

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 the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of SRL Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2021, 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, 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 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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 opinion on the Standalone financial statements.

Emphasis of Matter

- 1) We draw attention to Note 47 and 48 of the standalone financial statements which deals with various matters including the ongoing investigation by Serious Fraud Investigation Office ("SFIO") on Fortis Healthcare Limited ("FHL" or the "Parent Company") and its subsidiaries ("the Fortis Group") regarding alleged improper transactions and non-compliances with laws and regulations including Companies Act, 2013 and SEBI laws and regulations. These transactions and non-compliances relate to or originated prior to take over of control of Parent Company by its reconstituted board of directors in the year ended 31 March 2018. As mentioned in the note, the Group has been submitting information required by SFIO and is also cooperating in the regulatory investigations.



Principal Office:

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center.

As explained in the said note, the Fortis Group had recorded significant adjustments/ provisions in its books of account during the year ended 31 March 2018. The Parent Company has launched legal proceedings and has also filed a complaint with the Economic Offences Wing ('EOW') against erstwhile promoters and their related entities based on the findings of the investigation conducted by the Fortis Group. Based on management's detailed analysis and consultation with external legal counsel, any further financial impact, to the extent it can be reliably estimated as at present, is not expected to be material.

Our opinion is not modified in respect of this matter.

- 2) As explained in Note 49 of the standalone financial statements, a Civil Suit claiming Rs. 25,344 lacs was filed by a third party against various entities including the Company and certain entities within the Fortis Group relating to "Fortis, SRL and La-Femme" brands. Based on legal advice of external legal counsel, the Management believes that the claims are without legal basis and not tenable. Further, as mentioned in Note 49 of the standalone financial statements, the tenure of brand license agreement entered by the Company has expired and the Parent Company has filed an application before the Hon'ble Supreme Court of India seeking permission for change of company name, brand and logo. The matter is currently sub-judice.

Our opinion is not modified in respect of this matter.

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, 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 and Board of Directors' 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 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 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, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone 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 in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone 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 communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (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, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (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. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its standalone financial statements - Refer Note 40, 47, 48, and 49 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 standalone financial statements since they do not pertain to the financial year ended 31 March 2021.

(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, no remuneration has been paid by the Company to any of its directors during the current year.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm's Registration No.:101248W/W-100022



Rajesh Arora
Partner
Membership No. 076124
ICAI UDIN: 21076124AAAABG9048

Place: Gurugram
Date: 20 May 2021

Annexure A to the Independent Auditors' report on the standalone financial statements of SRL Limited for the year ended 31 March 2021

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

- (i) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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 and on the basis of our examination of the records of the Company, 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 records of the Company, 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 and on the basis of our examination of the records of the Company, discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii)(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has rescheduled the repayment period of unsecured loans granted in earlier years to four companies covered in the register maintained under Section 189 of the Act, further the Company has also granted unsecured loans to two Companies covered under section 189 of the Act. In our opinion and according to the information and explanations given to us and on the basis of our examination of the books of account, the terms, and conditions of the grant of such loans are prima facie not prejudicial to the Company's interest. The Company has not granted any other loans, secured or unsecured, to firms, limited liability partnerships or other parties covered in the Register maintained under Section 189 of the Act.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the schedule of repayment of principal and payment of interest has been stipulated in respect of loans granted and repayments of principal amounts and or receipt of interest have been as per the terms.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no overdue amounts outstanding as at the year-end.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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 and on the basis of our examination of the records of the Company, 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, good 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 has been a slight delay in a few cases of deposit of good and services 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 and on the basis of our examination of the records of the Company, 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 2021 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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)	Paid under protest (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



Name of Statute	Nature of the dues	Period to which the amount relates	Amount (Rupees in Lacs)	Paid under protest (Rupees in Lacs)	Forum where dispute is pending
Income Tax Act, 1961	Disallowance of discounts given to collection center.	AY 2012-13	55.14	-	Income Tax Appellate Tribunal
Income Tax Act, 1961	Disallowance of discounts given to collection center	AY 2013-14	26.08	-	Income Tax Appellate Tribunal
Income Tax Act, 1961	Disallowance of discounts given to collection center.	AY 2014-15	26.17	-	Commissioner of Income Tax, (Appeals)
Income Tax Act, 1961	Disallowance of discounts given to collection center.	AY 2015-16	27.73	5.60	Commissioner of Income Tax, (Appeals)
Income Tax Act, 1961	Disallowance of ESOP Expense	AY 2017-18	92.70	-	Commissioner of Income Tax, (Appeals)
Income Tax Act, 1961	Dispute with regard to tax deducted at source in different section.	AY 2008-09, 2009-10	988.84	-	Delhi High Court
Income Tax Act, 1961	Dispute with regard to tax deducted at source in different section.	AY 2017-18, 2018-19	100.83	20.17	Commissioner of Income Tax, (Appeals)
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

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to banks and financial institutions. The Company did not have any outstanding dues to debenture holders and government during the year.
- (ix) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the term loans taken by the Company during the year have been applied for the purpose for which they were raised.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) According to the information and explanations given to us and based on our examination of the records of the Company, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, no managerial remuneration has been paid/ accrued in the current year



- (xii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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 and based on our examination of the records of the Company, 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 and based on our examination of the records of the Company, 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
ICAI Firm's Registration Number: 101248W/W-100022



Rajesh Arora
Partner
Membership No: 076124
ICAI UDIN: 21076124AAAABG9048

Place: Gurugram
Date: 20 May 2021

Annexure B to the Independent Auditors' report on the standalone financial statements of SRL Limited for the year ended 31 March 2021.

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)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of SRL Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, 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 2021, 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").

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 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. 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial controls with Reference to 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 standalone financial statements.

Inherent Limitations of Internal Financial controls with Reference to 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 standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone 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

ICAI Firm's Registration No. 101248W/W-100022



Rajesh Arora

Partner

Membership No.076124

ICAI UDIN: 21076124AAAABG9048

Place: Gurugram

Date: 20 May 2021


SRL LIMITED
STANDALONE BALANCE SHEET AS AT 31 MARCH 2021

ASSETS	Notes	As at 31 March 2021 (Rupees in Lakhs)	As at 31 March 2020 (Rupees in Lakhs)
Non-current assets			
(a) Property, plant and equipment	4	21,973.24	20,177.69
(b) Capital work-in-progress	4	89.85	13.45
(c) Right-of-use assets	38	4,057.44	4,305.42
(d) Goodwill	5	95.15	-
(e) Other intangible assets	5	391.17	348.39
(f) Investments in subsidiaries and joint ventures	6	40,350.03	39,302.91
(g) Financial assets			
(i) Loans	7	10,477.55	10,432.27
(ii) Other financial assets	8	11.67	8,195.32
(h) Deferred tax assets (net)	9	3,103.84	2,881.64
(i) Non-current tax assets (net)	10	1,595.20	1,475.67
(j) Other non-current assets	11	122.74	949.58
Total non-current assets		82,267.88	88,082.34
Current assets			
(a) Inventories	12	2,996.85	2,249.63
(b) Financial assets			
(i) Trade receivables	13	11,906.72	11,641.13
(ii) Cash and cash equivalents	14	14,885.06	471.59
(iii) Bank balances other than (ii) above	15	11,774.85	7,197.79
(iv) Loans	16	12,041.64	14,569.12
(v) Other financial assets	17	453.91	537.08
(c) Other current assets	18	625.92	709.07
Total current assets		54,684.95	37,375.41
Total assets		136,952.83	125,457.75
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	19	7,842.56	7,842.56
(b) Other equity		109,344.39	100,267.62
Total Equity		117,186.95	108,110.18
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	85.36	-
(ii) Lease liabilities	38	3,079.49	3,318.65
(iii) Other financial liabilities	20A	4.46	-
(b) Provisions	21	1,905.47	1,657.24
(c) Other non-current liabilities	22	7.26	7.26
Total non-current liabilities		5,082.04	4,983.15
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	38	1,175.74	1,141.70
(ii) Trade payables	23		
- Total outstanding dues of micro enterprises and small enterprises		229.91	112.22
- Total outstanding dues of creditors other than micro enterprises and small enterprises		8,026.57	6,121.69
(iii) Other financial liabilities	24	3,141.75	3,079.02
(b) Other current liabilities	25	1,641.85	1,464.37
(c) Provisions	26	468.02	445.42
Total current liabilities		14,683.84	12,364.42
Total liabilities		19,765.88	17,347.57
Total equity and liabilities		136,952.83	125,457.75

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

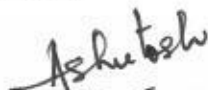
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For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's Registration No.:101248W/W-100022


Rajesh Arora
Partner
Membership Number: 076124

Place : Gurugram
Date : 20 May 2021


For and on behalf of the Board of Directors of
SRL Limited


Dr. Ashutosh Raghuvanshi
Director
DIN:02775637


Srinivas Chidambaram
Director
DIN:00514665


Anand K
Chief Executive Officer


Mangesh Shirodkar
Chief Financial Officer


Sumit Goel
Company Secretary

Place : Gurugram
Date : 20 May 2021




SRL LIMITED
STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Year ended 31 March 2021 (Rupees in Lakhs)	Year ended 31 March 2020 (Rupees in Lakhs)
Income			
Revenue from operations	27	77,450.75	71,420.67
Other income	28	3,442.91	3,160.44
Total income		80,893.66	74,581.11
Expenses			
(a) Cost of materials consumed	29	22,164.47	18,084.89
(b) Cost of tests outsourced		915.44	1,070.54
(c) Employee benefits expense	30	18,319.89	19,035.09
(d) Finance costs	31	809.93	805.43
(e) Depreciation and amortisation expense	32	3,179.84	3,246.38
(f) Other expenses	33	22,871.98	22,289.94
Total expenses		68,261.55	64,532.27
Profit from continuing operations before income tax and exceptional loss		12,632.11	10,048.84
Exceptional loss	34	137.91	662.09
Profit from continuing operations before income tax		12,494.20	9,386.75
Tax expense			
(a) Current tax	35	3,447.57	2,984.23
(b) Deferred tax expense/(credit)	35	(197.59)	627.86
Total tax expenses		3,249.98	3,612.09
Profit for the year		9,244.22	5,774.66
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurements of the defined benefit liabilities	41	(97.79)	(210.83)
(b) Income tax relating to items that will not be reclassified to profit or loss	35	24.61	53.06
Total other comprehensive loss (net of income tax) (a+b)		(73.18)	(157.77)
Total comprehensive income for the year		9,171.04	5,616.89
Earnings per equity share			
(a) Basic (in Rupees)	36	11.79	7.36
(b) Diluted (in Rupees)	36	11.70	7.30

See accompanying notes forming integral part of the financial statements 1-49

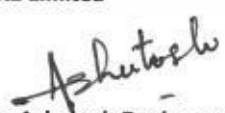
In terms of our report attached

For **BSR & Co. LLP**
Chartered Accountants
ICAI Firm's Registration No.:101248W/W-100022


