



EXPONENTIAL  
**VALUE.**

EXCEPTIONAL  
**VISION.**

ACCELERATING  
**POTENTIAL.**

2021-22

ANNUAL REPORT

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To view our report online,  
please visit:

[www.krsnaadiagnostics.com](http://www.krsnaadiagnostics.com)

### Forward-looking Statement

This Annual Report contains statements that are “forward-looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Krsnaa Diagnostics’ future business developments and economic performance. While these forward-looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance.

Krsnaa Diagnostics undertakes no obligation to publicly revise any forward-looking statements to reflect future / likely events or circumstances.

Aligned with our vision 'Let's Do Good', we are engaged in contributing to the health and betterment of society. Over the last few years, we have emerged as a fast-growing, quality diagnostic care provider serving all over India.

With innovation and state-of-the-art equipment utilizing latest technology, combined with skilled radiologists and technicians, we cater to the healthcare requirements of low-income patients in remote locations where diagnostic facilities are limited. Our solid foundation and differentiated business model, which combines reliable diagnostic services with affordability have earned us high customer trust and set the stage for a dynamic future.



### Exceptional Vision

- High-quality diagnostic services at disruptive / affordable prices (Up to 60% lower than market rates)
- Healthcare services for all with special focus on people from lower middle income and low-income groups which form significant portion of the Indian population
- Pan India network across Tier I, Tier II and Tier III locations enabling door step delivery of healthcare
- Radiology-focused player in a saturated pathology-focused market with unique business model in comparison to industry peers



### Exponential Value

- One of the fastest-growing diagnostics service providers
- Robust balance sheet with strong cash flow generation and efficient working capital management
- Better margins and operating leverage

### Accelerating Potential

- Well-positioned to partner the Government's PPP model and partner with trust hospitals and corporate hospitals to provide equitable and affordable healthcare services
- Focused growth strategy in B2B
- Planned approach to expand retail and B2C segment



# Krsnaa Diagnostics

## One of India's largest differentiated diagnostics service providers

### About Us

Krsnaa Diagnostics Limited is amongst India's largest differentiated diagnostics service providers offering a range of technology-enabled diagnostic services such as imaging (including radiology), pathology/clinical laboratory, and tele-radiology services to public and private hospitals, medical colleges, and community health centers pan-India. We provide quality and inclusive diagnostic services at affordable and significantly lower rates than the leading diagnostic players.

#### Radiology

- MRI (0.3 Tesla to 3.0 Tesla)
- CT (2 Slice to 128 Slice)
- X-ray (CR Systems and Digitizer) (100 mA to 500 mA)
- Mammography (CR Mammography / Digital Mammography)
- Ultrasound and Color Doppler (2D to 4D)
- Bone Densitometry

#### Pathology

- Routine Testing (including but not limited to Microbiology, Histopathology, Serology and Immunoassay)
- Specialized Testing (including but not limited to Biochemistry, Molecular Biology, Oncology Genomics and personalized precision based medicine)

### OUR SERVICES

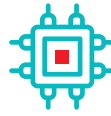
#### Tele-radiology





### Vision

To offer world-class healthcare diagnostics services at affordable rates with the approach of **“Let’s Do Good...”**



### Mission

**“To make a difference in healthcare”** by offering technologically superior diagnostic solutions, and with that reach out to the masses even in the remotest of locations, and provide services at a rate up to 50% lower than the general market price. **“Let’s Do Good...”**

## Key Highlights



# 47%

Revenue CAGR over FY 2017-22



# 101%

PAT CAGR over FY 2017-22



# 23+ million

Patients served in last 5 years



# 2,071

Centers across 14+ states



# 17+ million

Tests conducted annually



# 1+ million

CT/MRI scans per annum



# 3+ million

X-rays per annum



# 12+ million

Pathology tests per annum





### Unique and scalable diagnostics company

- One of the fastest-growing diagnostics service providers in India
- Diagnostic equipment is brand new, leveraging latest technology, state-of-the-art equipment and procured from the top OEMs
- Focus on the public-private partnership (PPP) segment and has the largest presence in the diagnostics PPP segment
- Focusing on highly underpenetrated and underserved areas through PPP collaboration leveraging captive customer bases
- Partnership with several private healthcare providers including corporate hospitals and trust hospitals to operate diagnostic centers within their facilities
- Krsnaa's agreements with its partners are typically long-term in nature and ensure predictability of revenues from operations



### Strong brand equity

- High-quality, reliable services at disruptive pricing (value for money) (upto 60% lower than market rates)
- Focused on providing diagnostic services to the mass segment in semi-urban and rural areas in tier II and III cities and towns
- Adherence to highest quality standards by certified testing reagents and qualified radiologists and pathologists



### Extensive footprint and infrastructure

- Extensive footprint with a network of 2,071 diagnostic centers spanning across 14+ states in India
- Large addressable customer base with best-in-class infrastructure and timely reporting
- Highest penetration across districts with presence in 70+ out of 700 districts



### Robust business model with efficient cost structure

- Well diversified business mix of radiology and pathology
- Ability to bid at competitive prices and conversion of more bids into projects
- Lower fixed cost of operations, low marketing costs, and efficient procurement of scans result in cost efficiency
- Lean operations





### Accreditations

- National Accreditation Board for Hospitals & Healthcare Providers (NABH) certified
- National Accreditation Board for Testing and Calibration Laboratories (NABL) recognized



### Cost competitiveness and high operating leverage

- Existing investment on equipment and infrastructure, large scale of operations, and cost competitiveness have resulted in a strong bid-win rate of 78% in the past and the trend is expected to continue
- Ability to quote attractive pricing at the time of renewal and strong track record of successfully renewing the contract
- Well placed to withstand any industry price caps as well as pricing pressure on tests



### Financial acumen

- Consistent growth in revenues and profitability over the years
- Cash-rich business, efficient working capital management, and strong balance sheet will enable us to pursue growth opportunities



### India's Largest Tele-Radiology Reporting Hub

We operate one of India's largest tele-radiology reporting hubs in Pune which processes large volumes (estimated 8 to 9 million images per annum) of X-rays, CT scans, and MRI scans round the clock and 365 days a year and allows to serve patients in remote locations with limited diagnostic facilities.

- Scalable business model and enables wider penetration into tier II and tier III cities
- Analog images get converted into digital format and sent to hub for examining and preparing report
- Experienced team of radiologists and lab technicians
- Stringent quality control checks to ensure highest reporting standards coupled and accurate diagnosis
- Sufficient capacity to process large volumes in the coming years

# 45,000 sq. ft.

Ergonomically designed corporate office in Pune out of which approx. 12,000 sq. ft. is the Tele-radiology Hub

