relevant provisions of the Act.

The financial statements have been authorized for issue by the Company's Board of Directors on 23 May 2019.

(ii) Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All amounts are in Indian Rupees lacs except share data and per share data, unless otherwise stated.

(iii) Historical cost convention

The financial statements have been prepared under historical cost convention on accrual basis, unless otherwise stated. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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.

(b) Current versus non-current classification

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

An asset is treated as current when:

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



The Company classifies all other assets 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 Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current-non-current classification of assets and liabilities.

(c) Critical estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes.

- Leasing arrangement (classification and accounting) – Note 2 (q)
- Financial instruments - Note 2 (g)
- Fair value measurement – Note 2 (d)
- Estimated impairment of financial assets and non-financial assets – Note 2 (f,g)
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 2 (j)
- Recognition and estimation of tax expense including deferred tax– Note 2 (p)
- Assessment of useful life and residual value of property, plant and equipment and intangible asset – Note 2 (e)
- Estimation of assets and obligations relating to employee benefits (including actuarial assumptions) – Note 2 (m)
- Share-based payments – Note 2 (n)

(d) Measurement of fair values

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:



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

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

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

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(c) Property, plant and equipment (PPE) and intangible assets

(i) Property, plant and equipment

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost, which includes capitalized finance costs, less accumulated depreciation and any accumulated impairment loss. The cost of an item of Property, Plant and Equipment comprises its purchase price, including import duties and other non-refundable taxes or levies, freight, any directly attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling and restoring onsite; any trade discounts and rebates are deducted in arriving at the purchase price.

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 asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Advances paid towards acquisition of property, plant and equipment outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

(ii) Intangible assets

- Internally generated goodwill is not recognised as an asset. With regard to other internally generated intangible assets:
 - Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Statement of Profit and Loss as incurred.
 - Development expenditure including regulatory cost and legal expenses leading to product registration/ market authorisation relating to the new and/or improved product and/or process development capitalised only if development costs can be measured reliably, the product or



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable finance costs (in the same manner as in the case of tangible fixed assets). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.

- Intangible assets that are acquired are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortization (for finite lives intangible assets) and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

(iii) Depreciation and amortization methods, estimated useful lives and residual value

Depreciation is provided on straight line basis on the original cost/ acquisition cost of assets or other amounts substituted for cost of fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act, read with notification dated 29 August 2014 of the Ministry of Corporate Affairs, except for certain classes of fixed assets which are depreciated based on the internal technical assessment of the management. The details of useful life are as under:

Asset	Management estimate of Useful life	Useful life as per Schedule II
Laboratory equipment- Pathology	13 years	10 years
Laboratory equipment- Imaging	10 years	10 years
Building	60 years	60 years
Office equipment	5 years	5 years
Furniture and fittings	10 years	10 years
Furniture and fittings- signage	5 years	10 years
Vehicles	6 to 8 years	6 to 8 years
Computers and accessories	3 years	3 years
Air conditioners	8 years	5 years

Freehold land is not depreciated.

Leasehold improvements are depreciated over the period of the lease or 5 years (which is the expected useful life), whichever is shorter.

Estimated useful lives of the intangible assets are as follows:

Category of assets	Management estimate of Useful Life
Software	3 years
Assay developed	5 years

Depreciation and amortization on property, plant and equipment and intangible assets added/disposed off during the year has been provided on pro-rata basis with reference to the date/month of addition/disposal.



Depreciation and amortization methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

(iv) Derecognition

A property, plant and equipment and intangible assets is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

(f) Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows (i.e. corporate assets) are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets of the CGU (or group of CGUs) on a pro rata basis.

(g) Financial instrument

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.



Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVPL

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL. In addition, at initial recognition, the Company may irrevocably elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity investments



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Equity investments in subsidiaries, jointly controlled entities and associates 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 such entities, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

All other equity investments which are in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments in scope of Ind AS 109, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss to retained earnings.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Impairment of financial assets

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the



Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

Derecognition 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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivative financial instruments

The Company uses various types of derivative financial instruments to hedge its currency and interest risk etc. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(h) Inventories

The inventories of materials representing reagents, chemicals and consumables are valued at lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary.

The Company uses weighted average method to determine cost for all categories of inventories except for goods in transit which is valued at specifically identified purchase cost. Cost includes all costs of purchase, and other costs incurred in bringing the inventories to their present location and condition inclusive of non-refundable (adjustable) taxes wherever applicable.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.



(i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of cash flow statement, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

(j) Contingent liabilities

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 recognized 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 recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities and commitments are reviewed by the management at each balance sheet date.

(k) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

(l) Revenue recognition

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 "Revenue" and Ind AS 11 "Construction Contracts". The Company has adopted Ind AS 115



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using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. Refer note 2.4 – Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended March 31, 2018, for revenue recognition policy as per Ind AS 18 and Ind AS 11. The impact of adoption of the standard on the financial statements of the Company is as follows:

- Revenue from collection centres of Rs. 21,641.00 lakhs has been recorded on a gross basis with the corresponding amount paid to collection centres (service charges) of Rs. 5,346.12 lakhs recorded under the head 'Other expenses'. These were recorded on a net basis in the previous year.
- Revenue from franchisees of Rs. 1,571.50 Lakhs were recorded at a net consideration to the Company (net of franchisee share of Rs 4,742.50 Lakhs). In the previous year, revenue was recorded on a gross basis with franchisee share disclosed under head 'Cost of tests outsourced'.

Revenue primarily comprises medical testing charges. Medical testing charges consists of fees received for various tests conducted in the field of pathology and radiology.

Contracts with customers could include promises to transfer multiple services to a customer. The Company assesses the services promised in a contract and identifies distinct performance obligation in the contract. Revenue for each distinct performance obligation is measured to at an amount that reflects the consideration which the Company expects to receive in exchange for those services and is net of tax collected from customers and remitted to government authorities and applicable discounts and allowances including claims. Further, the Company also determines whether the performance obligation is satisfied at a point in time or over a period of time. These judgments and estimations are based on various factors including contractual terms and historical experience.

Revenue from Medical tests is recognized as and are recognized on accrual basis when the reports are generated and released to customers, net of discounts, if any.

Revenue includes only those sales for which the Company has acted as a principal in the transaction, takes title to the products, and has the risks and rewards of ownership, including the risk of loss for collection, delivery and returns. Any revenue transaction for which the Company has acted as an agent or broker without assuming the risks and rewards of ownership have been reported on a net basis.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as other financial assets when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Contract liabilities include deferred revenue and customer loyalty program. Deferred revenue is recognised as other current liability when there is billings in excess of revenue. Loyalty program liability represents the liability of the Company towards the points earned by the members.

Other operating revenue comprises management fees which is recognised on an accrual basis, in accordance with the terms of the relevant agreements, as and when services are rendered.

(m) Employee benefits

Short-term employee benefits



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All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

Post-employment benefits

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

- a) **Gratuity**
The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The liability in respect of gratuity is recognised in the books of account based on actuarial valuation by an independent actuary. The gratuity liability for certain employees of the Company is funded with Life Insurance Corporation of India.
- b) **Superannuation**
Certain employees of the Company are also participants in the superannuation plan ('the Plan'), a defined contribution plan. Contribution made by the Company to the plan during the year is charged to Statement of Profit and Loss.
- c) **Provident fund**
 - (i) The Company's contribution to provident fund is treated as defined contribution plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.
 - (ii) The Company's contribution to the provident fund is charged to Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Other long-term employee benefits:

As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made on retirement including early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits.

Termination benefits are recognised as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Actuarial valuation

The liability in respect of all defined benefit plans and other long term benefits is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market



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yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses on other long term benefits are recognised in the Statement of Profit and Loss in the year in which they arise. Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other equity in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

Past service cost is recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Statement of Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

(n) Share-based payments

The grant date fair value of options granted (net of estimated forfeiture) to employees of the Company is recognized as an employee expense, and those granted to employees of subsidiaries is considered as the Company's equity contribution and is added to the carrying value of investment in the respective subsidiaries, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under "share option outstanding account". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest. For the option awards, grant date fair value is determined under the option-pricing model (Black-Scholes-Merton). Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures materially differ from those estimates.

Corresponding balance of a share option outstanding account is transferred to general reserve upon expiry of grants or upon exercise of stock options by an employee.

(o) Finance costs

Finance costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Finance cost also includes exchange differences to the extent regarded as an adjustment to the finance costs. Finance costs that are directly attributable to the construction or production or development of a qualifying asset are capitalized as part of the cost of that asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other finance costs are expensed in the period in which they occur.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on



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qualifying assets is deducted from the finance costs eligible for capitalization. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method. Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the period of such borrowings.

(p) Income tax

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current taxes

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred taxes

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to freehold land and investments in subsidiaries, to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.



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Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(q) Leases

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. If it is a lease arrangement, it is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

The Company accounts for assets taken under lease arrangement in the following manner:

Finance leases

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Assets subject to operating leases are included in Property, Plant and Equipment.

The Company accounts for assets given under lease arrangement in the following manner:

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Assets subject to operating leases are included in Property, Plant and Equipment. Rental income on operating lease is recognized in the Statement of Profit and Loss on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased assets and recognised on a straight line basis over the lease term.

(r) Foreign currency translation

(i) Functional and presentation currency



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The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at balance sheet date exchange rates are generally recognised in Statement of Profit and Loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income (OCI).

(s) Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated. The company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

(t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The Chief Financing Officer of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly identified as the chief operating decision maker.

(u) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and



- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

Note 3. Applicable standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Company has not applied as they are effective from April 1, 2019:

Ind AS 116 – Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases (Ind AS 17) and sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises present value of the lease payment (discounted using incremental borrowing rate) as right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments and lease rent expense will be replaced with the amortization of right-of use-asset and interest accrued on lease liability. The standard also contains enhanced disclosure requirements for lessees and will have consequential impact on cash flows categories as well. The new standard substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116 effective annual reporting period beginning April 1, 2019 using the modified retrospective approach and elected to measure the right-of -use assets at an amount equal to the lease liability as at the date of initial application.

For nature of lease arrangement as lessee refer note 38 of the financial statements. The Company has completed an initial assessment of the potential impact on its standalone financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on these financial statements in the period of initial application is not reasonably estimable as at present.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can



be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not expect any impact from this amendment.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company does not currently have joint control of a business that is a joint operation.



