

B S R & Co. LLP

Chartered Accountants

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Independent Auditor's Report

To the Members of SRL Reach Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SRL Reach Limited (the "Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 2022, and its profit and other comprehensive loss, 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 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 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 obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

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 financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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' Responsibilities for the 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 financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Error! Bookmark not defined. 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on



the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of 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 balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid 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 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a) The Company does not have any pending litigations which would impact its financial position.
 - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities,



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including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party; or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The Company has neither declared nor paid any dividend during the year.

(C) With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act:

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
UDIN: 22076124AJGHRD4465

Place: Gurugram
Date: 19 May 2022

Annexure A to the Independent Auditors' report on the financial statements of SRL Reach Limited for the year ended 31 March 2022

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (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 Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment 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. 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 Company does not have any immovable property (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) 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 revalued its Property, Plant and Equipment or intangible assets or both during the year.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (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 not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) 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 made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the



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Companies Act, 2013 are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable, except as mentioned below:

Name of the statute	Nature of the dues	Period to which the amount relates	Amount (Rupees in Thousands)	Due date	Date of payment
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident fund Refer Note 36	March 2019	79.74	15 April 2019	Not yet paid

- (b) 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 statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (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 surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (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 did not have any outstanding loans or borrowings from banks or financial institutions or any other lender during the year. Accordingly, clause 3(ix)(a) is not applicable on the Company.
- (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 not been declared a wilful defaulter by any bank or financial institution or government or government authority.



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- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under Companies Act, 2013) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under Companies Act, 2013) during the year ended 31 March 2022. Accordingly, clause 3(ix)(f) is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- (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 not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) Establishment of vigil mechanism is not mandated for the Company. We have taken into consideration the whistle blower complaints received under the vigil mechanism established voluntarily by the Company during the year and shared with us while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.



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- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has incurred cash losses of Rs. 17,926.40 thousands only during the immediately preceding financial year but has not incurred any cash losses during the current financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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



Rajesh Arora
Partner
Membership No: 076124
UDIN: 22076124AJGHRD4465

Place: Gurugram
Date: 19 May 2022

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Annexure B to the Independent Auditors' report on the financial statements of SRL Reach Limited for the year ended 31 March 2022.

Report on the internal financial controls with reference to the aforesaid 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 financial statements of SRL Reach Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the 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 financial statements and such internal financial controls were operating effectively as at 31 March 2022, 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 financial statements, whether due to fraud or error.



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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 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 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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



Rajesh Arora
Partner
Membership No: 076124
UDIN: 22076124AJGHRD4465

Place: Gurugram
Date: 19 May 2022

SRL REACH LIMITED
BALANCE SHEET AS AT 31 MARCH 2022


ASSETS	Notes	As at 31 March 2022 (Rupees in '000)	As at 31 March 2021 (Rupees in '000)
Non-current assets			
(a) Property, plant and equipment	4	13,496.28	15,567.98
(b) Capital work-in-progress	4	-	37.38
(c) Intangible assets	5	135.23	225.20
(d) Financial assets			
(i) Other financial assets	6	198.20	124.43
(e) Non-current tax assets (net)	7	859.97	1,344.88
Total non-current assets		14,689.68	17,299.87
Current assets			
(a) Inventories	8	2,465.72	2,051.73
(b) Financial assets			
(i) Trade receivables	9	26,736.51	19,408.15
(ii) Cash and cash equivalents	10(a)	5,658.90	19,078.65
(iii) Bank balances other than (ii) above	10(b)	28,500.00	10,000.00
(iv) Other financial assets	11	270.28	116.78
(c) Other current assets	12	622.51	801.45
Total current assets		64,253.92	51,456.76
Total assets		78,943.60	68,756.63
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	13	80,000.00	80,000.00
(b) Other equity		(86,753.94)	(86,806.77)
Total equity		(6,753.94)	(6,806.77)
LIABILITIES			
Non-current liabilities			
(a) Provisions	14	2,922.09	2,181.72
Total non - current liabilities		2,922.09	2,181.72
Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	15	2,806.00	2,225.35
- Total outstanding dues of creditors other than micro enterprises and small enterprises	15	77,232.37	66,093.33
(ii) Other financial liabilities	16	1,167.37	3,163.71
(b) Other current liabilities	17	825.25	1,341.83
(c) Provisions	18	744.46	557.46
Total current liabilities		82,775.45	73,381.68
Total liabilities		85,697.54	75,563.40
Total equity and liabilities		78,943.60	68,756.63