Rajesh Arora
Partner
Membership Number: 076124

Place : Gurugram
Date : 20 May 2021

For and on behalf of the Board of Directors of
SRL Limited


Dr. Ashutosh Raghuvanshi
Director
DIN:02775637


Srinivas Chidambaram
Director
DIN:00514665


Anand K
Chief Executive Officer


Sumit Goel
Company Secretary


Mangesh Shirodkar
Chief Financial Officer

Place : Gurugram
Date : 20 May 2021



SRL LIMITED
STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Year ended 31 March 2021 (Rupees in Lakhs)	Year ended 31 March 2020 (Rupees in Lakhs)
A. Cash flows from operating activities			
Profit before tax		12,494.20	9,386.75
Adjustment for:			
Depreciation and amortisation expense	32	3,179.84	3,246.38
Exceptional loss	34	137.91	662.09
Loss/(gain) on disposal of property, plant and equipment (net)	33,28	0.82	(5.63)
Net foreign exchange (gain)/loss		7.73	(3.30)
Loss allowance for deposits and advances	33	52.22	39.89
Loss allowance for trade receivables (refer note 13)	33	1,109.07	837.29
Equity settled share based payments	30	(100.96)	138.02
Remeasurements of the defined benefit liabilities	41	(97.79)	(210.83)
Financial guarantee income		-	(9.00)
Liabilities/provisions no longer required written back	27	(348.33)	(448.98)
Finance costs	31	809.93	805.43
Interest income	28	(3,376.26)	(3,081.59)
Operating profit before changes in assets and liabilities		13,868.38	11,356.52
(Increase) in inventories		(747.22)	(512.13)
(Increase)/Decrease in trade receivables (Refer Note 1)		(1,382.39)	18,490.70
Decrease/(Increase) in financial and current assets (Refer Note 1)		2,443.86	(13,397.81)
Increase in trade payables		2,370.89	837.07
Increase in provisions		194.33	404.70
Increase in other liabilities		127.58	129.21
Cash generated from operations		16,875.43	17,308.26
Income tax paid (net)		(3,567.10)	(3,818.05)
Net cash generated from operating activities		13,308.33	13,490.21
B. Cash flows from investing activities			
Equity investment in subsidiary	6	(1,178.36)	-
Interest received		3,351.34	2,618.32
Fixed deposits (with maturity of more than three months) (net)		3,606.59	(15,214.49)
Acquisition of business (refer note 45A)		(70.00)	-
Loans granted to subsidiaries		(1,298.40)	-
Repayments of loan given to subsidiary		1,400.00	2,550.00
Payments for purchase of property, plant and equipment and Intangible assets	7,16	(2,857.49)	(2,359.31)
Proceeds from disposal of property, plant and equipment		39.47	24.69
Net cash (used in) / generated from investing activities		2,993.15	(12,380.79)
C. Cash flows from financing activities *			
Payment of lease liabilities		(1,268.97)	(1,046.21)
Proceeds from borrowings		124.63	-
Repayments of borrowings		(10.97)	-
Interest paid		(732.70)	(732.41)
Net cash used in financing activities		(1,888.01)	(1,778.62)
Net increase/ (decrease) in cash and cash equivalents [A+B+C]		14,413.47	(669.20)
Cash and cash equivalents at the beginning of the year	14	471.59	1,140.79
Cash and cash equivalents at the end of the year	14	14,885.06	471.59

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

Particulars	Borrowings	Lease liability	Interest Accrued
As at 1 April 2019	-	4,628.66	-
Addition of lease liability	-	1,307.87	-
Derecognition of lease liability	-	(429.97)	-
Interest cost	-	478.83	253.58
Payment of lease liabilities (including interest of Rs.478.83 Lakhs)	-	(1,525.04)	-
Interest paid	-	-	(253.58)
As at 31 March 2020	-	4,460.35	-
As at 1 April 2020	-	4,460.35	-
Addition during the year	124.63	1,302.46	-
Derecognition of lease liability	-	(238.61)	-
Interest cost	-	467.94	265.48
Payment of lease liabilities (including interest of Rs.467.94 Lakhs)	-	(1,736.91)	-
Repayments of borrowings during the year	(10.97)	-	-
Interest paid	-	-	(264.76)
As at 31 March 2021	113.66	4,255.23	0.72



Notes:

1. During the previous year, trade receivables of Rs. 16,000 lakhs were converted into loans. Out of this Rs. 3,000 Lakhs was repaid during the previous year.
2. During the year, the Company paid Rs. 221.00 Lakhs (31 March 2020 Rs. 222.02 Lakhs) towards corporate social responsibility expenditure (refer note 42).

See accompanying notes forming integral part of the financial statements

1-49

In terms of our report attached

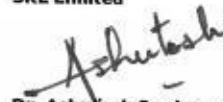
For **B S R & Co. LLP**
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Rajesh Arora
Partner
Membership Number: 076124

Place : Gurugram
Date : 20 May 2021

For and on behalf of the Board of Directors of
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Dr. Ashutosh Raghuvanshi
Director
DIN:02775637



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DIN:00514665

Anand K
Chief Executive Officer



Sumit Goel
Company Secretary
Place : Gurugram
Date : 20 May 2021



Mangesh Shirodkar
Chief Financial Officer



SRL LIMITED
STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

Particulars	Notes	Equity				Other equity		(Rupees in lakhs)	
		Equity share capital	Securities premium *	Share options outstanding account **	Retained earnings ***	General reserve ****	Total other equity	Total equity	
Balance at 1 April, 2019		7,842.56	69,425.10	424.06	24,491.01	161.24	94,501.41	102,343.97	
Profit for the year		-	-	-	5,774.66	-	5,774.66	5,774.66	
Other comprehensive loss for the year, (net of income tax)		-	-	-	(157.77)	-	(157.77)	(157.77)	
Total comprehensive income for the year		-	-	-	5,616.89	-	5,616.89	5,616.89	
Recognition of share-based payments expense		-	-	149.32	-	-	149.32	149.32	
Employee stock option forfeited		-	-	(24.23)	-	24.23	-	-	
Balance at March 31, 2020		7,842.56	69,425.10	549.15	30,107.90	185.47	100,267.62	108,110.18	
Profit for the year		7,842.56	69,425.10	549.15	30,107.90	185.47	100,267.62	108,110.18	
Other comprehensive loss for the year, (net of income tax)		-	-	-	9,244.22	-	9,244.22	9,244.22	
Total comprehensive income for the year		-	-	-	9,171.04	-	9,171.04	9,171.04	
Recognition of share-based payments expense		-	-	(94.27)	-	-	(94.27)	(94.27)	
Employee stock option forfeited		-	-	(117.14)	-	117.14	-	-	
Balance at March 31, 2021		7,842.56	69,425.10	337.74	39,278.94	302.61	109,344.39	117,186.95	

* 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 of 231,000 (31 March 2020: 30,000) options forfeited during the current year, amount aggregating Rs 117.14 lakhs (31 March 2020: Rs.24.23 lakhs) has been transferred to general reserve (refer note 4b).

See accompanying notes forming integral part of the financial : 1-49

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm's Registration No.:101248/W-100022

Rajesh Arora
Partner
Membership Number: 076124

Place : Gurugram
Date : 20 May 2021

For and on behalf of the Board of Directors of
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Dr. Ashutosh Naghuvanshi
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DIN:02775637

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Chief Executive Officer

Sumit Goel
Company Secretary

Place : Gurugram
Date : 20 May 2021

Srinivas Chidambaram
Director
DIN:00514665

Mangesh Shirodkar
Chief Financial Officer



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Note 1. Corporate Information

SRL Limited (“the Company” or “SRL”) is a public limited company incorporated in 1995. The registered office of the Company is situated at Fortis Hospital, Sector-62, Phase - VIII, Mohali - 160062, Punjab, India and the corporate office of the Company is situated at Plot No. GP-26, Maruti Industrial Estate Udyog Vihar, Sector -18 Gurgaon 122015 Haryana.

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 (“standalone financial statements”). The accounting policies adopted are consistent with those of the previous financial year.

(a) Basis of preparation

(i) Statement of compliance

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

(ii) Functional and presentation currency

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

(iii) Historical cost convention

The standalone financial statements have been prepared under historical cost convention on accrual basis, unless otherwise stated. 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.



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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) 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.

(d) 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.



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 is capitalised only if development costs can be measured reliably, the product or 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 Property, plant and equipment 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 Property, plant and equipment which are depreciated based on the internal technical assessment of the management.



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

The details of useful life are as under:

Category of assets	Management estimate of Useful life	Useful life as per Schedule II
Plant and Machinery		
-Laboratory equipment- Pathology	13 years	13 years
-Laboratory equipment- Imaging	10 years	13 years
Building - RCC Frame structure	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	8 years	8 years
Computers and accessories	3 years	3 years
Air conditioners	8 years	5 years

Freehold land is not depreciated.

Depreciation on leasehold improvements is provided over the lease term 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
Trademark	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 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

Property, plant and equipment and intangible assets are 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 recognized in the Statement of Profit and Loss.



(e) 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.

(f) 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 marketplace (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 (FVTPL)
- 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.



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 FVOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL 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 FVTPL. 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 FVTPL. 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 FVTPL category are measured at fair value with all changes recognised in the Statement of Profit or Loss.

Equity investments

Equity investments in subsidiaries and jointly controlled entities 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 FVTPL. 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.



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Equity instruments included within the FVTPL 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.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company expects no significant recovery from the amount written off.

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 FVTPL. A financial liability is classified as at FVTPL 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 FVTPL 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.



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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.

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.

(g) Inventories

Inventories are valued at lower of cost and net realisable value except scrap, which is valued at net estimated realisable value.

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.

(h) 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.

(i) Contingent liabilities and contingent assets

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.



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

(j) 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.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

(k) Revenue recognition

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 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.

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

Revenue is measured based on the consideration specified in a contract with a customer. Revenue is recognised at a point in time when the Company satisfies performance obligations by transferring the promised services to its customers. Generally, each test represents a separate performance obligation for which revenue is recognised when the test report is generated i.e. when the performance obligation is satisfied. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for a test when registered separately is the best evidence of its standalone selling price. 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.

Excess of revenue recognised over billings on contracts is recorded in books as unbilled revenue. Unbilled revenue is 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. 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, which entitle customers to discount on future purchase of services. The Company estimates the fair value of points awarded under the loyalty program by applying statistical techniques. Inputs to the model include making assumptions about expected redemption rate basis the Company's historic trends of redemption and expiry period of the points and such estimates are subject to significant uncertainty.

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.

(I) Employee benefits

Short-term employee benefits

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 to government administered fund and has no legal or constructive obligation to pay further amounts.



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(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 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).

(m) 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,



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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.

(n) 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. General and specific borrowing 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 qualifying assets is deducted from the finance costs eligible for capitalization. Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the period of such borrowings.

(o) 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;



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

- temporary differences related to investments in subsidiaries and joint ventures, 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 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. 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.

(p) Leases

(i) As a lessee

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

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The estimated useful lives of right-of-use are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

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. 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.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(q) Foreign currency translation

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).

(r) 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.

(s) Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

("CODM"). Revenues, expenses, assets, and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "unallocated revenues/ expenses/ assets/ liabilities", as the case may be.

(t) 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 share.

Note 3A. Critical estimates and judgments

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.

Judgments

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Leasing arrangement (classification) – Note 2(p)
- Revenue recognition- whether the Company acts as an agent rather than as a principal in a transaction- Note 2(k)
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 2(i)
- Recognition of deferred tax assets- Note 2(o)

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2021 is included in the following notes:

- Leasing arrangement (accounting)- Note 2(p)
- Financial instruments - Note 2(f)
- Fair value measurement – Note 2(c)



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

- Estimated impairment of financial assets and non-financial assets – Note 2(f), 2(e),
- Assessment of useful life and residual value of property, plant and equipment and intangible asset – Note 2(d)
- Revenue recognition- loyalty points- Note 2(k)
- Estimation of assets and obligations relating to employee benefits (including actuarial assumptions) – Note 41

Note 3B- Recent Pronouncements but not yet effective

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If the Company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of Company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of standalone financial statements.

The amendments are extensive, and the Company will evaluate the same to give effect to them as required by law.

Note 3C. The standalone financial statements have been authorized for issue by the Company's Board of Directors on 20 May 2021.