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4. (e) Property, plant and equipment

	Building	Freehold Land	Leasehold Improvements	Laboratory equipment	Air conditioners	Computers and accessories	Office equipment	Furniture and fittings	Vehicles	Total	Capital work in progress
Gross carrying value											
At 01 April 2017	4,160.48	12,082.45	2,253.05	5,027.91	625.72	702.93	377.30	440.46	53.05	25,723.36	51.65
Additions	31.21	-	140.03	288.22	28.39	236.71	32.08	112.13	20.64	889.40	1,203.73
Disposals/Adjustment	-	-	194.98	892.93	14.06	1.21	10.45	1.77	-	1,115.40	1,123.42
At 31 March 2018	4,191.69	12,082.45	2,198.09	4,432.20	640.05	938.43	398.93	550.82	73.69	25,092.26	131.96
Additions	24.42	-	252.53	265.67	7.46	121.19	38.16	23.06	47.46	700.25	1,203.50
Disposals/Adjustment	-	-	93.33	27.44	9.82	10.78	1.25	6.97	1.47	140.06	874.10
At 31 March 2019	4,216.11	12,082.45	2,357.39	4,666.63	637.69	1,048.84	435.84	566.91	119.68	26,131.55	461.38
Accumulated depreciation											
At 01 April 2017	322.98	-	1,107.75	1,569.31	309.27	353.53	140.70	213.96	23.75	4,021.45	-
Charge for the year	158.08	-	600.59	461.55	110.26	181.50	71.15	66.18	6.77	1,656.08	-
Impairment loss (Refer note 3(A))	-	-	-	-	-	-	-	-	-	-	86.91
Eliminated on disposal	-	-	178.33	667.20	5.26	0.37	6.23	1.77	-	859.16	-
At 31 March 2018	481.06	-	1,530.01	1,343.86	414.27	534.66	205.62	278.37	30.52	4,818.37	86.91
Charge for the year	161.98	-	329.84	448.36	48.94	180.61	65.50	71.23	15.89	1,322.36	-
Impairment loss (Refer note 3(A))	-	-	-	-	-	-	-	-	-	-	186.15
Eliminated on disposal	-	-	86.97	12.45	8.76	4.54	1.08	3.22	1.08	118.10	-
At 31 March 2019	643.04	-	1,772.88	1,779.77	454.45	710.73	270.04	346.38	45.33	5,022.63	273.06
Net carrying amount											
At 31 March 2018	3,710.63	12,082.45	668.08	3,079.34	225.76	403.77	193.31	272.45	43.16	20,678.97	45.05
At 31 March 2019	3,573.07	12,082.45	584.51	2,886.86	183.24	338.11	165.80	220.53	74.35	20,106.91	389.30

Notes:
The Company has capitalised Rs. Nil (31 March 2018: Rs. 4.57 Lakhs) towards expenditure incurred during development period in leasehold improvement.



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5. (a) Intangible assets

	Softwares	Intangible assets - Assay developed	(Rupees in Lakhs) Total intangible assets
Gross carrying value			
At 01 April 2017	1,626.82	957.68	2,584.50
Additions	234.02	-	234.02
Disposals	-	-	-
At 31 March 2018	1,860.84	957.68	2,818.52
Additions	93.84	-	93.84
Disposals	0.39	-	0.39
At 31 March 2019	1,954.29	957.68	2,911.97
Accumulated amortisation			
At 01 April 2017	206.35	802.89	1,009.24
Charge for the year	547.44	70.24	617.68
Eliminated on disposal	-	-	-
At 31 March 2018	753.79	873.13	1,626.92
Charge for the year	564.74	55.19	619.93
Eliminated on disposal	0.16	-	0.16
At 31 March 2019	1,318.37	928.32	2,246.69
Net carrying amount			
At 31 March 2018	1,107.05	84.55	1,191.60
At 31 March 2019	635.92	29.36	665.28



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	As at 31 March 2019 (Rupees in Lakhs)	As at 31 March 2018 (Rupees in Lakhs)
6. Investments		
Equity Instruments - at cost		
a) In subsidiaries		
Unquoted		
3,958,200 (31 March 2018: 3,958,200) equity shares of Rupees 10 each fully-paid up in SRL Diagnostics Private Limited	38,974.41	38,974.41
8,000,000 (31 March 2018: 8,000,000) equity shares of Rupees 10 each fully paid up in SRL Reach Limited	800.00	800.00
506 (31 March 2018: 506) equity shares of AED 1000 each fully-paid up in SRL Diagnostics FZ-LLC	2,336.10	2,336.10
Less : Provision of impairment of investment in SRL Diagnostics FZ LLC (refer note 34A)	(2,336.10)	(2,241.33)
Total investments in subsidiaries	39,774.41	39,869.18
Deemed investments in subsidiary - at cost, unquoted		
SRL Diagnostics Private Limited*	20.28	-
*Includes financial guarantee given on behalf of its subsidiary for cash credit facility taken from bank and employee stock options issued to employee of its subsidiary.		
b) In joint venture		
Unquoted		
240,000 (31 March 2018, 240,000) equity shares of Nepalese Rupees 100 each fully paid-up in SRL Diagnostics (Nepal) Private Limited	150.00	150.00
Total aggregate unquoted investments in joint ventures	150.00	150.00
Total	39,944.69	40,019.18
Aggregate amount of unquoted investments	42,280.79	42,260.51
Aggregate amount of provision for impairment in value of investments	2,336.10	2,241.33
7. Loans		
<i>(Unsecured considered good unless otherwise stated)</i>		
Security deposits	645.41	500.17
Loan to subsidiaries*	12,350.00	13,950.00
Total	12,995.41	14,450.17
*Loan given for meeting working capital requirement to :		
SRL Diagnostics Private Limited		
Loan outstanding	13,300.00	14,800.00
Interest rate (p.a.)	12%	12%
Repayment term	Rs. 1,000 Lakhs by 31 March 2020 and balance repayable on demand after 31 March 2020.	Rs. 1,000 Lakhs by 31 March 2019 and balance repayable on demand after 31 March 2019.
SRL Reach Limited		
Loan outstanding	150.00	150.00
Interest rate (p.a.)	12%	12%
Repayment term	Rs. 100 Lakhs by 31 March 2020 and balance repayable on demand after 31 March 2020.	Rs. 150 Lakhs repayable on demand after 31 March 2019.
8. Other financial assets		
<i>(Unsecured considered good unless otherwise stated)</i>		
Balances with banks held as margin money	109.60	19.53
Total	109.60	19.53



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

9. Deferred tax balances	As at 31 March 2019 (Rupees in Lakhs)	As at 31 March 2018 (Rupees in Lakhs)
Deferred tax assets	3,466.70	3,168.10
Deferred tax liabilities	(10.26)	(29.55)
Deferred tax assets (net)	3,456.44	3,138.55

The following is the analysis of deferred tax assets/ (liabilities) presented in the financial statements:

2019-19

	As at 31 March 2018	Recognised in profit or loss	Recognised in other comprehensive income	As at 31 March 2019
Deferred tax asset				
Property, plant and equipment and intangible assets - software	1,590.65	(70.86)	-	1,519.79
Provision for doubtful deposits and advances	174.52	29.03	-	203.55
Expected credit loss allowance	486.62	559.22	-	1,045.85
Provision for lease equalisation	48.12	(48.12)	-	-
Share options outstanding account	191.12	(191.12)	-	-
Provision for gratuity	337.78	36.41	(7.85)	366.34
Provision for compensated absences	184.37	25.18	-	209.55
Expenditure allowed on actual payment basis	154.93	(39.14)	-	115.79
Others	-	5.83	-	5.83
Total deferred tax assets	3,168.10	306.44	(7.85)	3,466.70
Deferred tax liability				
Intangible assets- assay developed	(29.55)	19.29	-	(10.26)
Deferred tax asset (net)	3,138.55	325.73	(7.85)	3,456.44

2017-18

	As at 31 March 2017	Recognised in profit or loss	Recognised in other comprehensive income	As at 31 March 2018
Deferred tax asset				
Property, plant and equipment and intangible assets - software	1,610.16	(19.51)	-	1,590.65
Provision for doubtful deposits and advances	59.21	115.31	-	174.52
Expected credit loss allowance	306.86	179.76	-	486.62
Provision for lease equalisation	52.26	(4.14)	-	48.12
Share options outstanding account	91.63	99.49	-	191.12
Provision for gratuity	281.59	26.39	29.80	337.78
Provision for compensated absences	152.38	31.99	-	184.37
Expenditure allowed on actual payment basis	136.00	18.93	-	154.93
Total deferred tax assets	2,690.09	448.21	29.80	3,168.10
Deferred tax liability				
Intangible assets- assay developed	(53.57)	24.02	-	(29.55)
Deferred tax asset (net)	2,636.52	472.24	29.80	3,138.55

DTA has not been recognized on temporary differences in relation to indexation benefit of investment in subsidiaries and joint ventures amounting to Rs. 6,183.88 Lakhs (31 March 2018: Rs. 5,677.70 Lakhs), as the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary differences will not reverse in foreseeable future.

10. Non-current tax assets (net)

Advance tax and tax deductible source*	736.30	669.56
Total	736.30	669.56

*Net of provision for tax	16,279.92	12,480.19
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11. Other non-current assets

(Unsecured considered good unless otherwise stated)

Capital advances		
- Considered good	10.43	109.89
- Considered doubtful	302.14	302.14
Less: Provision for doubtful advances (refer note 34A)	(302.14)	(302.14)
Advances other than capital advances		
- Prepaid expenses	122.27	78.34
- Others	25.77	5.60
Total	158.47	193.83



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	As at 31 March 2019 (Rupees in Lakhs)	As at 31 March 2018 (Rupees in Lakhs)
12. Inventories (lower of cost and net realisable value)		
Reagents, chemicals and consumables	1,737.50	2,088.80
Total	1,737.50	2,088.80
13. Trade receivables		
Secured, considered good	900.23	619.03
Unsecured, considered good	7,106.41	6,777.93
Unsecured, considered doubtful	1,781.03	1,392.58
Less: Expected credit loss allowance	(1,781.03)	(1,392.58)
	8,006.64	7,396.96
Due from related parties (refer note 37)		
Unsecured, considered good	22,959.19	14,812.63
Unsecured, considered doubtful	1,158.55	-
Less: Expected credit loss allowance	(1,158.55)	-
	22,959.19	14,812.63
Total	30,965.83	22,209.59

Notes:-

- (a) Credit risk arising from trade receivables is managed in accordance with the Company's established policy with regard to credit limits, control and approval procedures. The concentration of credit risk is limited due to the fact that the customer base is large. The Company further limits its credit risk by establishing a maximum credit period of 7 to 90 days for all its customers (other than related parties). There are no customers which represent more than 5% of the total balance of trade receivables except as mentioned below:

Customer Name

Fortis Hospitals Limited	14,150.61	7,894.80
Fortis Healthcare Limited	2,495.32	1,857.90
Escort Heart Institute & Research Centre Limited	3,095.58	1,792.75
Hiranandani Healthcare Private Limited	2,321.15	1,536.27

- (b) In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss towards expected risk of delays and default in collection. The company has used a practical expedient by computing the expected credit loss allowance based on a provision matrix. Management makes specific provision in cases where there are known specific risks of customer default in making the repayments. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing	Expected credit loss (%)	Expected credit loss (%)
	0-1 year	5.43%
1-2 years	12.60%	17.64%
2-3 years	58.78%	98.40%
Above 3 Years	99.68%	100%

Age of receivables	Expected credit loss	Expected credit loss
	0-1 years	25,557.64
1-2 years	7,497.16	3,841.19
2-3 years	588.47	164.72
Above 3 Years	262.13	143.51
	33,905.40	23,602.17

Movement in the expected credit loss allowance

Balance at beginning of the year	1,392.58	886.67
Add: Recognised during the year*	1,865.93	808.10
Less: Bad debts written off	(318.93)	(302.19)
Balance at end of the year	2,939.58	1,392.58

* Previous year amount includes Rs. 56.31 lakhs netted off from revenue.