See accompanying notes forming integral part of the financial statements 1-39


In terms of our report attached

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

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


Rajesh Arora
Partner
Membership Number: 076124


Dr. Anurag Bansal
Director
DIN: 07452380


Ajay Kumar Agarwal
Director
DIN: 08996319

Place : Gurugram
Date : 19 May 2022

Place : Gurugram
Date : 19 May 2022



SRL REACH LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Year ended 31 March 2022 (Rupees in '000)	Year ended 31 March 2021 (Rupees in '000)
Income			
Revenue from operations	19	84,653.43	55,310.06
Other income	20	1,146.09	508.15
Total income		85,799.52	55,818.21
Expenses			
(a) Cost of materials consumed	21	17,166.88	14,597.80
(b) Cost of tests outsourced		11,521.32	4,265.89
(c) Employee benefits expense	22	21,636.08	19,359.32
(d) Finance costs	23	208.29	214.86
(e) Depreciation and amortisation expense	24	2,492.68	2,783.39
(f) Other expenses	25	32,619.48	35,306.74
Total expenses		85,644.73	76,528.00
Profit/(loss) from continuing operations before income tax		154.79	(20,709.79)
Tax expense	26	-	-
Profit/(loss) for the year		154.79	(20,709.79)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
- Remeasurements of defined benefit liability/(asset)	29	(101.96)	112.19
Total other comprehensive profit/(loss) net of income tax		(101.96)	112.19
Total comprehensive profit/(loss) for the year		52.83	(20,597.60)
Earnings/(Loss) per equity share:			
Basic and Diluted (in Rupees)	27	0.02	(2.59)
See accompanying notes forming integral part of the financial statements	1-39		

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

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



Dr. Anurag Bansal
Director
DIN: 07452380



Ajay Kumar Agarwal
Director
DIN: 08996319

Place : Gurugram
Date : 19 May 2022

Place : Gurugram
Date : 19 May 2022



SRL REACH LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Year ended 31 March 2022 (Rupees in '000)	Year Ended 31 March 2021 (Rupees in '000)
A Cash flows from operating activities			
Profit/(loss) before tax		154.79	(20,709.79)
Adjustment for:			
Depreciation and amortisation expense	24	2,492.68	2,783.39
Finance costs	23	95.79	82.64
Remeasurements of defined benefit liabilities	29	(101.96)	112.19
Liabilities no longer required written back	19	-	(1,641.82)
Loss allowance for trade receivables	25	5,377.82	9,010.99
Interest income	20	(1,015.62)	(508.15)
Operating profit/(loss) before changes in assets and liabilities		7,003.50	(10,870.55)
(Increase) in inventories	8	(413.99)	(101.57)
(Increase)/Decrease in trade receivables	9	(12,706.18)	6,733.52
Decrease/(Increase) in other financial assets	6 & 11	94.86	(144.17)
Increase in trade payables	15	11,719.69	13,256.87
Increase in provisions	14 & 18	831.58	167.16
(Decrease)/Increase in other liabilities	17	(2,512.92)	989.45
Cash generated from operations		4,016.54	10,030.71
Direct taxes refund (net)		484.91	244.66
Net cash generated from operating activities		4,501.45	10,275.37
B Cash flows from/ (used in) investing activities			
Interest received		872.43	585.20
Fixed deposits made (with maturity of more than three months) (net)		(18,500.00)	(2,000.00)
Payments for purchase of property, plant and equipment & other intangible assets		(293.63)	(260.50)
Net cash used in investing activities		(17,921.20)	(1,675.30)
C Cash flows from financing activities *		-	-
Net (decrease)/increase in cash and cash equivalents [A+B+C]		(13,419.75)	8,600.07
Cash and cash equivalents at the beginning of the year		19,078.65	10,478.58
Cash and cash equivalents at the end of the year	10(a)	5,658.90	19,078.65

* There are no changes in financial liabilities arising from financing activities.

See accompanying notes forming integral part of the financial statements

1-39

In terms of our report attached

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

Chartered Accountants

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



Rajesh Arora

Partner

Membership Number: 076124

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



Dr. Anurag Bansal

Director

DIN: 07452380



Ajay Kumar Agarwal

Director

DIN: 08996319

Place : Gurugram
Date : 19 May 2022

Place : Gurugram
Date : 19 May 2022



SRL REACH LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

Particular	Notes	Equity		Other equity		(Rupees in '000) Total
		Equity share capital	Retained earnings *	Equity share capital	Retained earnings *	
Balance as at 01 April 2020		80,000.00	(66,209.17)			13,790.83
Loss for the year		-	(20,709.79)			(20,709.79)
Other comprehensive income		-	112.19			112.19
Total comprehensive loss for the year		-	(20,597.60)			(20,597.60)
Balance as at 31 March 2021		80,000.00	(86,806.77)			(6,806.77)
Balance as at 01 April 2021		80,000.00	(86,806.77)			(6,806.77)
Profit for the year		-	154.79			154.79
Other comprehensive loss		-	(101.96)			(101.96)
Total comprehensive income for the year		-	52.83			52.83
Balance as at 31 March 2022		80,000.00	(86,753.94)			(6,753.94)

* Retained earnings are the accumulated profits earned/losses incurred by the Company till date.