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

4. Property, plant and equipment

	(Rupees in Lakhs)										
	Buildings	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 2019	4,216.11	12,082.45	2,357.39	4,646.63	637.69	1,048.04	435.04	566.91	119.68	26,131.55	461.36
Additions	8.06	-	170.77	799.79	49.14	282.41	49.44	1.58	-	1,361.19	1,455.01
Disposals/Adjustment	-	-	-	(31.64)	(6.10)	(1.27)	(1.21)	(0.05)	(13.01)	(53.28)	(1,629.86)
At 31 March 2020	4,224.17	12,082.45	2,528.16	5,414.78	680.73	1,329.98	484.07	568.44	106.67	27,439.46	284.51
At 01 April 2020	4,224.17	12,082.45	2,528.16	5,414.78	680.73	1,329.98	484.07	568.44	106.67	27,439.46	284.51
Additions	24.18	-	499.79	2,060.55	104.34	407.03	47.95	16.60	149.75	3,390.19	3,609.79
Disposals/Adjustment	-	-	(33.19)	(56.39)	(11.42)	(6.67)	(2.26)	(52.71)	-	(363.55)	(3,533.39)
At 31 March 2021	4,248.35	12,082.45	2,994.76	7,439.03	773.65	1,810.34	528.76	532.33	256.42	30,666.10	362.91
Accumulated depreciation and impairment											
At 01 April 2019	643.04	-	1,772.88	1,779.77	454.45	710.73	270.05	346.38	45.33	6,022.63	273.06
Depreciation	167.75	-	246.69	496.14	37.90	189.64	62.99	66.05	16.19	1,273.35	-
Eliminated on disposal	-	-	-	(22.08)	(4.27)	(0.80)	(0.72)	(0.02)	(6.33)	(34.22)	-
At 31 March 2020	810.79	-	2,019.57	2,243.83	488.08	899.57	332.32	412.41	55.19	7,261.77	273.06
At 01 April 2020	810.79	-	2,019.57	2,243.83	488.08	899.57	332.32	412.41	55.19	7,261.77	273.06
Depreciation	173.12	-	327.92	580.10	46.16	283.31	63.38	48.55	31.81	1,554.35	-
Eliminated on disposal	-	-	(29.89)	(28.88)	(10.15)	(4.07)	(2.41)	(47.86)	-	(123.26)	-
At 31 March 2021	983.91	-	2,317.60	2,795.05	524.09	1,178.81	393.29	413.10	87.00	8,692.86	273.06
Net carrying a mount											
At 31 March 2020	3,413.38	12,082.45	508.59	3,190.95	192.65	430.41	151.75	156.02	51.48	20,177.69	13.45
At 31 March 2021	3,264.44	12,082.45	677.16	4,643.98	249.56	631.53	135.47	119.23	169.42	21,973.24	89.85



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

5. Goodwill and Other intangible assets

	Goodwill	Other intangible assets			(Rupees in Lakhs)
		Softwares	Trademark	Intangible assets - Assay developed	Total other intangible assets
Gross carrying value					
At 01 April 2019	-	1,954.29	-	957.68	2,911.97
Additions	-	291.63	-	-	291.63
At 31 March 2020	-	2,245.92	-	957.68	3,203.60
At 01 April 2020	-	2,245.92	-	957.68	3,203.60
Additions	95.15	233.21	40.50	-	273.71
Disposals	-	(0.16)	-	-	(0.16)
At 31 March 2021	95.15	2,478.97	40.50	957.68	3,477.15
Accumulated amortisation					
At 01 April 2019	-	1,318.37	-	928.32	2,246.69
Amortisation	-	583.81	-	24.71	608.52
At 31 March 2020	-	1,902.18	-	953.03	2,855.21
At 01 April 2020	-	1,902.18	-	953.03	2,855.21
Amortisation	-	218.18	8.10	4.65	230.93
Eliminated on disposal	-	(0.16)	-	-	(0.16)
At 31 March 2021	-	2,120.20	8.10	957.68	3,085.98
Net carrying amount					
At 31 March 2020	-	343.74	-	4.65	348.39
At 31 March 2021	95.15	358.77	32.40	-	391.17

Notes:-

Acquired goodwill includes the excess consideration paid by SRL Limited on the net assets of lab acquired by it during the year (Refer note 45 A).

Goodwill acquired is tested for impairment annually at the year-end or more frequently if there are indications that goodwill might be impaired. The Company considers the whole diagnostic business of SRL Limited as a single CGU and hence, the impairment of goodwill acquired separately is tested on total diagnostic business of SRL Limited.

The recoverable amounts of the CGUs are determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the year. Management estimates discount rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The Company made an assessment of recoverable amount of the CGU based on value-in-use calculations which uses cash flow projections based on financial budget approved by management covering a five-year period. Cash flows beyond the five-year period were extrapolated using estimate rates stated below.

Particulars	As at 31 March 2021	As at 31 March 2020
Revenue growth rate for five years	13%-10% p.a.	0%-10% p.a.
Growth rate used for extrapolation of cash flow projections beyond five year period	4.00%	4.00%
Discount rate	13.00%	13.00%

Management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

Revenue growth rates - Average annual sales growth rate over the five year forecast period is based on past performance, current industry trend, management expectation of market development (including long term inflation forecast).

Discount rates - Management estimates discount rates that reflect current market assessments of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of capital (WACC).

Growth rates - The growth rates are based on industry growth forecasts. Management determines the budgeted growth rates based on past performance and its expectations of market development. The weighted average growth rates used were consistent with industry reports.



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	As at 31 March 2021 (Rupees in Lakhs)	As at 31 March 2020 (Rupees in Lakhs)
6. Investments in subsidiaries and joint ventures		
Equity instruments - at cost		
a) In subsidiaries		
Unquoted		
3,958,200 (31 March 2020: 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 2020: 8,000,000) equity shares of Rupees 10 each fully paid up in SRL Reach Limited	800.00	800.00
Less : Impairment in value of investment in SRL Reach Limited (refer note 34)	(800.00)	(662.09)
1,471 (31 March 2020: 506) equity shares of AED 1000 each fully-paid up in SRL Diagnostics FZ-LLC	3,514.46	2,336.10
Less : Impairment in value of investment in SRL Diagnostics FZ LLC	(2,336.10)	(2,336.10)
Total investments in subsidiaries	40,152.77	39,112.32
Deemed investments in subsidiary - at cost, unquoted		
SRL Diagnostics Private Limited*	47.26	40.59
*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 2020, 240,000) equity shares of Nepalese Rupees 100 each fully paid-up in SRL Diagnostics (Nepal) Private Limited	150.00	150.00
Total investments in joint ventures	150.00	150.00
Total	40,350.03	39,302.91
Aggregate amount of unquoted investments	43,486.13	42,301.10
Aggregate amount of provision for impairment in value of investments	3,136.10	2,998.19
7. Loans		
<i>(Unsecured considered good unless otherwise stated)</i>		
Security deposits	679.15	532.27
Loans to subsidiaries*	9,798.40	9,900.00
Total	10,477.55	10,432.27
*Loans are given for meeting working capital requirement to :		
SRL Diagnostics Private Limited		
Loan outstanding	10,500.00	10,900.00
Interest rate (p.a.)	10.50%	12.00%
Repayment term	Rs. 1,000 Lakhs by 31 March 2022 and balance repayable on demand after 31 March 2022.	Rs. 1,000 Lakhs by 31 March 2021 and balance repayable on demand after 31 March 2021.
SRL Diagnostics FZ LLC		
Loan outstanding	298.40	Nil
Interest rate (p.a.)	10.50%	-
Repayment term	Repayment within 3 years	-
8. Other financial assets		
<i>(Unsecured considered good unless otherwise stated)</i>		
Balances with banks		
- held as margin money	11.67	191.69
- deposits with maturity of more than 12 months from the reporting date	-	8,003.63
Total	11.67	8,195.32



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

9. Deferred tax balances	As at 31 March 2021 (Rupees in Lakhs)	As at 31 March 2020 (Rupees in Lakhs)
Deferred tax assets	4,087.58	3,970.81
Deferred tax liabilities	(983.74)	(1,089.17)
Deferred tax assets (net)	3,103.84	2,881.64

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

2020-21

	As at 1 April 2020	Recognised in profit or loss	Recognised in other comprehensive income	As at 31 March 2021
Deferred tax asset				
Property, plant and equipment and intangible assets - software	1,052.02	(118.48)	-	933.54
Loss allowance for doubtful deposits and advances	156.66	13.14	-	169.80
Loss allowance for trade receivables	964.07	244.94	-	1,209.01
Lease liability	1,122.67	(51.63)	-	1,071.04
Provision for gratuity	347.22	36.68	24.61	408.51
Provision for compensated absences	187.52	1.38	-	188.90
Expenditure allowed on actual payment basis	140.65	(33.87)	-	106.78
Total deferred tax assets	3,970.81	92.16	24.61	4,087.58

Deferred tax liability

Right-of-use assets	(1,083.67)	99.93	-	(983.74)
Intangible assets- assay developed	(1.17)	1.17	-	-
Others	(4.33)	4.33	-	-
Total deferred tax liability	(1,089.17)	105.43	-	(983.74)
Deferred tax asset (net)	2,881.64	197.59	24.61	3,103.84

2019-20

	As at 1 April 2019	Recognised in profit or loss	Recognised in other comprehensive income	As at 31 March 2020
Deferred tax asset				
Property, plant and equipment and intangible assets - software	1,519.79	(467.77)	-	1,052.02
Loss allowance for doubtful deposits and advances	203.55	(46.89)	-	156.66
Loss allowance for trade receivables	1,045.85	(81.78)	-	964.07
Lease liability	-	1,122.67	-	1,122.67
Provision for gratuity	366.34	(72.18)	53.06	347.22
Provision for compensated absences	209.55	(22.03)	-	187.52
Expenditure allowed on actual payment basis	121.62	19.03	-	140.65
Total deferred tax assets	3,466.70	451.05	53.06	3,970.81

Deferred tax liability

Right-of-use assets	-	(1,083.67)	-	(1,083.67)
Intangible assets- assay developed	(10.26)	9.09	-	(1.17)
Others	-	(4.33)	-	(4.33)
Total deferred tax liability	(10.26)	(1,078.91)	-	(1,089.17)
Deferred tax asset (net)	3,456.44	(627.86)	53.06	2,881.64

Deferred tax asset has not been recognized on temporary differences in relation to indexation benefit of investment in subsidiaries and joint ventures amounting to Rs. 7,413.55 Lakhs (31 March 2020: Rs. 6,660.83 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*	1,595.20	1,475.67
Total	1,595.20	1,475.67
*Net of provision for tax	26,877.53	23,429.96

11. Other non-current assets

(Unsecured considered good unless otherwise stated)

Capital advances		
- Considered good	61.92	881.78
- Considered doubtful	302.14	302.14
Less: Loss allowance	(302.14)	(302.14)
Advances other than capital advances		
- Prepaid expenses	35.05	42.03
- Others	25.77	25.77
Total	122.74	949.58



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	As at 31 March 2021 (Rupees in Lakhs)	As at 31 March 2020 (Rupees in Lakhs)
12. Inventories (lower of cost and net realisable value)		
Reagents, chemicals and consumables	2,996.85	2,249.63
Total	2,996.85	2,249.63
13. Trade receivables		
Secured, considered good	885.50	855.86
Unsecured, considered good	7,092.40	6,313.11
Unsecured, credit impaired	3,592.32	2,633.88
Less: Expected credit loss allowance	(3,592.32)	(2,633.88)
	7,977.90	7,168.97
Due from related parties (refer note 37)		
Unsecured, considered good	3,928.82	4,472.16
Unsecured, credit impaired	1,211.05	1,142.99
Less: Expected credit loss allowance	(1,211.05)	(1,142.99)
	3,928.82	4,472.16
Total	11,906.72	11,641.13

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 (net) except as mentioned below:

Customer Name

Fortis Hospitals Limited	1,237.92	1,809.70
Fortis Healthcare Limited	319.53	362.34
Escort Heart Institute & Research Centre Limited	505.58	941.72
Hiranandani Healthcare Private Limited	798.17	446.63