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NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	As at 31 March 2019 (Rupees in Lakhs)	As at 31 March 2018 (Rupees in Lakhs)
14. Cash and cash equivalents		
Balances with banks		
- On current accounts	199.37	158.14
- Deposit with original maturity of less than three months	1,050.00	60.78
Cheques on hand	25.93	63.20
Cash on hand	64.26	55.39
Cash and cash equivalents as per balance sheet	1,339.56	337.51
Cash credit facilities from banks	(198.77)	(1,477.07)
Cash and cash equivalents as per statement of cash flows	1,140.79	(1,139.56)
15. Bank balances other than cash and cash equivalents		
Balances with banks - deposits with original maturity for more than 3 months but less than 12 months	69.02	25.61
	69.02	25.61
16. Loans (Unsecured considered good unless otherwise stated)		
Security deposits		
- Considered good#	198.92	403.66
- Considered doubtful	351.89	337.97
Less: Provision for doubtful deposits	(351.89)	(337.97)
Loan to subsidiary (refer note 7)	1,100.00	1,000.00
Loan to fellow subsidiary*	-	330.00
Total	1,298.92	1,733.66
# includes security deposit to related party (refer note 37)	80.00	154.10
*Loan outstanding from Fortis Hospitals Limited. The loan was given to meet working capital requirement. (refer note 37)		
Interest rate (p.a.)	-	11.50%
Repayment terms	-	On demand
17. Other financial assets (Unsecured considered good unless otherwise stated)		
Advances recoverable		
- Considered good *	97.29	223.64
- Considered doubtful **	192.37	161.46
Less: Provision for doubtful advances	(192.37)	(161.46)
Interest accrued on fixed deposits	4.42	6.07
Interest accrued on inter-corporate deposits to related parties (refer note 37)	16.20	412.06
Contract assets	-	920.00
Total	117.91	1,561.77
* includes advances to related party (refer note 37)	94.81	222.94
** includes doubtful advances to related party (refer note 37)	-	21.05
18. Other current assets (Unsecured considered good unless otherwise stated)		
Prepaid expenses		
- Considered good	291.58	357.98
- Considered doubtful	9.30	-
Less: Provision for doubtful asset	(9.30)	-
Advances to supplier and employees		
- Considered good	363.40	227.61
- Considered doubtful	28.95	-
Less: Provision for doubtful advances	(28.95)	-
Balance with statutory authorities	10.07	5.21
Total	665.05	590.80



19. Equity share capital

	As at	
	31 March 2019	31 March 2018
	Number of shares (Rupees in Lakhs)	Number of shares (Rupees in Lakhs)
Authorised share capital		
Equity Shares of Rs. 10 each	89,000,000	89,000,000
Total	89,000,000	89,000,000
Issued and subscribed share capital		
Equity Shares of Rs.10 each fully paid up shares for consideration in cash	60,017,582	60,009,713
Equity Shares of Rs.10 each fully paid up shares for consideration other than cash	18,407,960	18,407,960
Total	78,425,542	78,417,673

a) Reconciliation of the shares outstanding at the beginning and at the end of the year

	Year ended	
	31 March 2019	31 March 2018
	Number of shares (Rupees in Lakhs)	Number of shares (Rupees in Lakhs)
Equity shares of Rs.10 each		
Outstanding at the beginning of the year	78,417,673	72,383,399
Issued during the year (refer note (e) below)	7,869	64,125
Shares converted during the year (refer note 19(f) below)	-	5,970,149
Outstanding at the end of the year	78,425,542	78,417,673

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 each. In the event of liquidation of the Company, the holder 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. Each holder of equity share is entitled to one vote per share.

c) Shares held by holding Company:

	As at	
	31 March 2019	31 March 2018
	Number of Shares (Rupees in Lakhs)	Number of Shares (Rupees in Lakhs)
Equity shares of Rs. 10 each		
Fortis Healthcare Limited	45,236,779	45,236,779

d) Details of shares held by each shareholder holding more than 5% shares

	As at		
	31 March 2019	31 March 2018	% of Holding
	Number of Shares	Number of Shares	%
Equity shares of Rs. 10 each			
Fortis Healthcare Limited	45,236,779	45,236,779	57.68%
Resurgence PE Investments Limited (Formerly known as Avigo PE Investments Ltd)	6,310,315	6,310,315	8.05%
NYLJM Jacob Ballas India Fund III LLC	12,437,811	12,437,811	15.86%
International Finance Corporation	5,970,149	5,970,149	7.61%
Axis Bank Limited	4,300,000	4,300,000	5.48%

e) Share options under the Company's employee share option plan

a) 7,869 (31 March 2018: 64,125) equity shares of Rs 10 each allotted on exercise of the vested stock options in accordance with the terms of 'Super Relligare Laboratories Limited Employee Stock Option Plan 2009' (the 'Scheme'). (refer note 46).

b) Under the 'Super Relligare Laboratories Limited Employee Stock Option Plan 2009' (the 'Scheme') as at 31 March 2019 - 514,809 (31 March 2018: 574,788) outstanding options are convertible into 514,809 (31 March 2018: 574,788) equity shares. (refer note 46).

c) Under the 'SKL Limited Employee Stock Option Scheme 2013' (the 'Scheme') as at 31 March 2019 - 557,500 (31 March 2018: 927,500) outstanding options are convertible into 557,500 (31 March 2018: 927,500) equity shares. (refer note 46).

f) Aggregate number of equity shares issued for consideration other than cash during the period of five year immediately preceding the reporting date

	As at	
	31 March 2019	31 March 2018
	Number of Shares	Number of Shares
Equity Shares of Rs.10 each fully paid up shares for consideration other than cash	18,407,960	18,407,960

During the year 2016-17, NYLJM Jacob Ballas India Fund III LLC (NJBIF) exercised their right to convert the Compulsorily convertible preference shares (CCPS) into equity shares of the Company vide their request letter dated 21 September 2016. Board of directors in their meeting held on 08 November 2016, had approved allotment of 12,437,811 equity shares to NJBIF pursuant to such conversion at premium of Rs. 3.40 per share.

During the year 2017-18, International Finance Corporation (IFC) have exercised their right to convert Compulsorily convertible preference shares (CCPS) into equity shares of the Company vide their request letter dated 29 May 2017. Board of directors in their meeting held on 30 May 2017, had approved allotment of 5,970,149 equity shares to IFC pursuant to such conversion at premium of Rs. 3.40 per share.



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

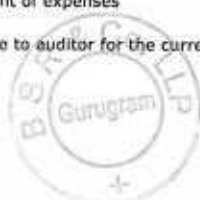
	As at 31 March 2019 (Rupees in Lakhs)	As at 31 March 2018 (Rupees in Lakhs)
20. Provisions		
Provision for employee benefits		
Provision for gratuity (refer note 41)	810.35	796.42
Provision for compensated absences	369.98	359.91
Total	1,180.33	1,156.33
21. Other non-current liabilities		
Provision for lease equalisation	-	123.01
Others	7.26	-
Total	7.26	123.01
22. Borrowings		
Loan repayable on demand (Secured)		
- Cash credit facility from banks (refer note below)	198.77	1,477.07
Total	198.77	1,477.07
Note:		
Cash credit facility from banks is secured by way of first charge on the Company's entire current assets. They are further secured by way of a second charge on the Company's fixed assets both present and future.		
Interest rate	10.35% - 10.65% p.a.	10.35% - 10.65% p.a.
Cash credit limit	Rs. 2,400 Lakhs	Rs. 2,400 Lakhs
Repayment Terms	On demand	On demand
23. Trade payables		
- total outstanding dues of micro enterprises and small enterprises (refer note 44)	61.23	1.06
- total outstanding dues of creditors other than micro enterprises and small enterprises	6,372.61	5,628.17
	6,433.84	5,629.23
24. Other financial liabilities		
Deposit from customers	1,714.16	1,759.67
Employee benefits payable	672.99	622.56
Payable on purchase of plant and equipment	54.08	38.31
Liability against Indemnification*	133.10	133.10
Payable to subsidiary (refer note 37)	18.17	-
Total	2,592.50	2,553.64
*At the time of acquisition of Piramal labs (SRL Diagnostics Private Limited), it was agreed that any charge relating to tax litigations before the date of acquisition shall be indemnified to SRL Limited. Accordingly, the amount paid by Piramal to SRL Limited, has been shown under liability against Indemnification.		
25. Other current liabilities		
Provision for lease equalisation	-	14.69
Advances from customers *	696.04	509.15
Statutory dues payable	474.43	349.31
Others**	73.18	-
Total	1,243.65	873.15
* includes advances from related party (refer note 37)	0.23	5.09
**includes customer loyalty provision. The movement during the year is as below:		
Opening balance	-	-
Addition during the year	30.00	-
Utilised during the year	-	-
Closing balance	30.00	-
26. Provisions		
Provision for employee benefits		
Provision for gratuity (refer note 41)	236.49	156.31
Provision for compensated absences	208.13	143.65
Total	444.62	299.96
27. Current tax liabilities (net)		
Income tax payable*	112.25	141.29
Total	112.25	141.29
*Net of advance tax	4,053.56	3,609.12



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	Year ended 31 March 2019 (Rupees in Lakhs)	Year ended 31 March 2018 (Rupees in Lakhs)
28. Revenue from operations		
Sale of services (refer note 46B)	68,759.27	66,435.56
Other operating income		
- Recovery/balances no longer required written back	560.11	351.54
- Management fees	1,149.13	1,267.47
Total	70,468.51	68,054.57
29. Other income		
Interest income		
- Bank deposits	21.51	25.79
- Loan to subsidiaries and other corporates	1,724.00	2,004.95
- Income tax refund	70.35	8.92
- Others	69.17	46.99
Dividend income from equity instruments in joint venture	-	15.00
Profit on disposal of property, plant and equipments	27.98	-
Miscellaneous income	89.80	84.75
Total	2,002.81	2,186.40
30. Cost of material consumed		
Reagents, chemicals and consumables		
Inventories at the beginning of the year	2,088.80	1,753.57
Add: purchase during the year(net)	16,958.78	18,365.54
	19,047.58	20,119.11
Less: Inventories at the end of the year	1,737.50	2,088.80
Total	17,310.08	18,030.31
31. Employee benefits expense		
Salaries and wages	15,796.79	14,889.41
Share based payments to employees (refer note 46)	27.09	282.15
Contribution to provident and other funds (refer note 41)	901.80	858.36
Gratuity expense (refer note 41)	235.75	140.67
Staff welfare expenses	285.29	307.39
Total	17,246.72	16,477.98
32. Finance costs		
Interest cost on:		
- borrowings	19.88	28.35
- security deposit	95.65	96.01
- net defined benefit obligation (refer note 41)	64.65	49.94
Other costs	144.02	101.83
Total	324.20	276.13
33. Depreciation and amortisation expense		
Depreciation of property, plant and equipment	1,322.36	1,656.08
Amortisation of intangible assets	619.93	617.68
Total	1,942.29	2,273.76
34. Other expenses		
Power and fuel	1,090.30	1,079.46
Rent and hire charges (net) (refer note 38)	2,120.84	2,038.36
Rates and taxes	63.55	69.18
Insurance	98.97	96.50
Repairs and maintenance:		
- Plant and machinery	816.10	812.32
- Building	9.20	9.06
- Others	147.73	131.20
Advertisement and sales promotion	3,986.87	2,666.75
Postage and courier	2,281.28	2,098.97
Travelling and conveyance	815.84	1,184.75
Printing and stationery	427.83	413.15
Communication	232.91	246.66
Fees to collection centers (refer note 2(i))	5,353.07	-
Legal and professional (refer note below for payment to auditors)	2,002.66	2,791.41
Professional fees to doctors	2,122.86	2,472.24
Loss on disposal of property, plant and equipments	-	8.37
Provision for doubtful deposits and advances	83.48	128.40
Expected credit loss allowance (refer note 13)	1,865.93	751.78
Corporate Social Responsibility expenses (refer note 42)	318.79	92.18
Exchange differences (net)	7.40	12.49
Housekeeping expenses	244.24	218.48
Security services expenses	159.81	194.77
Miscellaneous expenses	426.49	370.47
Total	24,676.15	17,886.95
Note: Payment to the auditors comprises (net of tax):		
i) Statutory audit	96.63	51.23
ii) Tax audit	3.00	3.00
iii) Reimbursement of expenses	1.00	4.95
	100.63	59.18

*Payments made to auditor for the current and previous year includes amounts paid to previous auditors of the Company.