See accompanying notes forming integral part of the financial statements

1-39

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants

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



Rajesh Arora
Partner
Membership Number: 076124

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



Dr. Anurag Bansal
Director
DIN: 07452380



Ajay Kumar Agarwal
Director
DIN: 08996319



Place : Gurugram
Date : 19 May 2022

Place : Gurugram
Date : 19 May 2022

SRL REACH LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1. Corporate Information

SRL Reach Limited ("the Company") is a public company domiciled in India and incorporated under provisions of the Companies Act, having its registered office at 74, Ground Floor, Paschimi Marg, Opposite C Block Market, Vasant Vihar, New Delhi- 110057, Delhi, India.

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

Note 2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. The accounting policies adopted are consistent with those of the previous financial year.

(a) Basis of preparation

(i) Statement of compliance

These Ind AS Financial Statements ("financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended notified under Section 133 of Companies Act, 2013, ("the Act") and other relevant provisions of the Act. (refer note 35)

(ii) Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All amounts are in thousands of Indian Rupees and are rounded off to two decimals, except per share data.

(iii) Historical cost convention

The 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.



SRL REACH LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The Company classifies all other assets as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

(c) 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

All 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



SRL REACH LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

equipment comprises its purchase price, including import duties and other non-refundable taxes or levies, freight, any directly attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling and restoring onsite; any trade discounts and rebates are deducted in arriving at the purchase price.

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

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

(ii) Intangible assets

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

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

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

The details of useful life are as under:

Category of assets	Management estimate of Useful life	Useful life as per Schedule II
Laboratory equipment- Pathology	13 years	13 years
Laboratory equipment- Imaging	10 years	13 years
Office equipment	5 years	5 years
Furniture and fittings	10 years	10 years
Furniture and fittings- signage	5 years	10 years
Computers and accessories	3 years	3 years
Air conditioners	8 years	5 years



SRL REACH LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Estimated useful lives of the intangible assets are as follows:

Category of assets	Management estimate of Useful Life
Software	3 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. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

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.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognized in prior periods, the Company reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has



SRL REACH LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(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.

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.



SRL REACH LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Debt instrument at FVOCI

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

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

Debt instrument at 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 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.

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



SRL REACH LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Impairment of financial assets

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

Derecognition of financial assets

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

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or 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.

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



SRL REACH LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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 statement of cash flows, 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.

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,



SRL REACH LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

the asset and related income are recognised in the period in which the change occurs.

Contingent Liabilities in respect of show cause notices are considered only when converted into demands.

(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



SRL REACH LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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 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 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 trade receivables 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.

(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 plan is unfunded.

b) Provident fund

(i) The Company's contribution to provident fund is treated as defined contribution plan under which an entity pays fixed contributions into a government administered fund for provident fund and will have no legal or constructive obligation to pay further amounts.

(ii) The Company's contribution to the provident fund is charged to Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Other long-term employee benefits:

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



SRL REACH LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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) Finance costs

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the finance costs eligible for capitalization. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method. Ancillary costs incurred in



SRL REACH LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

connection with the arrangement of borrowings are amortised over the period of such borrowings.

(n) Income tax

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

Current taxes

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

Deferred taxes

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

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

Deferred tax assets 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.



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(o) 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. 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.

(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.

(p) Foreign currency translation

(i) Functional and presentation currency

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



SRL REACH LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(ii) Transactions and balances

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

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

(q) Statement of cash flows

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.

(r) 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 ("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.

(s) 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



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

Note 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.

Judgements

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:

- Revenue recognition- whether the Company acts as an agent rather than as a principal in a transaction- Note 2(k)
- Recognition of deferred tax assets- Note 2(n)
- Financial instruments - Note 2(f)

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2022 is included in the following notes:

- Estimated impairment of financial assets and non-financial assets – Note 2(e), 2(f),
- Assessment of useful life and residual value of property, plant and equipment and intangible asset – Note 2(d)
- Estimation of assets and obligations relating to employee benefits (including actuarial assumptions) – Note 29

Note 3B. Recent pronouncements but not yet effective

Recent pronouncements Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 - Reference to Conceptual Framework: The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any impact in its financial statements.



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Ind AS 16 - Proceeds before intended use: The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 - Onerous Contracts - Costs of Fulfilling a Contract: The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 - Annual Improvements to Ind AS (2021): The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 - Annual Improvements to Ind AS (2021): The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

Note 3C. These financial statements have been authorized for issue by the Company's Board of Directors on 19 May 2022.