- (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 payments. 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	2.16%	6.67%
1-2 years	74.68%	71.93%
2-3 years	83.25%	76.35%
Above 3 Years	99.01%	99.52%

Age of receivables

0-1 years	11,436.99	11,624.97
1-2 years	1,606.27	1,965.77
2-3 years	1,738.14	1,213.19
Above 3 Years	1,928.69	614.07
	16,710.09	15,418.00

Movement in the expected credit loss allowance

Balance at beginning of the year	3,776.87	2,939.58
Add: Recognised during the year	1,109.07	837.29
Less: Bad debts written off	(82.57)	-
Balance at end of the year	4,803.37	3,776.87



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	As at 31 March 2021 (Rupees in Lakhs)	As at 31 March 2020 (Rupees in Lakhs)
14. Cash and cash equivalents		
Balances with banks		
- On current accounts	8,283.51	402.85
- Deposit with original maturity of three months or less	6,478.32	-
Cheques on hand	16.71	5.58
Cash on hand	106.52	63.16
Cash and cash equivalents as per balance sheet	14,885.06	471.59
15. Bank balances other than cash and cash equivalents		
Balances with banks		
- held as margin money	189.06	-
- deposits with original maturity of more than 3 months but less than 12 months	11,585.79	7,197.79
	11,774.85	7,197.79
16. Loans (Unsecured considered good unless otherwise stated)		
Security deposits		
- Considered good	324.64	569.12
- Credit impaired	367.05	367.05
Less: Loss allowance	(367.05)	(367.05)
Loan to subsidiary (refer note 7)	1,000.00	1,000.00
Loans to fellow subsidiaries*	10,717.00	13,000.00
Total	12,041.64	14,569.12
The particulars of loans given as required to be disclosed by Section 186 (4) of Companies Act 2013 are as below:		
*Loans outstanding from :		
Fortis Hospitals Limited	7,492.00	9,018.00
Escorts Heart Institute and Research Limited	1,884.00	2,272.00
Hiranandani Healthcare Private Limited	1,341.00	1,710.00
The loans were given to meet working capital requirement. (refer note 37)		
Interest rate (p.a.)	10.50%	10.50%
Repayment terms	10 June 2021	6 August 2020
17. Other financial assets (Unsecured considered good unless otherwise stated)		
Advances recoverable		
- Considered good *	70.55	104.88
- Credit impaired	270.83	216.90
Less: Loss allowance	(270.83)	(216.90)
Interest accrued on fixed deposits	108.25	111.74
Interest accrued on loans to subsidiaries (refer note 37)	275.11	320.46
Total	453.91	537.08
* includes advances to related party (refer note 37)	69.23	99.98
18. Other current assets (Unsecured considered good unless otherwise stated)		
Prepaid expenses		
- Considered good	396.69	332.79
- Considered doubtful	9.30	9.30
Less: Loss allowance	(9.30)	(9.30)
Advances to supplier and employees		
- Considered good	223.97	371.02
- Considered doubtful	27.44	29.15
Less: Loss allowance	(27.44)	(29.15)
Balance with statutory authorities	5.26	5.26
Total	625.92	709.07



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

19. Equity share capital

	As at At 31 March 2021		As at At 31 March 2020	
	Number of shares	(Rupees in Lakhs)	Number of shares	(Rupees in Lakhs)
Authorised share capital				
Equity Shares of Rs. 10 each	89,000,000	8,900.00	89,000,000	8,900.00
Total	89,000,000	8,900.00	89,000,000	8,900.00
Issued and subscribed share capital				
Equity Shares of Rs.10 each fully paid up shares for consideration in cash	60,017,582	6,001.76	60,017,582	6,001.76
Equity Shares of Rs.10 each fully paid up shares for consideration other than cash	18,407,960	1,840.80	18,407,960	1,840.80
Total	78,425,542	7,842.56	78,425,542	7,842.56

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

	Year ended 31 March 2021		Year ended 31 March 2020	
	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	78,425,542	7,842.56	78,425,542	7,842.56
Outstanding at the end of the year	78,425,542	7,842.56	78,425,542	7,842.56

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/ultimate holding company and/or its subsidiaries :

	As at 31 March 2021		As at 31 March 2020	
	Number of Shares	(Rupees in Lakhs)	Number of Shares	(Rupees in Lakhs)
Equity shares of Rs. 10 each				
Fortis Healthcare Limited (holding company)	45,236,779	4,523.68	45,236,779	4,523.68

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

	As at 31 March 2021		As at 31 March 2020	
	Number of Shares held	% of Holding	Number of Shares	% of Holding
Equity shares of Rs. 10 each				
Fortis Healthcare Limited	45,236,779	57.68%	45,236,779	57.68%
Resurgence PE Investments Limited (Formerly known as Avigo PE Investments Ltd)	6,310,315	8.05%	6,310,315	8.05%
NYLIM Jacob Ballas India Fund III LLC	12,437,811	15.86%	12,437,811	15.86%
International Finance Corporation	5,970,149	7.61%	5,970,149	7.61%
Axis Bank Limited	4,300,000	5.48%	4,300,000	5.48%

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

a) Under the 'Super Religare Laboratories Limited Employee Stock Option Plan 2009' (the 'Scheme') as at 31 March 2021 - 487,018 (31 March 2020: 503,878) outstanding options are convertible into 487,018 (31 March 2020: 503,878) equity shares. (refer note 46).

b) Under the 'SRL Limited Employee Stock Option Scheme 2013' (the 'Scheme') as at 31 March 2021 - 296,500 (31 March 2020: 527,500) outstanding options are convertible into 296,500 (31 March 2020: 527,500) 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 2021	As at 31 March 2020
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, NYLIM 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) 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 2021 (Rupees in Lakhs)	As at 31 March 2020 (Rupees in Lakhs)
20. Non - current borrowings		
Vehicle loans (Secured)*	113.66	-
Less: Current maturities included under other financial liabilities	(28.30)	-
Total non-current borrowings	85.36	-
*During the year, the Company has taken vehicle loan on the following terms:		
Rate of interest ranging from	7.70% - 8.00% p.a	-
Loan repayable on	48 monthly instalments	-
The vehicle loan is secured by hypothecation of respective assets (vehicles).		
20A. Other financial liabilities		
Non-Current		
Payable towards purchase of other intangibles assets	4.46	-
Total	4.46	-
21. Provisions		
Non-current		
Provision for employee benefits		
Provision for gratuity (refer note 41)	1,337.69	1,116.16
Provision for compensated absences	567.78	541.08
Total	1,905.47	1,657.24
22. Other non-current liabilities		
Others	7.26	7.26
Total	7.26	7.26
23. Trade payables		
- total outstanding dues of micro enterprises and small enterprises (refer note 44)	229.91	112.22
- total outstanding dues of creditors other than micro enterprises and small enterprises	8,026.57	6,121.69
	8,256.48	6,233.91
24. Other financial liabilities		
Current		
Deposit from customers	1,687.46	1,687.09
Current maturities of non-current borrowings	28.30	-
Employee benefits payable	1,139.91	1,273.09
Payable on purchase of plant and equipment	127.75	44.09
Liability against indemnification*	74.70	74.70
Payable to holding company (refer note 37)	12.47	-
Payable to subsidiary (refer note 37)	70.44	0.05
Interest accrued but not due on borrowings	0.72	-
Total	3,141.75	3,079.02
*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 till tax litigations are settled.		
25. Other current liabilities		
Advances from customers *	809.77	747.18
Statutory dues payable	591.06	555.18
Liability towards customer loyalty program**	151.93	125.27
Deferred revenue	89.09	36.74
Total	1,641.85	1,464.37
* Includes advances from related party (refer note 37)	12.81	0.23
**The movement during the year is as below:		
Opening balance	125.27	30.00
Deferred during the year	386.50	266.85
Released to the Statement of Profit and Loss	(359.84)	(171.58)
Closing balance	151.93	125.27
26. Provisions		
Current		
Provision for employee benefits		
Provision for gratuity (refer note 41)	285.32	263.34
Provision for compensated absences	182.70	182.08
Total	468.02	445.42



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	Year ended 31 March 2021 (Rupees in Lakhs)	Year ended 31 March 2020 (Rupees in Lakhs)
27. Revenue from operations		
Sale of services (refer note 46B)	76,310.14	69,965.33
Other operating income		
- Liabilities/provisions no longer required written back	348.33	448.98
- Management fees	792.28	1,006.36
Total	77,450.75	71,420.67
28. Other income		
Interest income on		
- Bank deposits	847.79	515.28
- Loans to subsidiaries and fellow subsidiaries	2,454.71	2,514.61
- Income tax refund	-	17.81
- Others	73.76	33.89
Exchange differences (net)	-	3.30
Profit on disposal of property, plant and equipment	-	5.63
Miscellaneous income	66.65	69.92
Total	3,442.91	3,160.44
29. Cost of materials consumed		
Reagents, chemicals and consumables		
Inventories at the beginning of the year	2,249.63	1,737.50
Add: purchase during the period (net)	22,911.69	18,597.02
	25,161.32	20,334.52
Less: Inventories at the end of the period	2,996.85	2,249.63
Total	22,164.47	18,084.89
30. Employee benefits expense		
Salaries and wages	16,931.95	17,431.77
Share based payments to employees (refer note 46)	(100.96)	138.02
Contribution to provident and other funds (refer note 41)	991.51	1,015.08
Gratuity expense (refer note 41)	230.18	181.11
Staff welfare expenses	267.21	269.11
Total	18,319.89	19,035.09
31. Finance costs		
Interest cost on:		
- borrowings	4.33	1.26
- security deposits	40.38	95.24
- net defined benefit obligation (refer note 41)	76.51	73.01
- lease liabilities	467.94	478.83
- other cost	52.36	-
Others	168.41	157.09
Total	809.93	805.43
32. Depreciation and amortisation expense		
Depreciation of property, plant and equipment	1,554.35	1,273.35
Depreciation of right-of-use assets (refer note 38)	1,394.56	1,364.51
Amortisation of intangible assets	230.93	608.52
Total	3,179.84	3,246.38
33. Other expenses		
Power and fuel	1,000.28	1,136.92
Rent and hire charges	1,045.83	898.30
Rates and taxes	93.69	78.11
Insurance	150.88	76.78
Repairs and maintenance:		
- Plant and machinery	854.88	775.76
- Buildings	64.36	29.04
- Others	175.79	140.96
Advertisement and sales promotion	2,690.42	3,602.84
Postage and courier	2,877.07	2,623.24
Travelling and conveyance	193.18	321.24
Printing and stationery	341.83	414.31
Communication	246.77	209.60
Fees to collection centers (refer note 2(k))	6,887.89	6,116.85
Legal and professional (refer note below for payment to auditors)	1,695.60	1,705.63
Professional fees to doctors	2,334.48	2,231.03
Loss on disposal of property, plant and equipment	0.82	-
Loss allowance for deposits and advances	52.22	39.89
Loss allowance for trade receivables (refer note 13)	1,109.07	837.29
Bad Debts	-	2.26
Corporate Social Responsibility expenses (refer note 42)	221.00	222.02
Exchange differences (net)	26.94	-
Housekeeping expenses	232.04	235.25
Security services expenses	212.41	197.19
Miscellaneous expenses	364.53	395.43
Total	22,871.98	22,289.94
Note: Payment to the auditors comprises (net of tax):		
i) For statutory audit	53.79	63.79
ii) For tax audit	3.15	3.15
iii) For reimbursement of expenses	2.43	4.46
	59.37	71.40