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	Year ended 31 March 2019 (Rupees in Lakhs)	Year ended 31 March 2018 (Rupees in Lakhs)
34A. Exceptional items		
Impairment of investment in subsidiary*	94.77	2,241.33
Provision for doubtful capital advance (refer note 50)	-	302.14
Provision for doubtful security deposits (refer note 50)	-	200.00
Impairment of capital work-in-progress (refer note 50)	186.15	86.91
	280.92	2,830.38
*Owing to continuous losses in past and projected losses in future the Company has recognised impairment loss and accordingly written down the carrying value of investment in it's wholly owned subsidiary (SRL Diagnostics FZ LLC.) to Rs. NIL as at 31 March 2019.		
35. (a) Income taxes:		
Recognised in profit or loss:		
Current tax		
-In respect of the current year	4,165.80	3,750.43
-In respect of prior years	49.31	(15.28)
	4,215.11	3,735.15
Deferred tax		
-In respect of the current year	(584.74)	(472.24)
-In respect of prior years	259.01	-
	(325.73)	(472.24)
Total	3,889.38	3,262.91
Recognised in other comprehensive income :		
Tax related to items that will not be reclassified to profit or loss	7.85	(29.80)
Total	7.85	(29.80)
(b) The income tax expense for the year reconciled to the accounting profit as follows:		
Profit before tax	9,455.38	6,809.26
Tax using Company's domestic tax rate @ 34.944% (31 March 2018 : 34.608%)	3,304.09	2,356.55
Tax effect of :		
Non deductible expenses (net)	269.51	952.86
	3,573.60	3,309.41
Effect of change in future tax rate on deferred tax	-	(31.22)
Adjustment recognised in the current year in relation to the current tax of prior years	308.32	(15.28)
Income tax expense recognised in profit or loss	3,881.92	3,262.91
36. Earnings per share (EPS)		
Basic earnings per share in Rupees (refer details below)	7.10	4.58
Diluted earnings per share in Rupees (refer details below)	7.03	4.49
Basic earnings per share		
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:		
Earnings used in the calculation of basic earning per share:		
Profit for the year attributable to owners of the Company	5,566.00	3,546.35
Weighted average number of equity shares for the purpose of basic EPS	78,424,313	77,435,391
Diluted earnings per share		
The earnings and weighted average number of equity shares used in the calculation of diluted earnings per share are as follows:		
Earnings used in the calculation of basic earning per share:		
Profit for the year attributable to owners of the Company	5,566.00	3,546.35
Weighted average number of equity shares for the purpose of diluted EPS	79,171,137	78,926,857
Reconciliation of weighted average number of equity shares used for the purpose of diluted EPS with weighted average number of equity shares used in the calculation of basic EPS		
Weighted average number of equity shares used in the calculation of basic earnings per share	78,424,313	77,435,391
Shares deemed to be issued for no consideration in respect of:		
- Employee stock options	746,824	1,491,466
Weighted average number of equity shares for the purpose of diluted EPS	79,171,137	78,926,857



37. Related party disclosures

A. Related parties where control exists :

- (i) **Ultimate holding company**
IHH Healthcare Berhad (from 13 November 2018)
- (ii) **Enterprises having direct control over the Company**
Fortis Healthcare Limited, holding company
- (iii) **Individuals (directly/ indirectly) having control over the reporting enterprise**
Mr. Malvinder Mohan Singh, Chairman (upto 27 May 2018) (refer note 52)
Mr. Shivinder Mohan Singh, Director (upto 28 May 2018) (refer note 52)
- (iv) **Subsidiary company**
SRL Diagnostics Private Limited
SRL Reach Limited
SRL Diagnostics FZ- LLC
- v) **Joint venture company**
SRL Diagnostics (Nepal) Private Limited

B. Other related parties with whom transactions have taken place during the current and previous year:

Escorts Heart Institute & Research Centre Limited (subsidiary of holding company)
Fortis C-DOC Healthcare Limited (subsidiary of holding company)
Fortis Health Management Limited (subsidiary of associate company of holding company upto 14 January 2019)
Fortis Health Management Limited (subsidiary of holding company from 15 January 2019)
Fortis Hospitals Limited (subsidiary of holding company)
Fortis Malar Hospitals Limited (subsidiary of holding company)
Hiranandani Healthcare Private Limited (subsidiary of holding company)
HealthFore Technologies Limited (upto 28 May 2018)*
RWL Healthworld Limited (upto 28 May 2018)*
DDRC SRL Diagnostics Private Limited (Joint Venture of subsidiary)
Fortis Charitable Foundation (upto 28 May 2018)*
Fortis CSR Foundation (subsidiary of holding company)
Bar Chem (upto 28 May 2018)*
Hale & Tempest Company Limited (upto 01 June 2018)*
The Medical and Surgical Centre Limited**
International Hospital Limited (subsidiary of associate company of holding company upto 14 January 2019)
International Hospital Limited (subsidiary of holding company from 15 January 2019)
Lanka Hospitals Diagnostics (Pvt) Ltd**
Apollo Gleneagles Hospital Limited (Joint Venture of subsidiary of ultimate holding company) (from 13 November 2018)
Continental Hospitals Private Limited (subsidiary of ultimate holding company) (from 13 November 2018)
Ravindranath GE Medical Associates Private Limited (subsidiary of ultimate holding company) (from 13 November 2018)
Birdie & Birdie Realtors Private Limited (fellow subsidiary)
Religare Health Insurance Company Limited (upto 28 May 2018)*
Finserve Shared Services Private Limited (upto 28 May 2018)*
RHC Holding Private Limited (upto 28 May 2018)*
Trivitron Health Care Private Limited (Entities having a common director)
Jacob ballas Capital India Private Limited (Entities having a common director)

* Enterprises owned or significantly controlled / influenced by KMP or director or their relatives.
**Enterprises owned or significantly controlled / influenced by subsidiary of holding company.

C. Key Managerial Personnel

Mr. Arindam Haldar , Chief Executive Officer
Mr. Saurabh Chadha, Chief Financial Officer
Mr. Sumit Goel, Company Secretary (appointed on 30 May 2017)
Mr. Ravi Batra, Company Secretary (upto 7 May 2017)



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D. Transactions with related parties during the year

	Year ended 31 March 2019 (Rupees in Lakhs)	Year ended 31 March 2018 (Rupees in Lakhs)
(i) Rendering of services:		
Escorts Heart Institute & Research Centre Limited	1,574.55	1,702.29
Fortis C DOC Healthcare Limited	107.08	112.95
Fortis Health Management Limited	159.91	152.02
Fortis Healthcare Limited	1,533.25	1,488.48
Fortis Hospitals Limited	8,768.22	8,786.85
Fortis Malar Hospitals Limited	604.34	619.45
Hiranandani Healthcare Private Limited	774.96	850.37
Fortis Charitable Foundation	0.02	8.51
SRL Diagnostics FZ-LLC	566.79	464.62
SRL Diagnostics (Nepal) Private Limited	204.28	170.55
Religare Health Insurance Company Limited	-	130.96
RWL Healthworld Limited	40.75	282.55
SRL Diagnostics Private Limited	498.47	526.52
SRL Reach Limited	79.99	125.40
DDRC SRL Diagnostics Private Limited	197.81	206.63
Bar Chem	0.33	1.85
Jacob ballas Capital India Private Limited	0.05	0.45
International Hospital Limited	102.26	-
Lanka Hospitals Diagnostics (Pvt) Ltd	143.28	-
Apollo Gleneagles Hospital Limited	24.44	-
The Medical and Surgical Centre Limited	4.88	0.98
	15,385.66	15,631.43
(ii) Receiving of services:		
(a) Cost of test outsourced		
Fortis Healthcare Limited	0.65	1.34
Fortis Hospitals Limited	43.96	56.47
DDRC SRL Diagnostics Private Limited	1.90	27.68
SRL Diagnostics Private Limited	496.61	328.40
(b) Rent		
Birdie & Birdie Realtors Private Limited	-	60.84
Bar Chem	44.71	393.89
(c) Brand License fees		
RHC Holding Private Limited	-	149.24
(d) Legal and professional fees		
Hale & Tempest Company Limited	3.84	23.26
Finserve Shared Services Pvt. Ltd.	-	191.75
(e) Repair and maintenance		
HealthFore Technologies Limited	-	19.40
Trivitron Health Care Private Limited	1.02	-
(f) CSR expenses		
Fortis Charitable Foundation	103.11	92.18
Fortis CSR Foundation	215.68	-
	911.48	1,344.45
(iv) Reimbursement of expenses to:		
Escorts Heart Institute & Research Centre Limited	116.10	122.95
Fortis Healthcare Limited	12.32	1.86
Fortis Hospitals Limited	3.04	4.17
Hiranandani Healthcare Private Limited	105.43	90.26
SRL Diagnostics Private Limited	23.28	3.03
SRL Diagnostics (Nepal) Private Limited	18.19	8.74
Fortis Malar Hospitals Limited	-	0.16
RHC Holding Private Limited	-	152.59
DDRC SRL Diagnostics Private Limited	118.32	126.29
Hale & Tempest Company Limited	3.01	21.37
	399.69	531.42
(v) Reimbursement of expenses from:		
Escorts Heart Institute & Research Centre Limited	10.90	18.59
Fortis Malar Hospitals Limited	16.98	15.74
Fortis Health Management Limited	3.56	3.28
Fortis Hospitals Limited	166.38	160.92
Hiranandani Healthcare Private Limited	211.35	212.39
SRL Diagnostics FZ-LLC	12.49	13.31
Fortis Healthcare Limited	19.33	18.11
SRL Reach Limited	0.94	0.54
SRL Diagnostics (Nepal) Private Limited	22.20	13.18
SRL Diagnostics Private Limited	-	34.17
RWL Healthworld Limited	-	1.03
Birdie & Birdie Realtors Private Limited	-	0.28
HealthFore Technologies Limited	-	25.34
	464.13	516.88



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	Year ended 31 March 2019 (Rupees in Lakhs)	Year ended 31 March 2018 (Rupees in Lakhs)
(vi) Loans granted		
SRL Reach Limited	-	50.00
	<u>-</u>	<u>50.00</u>
(vii) Loans repaid		
SRL Diagnostics Private Limited	1,500.00	2,400.00
Fortis Hospitals Limited	330.00	-
	<u>1,830.00</u>	<u>2,400.00</u>
(viii) Dividend Income from Joint Ventures:		
SRL Diagnostics (Nepal) Private Limited	-	15.00
	<u>-</u>	<u>15.00</u>
(ix) Interest income		
SRL Diagnostics Private Limited	1,678.55	1,952.98
SRL Reach Limited	18.00	14.02
Fortis Hospitals Limited	27.45	37.95
	<u>1,724.00</u>	<u>2,004.95</u>
(x) Remuneration to key managerial personnel		
Salary and wages		
Mr. Arindam Halidar, Chief Executive Officer	245.32	191.74
Mr. Saurabh Chadha, Chief Financial Officer	93.88	82.80
Mr. Ravi Batra, Company Secretary	-	10.30
Mr. Sumit Goel, Company Secretary	33.72	25.65
	<u>372.92</u>	<u>310.49</u>
Note: The remuneration to the key managerial personnel includes incentives and share based payments but does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole. The incentive included above is amount actually paid during the year and doesn't include amount accrued at year end. The amount does not include accrual recorded for Employee Share Based Payments.		
(xi) Remuneration to Individuals (directly/ indirectly) having control over the reporting enterprise		
Mr. Malvinder Mohan Singh, Chairman		
Salary and wages	131.35	602.65
	<u>131.35</u>	<u>602.65</u>
(xii) Purchase of Reagents and consumables		
Fortis Hospitals Limited	21.04	22.11
Fortis Health Management Limited	1.91	1.79
Hiranandani Healthcare Private Limited	0.30	0.16
RWL Healthworld Limited	-	0.84
Trivitron Health Care Private Limited	146.81	157.51
	<u>170.06</u>	<u>182.41</u>
(xiii) Purchase of property, plant and equipment, and other intangible assets		
HealthFore Technologies Limited	-	35.17
SRL Diagnostics Private Limited	4.42	-
SRL Reach Limited	-	0.67
Trivitron Health Care Private Limited	17.58	-
	<u>22.00</u>	<u>35.84</u>
(xiv) Sale of property, plant and equipment, and other intangible assets		
SRL Diagnostics Private Limited	0.50	1.69
SRL Reach Limited	1.39	1.20
	<u>1.89</u>	<u>2.89</u>
(xv) Deposit received		
HealthFore Technologies Limited	-	3.49
	<u>-</u>	<u>3.49</u>
(xvi) Provision for doubtful advances		
RHC Holding Private Limited	-	21.05
	<u>-</u>	<u>21.05</u>
(xvii) Expected credit loss allowance		
SRL Diagnostics FZ-LLC	1,158.55	-
	<u>1,158.55</u>	<u>-</u>