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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

4. Property, plant and equipment

	Laboratory equipment	Air conditioners	Computers and accessories	Office equipment	Furniture and fittings	Total	Capital work-in-progress
Gross carrying value							
As at 1 April 2020	18,494.35	797.47	3,873.31	2,400.95	6,667.73	32,233.81	37.38
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
As at 31 March 2021	18,494.35	797.47	3,873.31	2,400.95	6,667.73	32,233.81	37.38
As at 1 April 2021	18,494.35	797.47	3,873.31	2,400.95	6,667.73	32,233.81	37.38
Additions	169.27	120.65	41.09	-	-	331.01	-
Disposals	-	-	-	-	-	-	37.38
As at 31 March 2022	18,663.62	918.12	3,914.40	2,400.95	6,667.73	32,564.82	-
Accumulated depreciation							
As at 1 April 2020	5,982.80	428.74	3,618.83	1,479.51	2,602.06	14,111.94	-
Depreciation expense	1,416.12	94.75	61.58	354.60	626.84	2,553.89	-
Disposals	-	-	-	-	-	-	-
As at 31 March 2021	7,398.92	523.49	3,680.41	1,834.11	3,228.90	16,665.83	-
As at 1 April 2021	7,398.92	523.49	3,680.41	1,834.11	3,228.90	16,665.83	-
Depreciation expense	1,424.36	105.40	8.24	237.87	626.84	2,402.71	-
Disposals	-	-	-	-	-	-	-
As at 31 March 2022	8,823.28	628.89	3,688.65	2,071.98	3,855.74	19,068.54	-
Net carrying amount							
As at 31 March 2021	11,095.43	273.98	192.90	566.84	3,438.83	15,567.98	37.38
As at 31 March 2022	9,840.34	289.23	225.75	328.97	2,811.99	13,496.28	-

Capital work-in-progress (CWIP) Ageing :-

Particulars	Amount in CWIP for a period of		Total
	1-2 years		
As at 31 March 2022	-	-	-
As at 31 March 2021	37.38	-	37.38



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5. Intangible assets

	(Rupees in '000)
	Software
Gross carrying value	
As at 01 April 2020	4,210.14
Additions	236.00
Disposals	-
As at 31 March 2021	4,446.14
As at 01 April 2021	4,446.14
Additions	-
Disposals	-
As at 31 March 2022	4,446.14
Accumulated amortisation	
As at 01 April 2020	3,991.44
Amortisation expense	229.50
Disposals	-
As at 31 March 2021	4,220.94
As at 01 April 2021	4,220.94
Amortisation expense	89.97
Disposals	-
As at 31 March 2022	4,310.91
Net carrying amount	
As at 31 March 2021	225.20
As at 31 March 2022	135.23



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	As at 31 March 2022 (Rupees in'000)	As at 31 March 2021 (Rupees in'000)
6. Other financial assets <i>(Unsecured considered good unless otherwise stated)</i>		
Security deposits	45.00	-
Balances with banks held as margin money	153.20	124.43
Total	198.20	124.43
7. Non-current tax assets (net)		
Advance tax and tax deductible at source*	859.97	1,344.88
Total	859.97	1,344.88
*Net of provision for tax	2,489.28	2,489.28

7(a). Deferred tax balances

The Company has not recognised deferred tax asset due to lack of probability of future taxable profits. The following is component wise breakup of deferred tax asset and liability:

	As at 31 March 2022	As at 31 March 2021
Deferred tax asset		
Expected credit loss allowance	12,786.55	11,433.06
Provision for gratuity	551.62	427.02
Provision for compensated absences	371.18	262.38
Expenditure allowed on actual payment basis	354.03	416.80
Unabsorbed depreciation and brought forward loss	7,278.23	8,999.05
Total deferred tax asset	21,341.61	21,538.31
Deferred tax liability		
Property, plant and equipment and intangible assets	(440.63)	(562.28)
Total deferred tax liability	(440.63)	(562.28)
Deferred tax asset recognised to the extent of deferred tax liability	440.63	562.28
Net Deferred tax asset recognised	-	-

Details of deferred tax on losses and unabsorbed depreciation are as follows:

	As at 31 March 2022 (Rupees in'000)		As at 31 March 2021 (Rupees in'000)	
	Unused losses	Tax	Unused losses	Tax
Expiry				
Business loss				
2023-24	-	-	4,294.35	1,080.80
2024-25	6,239.10	1,570.26	9,458.86	2,380.61
2028-29	9,426.27	2,372.41	8,675.71	2,183.51
Never expire				
Unabsorbed depreciation	13,279.74	3,342.25	13,326.94	3,354.13

8. Inventories

(lower of cost and net realisable value)

Reagents, chemicals and consumables

Total

2,465.72	2,051.73
2,465.72	2,051.73

9. Trade receivables

Considered good - Secured

Considered good - Unsecured

Trade Receivables which have significant increase in credit risk

Less: Allowance for expected credit loss

Total

188.20	188.17
26,548.31	19,219.98
50,804.80	45,426.98
(50,804.80)	(45,426.98)
26,736.51	19,408.15