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	Year ended 31 March 2021 (Rupees in Lakhs)	Year ended 31 March 2020 (Rupees in Lakhs)
34. Exceptional loss		
Impairment of investment in subsidiary	137.91	662.09
	137.91	662.09
<p>During the year, the management performed an impairment test on the carrying value of its investment in SRL Reach Limited, a wholly owned subsidiary company. The carrying value of investment as on 31 March 2020 was Rs. 137.91 Lakhs. Owing to continuous losses in past and projected losses in future the Company has recognised impairment loss of Rs. 137.91 Lakhs and accordingly written down the carrying value of investment in its wholly owned subsidiary to Nil.</p>		
35. (a) Income taxes:		
Recognised in profit and loss:		
Current tax	3,447.57	2,984.23
Deferred tax expense / (credit)	(197.59)	627.86
Total	3,249.98	3,612.09
Recognised in other comprehensive income :		
Tax expense/ (income) related to items that will not be reclassified subsequently to profit or loss	(24.61)	(53.06)
Total	(24.61)	(53.06)
(b) The income tax expense for the year reconciled to the accounting profit as follows:		
Profit before tax	12,494.20	9,386.74
Tax using Company's domestic tax rate @ 25.17%	3,144.79	2,362.64
Tax effect of :		
Non deductible expenses (net)	105.19	372.61
Effect of change in future tax rate on deferred tax	-	966.78
Tax adjustment in relation to prior years	-	(89.95)
Income tax expense recognised in profit or loss	3,249.98	3,612.09
36. Earnings per share (EPS)		
Basic earnings per share in Rupees (refer details below)	11.79	7.36
Diluted earnings per share in Rupees (refer details below)	11.70	7.30
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	9,244.22	5,774.66
Weighted average number of equity shares for the purpose of basic EPS	78,425,542	78,425,542
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	9,244.22	5,774.66
Weighted average number of equity shares for the purpose of diluted EPS	78,979,410	78,899,420
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	78,425,542	78,425,542
Shares deemed to be issued for no consideration in respect of:		
- Employee stock options	553,868	473,878
Weighted average number of equity shares for the purpose of diluted EPS	78,979,410	78,899,420



37. Related party disclosures

A. Related parties where control exists :

- (i) **Ultimate holding company**
IHH Healthcare Berhad
- (ii) **Enterprises having direct control over the Company**
Fortis Healthcare Limited, holding company
- (iii) **Subsidiary companies**
SRL Diagnostics Private Limited
SRL Reach Limited
SRL Diagnostics FZ- LLC
- (iv) **Joint venture company**
SRL Diagnostics (Nepal) Private Limited

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

1. Fellow subsidiaries

- Escorts Heart Institute & Research Centre Limited
- Fortis C-DOC Healthcare Limited
- Fortis Health Management Limited
- Fortis Hospitals Limited
- Fortis Malar Hospitals Limited
- Hiranandani Healthcare Private Limited
- DDRC SRL Diagnostics Private Limited
- Fortis CSR Foundation
- Centre for Digestive and Kidney Diseases (India) Private Limited
- Bharat Insecticides Limited (from 17 September 2020)
- Birdie & Birdie Realtors Private Limited
- Medical Management Company Limited, BVI
- Mena Healthcare Investment Company Limited, BVI
- International Hospital Limited
- Continental Hospitals Private Limited
- Ravindranath GE Medical Associates Private Limited

2. Enterprises owned or significantly controlled / influenced by subsidiary of holding/ultimate holding company

- The Medical and Surgical Centre Limited
- Lanka Hospitals Diagnostics (Pvt) Ltd
- Apollo Gleneagles Hospital Limited
- Apollo Hospitals Enterprises Limited

3. Entities having a common director

- Trivitron Health Care Private Limited (upto 19 May 2020)
- Jacob ballas Capital India Private Limited

C. Key Managerial Personnel

Mr. Anand K , Chief Executive Officer (from 5 August 2020)
Mr. Arindam Haldar , Chief Executive Officer (upto 4 August 2020)
Mr. Mangesh Shrikant Shirodkar, Chief Financial Officer (from 12 February 2020)
Mr. Saurabh Chadha, Chief Financial Officer (upto 31 December 2019)
Mr. Sumit Goel, Company Secretary



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

D. Transactions with related parties during the year

	Year ended 31 March 2021 (Rupees in Lakhs)	Year ended 31 March 2020 (Rupees in Lakhs)
(i) Rendering of services:		
Escorts Heart Institute & Research Centre Limited	1,336.58	1,550.08
Fortis C-DOC Healthcare Limited	59.83	98.73
Fortis Health Management Limited	135.56	160.38
Fortis Healthcare Limited	1,479.12	1,501.54
Fortis Hospitals Limited	8,843.01	9,182.38
Fortis Malar Hospitals Limited	276.52	471.96
Hiranandani Healthcare Private Limited	627.90	718.28
SRL Diagnostics FZ-LLC	240.37	-
SRL Diagnostics (Nepal) Private Limited	176.43	275.25
SRL Diagnostics Private Limited	190.28	435.71
SRL Reach Limited	42.66	113.73
DDRC SRL Diagnostics Private Limited	101.41	191.58
International Hospital Limited	120.01	136.74
Lanka Hospitals Diagnostics (Pvt) Ltd	65.07	56.97
Apollo Gleneagles Hospital Limited	56.25	70.79
The Medical and Surgical Centre Limited	-	3.50
Apollo Hospitals Enterprises Limited	43.23	73.52
Centre for Digestive and Kidney Diseases (India) Private Limited	18.73	-
Bharat Insecticides Limited	1.54	-
	13,814.50	15,041.14
(ii) Receiving of services:		
(a) Cost of test outsourced		
Fortis Healthcare Limited	0.23	3.90
Fortis Hospitals Limited	41.22	24.95
Fortis Health Management Limited	4.27	-
Escorts Heart Institute & Research Centre Limited	0.28	0.13
DDRC SRL Diagnostics Private Limited	-	54.45
SRL Diagnostics Private Limited	156.24	397.46
(b) Repair and maintenance		
Trivitron Health Care Private Limited	-	1.42
(c) CSR expenses		
Fortis CSR Foundation	-	222.02
	202.24	704.33
(iii) Reimbursement of expenses to:		
Escorts Heart Institute & Research Centre Limited	121.92	111.06
Fortis Healthcare Limited	19.16	19.88
Fortis Hospitals Limited	64.57	42.92
Hiranandani Healthcare Private Limited	65.25	108.29
SRL Diagnostics Private Limited	77.19	6.98
SRL Diagnostics (Nepal) Private Limited	9.60	12.72
SRL Reach Limited	0.03	-
DDRC SRL Diagnostics Private Limited	15.34	23.37
	373.06	325.22
(iv) Reimbursement of expenses from:		
Escorts Heart Institute & Research Centre Limited	11.80	11.91
Fortis Malar Hospitals Limited	14.02	15.63
Fortis Health Management Limited	-	1.49
Fortis Hospitals Limited	184.42	182.06
Hiranandani Healthcare Private Limited	244.02	226.00
SRL Diagnostics FZ-LLC	3.62	10.11
Fortis Healthcare Limited	11.23	12.14
SRL Diagnostics (Nepal) Private Limited	2.34	30.35
SRL Diagnostics Private Limited	2.45	77.74
	473.90	567.43



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	Year ended 31 March 2021 (Rupees in Lakhs)	Year ended 31 March 2020 (Rupees in Lakhs)
(v) Trade receivables converted into loan		
Fortis Hospitals Limited	-	11,100.00
Escorts Heart Institute and Research Limited	-	2,800.00
Hiranandani Healthcare Private Limited	-	2,100.00
	-	16,000.00
(vi) Loans given during the period		
SRL Diagnostics Private Limited	1,000.00	-
SRL Diagnostics FZ-LLC	298.40	-
	1,298.40	-
(vii) Repayments of loans given		
SRL Diagnostics Private Limited	1,400.00	2,400.00
SRL Reach Limited	-	150.00
Fortis Hospitals Limited	1,526.00	2,082.00
Escorts Heart Institute and Research Limited	388.00	528.00
Hiranandani Healthcare Private Limited	369.00	390.00
	3,683.00	5,550.00
(viii) Interest income		
SRL Diagnostics Private Limited	1,204.74	1,497.93
SRL Reach Limited	-	3.98
SRL Diagnostics FZ-LLC	9.10	-
Fortis Hospitals Limited	861.68	702.54
Escorts Heart Institute and Research Limited	217.19	177.24
Hiranandani Healthcare Private Limited	162.00	132.92
	2,454.71	2,514.61
(ix) Remuneration to key managerial personnel		
Salary and wages		
Mr. Anand K, Chief Executive Officer	138.32	-
Mr. Arindam Halder, Chief Executive Officer	244.95	321.94
Mr. Saurabh Chadha, Chief Financial Officer	-	94.04
Mr. Mangesh Shrikant Shirodkar, Chief Financial Officer	78.27	16.37
Mr. Sumit Goel, Company Secretary	19.16	19.98
	480.70	452.33
Note: The remuneration to the key managerial personnel includes gratuity paid, compensated absences paid, incentives and share based payments but does not include the provisions made for gratuity and compensated absences, as they are determined on an actuarial basis for the company as a whole. The amount does not include accrual recorded for Employee Share Based Payments.		
(x) Purchase of Reagents and consumables		
Fortis Hospitals Limited	14.41	19.34
Fortis Health Management Limited	1.34	2.07
Hiranandani Healthcare Private Limited	0.29	0.60
SRL Diagnostics Private Limited	18.91	115.09
Trivitron Health Care Private Limited	17.25	120.65
	52.20	257.75
(xi) Purchase of property, plant and equipment, and other intangible assets		
SRL Diagnostics Private Limited	88.42	275.52
Trivitron Health Care Private Limited	-	30.68
	88.42	306.20
(xii) Sale of property, plant and equipment, and other intangible assets		
SRL Diagnostics Private Limited	21.96	-
SRL Reach Limited	-	0.42
Mr. Saurabh Chadha	-	2.40
	21.96	2.82
(xiii) Income from financial guarantee to subsidiary		
SRL Diagnostics Private Limited	-	9.00
	-	9.00
(xiv) ESOP stock option to subsidiary		
SRL Diagnostics Private Limited	6.69	11.30
	6.69	11.30
(xv) Repayment received of deposit		
Birdie & Birdie Realtors Private Limited	-	80.00
	-	80.00
(xvi) Impairment in value of investment		
SRL Reach Limited	137.91	662.09
	137.91	662.09