# 200+

Team of tele-reporting radiologists from India and abroad

# 24x7

Uninterrupted connectivity between diagnostic centers and hub

# Our Journey

## 2011

Incorporation of the Company with 2 radiology centers

## 2013

Started operating 12 centers in Himachal Pradesh in public-private partnership

## 2017

Expanded footprint to 50 centers across 4 states

## 2018

Expanded footprint pan-India to 664 centers across 12 states

## 2020

Expanded footprint to 1,300+ centers across 13 states

## 2019

Expanded strategic tie-up with private hospital

Set up 14 private centers

## 2021-2022

Expanded footprint to 1,800+ centers across 14 states

Won contract for Punjab Radiology and Pathology

Listed successfully on the Stock Exchanges

Expanded footprint to 2,000+ centers across 14 states

Won contract for Himachal Pradesh Pathology

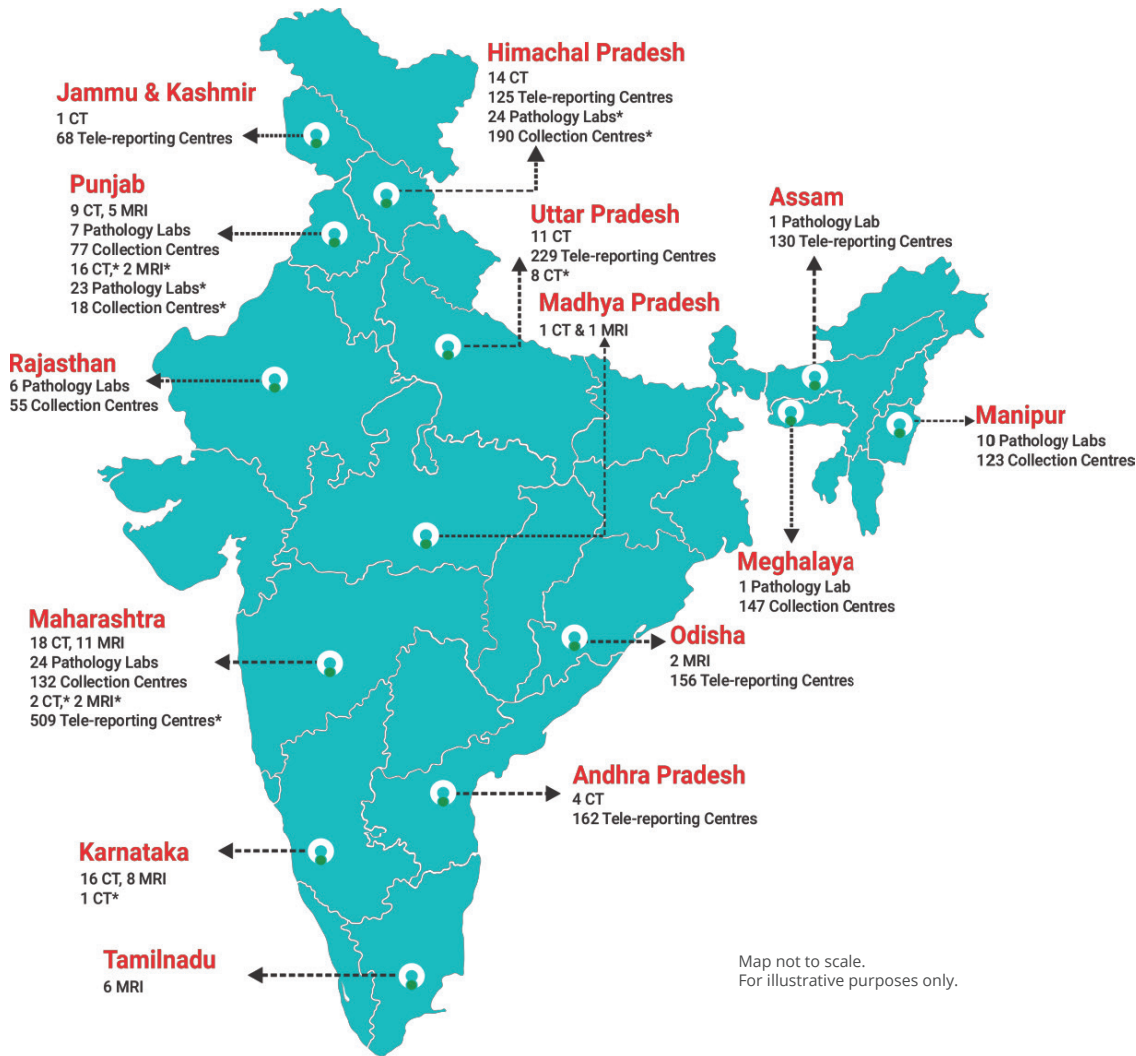
Won contract for Chandigarh and Uttar Pradesh Radiology



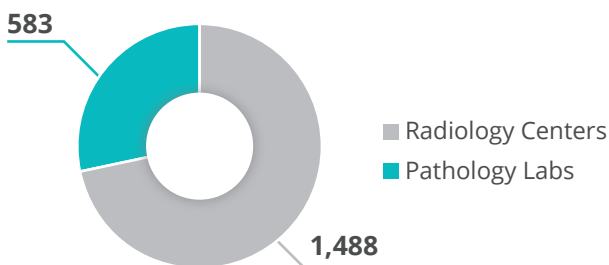


# Our Extensive Footprint and Infrastructure

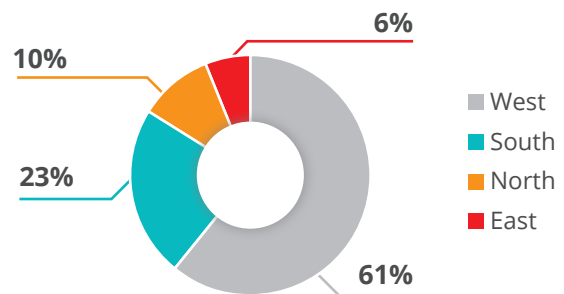
Only Company with pan-India presence in both radiology and pathology



\*Under Implementation



Region-wise revenue contribution (as on FY 2021-22)



# Chairman's Message



It gives me immense pleasure to present our maiden Annual Report for FY 2021-22. At the onset, I would like to thank all the shareholders for their overwhelming response to the public issue and look forward to their continued support. This year holds great significance in our history as we embarked on our journey to go public.

## Dear Shareholders,

### Successful Public Listing

The ₹ 1,213 crore Initial Public Offering (IPO) of Krsnaa Diagnostics was subscribed over 64 times and received an overwhelming response. The proceeds from the issue are intended to be utilized for establishing new diagnostic centers, repayment of loans, and for general corporate purposes.

Our Company has an exceptional vision and strong moat with a wide network and dominant position in the PPP space. We sharply focus on the partnerships with trust hospitals, corporate hospitals, and public hospitals through public-private partnership (PPP) and have the largest presence in the diagnostics PPP segment. Our unique business model, size and scale of operations, and strong brand equity make us well-positioned to benefit from favorable trends in the healthcare delivery ecosystem.

### The Opportunity Matrix

The Indian healthcare infrastructure is expected to reach a size of US\$ 349.1 billion by FY 2021-22. The share of public expenditure on healthcare stood at 2.1% of GDP in FY 2021-22 as against 1.8% in FY 2020-21 and 1.3% in FY 2019-20. The healthcare sector is one of India's largest employers and employs a total of 4.7 million people. The sector generated 2.7 million additional jobs in India between 2017-22 i.e., over 5,00,000 new jobs per year.

The Indian diagnostics industry has grown consistently over the past three fiscals and is projected to reach ₹ 920-980 billion by fiscal 2023, echoing the growth in healthcare delivery services. The emergence of the pandemic has further highlighted the importance of investing in effective healthcare infrastructure and diagnostics services.

Post the pandemic, there has been a shift towards specialized testing, increased home collection, and business-to-customers (B2C) segments. With rising literacy rates and disposable incomes, individuals increasingly demand better healthcare facilities leading to higher growth of in-patients and out-patient treatments.

The PPP segment of healthcare services is a large addressable market and is expected to grow at a CAGR of 14%-17% between fiscal 2021 and 2023 to reach ₹ 135 billion on the back of higher government spending in the PPP segment.



The National Health Infrastructure Mission with an outlay of ₹ 64,180 crore till 2025-26 envisages increased investments in public health reforms to provide better access to health in rural areas. Key focus areas include strengthening health and wellness centers in villages and cities; adding critical care-related beds at district-level hospitals; creating public healthcare units in 11 high-focus states; and developing integrated public health laboratories in all districts.

The Health Systems Strengthening Program is of special focus of the National Health Mission (NHM). It involves the Free Diagnostic Service initiative which is vital in boosting the PPP model in diagnostics sector. The scheme is implemented through the in-house mode wherein the government set-ups and manages the diagnostic centers.

This initiative was announced in fiscal 2015 to tackle the issue of high out-of-pocket expenses on diagnostic services. The major objective of this initiative is to ensure availability and access to essential diagnostic tests at public health facilities for economically weak patients.