Age of receivables

Undisputed trade receivable - Considered good

Not due

Less than 6 months

6 months-1 year

1-2 years

2-3 years

Total

3,393.84	2,656.09
8,157.03	7,302.24
11,685.60	2,503.18
3,500.04	6,853.60
-	93.04
26,736.51	19,408.15



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	As at 31 March 2022 (Rupees in'000)	As at 31 March 2021 (Rupees in'000)
Undisputed trade receivable - which have significant increase in credit risk		
1-2 years	3,500.04	6,484.26
2-3 years	10,823.52	10,459.85
More than 3 years	36,481.24	28,482.87
Total	50,804.80	45,426.98

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 Company further limits its credit risk by establishing a maximum credit period of 30 to 60 days for all its customers. There are no customers which represent more than 5% of the total balance of trade receivables except as mentioned below:

Customer Name	As at 31 March 2022	As at 31 March 2021
Sadar Hospitals (Government of Jharkhand)(Gross)	59,524.82	63,179.94

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

Ageing	As at 31 March 2022 Expected credit loss (%)	As at 31 March 2021 Expected credit loss (%)
0-1 year	0%	0%
1-2 years	50%	50%
2-3 years	100%	100%

Age of receivables	As at 31 March 2022	As at 31 March 2021
0 - 1 year	23,236.47	12,461.50
1 - 2 years	7,000.08	13,337.86
2 - 3 years	47,304.76	39,035.77
Total	77,541.31	64,835.13

(d) **Movement in expected credit loss allowance**

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	45,426.98	36,415.99
Add: Recognised during the year	5,377.82	9,010.99
Balance at end of the year	50,804.80	45,426.98

10(a). Cash and cash equivalents

Balances with banks:		
- on current accounts	5,226.31	18,685.99
Cash on hand	432.59	392.66
Cash and cash equivalents as per balance sheet and statement of cash flows	5,658.90	19,078.65

10(b). Bank balances other than cash and cash equivalents

Balances with banks - deposits with original maturity of more than 3 months but less than 12 months	28,500.00	10,000.00
	28,500.00	10,000.00

11. Other financial assets
(Unsecured considered good unless otherwise stated)

Advances recoverable	60.23	49.92
Interest accrued on fixed deposits	210.05	66.86
Total	270.28	116.78

12. Other current assets
(Unsecured considered good unless otherwise stated)

Prepaid expenses	239.52	328.55
Advances to suppliers and employees	382.99	472.90
Total	622.51	801.45



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13. Equity share capital

	As at 31 March 2022		As at 31 March 2021	
	Number of shares	(Rupees in'000)	Number of shares	(Rupees in'000)
Authorised share capital				
Equity shares of Rs. 10 each	8,000,000	80,000.00	8,000,000	80,000.00
	8,000,000	80,000.00	8,000,000	80,000.00
Issued, subscribed and paid up share capital				
Equity shares of Rs. 10 each fully paid up	8,000,000	80,000.00	8,000,000	80,000.00
	8,000,000	80,000.00	8,000,000	80,000.00

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

	As at 31 March 2022		As at 31 March 2021	
	Number of shares	(Rupees in'000)	Number of shares	(Rupees in'000)
Equity shares				
Outstanding at the beginning of the year	8,000,000	80,000.00	8,000,000	80,000.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	8,000,000	80,000.00	8,000,000	80,000.00

(b) **Terms/rights attached to equity shares**

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

(c) **Shares held by holding Company/ultimate holding company:**

Particulars	As at 31 March 2022			As at 31 March 2021		
	Number of shares	(Rupees in'000)	% of Total Shares	Number of shares	(Rupees in'000)	% of Total Shares
Equity shares of Rs. 10 each						
SRL Limited, the holding company (Including its nominees)	8,000,000	80,000.00	100%	8,000,000	80,000.00	100%

SRL Limited is the promoter of the Company. There has been no change in promoter shareholding during the year.

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

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares of Rs. 10 each				
SRL Limited, the holding company (including its nominees)	8,000,000	100%	8,000,000	100%
	8,000,000	100%	8,000,000	100%

(e) There are no equity shares issued for consideration other than cash during the period of five immediately preceding year from the reporting date.