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	As at 31 March 2021 (Rupees in Lakhs)	As at 31 March 2020 (Rupees in Lakhs)
E. Balances outstanding at the year end :		
(i) Loans		
SRL Diagnostics Private Limited	10,500.00	10,900.00
SRL Diagnostics FZ-LLC	298.40	-
Fortis Hospitals Limited	7,492.00	9,018.00
Escorts Heart Institute and Research Limited	1,884.00	2,272.00
Hiranandani Healthcare Private Limited	1,341.00	1,710.00
	21,515.40	23,900.00
(ii) Trade receivables		
Escorts Heart Institute & Research Centre Limited	505.58	941.72
Fortis C-DOC Healthcare Limited	277.29	267.33
Fortis Health Management Limited	13.98	9.64
Fortis Healthcare Limited (also refer note (b) below)	319.53	362.34
Fortis Hospitals Limited	1,237.92	1,809.70
Fortis Malar Hospitals Limited	31.76	51.77
Hiranandani Healthcare Private Limited	798.17	446.63
SRL Diagnostics FZ-LLC	1,383.36	1,142.99
SRL Diagnostics (Nepal) Private Limited	152.58	218.61
SRL Reach Limited	264.67	225.21
SRL Diagnostics Private Limited	74.99	82.80
DDRC SRL Diagnostics Private Limited	7.62	9.38
International Hospital Limited	20.33	10.85
Apollo Gleneagles Hospital Limited	20.84	15.92
Apollo Hospitals Enterprises Limited	11.23	18.85
Continental Hospitals Private Limited	-	0.02
Ravindranath GE Medical Associates Private Limited	0.12	0.12
Lanka Hospitals Diagnostics (Pvt) Ltd	12.48	1.25
Bharat Insecticides Limited	0.13	-
Centre for Digestive and Kidney Diseases (India) Private Limited	7.29	-
	5,139.87	5,615.13
(iii) Trade payables and other financial liabilities		
SRL Diagnostics Private Limited	147.00	94.41
Fortis Healthcare Limited	14.14	1.46
Trivitron Health Care Private Limited	-	0.43
	161.14	96.30
(iv) Advance from customers		
Jacob ballas Capital India Private Limited	0.23	0.23
Fortis Healthcare Limited	12.58	-
	12.81	0.23
(v) Advances recoverable		
SRL Diagnostics FZ-LLC	57.13	53.51
SRL Diagnostics (Nepal) Pvt. Ltd.	8.13	29.86
Fortis Healthcare Limited	-	3.86
Hiranandani Healthcare Private Limited	-	8.78
Lanka Hospitals Diagnostics (Pvt) Ltd	3.97	3.97
	69.23	99.98
(vi) Interest accrued on inter corporate deposits		
Fortis Hospitals Limited	185.17	222.37
Escorts Heart Institute and Research Limited	46.83	56.04
Hiranandani Healthcare Private Limited	34.01	42.05
SRL Diagnostics FZ-LLC	9.10	-
	275.11	320.46
(vii) Expected credit loss allowances and provision for doubtful advances		
SRL Diagnostics FZ-LLC	1,142.99	1,142.99
SRL Reach Limited	68.06	-
	1,211.05	1,142.99
(viii) Impairment in value of investment		
SRL Reach Limited	800.00	662.09
	800.00	662.09



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Notes:-

- (a) SRL Diagnostics Private Limited (a subsidiary company) had taken working capital facility from bank of Rs. Nil as on 31 March 2021 (31 March 2020: Rs. 1,500 Lakhs) which was guaranteed by SRL Limited. The same has been surrendered during the year.
- (b) The Company has entered into an agreement with one of its customers whereby Rs. 160.21 lakhs (31 March 2020: Rs. 160.21 lakhs) is recoverable. Fortis group has guaranteed to pay 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) Closing balances 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. During the year ended 31 March 2020, the Company had raised invoices of INR 530 lakhs for the diagnostic tests outsourced by SRL Dubai FZ LLC to the Company. However, the same had not been recognised as revenue due to lack of probability over its collection. The Company has recorded provision of Rs. 1,211.06 Lakhs (31 March 2020: Rs.1,142.99 Lakhs) 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

Labs, Offices, Godowns and Guest houses

The Company has obtained lab premises, office premises, godowns and guest houses on operating lease arrangements. The lease terms vary 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.

(i) Right-of-use assets

Particulars	As at 31 March 2021	As at 31 March 2020
	(Rupees in Lakhs)	(Rupees in Lakhs)
Opening balance	4,305.42	4,792.03
Additions to right of use assets	1,385.75	1,307.87
Depreciation charge for the year	(1,394.56)	(1,364.51)
Derecognition of right of use assets	(239.17)	(429.97)
Closing balance	4,057.44	4,305.42

Lease liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
	(Rupees in Lakhs)	(Rupees in Lakhs)
Maturity analysis - contractual undiscounted cash flows		
Less than one year	1,555.52	1,541.91
One to five years	3,375.96	3,766.88
More than five years	171.92	136.59
Total undiscounted lease liabilities at March 31, 2021	5,103.40	5,445.38
Lease Liabilities included in the Balance Sheet as at March 31, 2021		
Current	1,175.74	1,141.70
Non-current	3,079.49	3,318.65

(ii) Amounts recognised in profit or loss

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
	(Rupees in Lakhs)	(Rupees in Lakhs)
(Expenses)/income arising from leases:		
Interest on lease liabilities	(467.94)	(478.83)
Expenses relating to short-term leases	(528.70)	(470.49)
Expenses relating to leases of low-value assets	-	-
Expenses relating to variable lease payments not included in the measurement of lease liabilities	(517.13)	(427.81)
Income from sub-leasing right-of-use assets presented in other income	26.30	31.87

(iii) Amounts recognised in statement of cash flows

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
	(Rupees in Lakhs)	(Rupees in Lakhs)
Total cash outflow for lease liabilities (includes interest of Rs. 467.94 Lakhs (31 March 2020: Rs.478.83 Lakhs))	1,736.91	1,525.04

As Lessor

Operating Lease

Rental income from premises subleased by the Company recognised in the Statement of Profit and Loss

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
	(Rupees in Lakhs)	(Rupees in Lakhs)
	26.30	31.87



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

39. Commitments

	As at 31 March 2021	As at 31 March 2020
	(Rupees in Lakhs)	(Rupees in Lakhs)
Commitments for the acquisition of property, plant and equipment	458.84	1,193.72

(a) Going concern support in form of funding and operational support letter issued by the company in favour of SRL Reach Limited.

(b) 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 47,48, and 49) :**

Particulars	As at	
	31 March 2021	31 March 2020
Income tax	6,487.83	6,315.73
Medical related	5,217.72	5,134.72
Service tax	81.44	81.44
Total	11,786.99	11,531.89

(ii) The Company has received a claim of Rs. 935.00 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. 1,923.04 Lakhs on the Parent company (Fortis Healthcare Limited). During the previous year, the claimant has filed a petition with National Company Law Tribunal (NCLT) and revised his claim amount to Rs. 3,637.80 Lakhs. The company has filed the response to the petition on merits submitting that the Petition is not maintainable either under facts or law. The matter is currently pending with NCLT.

(iii) 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.

(iv) As at 31 March 2021, the Company has foreign currency receivables of Rs. 1,142.99 lakhs (March 31, 2020 Rs. 1,142.99 Lakhs) from SRL Dubai FZ LLC (Subsidiary). As per the Foreign Exchange Management Act, 1999 and the applicable rules/regulations, in case of any foreign currency receivables which are not realized within the stipulated time period, prior approval from Reserve Bank of India (RBI) is required. Management is in the process of obtaining these approvals from its authorized dealer and believes that the Company would be able to obtain these approvals from the authorities with levy of nominal penalty, if any. Further, the Company raised invoices of INR 530 lakhs for the diagnostic tests outsourced by SRL Dubai FZ LLC to the Company during the previous year. However, the same was not recognised as revenue due to lack of probability over its collection.

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 Company believes that none of the above matters, either individually or in aggregate, are expected to have any material adverse effect on its financial statements. The cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various stages/forums.



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. 991.51 Lakhs (31 March 2020 : Rs. 1,015.08 Lakhs) during the year as expense towards contribution to these plans.

	Year ended 31 March 2021 (Rupees in Lakhs)	Year ended 31 March 2020 (Rupees in Lakhs)
Provident fund	905.99	893.24
Employees' state insurance scheme	85.52	120.07
Superannuation fund	-	1.77
	991.51	1,015.08

(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 2020 : 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 2021	As at 31 March 2020
Discount rate	5.65% p.a.	5.55% p.a.
Expected rate of salary increase	6.50% p.a.	6.50% p.a.
Longevity (Mortality) rate	Indian Assured Lives 2012-14 Ultimate	Indian Assured Lives 2012-14 Ultimate
Employee turnover (attrition rate)		
Up to 30 years	27% p.a.	27% p.a.
31-44 years	20% p.a.	20% p.a.
Above 44 years	16% p.a.	16% p.a.

	As at 31 March 2021 (Rupees in Lakhs)	As at 31 March 2020 (Rupees in Lakhs)
Service cost		
Current service cost	230.18	181.11
Net interest expense	76.51	73.01
Recognised in statement of profit and loss	306.69	254.12

Remeasurement on the net defined benefit liability:

- Actuarial losses arising from changes in demographic assumptions	-	33.24
- Actuarial (gains)/losses arising from changes in financial assumptions	(8.06)	104.47
- Actuarial losses arising from experience adjustments	105.85	73.12
Recognised in other comprehensive income	97.79	210.83

Total	404.48	464.95
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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 2021 (Rupees in Lakhs)	As at 31 March 2020 (Rupees in Lakhs)
Present value of unfunded defined benefit obligation (Refer note 21 and 26)	1,623.01	1,379.50
	1,623.01	1,379.50



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	As at 31 March 2021 (Rupees in Lakhs)	As at 31 March 2020 (Rupees in Lakhs)
Movement in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	1,379.50	1,046.84
Current service cost	230.18	181.11
Interest cost	76.51	73.01
Employer direct benefit payments		
- Actuarial losses arising from changes in demographic assumptions	-	33.24
- Actuarial (gains)/losses arising from changes in financial assumptions	(8.06)	104.47
- Actuarial losses arising from experience adjustments	105.85	73.12
Benefits paid	(162.55)	(136.48)
Others	1.58	4.18
Closing defined benefit obligation	1,623.01	1,379.50

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 2021 (Rupees in Lakhs)	As at 31 March 2020 (Rupees in Lakhs)
If the discount rate is 100 basis points higher	1,546.31	1,314.18
If the discount rate is 100 basis points lower	1,707.09	1,451.17
If the expected salary growth increases by 1%	1,704.66	1,448.61
If the expected salary growth decreases by 1%	1,546.87	1,314.87
If attrition rate increases by 1%	1,615.72	1,372.55
If attrition rate decreases by 1%	1,630.64	1,386.78

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.

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. 230.18 lakhs (31 March 2020: Rs. 181.11 lakhs) to the defined benefit plans during the next financial year.

The weighted average duration of the defined benefit obligation as at 31 March 2021 is 5 years (31 March 2020: 5 years).

The defined benefit plans shall mature after year end 31 March 2021 as follows:

Expected total benefits payments

	As at 31 March 2021 (Rupees in Lakhs)	As at 31 March 2020 (Rupees in Lakhs)
Year 1	285.32	263.34
Year 2	274.97	213.88
Year 3	249.56	204.90
Year 4	211.80	185.44
Year 5	184.00	153.54
Next 5 years	592.74	495.28

The estimates of future salary increases, considered in actuarial valuation, take 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 2021 (Rupees in Lakhs)	As at 31 March 2020 (Rupees in Lakhs)
Experience adjustment on plan liabilities- loss	105.85	73.12

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 2021 (Rupees in Lakhs)	Year ended 31 March 2020 (Rupees in Lakhs)
Balance to be spent as per previous year	-	-
Amount required to be spent for the current year	(A) 221.00	222.02
Gross amount required to be spent	(B) 221.00	222.02
Amount spent during the year (refer note 33)	(A+B) 221.00	222.02
Balance unspent at the end of the year	-	-



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 2021 (Rupees in Lakhs)	As at 31 March 2020 (Rupees in Lakhs)
Debt (i)	113.66	-
Cash and bank balances (Refer note 14 & 15)	26,659.91	7,669.38
Net Debt/ (Surplus) (A)	(26,546.25)	(7,669.38)
Total equity (B)	117,186.95	108,110.18
Net debt to equity ratio (A/B)	Nil	Nil

(i) Debt is defined as long-term and short-term borrowings including current maturities of long term loan

43B. Fair value measurement

		(Rupees in Lakhs)	
		Carrying value	
		As at 31 March 2021	As at 31 March 2020
Financial assets			
Measured at amortised cost			
Loans - non current*	(b)	10,477.55	10,432.27
Other financial assets - non current*	(b)	11.67	8,195.32
Trade Receivables	(a)	11,906.72	11,641.13
Cash and cash equivalents	(a)	14,885.06	471.59
Bank balances other than above	(a)	11,774.85	7,197.79
Loans - current*	(a)	12,041.64	14,569.12
Other financial assets - current	(a)	453.91	537.08
Total		61,551.40	53,044.30
Financial liabilities			
Measured at amortised cost			
Borrowings : non - current **	(b)	85.36	-
Lease Liabilities - non current	(c)	3,079.49	3,318.65
Other financial liabilities - non current	(b)	4.46	-
Lease Liabilities - current	(c)	1,175.74	1,141.70
Trade payables	(a)	8,256.48	6,233.91
Other financial liabilities - current**	(a)	3,141.75	3,079.02
Total		15,743.28	13,773.28

* Loans include interest bearing loans to subsidiaries/fellow subsidiaries given at market rate of interest. Other financial assets include interest bearing bank deposits.