One of the biggest advantages of a PPP-led diagnostic facility is the services offered at the existing healthcare service delivery points such as government hospitals, private health centers, and community health centers across Tier I and Tier II and rural cities. This not only helps reduce the need to travel but also helps reduce their out-of-pocket expenditures.

This will bring a paradigm shift in India's healthcare infrastructure and make it more resilient. Further, Government's emphasis on healthcare infrastructure will create substantial opportunities for private investment to create affordable healthcare facilities.

### Strong Performance, Stronger Prospects

At Krsnaa, we intend to serve the nation by providing affordable diagnostics throughout the country serving the low-income segments and create employment opportunities across the locations where we serve and generate value for our stakeholders.

Our revenues stood at ₹ 4,555 million in FY 2021-22 compared to ₹ 3,965 million in FY 2020-21, marking a growth of 15%. Profit after Tax for the year increased by a whopping 117% to ₹ 684 million from ₹ 315 million in the previous year. EBITDA was impacted due to investment in operationalizing new centers and increase in employee costs.

During the year, we incurred a capex of ₹ 1,311 million, of which ₹ 721 million was funded from internal accruals and ₹ 590 million was generated from IPO proceeds. This was primarily utilized towards setting up new diagnostic centers.

Further, we have built a strong cash flow generating model backed by healthy cash flow conversion cycle and efficient working capital management. This enables us to fund our growth plans through internal accruals.

The fact that we conducted 17.28 million tests in FY 2021-22 compared to 9.38 million tests in FY 2020-21 demonstrates the faith in our services and higher awareness and visibility of Krsnaa Diagnostics centers.

We differentiate ourselves on account of our pan-India presence and affordable pricing which act as an entry barrier for newer entrants in the industry. The value we add to the services provided at public hospitals on account of the quality of our services, competitive rates, and advanced technology, makes us a preferred partner for the expansion of affordable healthcare facilities across the country.

We have a three-pronged approach focusing on strengthening our PPP, B2B, and B2C diagnostic segments with a revenue share of 60%, 20%, and 20%, respectively.

Our aim is to reduce the out-of-pocket expenditure on healthcare which is aligned with the Government's policy of providing high-quality, affordable healthcare to all.

We plan to expand our network of diagnostics centers in the underpenetrated markets by participating in new PPP tenders and establishing newer diagnostic centers. Expanding the pathology service offerings, having increased penetration in home visits, and opening more collection centers will also enable us to penetrate deeper into key markets. Our ability to deploy and operate diagnostic centers in tier II and III cities and towns makes us a preferred partner for private players in the healthcare industry to establish diagnostic centers within their facilities in the rural areas.

Going forward, we intend to leverage our vast presence and extensive infrastructure to offer additional diagnostic services in molecular diagnostics and genomics. Plans on the anvil also include strengthening our digital footprint and customer engagement and improving profitability and efficiency.

### Conclusion

My sincere appreciation to all our stakeholders and employees for their unwavering belief and support in us. Krsnaa aims to serve the nation by providing affordable diagnostics throughout the country serving the middle and lower income group with special focus on the needy patients, and at the same time creating employment opportunities across the locations where we serve and generate value to our stakeholders. I am quite confident that our robust track record coupled with promising prospects will enable us to accelerate growth momentum and unleash higher value creation.

Warm Regards,

**Rajendra Mutha**

Executive Chairman

# Financial Performance

## Revenue from Operations (₹ in million)



## Radiology Revenue (₹ in million)



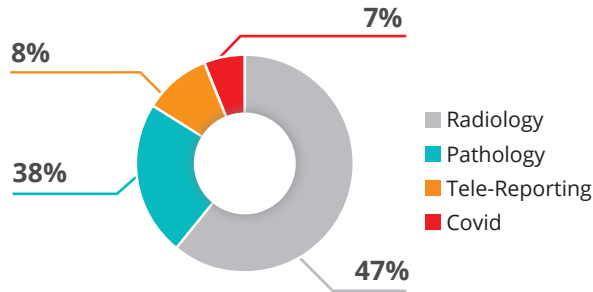
## Pathology Revenue excluding COVID-19 (₹ in million)



## COVID-19 Revenue (₹ in million)



## Revenue Mix as on FY 2021-22



## EBITDA (₹ in million)



## PAT (₹ in million)



## Net Worth (₹ in million)



## Earnings Per Share (₹)



## Receivables Days





# Operational Highlights

## Total Tests (₹ in million)



## Radiology Tests (₹ in million)



## Tele-Reporting Tests (₹ in million)



## Pathology Tests (₹ in million)



## COVID-19 Tests (₹ in million)



## Number of Patients (₹ in million)



## Tele-Reporting Patients (₹ in million)



## Average Revenue Per Patient (₹)



## Average Revenue Per Patient: Tele-Reporting (₹)





# Accelerating Potential

## By Exploring Opportunities in Public-Private Partnership (PPP)

We have an impeccable track record in executing PPP contracts with both public health agencies and private players to operate diagnostic centers within their premises. Given the massive opportunities, we are well-positioned to partner with the government's initiative of providing equitable, affordable, and quality health care services to all.

### The PPP model and its potential

According to the National Sample Survey (NSS), around 14.4% of the population receive free medicines in urban areas and 13.8% in rural areas. For diagnostic services, the penetration is higher in urban areas at 19.9% compared to 18.4% in rural areas. This can be attributed to the low penetration of diagnostic services in rural India. This offers huge potential for government to partner with private diagnostic players to enhance healthcare infrastructure in the highly underpenetrated rural areas.

The PPP model involves diagnostic players entering into a public-private partnership with the government to provide specific diagnostic services such as pathology, and radiology, among others for a specific concession period at predefined rates. The PPP model in diagnostics services has gained traction over the past five years and is expected to see further growth as India increasingly focuses on strengthening primary healthcare centers, increasing health and

wellness centers, and making a policy shift towards preventive care.

The PPP model has also gained prominence with the pushing of the National Health Mission's (NHM's) Free Diagnostic Initiative. The scheme involves strengthening the diagnostic capabilities and reach of government facilities via the PPP model.





## GROWTH DRIVERS OF PPP MODEL

### Conducive government policies

Favorable government reforms such as PM-Ayushman Bharat Health Infrastructure Mission (PM-ABHIM) to strengthen the healthcare infrastructure in the country will boost the PPP model. Focus is on developing capacities of health systems and institutions at all levels viz. primary, secondary, and tertiary care. Moreover, health and wellness packages focusing on preventive healthcare are also expected to fuel the demand for healthcare services. Increasing demand for healthcare services associated with lifestyle-related diseases such as cardiac ailments, cancer, and diabetes is likely to be the driving force for the Indian diagnostics industry.

### Improving income levels and demographic profile

With the Indian population expected to grow to approximately 1.4 billion by 2026, the need to ensure healthcare services to the vast populace is imperative. Increasing population and income levels are critical to the growth in demand for healthcare delivery services in India. As income levels increase, it emphasizes higher spending on preventive and wellness tests and will boost demand for diagnostics services.

### Increasing awareness to boost demand for preventive and wellness tests

Rapid urbanization is driving greater awareness about quality healthcare services for both preventive and curative care. Communities are changing their mindsets from testing when ill, to testing not to get ill. The hospitalization rate for in-patient treatment as well as walk-in out-patients is expected to rise with increasing urbanization and literacy, paving way for the growth of diagnostics industry as well.

### COVID-19 acting as a boost to the PPP scheme

The COVID-19 pandemic has highlighted the importance of private participation in healthcare and diagnostics services. To ramp up the COVID-19 testing, the government of Karnataka announced the establishment of RT-PCR labs under the PPP model and has set targets to expedite testing by 3 times. As a result, India saw opening of new labs to tackle the rising volume of testing requirements and incorporate swiftness in result delivery.