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	As at 31 March 2019 (Rupees in Lakhs)	As at 31 March, 2018 (Rupees in Lakhs)
E. Balances outstanding at the year end :		
(i) Loans		
SRL Diagnostics Private Limited	13,300.00	14,800.00
SRL Reach Limited	150.00	150.00
Fortis Hospitals Limited	-	330.00
	13,450.00	15,280.00
(ii) Security deposits		
Birdie & Birdie Realtors Private Limited	80.00	80.00
Bar Chem	-	74.10
	80.00	154.10
(iii) Deposits from customers		
HealthFore Technologies Limited	-	3.49
	-	3.49
(iv) Trade receivables		
Escorts Heart Institute & Research Centre Limited	3,095.58	1,792.75
Fortis C DOC Healthcare Limited	208.47	122.09
Fortis Health Management Limited	25.02	41.55
Fortis Healthcare Limited	2,495.32	1,857.90
Fortis Hospitals Limited	14,150.61	7,894.80
Fortis Health Management (East) Limited	14.54	14.54
Fortis Malar Hospitals Limited	333.49	346.11
Hiranandani Healthcare Private Limited	2,321.15	1,536.27
SRL Diagnostics FZ-LLC	1,158.54	905.48
SRL Diagnostics (Nepal) Private Limited	84.81	97.77
SRL Reach Limited	122.85	50.86
Religare Health Insurance Company Limited	-	23.55
RWL Healthworld Limited	-	81.04
Fortis Charitable Foundation	-	0.09
SRL Diagnostics Private Limited	73.71	56.91
DDRC SRL Diagnostics Private Limited	5.93	(9.08)
International Hospital Limited	11.65	-
Apollo Gleneagles Hospital Limited	12.55	-
Continental Hospitals Private Limited	0.02	-
Ravindranath GE Medical Associates Private Limited	0.12	-
Lanka Hospitals Diagnostics (Pvt) Ltd	3.38	-
	24,117.74	14,812.63
(v) Trade payables and other financial liabilities		
Birdie & Birdie Realtors Private Limited	29.71	29.71
Bar Chem	-	21.40
SRL Diagnostics Private Limited	99.01	59.80
RWL Healthworld Limited	-	0.02
Triviron Health Care Private Limited	16.54	8.54
Malvinder Mohan Singh	83.39	-
	228.65	119.47
(vi) Advance from customers		
The Medical and Surgical Centre Limited	-	4.81
Jacob ballas Capital India Private Limited	0.23	0.28
	0.23	5.09
(vii) Advances recoverable		
SRL Diagnostics FZ-LLC	43.39	30.91
SRL Diagnostics Private Limited	-	2.16
SRL Reach Limited	3.53	1.20
SRL Diagnostics (Nepal) Pvt. Ltd.	21.77	20.03
Fortis Healthcare Limited	22.15	114.77
RHC Holding Private Limited	-	21.05
HealthFore Technologies Limited	-	5.91
Malvinder Mohan Singh	-	47.96
Lanka Hospitals Diagnostics (Pvt) Ltd	3.97	-
	94.81	243.99
(viii) Interest accrued on inter corporate deposits		
SRL Diagnostics Private Limited	-	396.43
SRL Reach Limited	16.20	7.20
Fortis Hospitals Limited	-	8.42
	16.20	412.05
(ix) Expected credit loss allowances and provision for doubtful advances		
SRL Diagnostics FZ-LLC	1,158.54	-
RHC Holding Private Limited	-	21.05
	1,158.54	21.05

Notes:-

- (a) SRL Diagnostics Private Limited (a subsidiary company) has taken working capital facility from Bank of Rs. 1,500 Lakhs as on 31 March 2019 (31 March 2018: Rs. 1,500 Lakhs) which is guaranteed by SRL Limited.
- (b) The Company has entered into an agreement with one of its customer whereby out of Rs. 212.11 Lakhs recoverable from a customer, Fortis group has guaranteed to pay Rs. 175 Lakhs on behalf of customer (which in turn will be settled against amount payable by Fortis group to customer). The management expects to recover the balance amount in normal course of business and accordingly no provision has been considered necessary.



- (c) Related party relationships are as identified by the Management taking into account the findings and limitations in the Investigation Report (Refer Notes 47 (d) below) and the information available with the Management. In this regard, in the absence of specific declarations from the erstwhile directors on their compliance with disclosures of related parties, especially considering the substance of the relationship rather than the legal form, the related parties have been identified based on the declarations by the erstwhile directors and the information available through the known shareholding pattern in the entities. Therefore, there may be additional related parties whose relationship may not have been disclosed to the Group and, hence, not known to the Management.
- (d) Closing balances as at 31 March 2019 have not been disclosed in this note for the parties which cease to be related party during the year.

F. Terms and conditions of transactions with related parties

The sale to and purchase from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at year end are unsecured, and interest free and settlement occurs in cash. For the year ended 31 March 2019, the Company has recorded Rs. 1,158.54 Lakhs (31 March 2018, Rs. 21.05 Lakhs) provision towards receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial assumptions and the market in which the related parties operates.

38. Leases

As lessee

Operating Leases

The Company has obtained lab premises, office premises, godowns and guest houses on operating lease arrangements. The lease terms varies from 11 months to 10 years, renewable at the option of the Company. There are escalation clauses in some of the lease agreements that are generally linked to inflation. There are no restrictions imposed by the lease arrangements.

	Year ended 31 March 2019 (Rupees in Lakhs)	Year ended 31 March 2018 (Rupees in Lakhs)
Lease expense for the year recognised in the Statement of Profit and Loss	2,120.84	2,049.99
Future minimum lease payments under non-cancellable lease agreements:		
-Not later than one year	813.52	912.61
-Later than one year and not later than five years	2,027.99	2,299.02
-Later than five years	98.74	465.03
	2,940.25	3,676.66
As Lessor		
Operating Lease		
Rental income from premises subleased by the Company recognised in the Statement of Profit and Loss	25.50	11.63
	25.50	11.63

39. Commitments

	As at 31 March 2019 (Rupees in Lakhs)	As at 31 March 2018 (Rupees in Lakhs)
Commitments for the acquisition of property, plant and equipment	294.55	799.49

The Company has other commitments, for purchase/sales orders which are issued after considering requirements per operating cycle for purchase/sale of services, employee's benefits. The Company does not have any long term commitments or material non-cancellable contractual commitments/ contracts.

40. Contingent liabilities

- (i) **Claims against the Company, disputed by the Company, not acknowledged as debt (In addition, refer claims assessed as contingent liability described in Note 49) :**

Particulars	As at	
	31 March 2019	31 March 2018
Income tax*	5,234.18	5,133.35
Medical related	2,238.49	220.14
VAT	44.13	44.13
Service Tax & GST	81.44	81.44
Total	7,598.24	5,479.06

*The company has paid Rs. 25.77 Lakhs (31 March 2018: Rs.5.60 Lakhs) under protest.

- (ii) The Company has given guarantees against funding facility availed by its wholly owned subsidiary (SRL Diagnostics Private Limited). As at 31 March 2019 Rs. Nil utilised (31 March 2018: Rs. 390.47 Lakhs), (sanction limit as at 31 March 2019: Rs. 1,500 Lakhs, 31 March 2018: Rs. 1,500 Lakhs).
- (iii) The Company has received a claim of Rs. 935 Lakhs from an ex-employee alleging certain dues payable by the Company to him in respect to his variable pay, provident fund and ESOPs. The ex-employee has also filed a similar claim of Rs. 1,923 Lakhs on the Parent company (Fortis Healthcare Limited). Subsequent to the year end, the claimant has filed a petition with National Company Law Tribunal (NCLT) and revised his claim amount to Rs. 3,638 Lakhs. The matter is yet to be listed.
- (iv) On 28 February 2019, a judgment of the Supreme Court of India interpreting certain statutory defined contribution obligations of employees and employers (the "India Defined Contribution Obligation") altered historical understandings of such obligations, extending them to cover additional portions of the employee's income to measure obligations under employees Provident Fund Act, 1952. There is significant uncertainty as to how the liability should be calculated as it is impacted by multiple variables, including the period of assessment, the application with respect to certain current and former employees and whether interest and penalties may be assessed. As such, the Company has been legally advised not to consider that there is any probable obligations for periods prior to date of aforesaid judgment. The Company is further evaluating its next course of action in this matter.

Additionally, the Company is involved in other disputes, lawsuits, claims, governmental and/or regulatory inspections, inquiries, investigations and proceedings, including commercial matters that arise from time to time in the ordinary course of business.

The management based on its internal evaluation and advice obtained from its tax advisors is of the opinion that the demand is not tenable and does not expect any economic outflow. The cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various stages/forums.



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41. Employee benefits plans

(i) Defined contribution plans

The Company makes contribution towards employees' provident fund, employees' state insurance plan scheme and superannuation fund on behalf of the employees. Under the schemes, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the scheme. The Company has recognised Rs. 901.80 Lakhs (31 March 2018 : Rs. 858.36 Lakhs) during the year as expense towards contribution to these plans.

	Year ended 31 March 2019 (Rupees in Lakhs)	Year ended 31 March 2018 (Rupees in Lakhs)
Provident fund	755.71	696.12
Employees' state insurance scheme	141.60	155.18
Superannuation fund	4.49	7.06
	901.80	858.36

(ii) Defined benefit plans

Gratuity

The Company has a defined benefit gratuity plan, wherein every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service subject to a maximum limit of Rs. 20 lakhs (31 March 2018 : Rs. 20 Lakhs) in terms of the provisions of Gratuity Act, 1972. The gratuity plan is unfunded.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt instruments.

Longevity risk The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial assumptions were as follows:

	As at 31 March 2019	As at 31 March 2018
Discount rate	6.96% p.a.	7.51% p.a.
Expected rate of salary increase	6.00% p.a.	6.50% p.a.
Longevity (Mortality) rate	Indian Assured Lives 2012-14 Ultimate	Indian Assured Lives 2006-08 Ultimate
Employee turnover (attrition rate)		
Upto 30 years	39% p.a.	33% p.a.
30-40 years	26% p.a.	18% p.a.
Above 40 years	15% p.a.	9% p.a.