** Borrowings include interest bearing loans taken at market rate of interest from Banks and Financial Institutions.

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 and liabilities has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value.

(c) Fair value measurement of lease liabilities is not required.

There are no financial instruments which are valued under category Level 1, Level 2 and Level 3.

43C Financial risk management objectives and Policies

The Company's financial assets includes trade receivables, cash and cash equivalents and other financial assets that are derived from its operations. 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 operations. 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's 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 form of security deposits against certain class of receivables (primarily includes receivable from collection center). 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, inter company loan 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

(i) Foreign currency risk

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 2021			As at 31 March 2020		
		Rupees in Lakhs	Conversion rate	Amount in foreign currency	Rupees in Lakhs	Conversion rate	Amount in foreign currency
Trade receivables	USD	605.47	73.24	8.27	517.42	75.10	6.89
Cash balances	AED	1.09	19.94	0.05	1.12	20.44	0.05
	EURO*	0.01	85.96	0.00	0.01	83.04	0.00
	SGD*	0.19	54.33	0.00	0.18	52.68	0.00
	USD	1.43	73.24	0.02	1.18	69.32	0.02
Advance from customers	USD	70.71	73.24	0.97	65.76	75.10	0.88
	EURO	0.50	85.96	0.01	0.49	83.04	0.01

* Amount in foreign currency not presented in the financial year 2020-21 and 2019-20 due to rounding off.

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	2020-21		2019-20	
	10% increase	10% decrease	10% increase	10% decrease
Trade Receivable				
USD	60.55	(60.55)	51.74	(51.74)
Cash balances				
AED	0.11	(0.11)	0.11	(0.11)
EURO*	0.00	(0.00)	0.00	(0.00)
SGD	0.02	(0.02)	0.02	(0.02)
USD	0.14	(0.14)	0.12	(0.12)
Advance from customers				
USD	7.07	(7.07)	6.58	(6.58)
EURO	0.05	(0.05)	0.05	(0.05)
Impact on profit/(loss) for the year and equity	53.70	(53.70)	45.36	(45.36)

* Amount not presented in the financial year 2020-21 and 2019-20 due to rounding off.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

(ii) Interest rate risk

The Company is not exposed to interest rate risk because the Company does not borrow funds at floating interest rates. As on 31 March 2021, the Company has given loans to subsidiaries and fellow subsidiaries at fixed interest rate which the Company resets at regular intervals basis movement in market rates. Hence, a change in interest rate risk does not have a material impact on the Company's financial statements in relation to fair value of financial instruments.

(iii) Other price risk

The Company's investments are in the group companies and are held for strategic purposes rather than for trading purpose.

(c) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligation associated with its 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.725 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 its undrawn committed borrowing facility at all times so that the Company does not breach the borrowing limits or covenants.



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Financial arrangement:

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	(Rupees in lakhs)		(Rupees in lakhs)	
	Sanctioned limit	Limit utilised	Sanctioned limit	Limit utilised
Cash credit facility	200.00	-	2,400.00	-
Letter of credit	75.00	-	75.00	-
Bank guarantee	450.00	133.32	450.00	177.27
	725.00	133.32	2,925.00	177.27

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.

As at 31 March 2021				(Rupees in Lakhs)
	0-1 year	Beyond 1 year	Total Amount	Carrying Amount
Non interest bearing instruments				
Lease liabilities - non current	-	3,547.88	3,547.88	3,079.49
Trade payables	8,256.48	-	8,256.48	8,256.48
Lease liabilities - current	1,555.52	-	1,555.52	1,175.74
Employee benefits payable	1,139.91	-	1,139.91	1,139.91
Payable on purchase of plant and equipment	127.75	-	127.75	127.75
Liability against indemnification	74.70	-	74.70	74.70
Payable to subsidiary	70.44	-	70.44	70.44
Payable to holding company	12.47	-	-	12.47
Payable towards purchase of other intangibles assets	-	4.46	-	4.46
Fixed interest bearing instruments				
Deposit from customers	1,731.83	-	1,731.83	1,687.46
Borrowings	36.55	96.94	133.49	114.38
	13,005.65	3,649.28	16,638.00	15,743.28

As at 31 March 2020				(Rupees in Lakhs)
	0-1 year	Beyond 1 year	Total Amount	Carrying Amount
Non interest bearing instruments				
Lease liabilities - non current	-	3,903.47	3,903.47	3,318.65
Trade payables	6,233.91	-	6,233.91	6,233.91
Lease liabilities - current	1,541.91	-	1,541.91	1,141.70
Employee benefits payable	1,273.09	-	1,273.09	1,273.09
Payable on purchase of plant and equipment	44.09	-	44.09	44.09
Liability against indemnification	74.70	-	74.70	74.70
Payable to subsidiary	0.05	-	0.05	0.05
Fixed interest bearing instruments				
Deposit from customers	1,788.31	-	1,788.31	1,687.09
	10,956.06	3,903.47	14,859.53	13,773.28

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



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

	As at 31 March 2021 (Rupees in Lakhs)	As at 31 March 2020 (Rupees in Lakhs)
The principal amount remaining unpaid as at the end of year	229.91	112.22
Interest due on above principal and remaining unpaid as at the end of the year	1.25	6.08
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.	8.70	4.83
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	9.95	10.91
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 Company has made detailed assessment of its liquidity position of the recoverability and carrying values of its assets comprising Property, plant and equipment, Intangible assets, Trade receivables, Inventory and Investments as at the reporting period and has concluded that there are no material adjustments required in the financial statements. The management has considered the possible effects that may result from COVID-19 pandemic in preparation of its financial statements. In developing the assumptions and estimates relating to the uncertainties as at the Balance Sheet date in relation to the recoverable amounts of these assets, the Company's Management has considered the global economic conditions prevailing as at the date of approval of these financial statements. The actual outcome of these assumptions and estimates may vary in future due to the impact of the pandemic.

45A. Business combination

During the year, the Company entered into a business purchase agreement to acquire a lab owned by Dr. S P Singh located at Patiala for a purchase consideration of Rs. 145.50 Lakhs.

The following table summarizes the recognised amount of assets acquired:

Particulars	(Rupees in Lakhs) Fair Value
Trademark	40.50
Laboratory Equipment	7.52
Office Equipment	1.20
Air Conditioner	0.28
Furnitures & Fittings	0.56
Computer Accessories	0.29
Net assets acquired	50.35

Goodwill

Goodwill arising from acquisition has been determined as follows:

Particulars	(Rupees in Lakhs) Amount
Purchase consideration*	145.50
Fair value of net identifiable assets	50.35
Goodwill	95.15

*Purchase consideration includes Rs.105.00 Lakhs for assets purchase and Rs.40.50 Lakhs for trademark (non-compete fees).

Purchase consideration includes deferred consideration of Rs. 75.50 lakhs is payable over a period of 27 months from the date of acquisition (i.e. 1 April 2020)

The goodwill is attributable mainly to the synergies expected to be achieved by integrating the lab acquired into the Company's existing diagnostic business. Considering the expected synergies in operation, it is impracticable to disclose revenue / profit or loss for the acquired lab separately. None of the goodwill recognised is deductible for income tax purposes.



46. Employee Stock Option Plans

The Company has provided share-based payment scheme to eligible employees and then 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				
	Equity		Equity				
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				
	Grant I*	Grant II	Grant III	Grant IV	Grant V	Grant VI	Grant VII
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	875,736	134,000	724,437	75,000	125,000	25,000	-
Number of options exercised	154,716	66,000	-	-	-	-	-
Number of options not yet vested	-	-	-	-	-	-	16,667
Number of options not yet exercised	487,018	-	271,500	-	-	-	8,333
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

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

	As at 31 March 2021		As at 31 March 2020	
	Number of Options	Weighted Average exercise price	Number of Options	Weighted Average exercise price
Outstanding at the beginning of the year	1,031,378	292.11	1,072,309	293.34
Granted during the year	-	-	-	-
Vested during the year	-	-	-	-
Exercised during the year	-	-	-	-
Forfeited/ Cancelled during the year	247,860	600.11	40,931	324.38
Outstanding at the end of the year	783,518	194.68	1,031,378	292.11
Exercisable option at the end of the year	766,851	184.26	503,878	40.00
Weighted average remaining life (years)**	-	-	1.32	-
Range of exercise price	40-674	-	40-674	-

**The company has extended the exercise period of all outstanding options (Grant I, Grant III and Grant VII) till a future event occurs (i.e. exit of existing private equity investors or any other listing event). Further, as per the revised terms, employees due to retire or getting superannuated prospectively will also be entitled to exercise the options before the future event. As there is no fixed time limit for future event, weighted average remaining life of such options has not been disclosed.

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 (income)/expenses arising from share-based payment transaction recognised in profit or loss as part of employee benefit expense for the year ended 31 March 2021 and 31 March 2020 (net of recovery of Rs. 6.69 lakhs (31 March 2020: Rs.11.30 lakhs) from its subsidiary, SRL Diagnostics Private Limited), were Rs. (100.96) Lakhs and Rs. 138.02 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.

iii) In respect to 231,000 (31 March 2020: 30,000) options forfeited during the current year, amount aggregating Rs.117.14 lakhs (31 March 2020: Rs.24.23 lakhs) has been transferred to general reserve.



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 operating 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 presented based on the geographical location of customers and segment assets which have been presented based on the geographical location of the assets.

	Year ended 31 March 2021 (Rupees in Lakhs)	Year ended 31 March 2020 (Rupees in Lakhs)
(i) Revenue		
India (a)	75,758.61	68,608.58
<u>Other countries</u>		
Kenya	169.17	173.33
Maldives	128.88	521.67
Nigeria	99.28	171.22
Sri Lanka	70.94	106.06
Ethiopia	48.02	62.09
Others	35.24	322.39
Total other countries (b)	551.53	1,356.75
Total (a+b) (Revenue excludes other operating income and other income)	76,310.14	69,965.33
(ii) Non - current assets		
India	37,193.04	44,396.35
Total	37,193.04	44,396.35

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

(c) Major customer

Revenue from one customer, Fortis Hospitals Limited (fellow subsidiary) is Rs. 8,843.01 Lakhs (31 March 2020 : Rs. 9,182.38 Lakhs) which is more than 10% of the Company's total revenue.



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

i) Particulars	As at 31 March 2021	As at 31 March 2020
	(Rupees in Lakhs)	(Rupees in Lakhs)
Contract liability	1,050.79	909.19
Advances from Customers	809.77	747.18
Deferred revenue	89.09	36.74
Liability towards customer loyalty program	151.93	125.27

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 2021	Year ended 31 March 2020
	(Rupees in Lakhs)	(Rupees in Lakhs)
Owned labs	50,531.41	47,812.76
Collection centre	24,375.94	20,542.16
Franchisees	1,402.79	1,610.41
Total	76,310.14	69,965.33

46C. The Company has established a comprehensive system of maintenance of information and documents as required by transfer pricing legislation under section 92-92F of the Income-Tax Act, 1960. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by the due date as required under law. The Management is of the opinion that its international transactions are at arm's length so that the aforesaid legislations will not have impact on the financial statement, particularly on the amount of tax expense and that of provision for taxation.