### Tapping the PPP Opportunity

We have proven capabilities and largest presence in the PPP diagnostics segment. Our PPP agreements are typically long-term in nature and ensure predictability of our revenues from operations. Our continued focus on this segment has led us to become a preferred partner for public health agencies.

We also collaborate with private healthcare providers to operate diagnostic centers within their facilities and have expanded from operating 14 diagnostic centers as of March 31, 2019, to 26 such diagnostic centers as of March 31, 2022.

Our strong capabilities along with robust balance sheet and cash flow generation insulate us from the potential risks associated with traditional PPP contracts such as legal risk, financial risk, market and revenue risk, etc.

We sharply focus on partnerships with trust hospitals, corporate hospitals, and public hospitals through public-private partnerships to enhance access to quality diagnostic services to the low-income and marginalized families of the country,



## Our Advantage

- Existing investment on equipment and infrastructure, large scale of operations, and cost competitiveness have resulted in a strong bid-win rate of 78% in the past and the trend is expected to continue
- Ability to quote attractive pricing at the time of renewal and strong track record of successfully renewing the contract



Having established a distinct position and successful track record, we intend to tap the growing and underpenetrated diagnostics market by participating in new PPP tenders and establishing newer diagnostic centers.

### Uttar Pradesh Radiology Contract

- UP Government awarded contract in February 2022. National Health Mission-backed contract
- Duration: 10 Years
- Deploy 8 CT scanners in districts hospitals

### Chandigarh Radiology Contract

- Chandigarh health department awarded contract in February 2022
- Duration: 10 Years
- Deploy 1 MRI scanner at Govt. Multi-Specialty Hospital, Chandigarh

### Himachal Pradesh Pathology Contract

- Himachal Pradesh department of health and family awarded contract in February 2022
- Duration: 5 Years
- Establish 24 Labs and 190 collection centers with Hub and Spoke model

## Status of Ongoing Projects

### Radiology Centers Growth

State	Total Centers	Operational Till March-22	To be Operationalized in Q1 FY23	Construction Completed	Construction WIP
Punjab	25	9	7	8	1
MCGM Mumbai	3	1	1	-	1
Himachal Pradesh	2	2	-	-	-
Karnataka	2	1	-	-	1
Somaiya Hospital Mumbai	1	-	1	-	-
<b>Total Radiology</b>	<b>33</b>	<b>13</b>	<b>9</b>	<b>8</b>	<b>3</b>



## Pathology Centers Growth

State	Total Centers	Operational Till March-22	To be Operationalized in Q1 FY23	Construction Completed	Construction WIP
Punjab Labs	30	7	11	8	4
Punjab Collection Centers	95	77	2	-	16
<b>Total Pathology</b>	<b>125</b>	<b>84</b>	<b>13</b>	<b>8</b>	<b>20</b>

Total Capital Expenditure incurred of ₹ 59 crore from IPO Proceeds for setting up new centers

## Upcoming Projects

### Maharashtra Radiology Contract

- Awarded by Commissionerate of Health Services, Government of Maharashtra
- Deploy 31 CT Scan Machine and Operate 8 Government CT Scan Machines at 39 Government Hospitals

Duration - 10 Years

### Rajasthan Radiology Contract

- Awarded by Rajasthan Medical Education Society (Directorate of Medical Education), Government of Rajasthan
- Deploy CT Scan Machine at MES Medical College at Churu, a city in Rajasthan

Duration - 12 Years

### Tripura X-ray Tele-Reporting Contract

- Awarded by Mission Director, National Health Mission, State Health & Family Welfare Society, Tripura
- Provide X-Ray Tele-Radiology services across all districts of Tripura

Duration - 5 Years



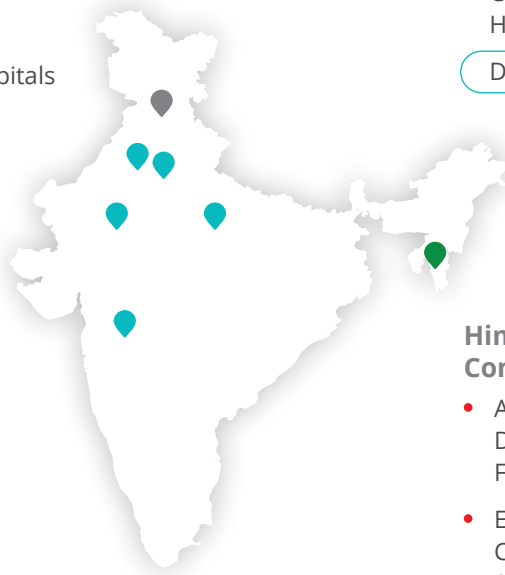
Radiology Contract



X-ray Tele-Reporting Contract



Pathology Contract



### Delhi Radiology Contract

- Awarded by Indira Gandhi Hospital, Government of NCT Delhi
- Deploy One MRI machine and One CT Scan machine at Indira Gandhi Hospital, Dwarka Sector-9, Delhi

Duration - 12 Years

### Himachal Pradesh Pathology Contract

- Awarded by Himachal Pradesh Department of Health and Family Welfare
- Establish 24 Labs and 190 Collection Centers with Hub and Spoke Model

Duration - 5 Years

### Chandigarh Radiology Contract

- Awarded by Chandigarh Health Department
- Deploy One MRI scanner at Government Multi Specialty Hospital, Chandigarh

Duration - 10 Years

### Uttar Pradesh Radiology Contract

- Awarded by Government of Uttar Pradesh contract and backed by National Health Mission
- Deploy 8 CT scanners in districts hospitals

Duration - 10 Years

# Accelerating Potential By Expanding the B2C Business

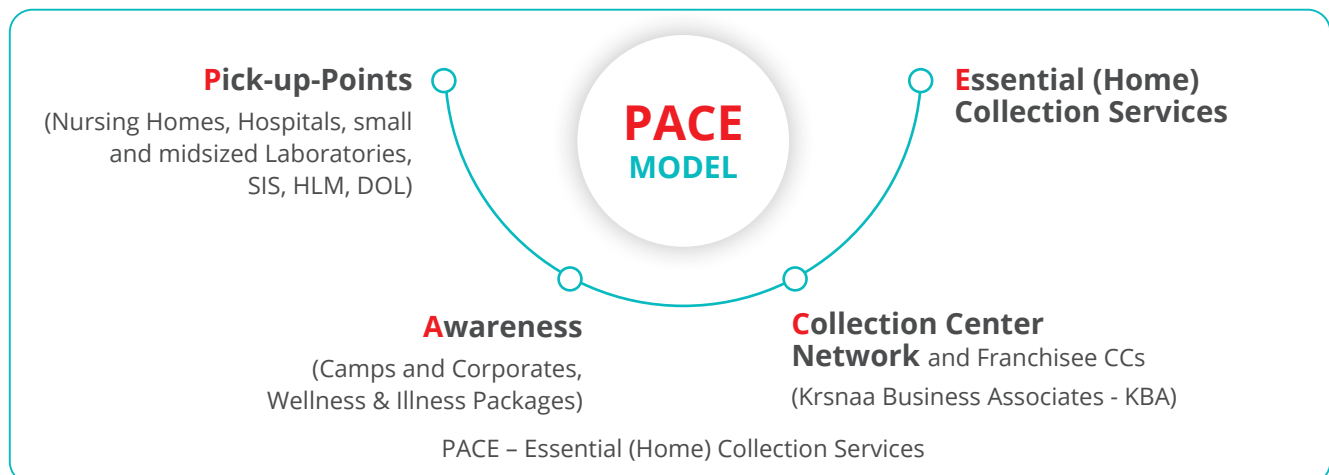
We intend to partner with private sector healthcare providers as well as trust hospitals, corporate hospitals, and public hospitals to strengthen the business-to-business and business-to-consumer segments.