	Year ended 31 March 2019 (Rupees in Lakhs)	Year ended 31 March 2018 (Rupees in Lakhs)
Service cost		
Current service cost	235.75	113.71
Past service cost	-	26.96
Net interest expense	64.65	49.94
Recognised in statement of profit and loss	300.40	190.61
Remeasurement on the net defined benefit liability:		
- Actuarial (gains)/ losses arising from changes in demographic assumptions	(5.92)	-
- Actuarial (gains)/ losses arising from changes in financial assumptions	4.13	(33.74)
- Actuarial (gains)/ losses arising from experience adjustments	(20.67)	119.60
Recognised in other comprehensive income	(22.46)	85.86
Total	277.94	276.47

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' and 'Finance costs' line item respectively in the Statement of profit and loss. The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

	As at 31 March 2019 (Rupees in Lakhs)	As at 31 March 2018 (Rupees in Lakhs)
Present value of unfunded defined benefit obligation	1,046.84	952.73
	1,046.84	952.73



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	Year ended 31 March 2019 (Rupees in Lakhs)	Year ended 31 March 2018 (Rupees in Lakhs)
Movement in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	952.73	813.66
Current service cost	235.75	113.71
Past service cost	-	26.96
Total gratuity expenses (refer note 31)	235.75	140.67
Interest cost	64.65	49.94
Employer direct benefit payments		
- Actuarial losses arising from changes in demographic assumptions	(5.92)	-
- Actuarial losses arising from changes in financial assumptions	4.13	(33.74)
- Actuarial (gains)/ losses arising from experience adjustments	(20.67)	119.60
Benefits paid	(183.87)	(145.28)
Transfer In	2.22	7.87
Transfer Out	(2.17)	-
Closing defined benefit obligation	1,046.84	952.73

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and attrition rate. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	As at 31 March 2019 (Rupees in Lakhs)	As at 31 March 2018 (Rupees in Lakhs)
If the discount rate is 100 basis points higher	1,006.23	901.25
If the discount rate is 100 basis points lower	1,091.14	1,010.38
If the expected salary growth increases by 1%	1,085.59	1,005.14
If the expected salary growth decreases by 1%	1,010.69	905.10
If attrition rate increases by 1%	1,044.69	951.56
If attrition rate decreases by 1%	1,048.91	953.62

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance Sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The Company expects to make a contribution of Rs. 235.75 lakhs (31 March 2018: Rs. 113.71 lakhs) to the defined benefit plans during the next financial year.

The weighted average duration of the defined benefit obligation as at 31 March 2019 is 3 years (31 March 2018: 6 years).

The defined benefit plans shall mature after year end 31 March 2019 as follows:

Expected total benefits payments

	As at 31 March 2019 (Rupees in Lakhs)	As at 31 March 2018 (Rupees in Lakhs)
Year 1	236.49	156.31
Year 2	161.84	119.17
Year 3	142.74	102.57
Year 4	128.93	98.41
Year 5	105.99	97.57
Next 5 years	316.01	343.65

The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Experience adjustments

	As at 31 March 2019 (Rupees in Lakhs)	As at 31 March 2018 (Rupees in Lakhs)
Defined benefit obligation	1,046.84	952.73
Experience adjustment on plan liabilities- (gain)/loss	(20.67)	119.60

42. Corporate social responsibility

As per section 135 of the Companies Act, 2013 and the rules therein, the Company is required to spend at least 2% of the average net profit of past three years towards Corporate Social Responsibility (CSR). Details of the CSR expenses, as certified by Management, are as follows:

	Year ended 31 March 2019 (Rupees in Lakhs)	Year ended 31 March 2018 (Rupees in Lakhs)
Balance to be spent as per previous year	(A) 103.11	-
Amount required to be spent for the current year	(B) 215.68	195.29
Gross amount required to be spent	(A+B) 318.79	195.29
Amount spent during the year (refer note 34)	318.79	92.18
Balance unspent at the end of the year	-	103.11



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43. Financial Instruments

43A Capital Management

The Company manages its capital to ensure that Company will be able to continue as going concern. The Company's management reviews the capital structure of the Company on periodic basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. The Capital structure of the Company consists of net debt (borrowings as detailed in notes and offset by cash and bank balances) and total equity of the Company. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants. The Company is not subject to any externally imposed capital requirements.

The Gearing ratio at end of reporting period was as follows:-

	As at 31 March 2019 (Rupees in Lakhs)	As at 31 March 2018 (Rupees in Lakhs)
Debt (i)	198.77	1,477.07
Cash and bank balances (Refer note 14 & 14A)	1,408.58	363.12
Net Debt/ (Surplus) (A)	(1,209.81)	1,113.95
Total equity (B)	102,343.97	96,700.50
Net debt to equity ratio	-1.18%	1.15%

(i) Debt is defined as long-term and short-term borrowings as described in note 22.

43B. Fair value measurement

		Carrying value as at		Fair value as at	
		(Rupees in Lakhs)		(Rupees in Lakhs)	
		Notes	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019
Financial assets					
Measured at amortised cost					
Loans - non current	(b)	12,995.41	14,450.17	12,995.41	14,450.17
Other financial assets - non current	(b)	109.60	19.53	109.60	19.53
Trade Receivables	(a)	30,965.83	22,209.59	30,965.83	22,209.59
Cash and cash equivalents	(a)	1,339.56	337.51	1,339.56	337.51
Bank balances other than above	(a)	69.02	25.61	69.02	25.61
Loans - current	(a)	1,298.92	1,733.66	1,298.92	1,733.66
Other financial assets - current	(a)	117.91	1,561.77	117.91	1,561.77
Total		46,896.25	40,337.84	46,896.25	40,337.84
Financial liabilities					
Measured at amortised cost					
Borrowings : current	(a)	198.77	1,477.07	198.77	1,477.07
Trade payables	(a)	6,433.84	5,629.23	6,433.84	5,629.23
Other financial liabilities - current	(a)	2,592.50	2,553.64	2,592.50	2,553.64
Total		9,225.11	9,659.94	9,225.11	9,659.94

The following methods / assumptions were used to estimate the fair values:

- (a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.
 (b) Fair valuation of non-current financial assets has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value.

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2019 and 31 March 2018.

43C Financial risk management objectives and Policies

The Company's financial assets includes trade receivables, cash and cash equivalents and other financial assets that derive directly from its operation. The Company's principal financial liabilities comprise trade payables, other payables and borrowings. The main purpose of these financial liabilities is to finance the company's operation. The Company has exposure to the following risk arising from financial instruments.

- (a) Credit risk
 (b) Market risk
 (c) Liquidity risk

The Company's board of directors manages the financial risk of the company through internal risk report which analyse exposure by magnitude of risk.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligation and arises principally for the company receivable from customers. An impairment analysis is performed at each reporting date on an individual basis for major customers. The Company holds certain amounts as collateral in the form of security deposits against certain class of receivables (primarily includes receivables from collection centres). The Company's exposure to credit risk is influenced mainly by the individual characteristics and credit worthiness of each customer. Further refer note 13 for a summary of company's most significant customers and details on provision for expected credit loss. The Company carries other financial assets such as balances with banks, security deposits, interest accrued on deposits, advances, etc. Based on historical experience, the Company does not expect any significant risk of default. The Company's maximum exposure to credit risk for each of the above categories of financial assets is their carrying values as at the reporting dates.

(b) Market risk

Market risk is the risk of loss of future earnings, risk of loss due to change in interest rates, fair values or future cash flows that may result from a change in the price of financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, and other market changes that affect market risk sensitive instruments.

Market risk includes:

- (i) Foreign currency risk
 (ii) Interest rate risk
 (iii) Other price risk



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(i) Foreign currency risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company has limited exposure in respect to foreign currency risk due to limited international operations. The Company has not taken any derivative contracts to hedge the exposure. Exchange rate exposures are managed within approved policy parameters.

The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting year are as follows:

	Currency	As at 31 March 2019			As at 31 March 2018		
		Rupees in Lakhs	Conversion Rate	Amount in foreign currency	Rupees in Lakhs	Conversion Rate	Amount in foreign currency
Trade receivables	USD	275.58	69.32	3.98	560.50	64.92	8.63
Bank balances	USD	4.84	69.32	0.07	0.61	64.92	0.01
Cash balances	AED	1.07	18.87	0.06	0.03	17.67	0.00
	EURO*	0.01	77.75	0.00	0.01	79.97	0.00
	USD	1.18	69.32	0.02	0.48	64.92	0.01

* Amount in foreign currency not presented in the financial year 2018-19 due to rounding off difference.

Foreign currency sensitivity

The following table details the Company's sensitivity to a 10% increase and decrease in the Rupees against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Rupees strengthens 10% against the relevant currency. For a 10% weakening of the Rupee against the relevant currency, there would be a comparable impact on the profit or equity and the balances below would be negative.

Currency	2018-19		2017-18	
	10% increase	10% decrease	10% increase	10% decrease
Trade Receivable				
USD	27.56	(27.56)	56.05	(56.05)
Cash balances				
AED*	0.11	(0.11)	0.00	(0.00)
EURO*	0.00	(0.00)	0.00	(0.00)
USD	0.12	(0.12)	0.05	(0.05)
Impact on profit/(loss) for the year and equity	27.79	(27.79)	56.13	(56.13)

* Amount not presented in the current year 2018-19 due to rounding off difference.

(ii) Interest rate risk

The Company is exposed to interest rate risk because Company borrows funds at floating interest rates.

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/ lower and all other variables were held constant, following would have been the impact:

	Year ended 31 March 2019 (Rupees in Lakhs)	Year ended 31 March 2018 (Rupees in Lakhs)
If increase by 50 basis point		
Impact on profit or loss for the year/ total equity at the year end	0.99	7.39
If decrease by 50 basis point		
Impact on profit or loss for the year/ total equity at the year end	(0.99)	(7.39)

(iii) Other price risk

The Company investment are in the group companies and are held for strategic purposes rather than for trading purposes.

(c) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligation associates with it's financial liabilities that are settled by delivering cash. The Company's ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework of the company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note given below sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

The Company's principal sources of liquidity are cash and cash equivalent and cash flow that is generated from operations. In addition, the Company has secured funding facilities aggregating to Rs. 2,925 Lakhs which can be drawn to meet short term financial needs. The Company management monitors rolling forecast of Company's liquidity requirement to ensure it has sufficient cash to meet operational need while maintaining sufficient headroom on it's undrawn committed borrowing facility at all times so that the Company does not breach the borrowing limits or covenants.



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Financial arrangement:

The Company has access to the following undrawn borrowing facilities at the end of the reporting period.

Particulars	As at 31 March 2019		As at 31 March 2018	
	(Rupees in lakhs)		(Rupees in lakhs)	
	Sanction limit	Limit utilised	Sanction limit	Limit utilised
Cash credit facility	2,400.00	198.77	2,400.00	1,012.45
Letter of credit	75.00	-	75.00	-
Bank guarantee	450.00	178.35	450.00	141.34
	2,925.00	377.12	2,925.00	1,153.79

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay.

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

As at 31 March 2019	0-1 year		Total Amount	(Rupees in Lakhs) Carrying Amount
Non Interest bearing instruments				
Trade payables		6,433.84	6,433.84	6,433.84
Employee benefits payable		672.99	672.99	672.99
Payable on purchase of plant and equipment		54.08	54.08	54.08
Liability against indemnification		133.10	133.10	133.10
Payable to subsidiary		18.17	18.17	18.17
Fixed interest bearing instruments				
Deposit from customers		1,817.01	1,817.01	1,714.16
Variable interest bearing instruments				
Cash credit facility from banks		219.64	219.64	198.77
		9,348.83	9,348.83	9,225.11
As at 31 March 2018				
Non Interest bearing instruments				
Trade payables		5,629.23	5,629.23	5,629.23
Employee benefits payable		622.56	622.56	622.56
Payable on purchase of plant and equipment		38.31	38.31	38.31
Liability against indemnification		133.10	133.10	133.10
Fixed interest bearing instruments				
Deposit from customers		1,865.25	1,865.25	1,759.67
Variable interest bearing instruments				
Cash credit facility from banks		1,632.16	1,632.16	1,477.07
		9,920.61	9,920.61	9,659.94

The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.