46D. Events after the balance sheet date

Subsequent to the balance sheet date, the Company has acquired 50% of the equity shares and voting interest in DDRC SRL Diagnostics Private Limited (DDRC) - a Joint venture of SRL Diagnostics Private Limited (a subsidiary of the Company) for Rs.35,000 Lakhs on April 5, 2021. As a result, the Company's equity interest in DDRC increased from 50% to 100%, obtaining control of DDRC.



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

- (i) As disclosed in the financial statements for the years ended March 31, 2018, March 31, 2019 and March 31, 2020, during the year ended March 31 2018, there were reports in the media and enquiries from, inter alia, the stock exchanges received by the Parent Company about certain inter- corporate loans given by a wholly owned subsidiary of the Parent Company. The erstwhile Audit and Risk Management Committee of the Parent Company decided to carry out an independent investigation through an external legal firm on this matter. The terms of reference of the investigation, inter alia, comprised: (i) ICDs amounting to a total of Rupees 49,414 lacs (principal), placed by the Parent Company's wholly-owned subsidiary, FHL, with three borrowing companies as on July 1, 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 ; (iii) review of intra-group transactions for the period commencing FY 2014-15 and ending on December 31, 2017; (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. The investigation report of which was submitted to the re-constituted Board of Parent Company in June 2018.

The investigation noted certain significant findings in relation to past transactions concerning FHL and its subsidiaries with companies whose current and/ or past promoters/ directors were known to/ connected with the erstwhile promoters of the Parent Company. All such identified transactions were provided for by the Parent Company and its subsidiaries in the financial statements for the year ended March 31 2018.

The investigation was subject to the limitations on the information available to the external legal firm and their qualifications and disclaimers as described in their investigation report. It did not cover all related party transactions during the period under investigation. It was observed in internal correspondence within the Parent Company that transactions with certain other entities have been referred to as related party transactions. However, no further conclusions could be drawn in this regard.

- (ii) 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 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 could not have been ruled out that there may have been additional related parties whose relationship may not have been disclosed and, hence, not known to the Management. While such references could not be fully analyzed during the initial investigation, the nature of these references raised certain concerns.

In order to overcome the above, the Parent Company's Board of Directors initiated additional procedures/ enquiries of certain entities in the Fortis Group that were impacted in respect of the matters investigated by the external legal firm. Pending the additional procedures/enquiries ("Additional Procedures/ Enquiries") and since the investigation was subject to the limitations on the information available to the external legal firm and their qualifications and disclaimers as described in their investigation report, as disclosed in the audited financial statements for the years ended March 31, 2018, March 31, 2019 and March 31, 2020 certain audit qualifications were made in respect of Parent Company and its Subsidiaries (including the company's) financial statements for those financial years, as the statutory auditors were unable to comment on the nature of those matters, the provisions established thereof, or any further potential impact on the financial statements.

In order to resolve the same, the Board of the Parent Company mandated the management to undertake review of certain areas in relation to historical transactions for the period April 1, 2014 to September 30, 2018 involving additional matters by engaging independent experts with specialized forensic skills to assist with the Additional Procedures/Enquiries and provide inputs and expert advice in connection therewith. The independent experts submitted their report which was discussed and considered by the Board of the Parent Company in its meeting held on September 16, 2020.

The Board of Company and its subsidiaries noted that the Additional Procedures/Enquiries had not revealed any further instances of improper transactions which had not been expensed or provided in earlier years.

In connection with the potentially improper transactions, the Parent Company has undertaken a detailed review to assess its legal rights and has initiated necessary action.

(iii) Key findings during the investigation by the external legal firm and during the Additional Procedures/Enquiries by independent experts

In July 2017 a Memorandum of Understanding (MoU) was entered between SRL Limited (SRL or 'Company') and a body corporate (Dignity) for lease of a 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 ("Hon'ble Court") in August 2018. The matter is currently pending with Hon'ble Court for further proceeding. The company has also initiated arbitration proceeding against the body corporate for recovery of Rs.460 Lakhs paid towards security deposit and Rs.304 Lakhs incurred pertaining to the office space. Vide order dated February 20, 2019 Hon'ble Delhi High Court appointed an arbitrator before whom company has filed its claim. Further, the company have filed their respective claims before Interim Resolution Professional (IRP) appointed by NCLT in a matter filed by one of creditors of body corporate. IRP is currently adjudicating the claims of various creditors of the body corporate including that of the company.



SRL LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

In view of the facts stated above and the uncertainty in the ultimate recovery of the aforesaid balances, the Company had recorded provisions aggregating to Rs. 775.20 lakhs in these Standalone Financial Statements.

SFIO has sought information in respect of this transaction from Parent Company and the same has been duly provided by the Parent Company. Further, a complaint has been filed by the Parent Company and FHsL with the EOW in November 2020 against its ex-promoters and their related entities for certain matters including the aforesaid matter. EOW is investigating the matter.

Based on investigation carried by the external legal firm and the additional procedures/enquiries by independent experts, all identified/required adjustments/disclosures have been made in the financial statements of the Company. The Parent Company has also submitted findings of the Investigation Report of the external legal firm and the additional procedures/ enquiries by independent experts to the relevant regulatory authorities. Further, on certain aspects, the Parent Company and Fortis Hospitals Limited (FHsL) have also filed a complaint with the EOW against the erstwhile promoters/ erstwhile promoter group companies and EOW is investigating the matter. Recovery /claim proceedings have also been initiated in the matters where action was recommended by the legal counsels

Therefore, with this conclusion, the initial investigation initiated by the erstwhile ARMC, which was subject to the limitations on the information available to the external legal firm and their qualifications and disclaimers has been addressed through the additional procedures/enquiries by independent experts. In addition, the reconstituted Board of the Parent Company had initiated specific improvement projects to strengthen the process and control environment. The projects included 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 with regulatory requirements and systems design & control enhancement for which the assessment work was done and corrective action plans were implemented.

Accordingly, the Board of the Parent Company has taken necessary actions in consultation with the legal counsels in this regard. The investigations in so far as these issues involving the erstwhile promoters/ erstwhile promoter group companies is concerned are still pending with the regulatory authorities. The management of the Company also believes that if any action is initiated by regulatory authorities against the Company, the same should not have a significant material impact on the Company as all items which may have financial impact have already been provided for in earlier years. The Company would fully co-operate with the regulatory authorities in this regard.

48. Matters in relation to Regulatory Authorities

- (i) During financial year 2017-18, the Parent Company received a communication from the Securities and Exchange Board of India (SEBI), stating that an investigation has been instituted by it in the matter of the Parent Company. In the said investigation, SEBI requisitioned from the Parent Company certain information and documents relating to short term investments of approximately INR 473 Crores given by a wholly owned subsidiary Fortis Hospitals Limited ("FHsL") of the Parent Company, which had been reported in media. The Parent Company and its subsidiaries had furnished requisite information and documents, as requested by SEBI. The investigation, which is complete, has been substituted by Adjudication Proceedings during the year. Subsequently, a Show-Cause Notice (SCN) was issued by SEBI to various entities including the Parent Company, FHsL on November 20, 2020 with certain allegations. In response, a joint representation/reply was filed by the Parent Company and FHsL on December 28, 2020 praying for quashing of the SCN on various grounds.

In the joint representation/reply, the Parent Company and FHsL have submitted that they were in fact the victims of the wrongdoings of the Erstwhile Promoters of the Parent Company (Malvinder Mohan Singh and Shivinder Mohan Singh) and that victims ought not to be punished for the acts and offences of the wrongdoers. Further, the Parent Company and FHsL have submitted that the Erstwhile Promoters controlled the affairs of the Parent Company and FHsL at the time when the acts forming the subject matter of the SCN happened. The Erstwhile Promoters are no longer associated with the Parent Company and a new promoter (i.e. NTK Venture Pte. Ltd.) has assumed control of the Parent Company with the approval of the Competition Commission of India and SEBI (which has approved the open offer process triggered by the change in control). Further, various legal actions have been initiated against the Erstwhile Promoters and several steps have been taken in order to recover the diverted amounts. As such, any adverse orders against the Parent Company and FHsL would harm their existing shareholders, employees and creditors. Oral submissions in response to the SCN were made before the SEBI, Whole Time Member on January 20, 2021, and a written synopsis of the same has been filed. Order of SEBI against the above SCN

On April 09, 2021, SEBI issued another Show cause notice to various parties including Escorts Heart Institute and Research Centre Limited, a subsidiary of the Parent Company. No such notice has been received from SEBI by Company or its subsidiaries.

- (ii) During year ended March 31, 2018, the Registrar of Companies (ROC) under section 206(1) of the Companies Act, 2013, inter alia, had 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.
- (iii) The Serious Fraud Investigation Office (SFIO) of the 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 subsidiaries (including the Company), joint ventures and associates. The Parent Company and the Company has submitted requisite information in this regard with SFIO, as requested from time to time. The outcome of the SFIO investigation cannot be ascertained as of now keeping in view the present stage of investigation.

The Investigation Report of the external legal firm was submitted by the Parent Company to the SEBI, and SFIO on June 12, 2018. Further, the Parent Company has filed complaints in the EOW against its ex- promoters and their related entities. A copy of the report of the additional procedures/ enquiries done by the independent expert have also been submitted to SEBI and SFIO on November 10, 2020.

The Parent Company, its subsidiaries (including the company) are co-operating with the regulators in relation to the ongoing investigations to enable them to make their determination on these matters and to undertake remedial action, as may be required, and to ensure compliance with applicable laws and regulations. As per the management and in consultation with external legal counsel it is believed that the likelihood of additional impact, if any, is low and is not expected to be material.



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

A party ("Assignee" or "Plaintiff") 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") between the defendants and a third party, the defendants are liable for claims owed by the Plaintiff to the third 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 Plaintiff 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 third Party. The matter is pending adjudication before District Court, Delhi. This third party has approached Delhi High Court for seeking certain interim reliefs against the Company under the provisions of The Arbitration and Conciliation Act, 1996. This third party had also filed a claim for damages and injunctive reliefs against the Parent Company before International Chamber of Commerce (ICC). The Parent Company has invited the attention of ICC to the aforesaid pending litigations before various Courts and non-maintainability of claim raised by said third party. Proceedings before Delhi High Court have been withdrawn by Third Party on February 24, 2020. Further, arbitration before ICC has also been withdrawn by third Party on February 23, 2020 and the same has been closed by ICC on February 28, 2020.

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 third 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, seeking substitution of its name in place of Plaintiff/Assignee.

Allegations made by the third 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. During the previous year ended March 31, 2019, the Party also filed an application for being impleaded as party to the Civil Suit by the Plaintiff/Assignee. The matter is pending adjudication before District Court, Delhi. The Parent Company has also filed an application for perjury against the third Party and certain other persons before the Hon'ble High Court of Delhi which has issued notice to them.

During the quarter ended September 30, 2020, an application was filed by the Parent Company before the Hon'ble Supreme Court of India, praying for permission to it and its subsidiaries for changing their respective names, brands and logos; and for continued usage of the same if the said application was not disposed of prior to expiry of the term of the Brand License Agreement to allow adequate time for smooth Brand transition without any disruption to business. Subsequent to the year end, the Brand license Agreement has expired. The Parent Company and the Company are awaiting order(s) of the Hon'ble Supreme court.

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 Standalone Financial Statements with respect to these claims.


For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's Registration No.:101248W/W-100022



Rajesh Arora
Partner
Membership Number: 076124

Place : Gurugram
Date : 20 May 2021

For and on behalf of the Board Of Directors
SRL Limited



Dr. Ashutosh Raghuvanshi
Director
DIN:02775637



Anand K
Chief Executive Officer



Sumit Goel
Company Secretary

Place : Gurugram
Date : 20 May 2021



Srinivas Chidambaram
Director
DIN:00514665



Manqesh Shirodkar
Chief Financial Officer