The scale of our operations, vast presence in tier II and tier III locations, ability to offer competitive pricing to customers, accuracy of diagnostic test results, and service delivery including through tele-reporting coupled with branding and marketing activities will enable us to enhance our offerings and grow customer base.

We also intend to enhance capabilities in specialized diagnostics service such as molecular diagnostics and genomics by leveraging our extensive footprint and infrastructure. Expanding our pathology business, adding more collection centers, and offering value-added services such as customer care services, home collection of specimens, and home

delivery of reports are important focus areas.

Another important strategy is to drive higher customer footfalls at our diagnostic centers and augment branding and marketing initiatives to promote the Krsnaa brand and enhance customer experience and management.





## Expanding B2C Pathology Service Offerings

We intend to expand the pathology business by capitalizing on our widespread infrastructure of existing pathology diagnostics centers, adding more collection centers, and reaching out to end consumers.

As on March 31, 2022, we have 583 pathology centers, of which 49 are processing labs and 534 are collection centers.



### KEY FOCUS AREAS

Expand pathology diagnostics service offerings at disruptive prices in 5 states

Phase I- Maharashtra, Punjab, and Himachal Pradesh

Phase II- Rajasthan and West Bengal

Plan to open 1,000 collection centers in these states

Strengthen B2C business in other states to penetrate deeper into key markets

## Home Collection Services

Home Collection Services has been on the rise post the COVID-19 pandemic. We intend to focus on providing highly organized home collection services to our customers using technology enabled processes via Krsnaa Mobile App where customers can book their appointment and can receive, share and store their results. These services will enable us to penetrate in the market faster with our unique features.

## Expanding B2B Pathology Service Offerings

The B2B segment comprises out sourcing pathology specimens through small laboratories, diagnostic centers, clinics, nursing homes, and hospitals.

Given our ability to deploy and operate diagnostic centers in tier II and tier III cities and towns, private players in the healthcare industry engage with us to establish diagnostic centers in the rural areas within their existing facilities.

### Hospital Lab Management:

Our business model is centered around HLM model with almost 70% of revenues generated through this model. We plan to further expand the HLM model with a focused approach in the private segment.

We intend to share technological expertise for setting up labs and diagnostics in hospital / nursing homes on commercial revenue sharing model across nation. We leverage our unique experience of managing diagnostic centers within hospitals from small (100 – 200 bedded hospitals) to large (150 – 300 bedded hospitals). We are able to create significant value to these hospital partnerships by leveraging our experience, providing latest technology and equipment from the top OEM;s, enhancing patient experience by timely and accurately reporting, and deploying our large pool of radiologists, pathologists and well-trained technicians. Additionally, with our ability to provide radiology and pathology services, we stand out in the market as a preferred partner for hospitals.

### Focus on Illness to Wellness:

We will continue to focus on illness to wellness approach through our specially designed profile and panels which will cater to both B2B and B2C customers. We are future-ready for advanced diagnostics technologies which will transcribe to precision medicine through our newly designed genomics, proteomics testing facility.

### Brand Promotion:

We intend to strengthen our online and offline marketing campaigns with various offerings of illness and wellness profile with quality, accuracy, and best service levels. Focus will be on customer conversion and repeatability with our brand.



# Growing Our Digital Footprint

We actively implement technologies for customer engagement, service provision, and interaction with our vendors to provide quality diagnostic services. Our aim is to increase touchpoints of customer engagement and enhance our brand recall through various digital and technology initiatives.



Notable initiatives include developing online programs for bookings, receiving reports, and availability of patient and family history as part of our mobile application and teleconsultation. We also intend to leverage data analytics capabilities by creating an intelligent dashboard to analyze historical trends and provide more value-added services. We believe that the granularity of data available will enable us to develop and support artificial intelligence-based solutions in radiology and pathology.





## Our Strategy

### Re-Launch Mobile Application

- Digitalize reports and provide Smart Health Reports with next steps and recommendations
- Real-time availability of reports
- One roof for Radiology and Pathology
- Conveniently book appointment for Radiology tests
- Book appointment for home collection

### Patient Testimonials

- Encourage patients to provide feedback and write testimonials about the experience with Krsnaa
- Post testimonials on social media platforms to create awareness and visibility
- Collect feedback on scope of improvement areas



### Social Media Engagement

- Organize social media engagement campaigns on health awareness & free cancer camps
- Participate in health and talk shows
- Increasing touchpoints through regular social media engagement and sharing of information

### Wellness and Illness Packages

- Increase awareness about preventive health check-ups at disruptive prices
- Customize test health packages according to the region and states
- Launch home collection and homecare services

## Technology Transformation

We sharply focus on advanced information technology solution enabling automated registration, barcoding, invoicing and result report processes to minimize errors. This automation will help digitize entire operation in single window to reduce human errors and enhance productivity and efficiency. We have also adapted the use of middleware solutions for efficient and qualitative monitoring of all labs with control over optimal usage of differentiated resources.

# Board of Directors



## **Rajendra Mutha**

### **Executive Chairman**

Mr. Rajendra Mutha is the Executive Chairman of the Company. He has over 10 years of experience in the field of pharmacy and diagnostics. He is a registered pharmacist certified by the Maharashtra State Pharmacy Council.

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## **Pallavi Bhatevara**

### **Managing Director**

Ms. Pallavi Bhatevara is the Managing Director of the Company. She has over 8 years of experience in the field of diagnostic services and is responsible for the expansion and growth of the Company. She is involved in the tendering process and implementation and execution of projects.

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## **Yash Mutha**

### **Whole-Time Director**

Mr. Yash Mutha is the Whole-Time Director of the Company. He has overall 14+ years of experience including 12+ years of experience in the field of audit and risk management. He is a Chartered Accountant, Certified Information Systems Auditor (CISA), and Certified Fraud Examiner (CFE) and was previously associated with KPMG, Deloitte, and Credit Suisse.

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## **Chetan Desai**

### **Independent Director**

Mr. Chetan Desai is the Independent Director of the Company. He is a practicing Chartered Accountant with a wide experience of 47 years. He was the Managing Partner of M/s. Haribhakti & Co. LLP, Chartered Accountants till March 2018. He also serves as the Chairman of the Audit Committee and is a member of the Nomination and Remuneration Committee of the Board.

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### Chhaya Palrecha

#### Independent Director

Ms. Chhaya Palrecha is the Independent Director of the Company. She is a Chartered Accountant with 24 years of experience. She has led finance and accounts functions of various corporate entities for the last 22 years in varied manufacturing and service industries. She serves as a member of the Audit Committee, Stakeholders Relationship Committee, and Nomination and Remuneration Committee of the Board.

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### Rajiva Ranjan Verma

#### Independent Director

Mr. Rajiva Ranjan Verma is the Independent Director of the Company. He was superannuated as Director General of Police, Railway Protection Force, in 2016, after 38 years of experience. He has held key assignments of Director General, Bureau of Police Research & Development, National Crime Record Bureau, and Civil Defense. He serves as the Chairman of the Risk Management Committee and is a member of the Audit Committee and Corporate Social Responsibility Committee of the Board.

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### Adesh Kumar Gupta

#### Independent Director

Mr. Adesh Kumar Gupta is the Independent Director of the Company. He is a qualified Chartered Accountant, Company Secretary, and AMP from Harvard with a rich experience of more than 40 years in Corporate Strategy, M&A, Business Restructuring, Fund Raising, Taxation, etc. He worked for over 3 decades in Aditya Birla Group and held senior positions including board positions in various companies of the group including Indian Rayon, Birla Global Finance, Aditya Birla Nuvo Limited, and Grasim Industries Limited.

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### Prem Pradeep

#### Nominee Director

Mr. Prem Pradeep is the Nominee Director of the Company. He holds a B.Tech in Mechanical Engineering from IIT Delhi and a PGDM from IIM Calcutta. He has over 40 years of experience and has held senior management positions with Bharti Infratel (CEO), Bharti Airtel (CEO), PepsiCo India (VP), RPG Group (CEO e-business). Currently, he is working as an operating partner with Phi Capital. He serves as a member of the Audit Committee, Nomination and Remuneration Committee, and Corporate Social Responsibility Committees of the Board.