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	As at 31 March 2022 (Rupees in '000)	As at 31 March 2021 (Rupees in '000)
14. Provisions		
Non-Current		
Provisions for employee benefits		
Provision for gratuity (refer note 29)	1,810.77	1,414.36
Provision for compensated absences	1,111.32	767.36
Total	2,922.09	2,181.72
15. Trade payables		
- total outstanding dues of micro enterprises and small enterprises (refer note 33)	2,806.00	2,225.35
- total outstanding dues of creditors other than micro enterprises and small enterprises	77,232.37	66,093.33
Total	80,038.37	68,318.68
Age of trade payable		
Undisputed dues - Micro enterprises and small enterprises (MSME)		
Not due	1,328.06	1,128.19
Less than 1 year	1,432.09	1,077.09
1-2 years	45.85	2.08
2-3 years	-	11.24
More than 3 years	-	6.75
Total	2,806.00	2,225.35
Undisputed dues - Others		
Not due	1,112.37	2,576.47
Less than 1 year	20,161.27	13,695.40
1-2 years	11,958.74	17,636.79
2-3 years	17,171.26	13,991.97
More than 3 years	26,828.73	18,192.70
Total	77,232.37	66,093.33
16. Other financial liabilities		
Deposits from customers	270.00	270.00
Employee benefits payable	897.37	2,893.71
Total	1,167.37	3,163.71
17. Other current liabilities		
Statutory dues payable	689.48	574.91
Deferred revenue	135.77	766.92
Total	825.25	1,341.83
18. Provisions		
Current		
Provision for employee benefits		
Provision for gratuity (refer note 29)	380.98	282.31
Provision for compensated absences	363.48	275.15
Total	744.46	557.46



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	Year ended 31 March 2022 (Rupees in '000)	Year ended 31 March 2021 (Rupees in '000)
19. Revenue from operations		
Sale of services (refer note 37)	84,653.43	53,668.24
Other operating income		1,641.82
- Liabilities no longer required written back	-	-
Total	84,653.43	55,310.06
20. Other income		
Interest income on		
- Bank deposits	1,015.62	482.17
- Income tax refund	80.17	25.98
Miscellaneous income	50.30	-
Total	1,146.09	508.15
21. Cost of materials consumed		
Reagents, chemicals and consumables	2,051.73	1,950.16
Inventories at the beginning of the year	17,580.87	14,699.37
Add: Purchases during the year	19,632.60	16,649.53
Less: Inventories at the end of the year	2,465.72	2,051.73
Total	17,166.88	14,597.80
22. Employee benefits expense		
Salaries and wages	19,062.07	16,990.61
Contribution to provident and other funds (refer note 29)	1,851.19	1,745.79
Gratuity expense (refer note 29)	428.00	368.80
Staff welfare expenses	294.82	254.12
Total	21,636.08	19,359.32
23. Finance costs		
Interest cost on:		
-Net defined benefit obligation (refer note 29)	95.79	82.64
Other costs	112.50	132.22
Total	208.29	214.86
24. Depreciation and amortisation expense		
Depreciation of property, plant and equipment	2,402.71	2,553.89
Amortisation of intangible assets	89.97	229.50
Total	2,492.68	2,783.39
25. Other expenses		
Power and fuel	2,126.68	1,936.95
Rates and taxes	6,729.91	6,304.11
Insurance	181.47	172.40
Repairs and maintenance:		
- Plant and machinery	1,670.58	1,533.12
- Buildings	10.70	0.53
- Others	154.32	171.56
Advertisement and sales promotion	159.07	428.96
Postage and courier	3,534.11	2,670.61
Travelling and conveyance	457.06	393.21
Printing and stationery	420.97	353.92
Communication	938.19	1,020.45
Legal and professional (refer note below for payment to auditors)	1,601.03	1,688.17
Professional fees to doctors	8,615.96	8,849.77
Loss allowance on trade receivables (refer note 9)	5,377.82	9,010.99
Housekeeping expenses	179.44	226.93
Security expenses	269.04	267.59
Miscellaneous expenses	193.13	277.47
Total	32,619.48	35,306.74
Note : Payment to the auditors comprises (net of GST):		
i) For audit	858.90	858.90
ii) For taxation matters	158.00	158.00
iii) For reimbursement of expenses	13.50	13.50
	1,030.40	1,030.40



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	Year ended 31 March 2022 (Rupees in '000)	Year ended 31 March 2021 (Rupees in '000)
26. Income taxes :		
(a) Recognised in profit or loss	-	-
(b) The income tax expenses for the year can be reconciled to accounting profit as follows		
Profit/(Loss) before tax	154.79	(20,709.79)
Tax using Company's domestic tax rate @ 25.17% (31 March 2021: 25.17%)	38.96	(5,212.65)
Current year profit adjusted against carry forward losses	(38.96)	-
Previous year losses for which no deferred tax asset recognised	-	5,212.65
Income tax expense recognised in profit or loss	-	-
27. Earnings/(loss) per share (EPS)		
Profit/(Loss) for the year attributable to owners of the Company	154.79	(20,709.79)
Weighted average number of equity shares used in calculation of basic and diluted EPS (in numbers)	8,000,000	8,000,000
Nominal value per share (in rupees)	10.00	10.00
Earnings per share		
-Basic and Diluted (in rupees)	0.02	(2.59)