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44. Details of dues to Micro and Small Enterprises as per MSMED Act, 2006

	As at 31 March 2019 (Rupees in Lakhs)	As at 31 March 2018 (Rupees in Lakhs)
The principal amount remaining unpaid as at the end of year	61.23	1.06
Interest due on above principal and remaining unpaid as at the end of the year	0.77	0.08
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development 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 Micro Small and Medium Enterprise Development Act, 2006.	5.53	0.08
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	6.30	0.08
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

45. The Board of Directors of the Holding Company, Fortis Healthcare Limited (FHL), at its meeting held on 19 August 2016 approved the proposal to demerge its diagnostic business, including that housed in its majority owned subsidiary SRL Limited ("the Company") into another majority owned subsidiary, Fortis Malar Hospitals Limited ("Fortis Malar") pursuant to a composite scheme of arrangement and amalgamation ("the Scheme"). Subsequent to year end on 13 June 2018, the Board of the Company, Fortis Healthcare Limited and Fortis Malar Hospitals Limited decided to withdraw from the scheme, which was approved by National company Law Tribunal ("NCLT") on 15 June 2018.

45A. The Company has entered in various agreements with equipment manufacturer suppliers. As per agreements, SRL will get equipments free of cost and reagents have to be purchased from those specific vendors only. These equipments can be replaced at any point of time as per the discretion of the respective vendors.



46. Employee Stock Option Plans

The Company has provided share-based payment scheme to the eligible employees and directors of the Company, its subsidiary (SRL Diagnostics Private Limited), Fortis Healthcare Limited (holding company) and RHC Holding Private Limited. The shareholders of the Company granted approval to 'Super Religare Laboratories Limited Employee Stock Option Plan 2009' and 'SRL Limited Employee Stock Option Scheme 2013'. The Company has granted these options under Equity Settlement method and there are no conditions for vesting other than continued employment with the Company. Details of these schemes are as follows:

Scheme	ESOP 2009		ESOP 2013				
	Date of Board Approval	22 August 2009	23 August 2013				
Date of Shareholder's approval	17 August 2009	20 September 2013					
Method of Settlement (Cash/Equity)	Equity	Equity					
Date of grant	22 August 2009	30 September 2013	2 November 2015	8 November 2016	22 March 2017	6 May 2017	2 Aug 2017
Number of options granted	1,517,470	200,000	995,937	75,000	125,000	25,000	25,000
Number of options cancelled	847,945	134,000	663,437	-	-	-	-
Number of options exercised	154,716	66,000	-	-	-	-	-
Number of options issued	154,716	66,000	-	-	-	-	-
Number of options not yet vested	-	-	332,500	75,000	125,000	-	25,000
Number of options not yet exercised	514,809	-	-	-	-	-	-
Vesting Period	22 August 2009 to 21 August 2012	30 September 2016 to 30 September 2018	2 November 2018 to 1 November 2020	7 November 2019 to 7 November 2021	22 March 2020 to 22 March 2022	26 May 2020 to 26 May 2022	02 August 2020 to 02 August 2022
Exercise Period up to	21 August 2019	29 September 2022	1 November 2022	1 November 2022	1 November 2022	1 November 2022	1 November 2022
Grant value	40	201	428	674	674	674	674

During the previous year, out of the above stated ESOP-2013 (Grant- III), employees to whom 140,000 ESOPs were granted, the vesting period of those ESOPs have accelerated from the current term of five years to 1.5 years and the same vested on 10 May 2017.

The details of activity under the Plan have been summarized below:

	As at 31 March 2019		As at 31 March 2018	
	Number of Options	Weighted Average exercise price	Number of Options	Weighted Average exercise price
Outstanding at the beginning of the year	1,502,288	320.49	1,651,482	303.19
Granted during the year	-	-	50,000	674.00
Vested during the year	-	-	-	-
Exercised during the year	7,869	40.00	64,125	40.00
Forfeited/ Cancelled during the year	422,110	394.67	135,069	371.04
Outstanding at the end of the year	1,072,309	293.34	1,502,288	320.49
Exercisable option at the end of the year	514,809	40.00	574,788	40.00
Remaining life (years)	2.06	-	4.00	-
Range of exercise price	40-674	-	40-674	-

There are no options granted in current year. Black-Scholes Option Pricing Model has been used for computing the weighted average fair value considering the following inputs:

Particulars	Grant II	Grant III	Grant IV- V	Grant VI- VII
Vesting Schedule	100%	100%	100%	100%
Stock Price (S)	201	428	674	674
Exercise Price (X)	201	428	674	674
Volatility (σ)	17.41%	15.54%	15.54%	16.19%
Risk-free Rate	8.70%	7.63%	7.63%	6.95%
Expected Option Life (T)	5yrs	5yrs	5yrs	5yrs
Dividend Yield	1.00%	0.47%	0.47%	0.47%
Option Value	66.3	135.3	213	202.61
Exit/Attrition Rate	16.50%	16.50%	16.50%	16.50%
Modified Option Value	55.4	112.98	177.86	169.18

Note:-
i) The expenses arising from share-based payment transaction recognised in profit or loss as part of employee benefit expense for the year ended 31 March 2019 and 31 March 2018, were Rs. 27.09 Lakhs (net of recovery of Rs. 11.28 lakhs from its subsidiary, SRL Diagnostics Private Limited) and Rs.282.15 Lakhs respectively.

ii) *On the date of transition to Ind AS (i.e. 1 April 2015), the Company had opted for optional exemption available under Ind AS 101 'First time adoption' and not recorded any stock option outstanding account for the options fully vested (ESOP Scheme 2009) as at transition date. Under this scheme, 7,869 options (31 March 2018: 64,125 options) were exercised and shares were allotted during the year.

iii) In respect to 140,000 fully vested options forfeited during the current year, amount aggregating Rs 161.24 lakhs (31 March 2018: Rs Nil) has been transferred to general reserve.



46A. Operating segments

(a) Basis for segmentation

The company is engaged in the business of maintaining and managing clinical reference laboratories, to provide testing and diagnostics on human beings, in the field of both pathology and radiology. As the company's business activity primarily falls within a single business and geographical segment i.e. pathology and radiology services, there are no disclosures required to be provided in terms of Ind AS 108 on 'Segment Reporting'.

(b) Geographical information

The geographical information analyses the Company's revenue and non-current assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of customers and segment assets which have been based on the geographical location of the assets.

	Year ended 31 March 2019 (Rupees in Lakhs)	Year ended 31 March 2018 (Rupees in Lakhs)
(i) Revenue		
India (a)	67,167.36	65,052.99
<u>Other countries</u>		
Maldives	956.64	679.28
Sri Lanka	264.47	415.04
Nigeria	115.94	87.99
Others	254.86	200.26
Total other countries (b)	1,591.91	1,382.57
Total (a+b)	68,759.27	66,435.56

Revenue excludes other operating income and other income

(ii) Non - current assets

India	34,200.21	36,573.55
Outside India	-	-
Total	34,200.21	36,573.55

Non-current assets exclude deferred tax assets, income tax assets, tax paid in protest and investments.

(c) Major customer

Revenue from one customer, subsidiary of the Holding Company is Rs. 8,768.22 Lakhs (31 March 2018 : Rs. 8,786.85 Lakhs) which is more than 10% of the Company's total revenue.



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46 B Disclosure as per Ind AS 115 - Revenue from contracts with customers

i) Particulars	As at 31 March 2019	As at 31 March 2018
	(Rupees in Lakhs)	(Rupees in Lakhs)
Contract asset- unbilled revenue	-	920.00
Contract liabilities	769.22	509.15
Advances from customers	696.04	509.15
Contract liability- deferred revenue	43.18	-
Liability towards customer loyalty program	30.00	-

The revenue recognized during the current year is the balancing number for transactions with customers after adjusting opening and closing balances of contract assets and liabilities

ii (a) **Disaggregation of revenue by Geographical region**
 Revenue disaggregation by geographical region is included in segment information (Refer note 46A)

ii (b) **Disaggregation of revenue by sales channel**

Particulars	Year ended 31 March 2019
	(Rupees in Lakhs)
Owned labs	45,546.77
Collection centre	21,641.00
Franchisees	1,571.50
Total	68,759.27



47. Investigation initiated by the Audit and Risk Management Committee of Fortis Healthcare Limited (Parent Company)

- (a) During the previous year, there were reports in the media and enquiries from, inter alia, the stock exchanges received by the Parent Company about certain inter-corporate loans ("ICDs") given by a wholly owned subsidiary of the Parent Company. The erstwhile Audit and Risk Management Committee of the Parent Company in its meeting on 13 February, 2018 decided to carry out an independent investigation through an external legal firm on this matter.
- (b) The terms of reference of the investigation, inter alia, comprised (i) ICDs amounting to a total of Rs. 49,414 Lakhs (principal), placed by the Parent Company's wholly owned subsidiary, Fortis Hospitals Limited, with three borrowing companies as on 1 July 2017; (ii) the assignment of these ICDs to a third party and the subsequent cancellation thereof as well as evaluation of legal notice (now a civil suit) received from such third party (refer note-49); (iii) review of intra-group transactions for the period commencing FY 2014-15 and ending on 31 December 2017 (refer note-50); (iv) investments made in certain overseas funds by the overseas subsidiaries of the Parent Company (i.e. Fortis Asia Healthcare Pte. Ltd, Singapore and Fortis Global Healthcare (Mauritius) Limited); (v) certain other transactions involving acquisition of Fortis Healthstaff Limited ("Fortis Healthstaff") from an erstwhile promoter group company, and subsequent repayment of loan by said subsidiary to the erstwhile promoter group company.
- (c) The investigation report ("Investigation Report") was submitted to the re-constituted Board of Parent Company on 8 June, 2018.
- (d) The re-constituted Board of the Parent Company discussed and considered the Investigation Report and noted certain significant findings of the external legal firm in relation to the Company, which are subject to the limitations on the information available to the external legal firm and their qualifications and disclaimers as described in their investigation report. In this regard, the investigation pointed out that in internal correspondence, transactions with certain entities have been referred to as related party transactions which were not related party transactions as disclosed by the Company. However, no further conclusions have been made in this regard. The investigation did not cover all related party transactions during the period under investigation and focused on identifying undisclosed parties having direct/indirect relationship with the erstwhile promoter group, if any.
- (e) Other matters:
- i. Related party relationships as required under Ind AS 24 - Related Party Disclosures and the Companies Act, 2013 were as identified by the Management taking into account the findings and limitations in the Investigation Report (Refer Note 47d above) and the information available with the Management. In this regard, in the absence of specific declarations from the erstwhile directors on their compliance with disclosures of related parties, especially considering the substance of the relationship rather than the legal form, the related parties were identified based on the declarations by the erstwhile directors and the information available through the known shareholding pattern in the entities up to March 31, 2018. Therefore, the possibility cannot be ruled out that there may have been additional related parties whose relationship may not have been disclosed to the Group and, hence, not known to the Management.
 - ii. With respect to the other matters identified in the Investigation Report, the Board initiated specific improvement projects to strengthen the process and control environment. The projects include revision of authority levels, both operational and financial and oversight of the Board, review of Financial Reporting processes, assessment of secretarial documentation w.r.t compliance to regulatory requirements and systems design & control enhancement. The assessment work is being done and corrective action plans are being implemented. Board continues to evaluate other areas to strengthen processes and build a robust governance framework. Towards this end, it is also evaluating internal organizational structure and reporting lines, the roles of authorized representatives and terms of reference of executive committees and their functional role. The Parent Company's Board of Director have also initiated an enquiry of the management of the certain entities in the Group that were impacted in respect of the matters investigated by the external legal firm.
 - iii. It is in the above backdrop, that it is pertinent to mention that during the previous year the Parent Company received a communication dated February 16, 2018 from the Securities and Exchange Board of India (SEBI), confirming that an investigation has been instituted by SEBI in the matter of the Parent Company. In the aforesaid letter, SEBI required the Parent Company under section 11C (3) of the SEBI Act, 1992 to furnish by February 26, 2018 certain information and documents relating to the short-term investments of Rs. 47,300 Lakhs reported in the media. SEBI had appointed forensic auditors to conduct a forensic audit, of collating information from the Parent Company and certain of its subsidiaries. The Parent Company / its subsidiaries have furnished all requisite information and documents requested by SEBI.