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# Leadership Team



**Mr. Rajendra Mutha**  
Chairman – Whole-time  
Director



**Ms. Pallavi Bhatevara**  
Managing Director



**Mr. Yash Mutha**  
Whole-time Director



**Dr. Ravinder Sethi**  
Chief Operating Officer



**Dr. Manish Karekar**  
Chief Operating Officer –  
Pathology



**Dr. Abhijeet Patil**  
Vice President –  
Radiology



**Mr. Pawan Daga**  
Chief Financial Officer



**Mr. Pankaj Wagh**  
General Manager – Human  
Resources & Administration



**Dharmendra Sharma**  
Vice President –  
Operations



**Mr. Nikhil Deshpande**  
Company Secretary



# Corporate Information

## BOARD COMMITTEES

### Audit Committee

Mr. Chetan Desai (Chairman)  
Ms. Chhaya Palrecha  
Mr. Adesh Kumar Gupta  
Mr. Rajiva Ranjan Verma  
Mr. Yash Mutha  
Mr. Prem Pradeep

### Nomination & Remuneration Committee

Mr. Adesh Kumar Gupta (Chairman)  
Ms. Chhaya Palrecha  
Mr. Chetan Desai  
Mr. Prem Pradeep

### Corporate Social Responsibility Committee

Mr. Rajendra Mutha (Chairman)  
Ms. Pallavi Bhatevara  
Mr. Rajiva Ranjan Verma  
Mr. Prem Pradeep

### Risk Management Committee

Mr. Rajiva Ranjan Verma (Chairman)  
Mr. Adesh Kumar Gupta  
Mr. Yash Mutha

### Stakeholders Relationship Committee

Mr. Adesh Kumar Gupta (Chairman)  
Ms. Chhaya Palrecha  
Mr. Yash Mutha

## CHIEF FINANCIAL OFFICER

Mr. Pawan Daga

## COMPANY SECRETARY

Mr. Nikhil Deshpande

## AUDITORS

### Statutory Auditors

MSKA & Associates  
Chartered Accountants

## Internal Auditors

Price Waterhouse Coopers Private Limited

## Secretarial Auditor

Dinesh Birla & Associates,  
Company Secretaries

## Cost Auditors

Harshad S. Deshpande & Associates  
Cost and Management Accountants

## BANKERS

IndusInd Bank Limited  
Janata Sahakari Bank Limited

## REGISTERED OFFICE & CORPORATE OFFICE

S. No. 243/A, Hissa No. 6, CTS No. 4519, 4519/1,  
Near Chinchwad Station, Chinchwad,  
Taluka - Haveli, Pune - 411019  
Website: [www.krsnaadiagnostics.com](http://www.krsnaadiagnostics.com)

## REGISTRAR AND TRANSFER AGENT

KFin Technologies Limited  
Selenium, Tower B, Plot No. 31 & 32,  
Financial District, Nanakramguda,  
Serilingampally, Hyderabad Rangareddi,  
Telangana - 500 032  
Email: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
Website: [www.kfintech.com](http://www.kfintech.com)

## 12<sup>TH</sup> ANNUAL GENERAL MEETING

Tuesday, 27<sup>th</sup> September 2022 at  
11.00 A.M. through Video Conference/Other  
Audio-Visual Means

## RECORD DATE

Friday, 16<sup>th</sup> September, 2022

## CORPORATE IDENTIFICATION NUMBER

L74900PN2010PLC138068



# Management Discussion & Analysis

## Economic Overview

### Global Economy

The year 2021 started with positive indicators of recovery, goods trade recovered and many segments saw recovery reaching pre-pandemic levels. The global rebound in output was mostly driven by strong consumer spending and moderate investment growth. However, by the end of 2021, growth momentum had slowed significantly in major economies such as China, European Union, and United States of America, as the benefits of fiscal and monetary stimulants faded and substantial supply-chain disruptions appeared.

Most emerging countries and economies in transition have had even less growth momentum. Higher commodity prices though have benefited commodity exporting countries in general, but rising food and energy costs have sparked fast inflation.

Yet, despite uncertainties linked with following waves of pandemic and growing global inflationary pressures, the eruption of Russia-Ukraine conflict and consequent trade and diplomatic confrontations have once again resulted in significant financial and political upheaval across the globe. It goes without saying that these developments will have unforeseeable and undesirable consequences for the global financial system and economy.

It is expected that supply chain shocks and shortages caused by the conflict and the lingering epidemic will drive up inflation for businesses and consumers throughout the world, compelling central banks, and governments to continue tightening monetary and fiscal policies.

### Outlook:

Challenges arising due to new waves of COVID-19 infections, ongoing supply-chain bottlenecks, and growing inflationary pressures all threaten global economic recovery. In 2021, global gross product was 1.9% higher than in 2019, but it was still 3.3% behind the production forecast prior to the pandemic. Following a worldwide contraction of 3.4% in 2020 and a 5.5% expansion in 2021, the fastest pace of growth in more than four decades, the world economy is expected to rise by 3.6% in 2022 and 3.5% in 2023. However, these overall growth estimates conceal significant differences in the rate of recovery between nations and regions.

With the epidemic and its impact still far from over, near-term global economic recovery expectations are precarious. The human and economic consequences are projected to rise as fresh waves of COVID-19 spread swiftly, geopolitical tensions between countries soar and rising inflationary pressures in major developed economies and a number of significant emerging countries. Going forward the economy have to navigate a difficult period ahead with the geopolitical and pandemic uncertainties.

### Indian Economy

India has continued to maintain its status as the fastest-growing major economy in the world and is expected to be one of the top three economic powers over the next 10-15 years, backed by its robust democracy, strong global partnerships, increased infrastructure investments, exports and ease of doing business reforms. Even with uncertainties introduced by the sudden COVID-19 outbreak, the fundamentals of economic growth remain strong.

Although the second wave of the pandemic in April-June 2021 was more severe in terms of health and economy contracting, the economic impact was still less severe than the previous year's nationwide lockdown. Despite one of the worst economic contractions in history, in 2020, India's economy is showing unmistakable indicators of a 'V-shaped' recovery in 2021 and 2022. With an overall positive outlook, India is now better positioned for a strong recovery supported by numerous government initiatives to stimulate the economy, such as stimulus packages, vaccination efforts, and relaxed lockdowns. This has resulted in restoring consumer confidence, strengthening financial markets, and boosted manufacturing and exports.

The Advanced Estimates of real GDP growth (YoY) in FY 2021-22 of 9.2% reaffirm the GDP growth momentum that has been maintained from the second wave. India's nominal gross domestic product (GDP) at current prices is estimated to be at ₹ 232.15 trillion (US\$ 3.12 trillion) in FY 2021-22.

Although seasonal demand and lower infection rates increased private spending, the pace of expansion has slowed down slightly compared to prior quarters of fiscal year. Gross fixed capital formation growth slowed due to slower-than-expected demand growth and reduced capacity utilization. In January 2022, consumer price





inflation (CPI) surpassed the top band of the Reserve Bank of India's (RBI) comfort zone (of 4% + 2%), rising to 6% from 5.7% the previous month.

### Government Initiatives:

Government and Central Bank are focusing on fiscal and monetary policies to support and augment recovery in economy. The Government in Union Budget of 2022-23 presented GatiShakti, programs for inclusive development, productivity enhancement and financing of investments.

Production-linked incentives (PLI) programs have now been extended to 14 sectors in order to achieve the 'AtmaNirbhar Bharat' ambition with the aim of creating 6 million jobs and an extra production of ₹ 30 lakh crore (US\$ 401.49 billion) in the next five years. The Indian government proposed a stimulus package of ₹ 2.65 lakh crore (US\$ 36 billion) to create jobs and provide liquidity to diverse industries including as tourism, aviation, construction, and housing. The effective capital expenditure is expected to increase by 27% at ₹ 10.68 lakh crore (US\$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).