SRL REACH LIMITED
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28. Related party disclosures

A. Related parties where control exists :

- (i) **Ultimate holding company**
IHH Healthcare Berhad
- (ii) **Intermediate holding company**
Fortis Healthcare Limited
- (iii) **Enterprises having direct control over the Company (holding company)**
SRL Limited

B. Transactions with related parties during the year

	Year ended 31 March 2022 (Rupees in '000)	Year ended 31 March 2021 (Rupees in '000)
Receiving of services:		
(i) Cost of tests outsourced:		
SRL Limited	11,521.32	4,265.89
(ii) Reimbursement of expenses from:		
SRL Limited	-	2.99
(iii) Purchase of property, plant and equipments:		
SRL Limited	293.63	-
	Year ended 31 March 2022 (Rupees in '000)	Year ended 31 March 2021 (Rupees in '000)
C. Balances outstanding at year end :		
(i) Trade payables		
SRL Limited	29,591.06	26,466.78
	29,591.06	26,466.78



29. Employee benefit plan

(a) Defined contribution plans

Provident fund

The Company makes contribution towards employees' provident fund and employees' state insurance plan scheme 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 the following amounts during the year as expense towards contribution to these plans:-

	Year ended 31 March 2022 (Rupees in '000)	Year ended 31 March 2021 (Rupees in '000)
Provident fund	1,486.55	1,393.27
Employees' state insurance scheme	364.64	352.52
	1,851.19	1,745.79

(b) 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. 2,000.00 thousands 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:

	Year ended 31 March 2022	Year ended 31 March 2021
Discount rate	6.10% p.a.	5.65% 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)		
Upto 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.

	Year ended 31 March 2022 (Rupees in '000)	Year ended 31 March 2021 (Rupees in '000)
Service Cost		
Current service cost	428.00	368.80
Net interest expense	95.79	82.64
Recognised in statement of profit and loss	523.79	451.44
Remeasurement on the net defined benefit liability:		
- Actuarial losses arising from changes in demographic assumptions	2.21	-
- Actuarial gains arising from changes in financial assumptions	(50.13)	(8.85)
- Actuarial (gains)/ losses arising from experience adjustments	149.88	(103.34)
Recognised in other comprehensive income	101.96	(112.19)
Total	625.75	339.25



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The current service cost and the 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:

	Year ended 31 March 2022 (Rupees in '000)	Year ended 31 March 2021 (Rupees in '000)
Present value of unfunded defined benefit obligation	2,191.75	1,696.67
	2,191.75	1,696.67
	Year ended 31 March 2022 (Rupees in '000)	Year ended 31 March 2021 (Rupees in '000)
Movement in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	1,696.67	1,490.11
Current service cost	428.00	368.80
Interest cost	95.79	82.64
- Actuarial losses arising from changes in demographic assumptions	2.21	-
- Actuarial gains arising from changes in financial assumptions	(50.13)	(8.85)
- Actuarial (gains)/ losses arising from experience adjustments	149.88	(103.34)
Benefits paid	(130.67)	(132.69)
Closing defined benefit obligation	2,191.75	1,696.67

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.

	Year ended 31 March 2022 (Rupees in '000)	Year ended 31 March 2021 (Rupees in '000)
If the discount rate is 100 basis points higher	2,083.50	1,612.82
If the discount rate is 100 basis points lower	2,311.74	1,789.24
If the expected salary growth increases by 1%	2,310.09	1,787.57
If the expected salary growth decreases by 1%	2,082.92	1,612.71
If attrition rate increases by 1%	2,182.24	1,684.06
If attrition rate decreases by 1%	2,201.54	1,709.75

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 defined benefit plans shall mature after year end 31 March 2022 as follows:

	As at 31 March 2022 (Rupees in '000)	As at 31 March 2021 (Rupees in '000)
Year 1	380.98	282.31
Year 2	398.87	267.09
Year 3	349.58	275.78
Year 4	289.25	236.77
Year 5	237.74	196.61
Next 5 years	762.32	612.36

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

	Year ended 31 March 2022 (Rupees in '000)	Year ended 31 March 2021 (Rupees in '000)
Defined benefit obligation	2,191.75	1,696.67
Experience adjustments on actuarial loss	149.88	(103.34)



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30. Financial instruments

30A Capital management

The Company manages its capital through its holding company, SRL Limited. The capital structure of the Company consists of equity and debt is infused by the holding company whenever required. The Company is not subject to any externally imposed capital requirements.