In furtherance of the above, on October 17, 2018 SEBI passed an ex-parte Interim Order ("Order") whereby it observed that certain transactions were structured by some identified entities over a certain duration, and undertaken through the Parent Company, which were prima facie fictitious and fraudulent in nature and which resulted in inter alia diversion of funds from the Parent Company for the ultimate benefit of erstwhile promoters (and certain entities controlled by them) and misrepresentation in financial statements of the Parent Company. Further, it issued certain interim directions that inter alia directed the Parent Company shall take all necessary steps to recover Rs. 40,300 Lakhs along with due interest from erstwhile promoters and various other entities, as mentioned in the Order. More importantly, the said entities had also been directed to jointly and severally repay Rs. 40,300 Lakhs (approx.) along with due interest to Parent Company within three months of the order. Incidentally, the order also included Fortis Hospitals Limited ("FHSL") as one of the entities directed to repay the due sums. Pursuant to this, FHSL's beneficial owner account had been suspended for debits by the National Securities Depository Limited and Central Depository Services (India) Limited. Further, SEBI has directed the said entities that pending completion of investigation and till further order, they shall not dispose of or alienate any of their assets or divert any funds, except for the purposes for meeting expenses of day-to-day business operations, without the prior permission of SEBI. Erstwhile-promoters have also been directed not to associate themselves with the affairs of the Parent Company in any manner whatsoever, till further directions. Parties named in the Order had been granted opportunity for filing their respective replies/objections within 21 days.

The Parent Company and its wholly owned subsidiary i.e. Fortis Hospitals Limited (FHSL) had then filed applications for modification of the order, for deletion of name of FHSL from the list of entities against whom the directions were issued. Pursuant to this SEBI, vide order dated December 21, 2018, modified its previous order dated October 17, 2018 deleting FHSL from the list of entities against whom the Order was directed. Pursuant to this, the suspension order by National Securities Depository Limited for debits in beneficial owner account of FHSL was accordingly removed. Vide Order dated 19 March 2019 SEBI has confirmed the directions issued vide ad interim ex-parte order dated October 17, 2018 read with order dated December 21, 2018, till further orders. SEBI also directed the Parent Company and FHSL to take all necessary steps to recover Rs. 40,300 Lakhs along with due interest from erstwhile-promoters and various other entities, as mentioned in the Order.

The Parent Company and its wholly owned subsidiary ("FHSL") have filed all necessary applications in this regard including an application with the Recovery Officer, SEBI, under Section 28A of the Securities and Exchange Board of India Act 1992, for the recovery of the amounts owed by the erstwhile-promoters and various other entities to the Parent Company and FHSL.



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The matter before SEBI is sub-judice and the investigation is on going, in as much as it has observed that a detailed investigation would be undertaken to ascertain the role of each entity in the alleged diversion and routing of funds. The Board of Directors is committed to fully co-operating with the relevant regulatory authorities to enable them to make a determination on these matters and to undertake remedial action, as may be required, and to ensure compliance with applicable laws and regulations. In the aforesaid context, proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting fraud and other irregularities.

- (iv) As per the assessment of the Board, based on the investigation carried out through the external legal firm, SEBI order and the information available at this stage, all identified/required adjustments/disclosures arising from the findings in the Investigation Report, are made in the Consolidated Financial statements for the year ended March 31, 2019. Any further adjustments/disclosures, if required, would be made in books of accounts as and when the outcome of the above investigations is known.

48. Investigation by Various Other Regulatory Authorities

- (a) During the previous year ended 31 March 2018, the Registrar of Companies (ROC) under section 206(1) of the Companies Act, 2013, inter alia, had also sought information in relation to the Parent Company. All requisite information in this regard has been duly shared by the Parent Company with the ROC.
- (b) The Serious Fraud Investigation Office (SFIO), Ministry of Corporate Affairs under section 217(1)(a) of the Companies Act, 2013, inter alia, initiated an investigation and sought information in relation to the Parent Company, its material subsidiaries (including the Company), joint ventures and associates. The Parent Company has submitted all requisite information in this regard with SFIO as requested from time to time.
- (c) The Investigation Report of the external legal firm has been submitted by the Parent Company with the Securities and Exchange Board of India, the Serious Frauds Investigation Office ("SFIO") on 12 June, 2018.

The Parent Company, its material subsidiaries (including the Company), joint ventures and associates are fully co-operating with the regulators in relation to the ongoing investigations. Any further adjustments/disclosures, if required, would be made in the books of accounts as and when the outcome of the above investigations is known.

49. Claims assessed as contingent liability and not provided for, unless otherwise stated :

A third party ("Assignee" or "Claimant") has filed a Civil Suit before the District Court, Delhi in February 2018 against various group entities (together "the defendants") and have, inter alia, claimed implied ownerships of brands "SRL" ("Fortis" and "La-Femme" of the Parent company) in addition to certain financial claims and for passing a decree that consequent to a term sheet dated 6 December 2017 ("Term sheet") with certain party ("Party"), the defendants are liable for claims owed by the claimant to the Party. In connection with this, the District Court passed an ex-parte order directing that any transaction undertaken by defendants, in favour of any other party, affecting the interest of the Claimant shall be subject to orders passed in the said suit (also refer note 47).

The Parent Company has filed written statement denying all allegations made against it and prayed for dismissal of the Civil Suit on various legal and factual grounds. The Parent Company has in its written statement also stated that it has not signed the alleged Term Sheet with the Party.

In addition to the above, the Parent Company has also received four notices from the Claimant claiming (i) Rs. 1,800 Lakhs as per notices dated May 30, 2018 and June 1, 2018 (ii) Rs. 21,582 Lakhs as per notice dated June 4, 2018; and (iii) Rs. 1,962 Lakhs as per notice dated June 4, 2018. All these notices have been responded to by the Parent Company denying any liability whatsoever.

Separately, the Party has also alleged rights to invest in the Parent Company. It has also alleged failure on part of the Parent Company to abide by the aforementioned Term Sheet and has claimed ownership over the brands as well. Subsequently, an application has been filed in the civil suit, by a different entity claiming itself to be representative of the Party and is seeking substitution of its name in place of Assignee as plaintiff.

Allegations made by the Party has been duly responded to by the Parent Company denying (i) execution of any binding agreement with the Party and (ii) liability of any kind whatsoever. Parent Company has also filed caveats before Hon'ble High Court of Delhi in this regard.

During the quarter ended June 30, 2018, the Party also filed an application for being impleaded as party to the Civil Suit by the Claimant. The matter is pending adjudication before District Court, Delhi.

Based on advice of external legal counsel, the Management believes that the claims are without legal basis and are not tenable and accordingly no adjustment is required in these Consolidated Financial Statements with respect to these claims.



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50. In July 2017 a Memorandum of Understanding (MoU) was entered between SRL Limited ('SRL' or 'Company') and a body corporate for lease of an office space which were amended on different dates. The Company had paid Rs. 460 Lakhs towards security deposit and fit-outs/ interior decoration to the body corporate which was refundable on either expiry of the term of the MoU or its earlier termination. In addition, the Company has incurred Rs. 315.20 Lakhs on the said proposed office space as capital expenditure/ advance paid, to other third party vendors. The validity of MoU was extended until 31 March, 2018.

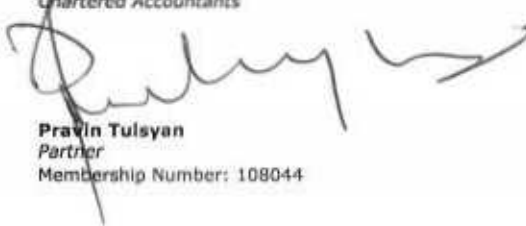
The MoU was not extended further and the Company asked the Body Corporate to refund the amounts, due as per the MoU. The party had provided the Company with two post-dated cheques for Rs. 460 Lakhs which were banked on 13 June, 2018 by the Company, but were returned from the bank with the comment "refer to drawer". As the amounts were not received, the Company has served legal notice on 3 July 2018 under Section 138 of the Negotiable Instrument Act against the body corporate. Complaint under Negotiable Instruments Act, 1881 has been filed against Dignity, its Directors and authorized signatories" (Dignity officers) before Metropolitan Magistrate Court, Mumbai in August 2018. The Hon'ble Court issued summons against Dignity Officers for appearance on 11th December 2018. None of the Dignity officers appeared in the Court on scheduled date. Court issued bailable warrants against some of the Dignity Officers. For other Dignity officers, fresh address to be given by Company for service of summons. On last date of hearing i.e. 2nd March, 2019 the advocate for one of the directors of Dignity appeared and filed memo of appearance with exemption application. The court issued Non bailable warrants against the director on 18th June, 2019.

In view of the facts stated above and the uncertainty in the ultimate recovery of the aforesaid balances, the Company has recorded provisions aggregating to Rs. 775.20 lakhs (for the year ended 31 March 2019: Rs. 186.15 lakhs. for the year ended 31 March 2018: Rs. 589.05 lakhs) in these

51. During the current year, the Company has provided Rs. 131.35 Lakhs (31 March 2018: Rs.602.65 Lakhs) managerial remuneration to erstwhile Executive Chairman, Mr. Malvinder Mohan Singh, in respect of his full and final settlement in the books of accounts. The amount paid in excess of the limits aggregating to Rs. 47.96 Lakhs in FY 2017-18 has been shown as advances recoverable as part of other financial assets. As the Executive Chairman was associated with the Company in his capacity of a Whole Time Director till 27 May, 2018, the Company has adjusted the excess amounts paid to him for the year ended 31 March, 2018 from the amounts payable to him for the period 1 April, 2018 to 27 May, 2018.

52. In the current year, Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh (individuals having direct/indirect control over the reporting enterprise till the date of their respective resignations) resigned as Executive chairman and Director from Board of the company on 27 May and 28 May, 2018 respectively. Mr. Harpal Singh and Gen. Tejinder Singh Shergill (Independent directors) also tender their resignation from board on 29 May, 2018. Further, Dr. Brain Tempest (Audit Committee Chairman) also resigned w.e.f. 1 June, 2018.

For BSR & Co. LLP
Chartered Accountants



Pravin Tulsyan
Partner
Membership Number: 108044


Gurugram
Date : 23 May 2019



For and on behalf of the Board Of Directors
SRL Limited


Dr. Ashutosh Raghuvanshi
Director
DIN:02775637


Ravi Rajgopal
Director
DIN:00067073


Arindam Halder
Chief Executive Officer


Saurabh Chadha
Chief Financial Officer


Sumit Goel
Company Secretary

Gurugram
Date : 23 May 2019