As a result of government efforts like Make in India and Digital India, a large number of international firms are establishing operations in India. Under the Make in India program, the Indian government is attempting to increase the manufacturing sector's contribution to GDP from its current 17% to 25%.

The Government of India is also planning to increase public health spending to 2.5% of the GDP by 2025. In addition, both the central government and state governments have put in various initiatives and scheme to accelerate the expansion of existing facilities and setting up new medical colleges and seeking to leverage the skills, experience and financing of the private sector to enhance the overall public health system in India. Furthermore, Niti Aayog, the government body has backed public-private partnership model to link new or existing private medical colleges with functional district hospitals to address the shortage of qualified doctors and bridge the gap in medical education and also rationalize the cost of medical education.

The Ayushman Bharat Health Infrastructure Mission is yet another flagship initiative launched by our Prime Minister to tackle health infrastructure deficiency and render affordable, quality, and accessible health and wellness centers to ensure timely treatment. The scheme aims to provide 35,000+ beds for critical care within four or five years from village blocks and districts to regional

and national levels. Through these various government initiatives and schemes, an entire ecosystem for services from treatment to critical research will be created in every corner of the country.

### Outlook

India is expected to be the third largest consumer economy as its consumption is expected to triple to US\$ 4 trillion by 2025, owing to shift in consumer behavior and expenditure pattern. It is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by 2040.

External shocks are inflicting setbacks on virtually all emerging economies, including India. The Russia-Ukraine crisis has, understandably, temporarily clouded India's development prospects. Persistent global supply chain disruptions and inflationary pressures can moderate the growth estimates over short term. However, we think that India's core economic fundamentals remain solid and short-term instability will have a minor influence on the long-term prospects.

It is expected that from 2023 onwards, the effects of growth-enhancing policies and schemes (such as production-linked incentives and the government's push toward self-reliance) and increased infrastructure spending will begin to take effect, resulting in a stronger multiplier effect on jobs, income, higher productivity, and increased efficiency – all of which will lead to higher economic growth.

In addition, India's focus on manufacturing along with numerous government incentives such as lower taxes and increased services exports in fields of information and technology, would contribute to the development story. This will likely results in the baton for the fastest-growing emerging country to be passed on from China to India in the coming years.

## Industry Overview

### Indian Healthcare Industry

Indian healthcare industry has delivered strong growth in recent few years, supported by favorable government policies, improving healthcare infrastructure, increasing medical tourism, rising incomes and changing demography. The industry boasts of the most competent physicians and experts and well-equipped diagnostics and nursing services. The sector is ranked among one of the most cost-effective healthcare delivery systems and in terms of income and employment, healthcare has become an important sector of the Indian economy.

The COVID-19 pandemic, is though one of the most significant public health crisis of our time but it highlighted the importance of developing a robust and resilient public health system. Indian government took several aggressive and decisive efforts in the early stage, including state-wide lockdowns, restrictions at entrance points for international travels, concentration on test, track, isolate, and treat etc. The country's pandemic response can be best defined as a people-centered, whole-of-government and whole-of-society strategy based on prior experiences with public health catastrophes and current scientific understanding. There were momentary challenges during the current and past fiscal year, but overall fundamentals of industry remain strong and COVID-19 is anticipated to spark long-term shifts in attitudes on personal health and cleanliness, health insurance, exercise and nutrition, as well as health monitoring and medical examinations.

India has realized the importance of the healthcare system and are now putting greater attention on it in order to prevent or reduce future pandemics. From growth perspective, there is a lot of room to expand healthcare services penetration and the healthcare business as a whole. Since 2016, India's healthcare business has grown at a compound annual growth rate of roughly 22% and is estimated to be of US\$ 372 billion in 2022 at this rate. On the policy front, Government of India is implementing several large-scale and ambitious initiatives such as Ayushman Bharat, Pradhan Mantri Swasthya Suraksha Yojana, Mission Indradhanush, NHM Free Drug and Diagnostics Initiatives, National Rural/Urban Health mission and Prime Minister's AtmaNirbhar Swasth Bharat augmenting the larger National Health Mission, country's flagship health systems strengthening program. As health insurance penetration is on an improving trend, affordability among lower-income groups is expected to be increased with visible growth in health check-ups and hospitalization rates among marginalized and rural section of society.

The government is taking efforts and planning to raise public health spending to 2.5% of the country's GDP by 2025 with the main objective of strengthening primary, secondary & tertiary healthcare infrastructure. There is also a commitment to invest US\$ 200 billion in medical infrastructure by 2024, and the implementation of various schemes such as PLI Scheme and the Scheme for Promotion of Medical Device Parks, in particular, provide major financial incentives for investors to manufacture in India.

Indian government is also aiming at attracting foreign direct investment, in the hospital sector and the production of medical equipment, FDI is now authorized up to 100% through the automatic route. Under the automatic method, FDI in the pharmaceutical sector is allowed up to 100% in greenfield projects and 74% in brownfield projects.

There is also an increasing emphasis on introduction of Public-Private Partnership models and now medical tourism is emerging as popular segment as a result of the country's relative cost competitiveness and availability of trained labor.

To summarize, there are several strong prospects for healthcare infrastructure investment in both urban and rural India. The industry is expected to witness strong growth in the near to mid-term due to structural changes in society such as increase in lifestyle-related ailments, changing demography, rising incomes, increasing affordability and increasing medical tourism.

### **Indian Diagnostic Industry**

Diagnostics is an important part of the healthcare industry. A diagnosis is key to detecting, diagnosing, and assessing any disease and plays a major role in the treatment, management, and prevention of diseases for about 70% of all medical decisions. These tests are essential for preventive healthcare, recommending necessary treatments and monitoring recovery post treatment.

The diagnostic market in India is segmented on basis of the nature of tests, kind of provider, end users, competitive landscape, and geographical distribution. There are two major test classifications: Radiology where imaging technologies such as CT scans, MRI scans, X-rays and others are used to diagnose diseases and Pathology where analysis of body fluids or tissues is used to diagnose diseases. Pathology and radiology each have further market segmentation based on additional test classifications. Referrals, walk-ins, and corporate clients are the three types of end users in the market. The market is also divided on basis of service providers: stand-alone diagnostic labs, hospital-based diagnostic labs, and diagnostic chains.

In 2021, industry's growth rate was temporarily impacted but the industry as a whole has experienced an entire paradigm shift in response to the pandemic, heralding an era of phenomenal change concerning its scope and capacity, implementation of technology and digitalization



and revamping business models, ushering in the next phase of growth. The Indian diagnostic sector is valued at approximately US\$ 9 billion (about ₹ 67,500 crore) and is predicted to increase at a compound annual growth rate (CAGR) of 10% over the next half-decade.

The domestic industry is characterized as highly fragmented with unorganized players accounting for approximately half of the market share. However, in recent times, patients are preferring organized chains over standalone centers due to unavailability of complex tests and lack of high-quality services at standalone centers. Consequently, growth rate in organized players is expected to be higher in the near future.

In India, the availability of advanced diagnostic services is limited especially for high-end devices such as CT and MRI and government is looking for a Public-Private Partnership to provide the diagnostics services at their hospitals. In last few years, the PPP model in India has seen success in the healthcare sector and has the potential to bridge the gap and ensure healthcare inclusion for the Indian masses. The State and Central government both are coming up with new tenders owing to success of PPP model in many states and the trend is expected to continue as diagnostic sector is still widely underpenetrated in India. Overall, rising public awareness of the need of early disease detection and success of PPP model is likely to drive market expansion in the coming years.

Also, India is establishing itself as a medical tourism hotspot, with a large number of medical tourists flocking to the nation for treatment due to the availability of cost-effective and superior treatment choices.