The Company's board reviews the capital structure of the Company on periodic basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

30B Fair value measurement

(Rupees in '000)

	Notes	Carrying value as at	
		As at 31 March 2022	As at 31 March 2021
Financial assets			
Measured at amortised cost			
Other financial assets - non current	(b)	198.20	124.43
Trade receivables	(a)	26,736.51	19,408.15
Cash and cash equivalents	(a)	5,658.90	19,078.65
Bank balances other than cash and cash equivalents	(a)	28,500.00	10,000.00
Other financial assets - current	(a)	270.28	116.78
Total		61,363.89	48,728.01
Financial liabilities			
Measured at amortised cost			
Trade payables	(a)	80,038.37	68,318.68
Other financial liabilities - current	(a)	1,167.37	3,163.71
Total		81,205.74	71,482.39

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

(a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

(b) Fair valuation of non-current financial assets has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value.

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

30C Financial risk management objectives and policies

The Company manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include credit risk and liquidity risk.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist primarily of Government customers. Refer Note 9 for disclosures.

(b) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management 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 and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

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.



SRL REACH LIMITED
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Particulars	0-1 year	Total Amount	(Rupees in '000) Carrying Amount
As at 31 March 2022			
Non interest bearing instruments			
Trade payables	80,038.37	80,038.37	80,038.37
Deposits from customers	270.00	270.00	270.00
Employee benefits payable	897.37	897.37	897.37
	81,205.74	81,205.74	81,205.74
As at 31 March 2021			
Non interest bearing instruments			
Trade payables	68,318.68	68,318.68	68,318.68
Deposits from customers	270.00	270.00	270.00
Employee benefits payable	2,893.71	2,893.71	2,893.71
	71,482.39	71,482.39	71,482.39

The Company expects to meet its obligations from operating cash flows, proceeds of maturing financial assets and support from holding company (also refer note 35)



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31. Ratio analysis

	Numerator	Denominator	31 March 2022	31 March 2021	% Variance	Remarks
Current ratio	Current Assets	Current Liabilities	0.78	0.71	11%	
Return on Equity ratio	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	2%	(304)%		(-101)% Profit during the year due to increase in revenue
Inventory Turnover ratio	Cost of goods sold	Average Inventory	12.70	9.43		35% Mainly increase due to tests outsourced to holding company
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	1.35	1.20	12%	
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	0.24	0.24	1%	
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	(4.76)	(2.51)		90% Mainly increase due to increase in revenue
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	0%	(39)%		(100)% Mainly increase due to increase in revenue
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	(5)%	301%		(102)% Profit during the year due to increase in revenue

32. Additional notes

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vi) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961



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

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro Enterprises and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at the year end has been made in the financial statements based on information received and available with the Company.

	As at 31 March 2022 (Rupees in '000)	As at 31 March 2021 (Rupees in '000)
The principal amount remaining unpaid as at the end of year	2,694.74	2,162.34
Interest due on above principal and remaining unpaid as at the end of the year	34.61	26.92
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.	76.65	36.09
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	111.26	63.01
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	-	-

34. The Company has made detailed assessment of its liquidity position and of the recoverability and carrying values of its assets comprising Property, plant and equipment, Intangible assets, Trade receivables and Inventory 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.

35. The Company has incurred losses in previous years. As a result, the net worth of the Company has been fully eroded as at 31 March 2022. However, based on the future cash flow projections of the Company, expected date of realisation of financial assets and payment of financial liabilities and continued financial support from SRL Limited (holding company), the Company considers it appropriate to prepare the financial statements on a going concern basis.

36. Contingent liabilities

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 are numerous interpretative issues relating to this judgement as to how the liability should be calculated, 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.



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

	As at 31 March 2022 (Rupees in '000)	As at 31 March 2021 (Rupees in '000)
Contract liability - deferred revenue	135.77	766.92

Disaggregation of revenue by Geographical region

The Company operates only in one geographical region i.e. India, hence there is no disaggregation of revenue by geography.

38. Corporate social responsibility

As per section 135 of the Companies Act, 2013 and rules therein, the Company is required to spend at least 2% of average net profit of preceding three years towards Corporate Social Responsibility (CSR). However, the Company has incurred losses in the preceding three years, hence it is not required to spend towards this expenditure.

39. 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 segment i.e. pathology and radiology services, there are no disclosures required to be provided in terms of Ind AS 108 on 'Operating Segments'.

(b) Geographical information

The Company provides services to customers in India. Further, there are no non-current assets located outside India.

(c) Major customer

Revenue from one customer, Sadar Hospitals (Government of Jharkhand) is Rs. 75,026.12 thousand (31 March 2021 : Rs. 53,593.42 thousand) which is more than 10% of the Company's total revenue.

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

Chartered Accountants

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

For and on behalf of the Board Of Directors

SRL Reach Limited



Rajesh Arora

Partner

Membership Number: 076124



Dr. Anurag Bansal

Director

DIN: 07452380



Ajay Kumar Agarwal

Director

DIN: 08996319

Place : Gurugram
Date : 19 May 2022

Place : Gurugram
Date : 19 May 2022