Few of the key factors which will drive growth for the industry are:

**Rising per capita income:** With the country's economy growing steadily, per capita income and the economic stability of India's growing middle class are increasing. For millions of upwardly mobile Indians, the changing circumstances and resulting needs have increased affordability and access to better healthcare services.

**Increasing Population:** According to the United Nations' 'World Urbanization Prospects: The 2018 Revision,' India and China, the world's two most populous countries, accounted for roughly 37% of the global population in 2015. According to the estimate, India's population would grow at a 1% CAGR to 1.5 billion by 2030, overtaking China's 1.4 billion people to become the world's most populated

country. With a population of 1.3 billion people, India has a large market and significant development potential for health care services.

**Changing nature of diseases:** COVID-19 demonstrated how contagious a virus can be. We have a variety of diseases that can be transferred between us and can spread quickly depending on the environment.

**More people have access to organized health care:** As the economy progresses, insurance-backed and publicly supported healthcare plans will become the diagnostics industry's backbone. Government incentives will also play a part in encouraging people to get more preventative testing.

**Government Initiatives:** With a plan to enforce basic standards in the country's diagnostics and wellness services, the government is attempting to regulate the business. These guidelines will aid in the provision of high-quality diagnostics and wellness services across the country. This will serve as a cornerstone of growth for all of the industry's transparent and ethical participants.

**The expanding use of technology in healthcare:** As the speed of digital innovation in healthcare quickens, so will the prospects for healthcare service providers in India who are prepared to embrace the digital health area in the coming years.

## Company Overview

### Business Overview:

Krsnaa Diagnostics is one of the largest differentiated and fastest growing diagnostic service provider in India. Company provides a range of technology-enabled diagnostic services such as imaging (including radiology), pathology/clinical laboratory and tele-radiology services to public and private hospitals, medical colleges and community health centers pan-India.

Krsnaa Diagnostics is the only listed player in India providing large scale radiology services to over 100+ centers along with 1,300+ tele reporting centers and also operate one of India's largest tele-radiology reporting hub in Pune that is able to process large volumes of X-rays, CT scans and MRI scans round the clock and 365 days a year and allows to serve patients in remote locations where diagnostic facilities are limited. Most of the process equipment deployed are fully automated and require very limited manual intervention to provide these high-quality reports and an in-depth analysis.

Company's competitive advantage lies in its clinical expertise, IT-based infrastructure and the disruptive pricing, Radiology scans offered are almost 45% to 60% lower than the market rates, and the Pathology tests are 40% to 80% lower than the market rates.

### Business Segments:

Krsnaa Diagnostics provide Radiology, Pathology and Tele-Radiology based services and offers a range of diagnostics imaging services and clinical laboratory tests that include both routine and specialized tests / studies and profiles, which are used for prediction, early detection, diagnostic screening, confirmation and/or monitoring of diseases.

In Radiology, Company is having pan-India operations across 14 states with 1,488 Radiology centers which are offering 1,394 Radiology tests. Company's principal diagnostics services include imaging modalities such as MRI, CT Scans, X-Rays, Mammography, Bone Densitometry, Ultrasound and Color Doppler. In Pathology, all the key disciplines of the conventional as well as specialized lab services such as biochemistry, hematology, clinical pathology, histopathology and cytopathology, microbiology, serology and immunology are part of the offerings with 2,544 pathological tests provided through 583 centers. A suite of diagnostic equipment is located at tele-radiology hub at Pune which is also one of India's largest tele-radiology reporting hub. Tele-reporting is a critical and unique aspect of business model and enable us to serve patients in remote locations where diagnostic facilities are limited.

Company's operating model involves diagnostic centers operated under a hospital partnership model. The primary focus is on the public private partnership (PPP) diagnostics segment and Krsnaa Diagnostics has the largest presence in this segment.

Diagnostic services is highly underpenetrated in large part of the country and to address this gap, both the central (National Health Mission (NHM)) and state government engages with private partners to expand reach of essential diagnostic services. Krsnaa Diagnostics, with its high-quality services and disruptive prices, has emerged as a preferred partner for public health agencies, and currently has 1,900+ dedicated centers under the PPP model.

Through PPP agreements, radiology and pathology services extended are typically long-term on nature that ensures visibility of revenues for operations. The government health agencies provide space for setting up

the diagnostics centers and Company invest in setting up the equipment as per contract requirements. The term of contracts with public health agencies ranges between 5 years and 10 years and typically include a term extension clause based on performance and mutual agreement. Since commencement of operations, Company has been granted 78% of all tenders (by number) it has bid and considering competitive rates of services, public health agencies have expanded the coverage of the scope of services to additional centers without any supplementary bidding process.

In addition to the PPP segment, Company has been growing its collaboration and strategic tie-ups with private healthcare providers to operate diagnostic centers within their facilities and operates 26 such diagnostic centers on a revenue sharing business model, as of March 31, 2022.

### Growth Strategy:

It has been Company's core philosophy to focus on offering world-class healthcare diagnostics services at affordable rates and at the same time creating value for shareholders through strong and sustainable growth. Few of the key initiatives that will be focus areas for Company going ahead are:

- **Growing Public Private Partnership opportunity:** Government's continuous focus on improving healthcare and a large underpenetrated market, PPP projects are a viable and best alternative to provide diagnostic services to masses. With 78% bid-win ratio, Krsnaa Diagnostic is very well placed to capitalize on the growth opportunity which is present. Company has won new projects in Maharashtra, Himachal Pradesh, Chandigarh, Rajasthan and Uttar Pradesh and we are now entered into new geography of Delhi and Tripura and will continue to participate in new tenders and build a strong pipeline for future.
- **Successfully operationalization of new centers:** Company has a strong pipeline of recently awarded contracts, where except for few unplanned setbacks, overall implementation is on track and new centers are expected to be launched in phased manner.
- **Improving profitability of Center portfolio:** Krsnaa's center portfolio is very young with 36% of the gross blocks having average age of 0-2 years. Now, with maturing of centers, the patient and test count is expected to increase which will significantly enhance profitability going forward.



- **Expanding Retail Market Offering:** Asset-light expansion in retail market of key states such as Maharashtra, Punjab, Himachal Pradesh, Rajasthan, and West Bengal. Company will be expanding pathology business and offering its services to more end-consumers through PACE model (P: Pick-UP-Points, A: Awareness, C: Collection Center Network and E: Essential (Home) Collection Services).
- **Increasing Brand Awareness:** Creating awareness about Company's high-quality service offering and disruptive price by leveraging digital marketing, social media engagement and expanding associations with partners.

### Performance Review and Outlook:

In FY2022, the Company delivered Revenues of ₹ 455 crore, registering an increase of 15% on year-on-year basis, one of the highest in the industry. The performance was led by growth in core business of radiology and pathology which grew by 70% and this growth was offset by decline of 78% y-o-y in COVID-19 revenues. Krsnaa is the only listed entity with well diversified business mix where Radiology and Pathology contributed 55% and 38% to the total revenues respectively. During the year, total number of test conducted were 17.28 million, a growth of 84% on year-on-year basis, and a strong volume growth was visible in all modalities except COVID-19 tests. Radiology tests excluding Tele-reporting grew by 57% on year-on-

year basis and Pathology tests grew by 124% on year-on-year basis.

EBITDA for the year stood at ₹ 133 crore, increase of 40% on year-on-year basis with margins improving significantly to 29% as compared to 24% in FY21. EBITDA margin improvement was driven by higher number of tests, contribution from core business and increased operational efficiencies. Profit after Tax increased around two-fold and stood at ₹ 68 crore.

In the last 5 years, the Company has delivered a fast pace growth and remains one of the fastest growing Diagnostics Service Provider in India, outperforming the peer group. Krsnaa has expanded its geographical presence from 50+ centers in FY17 to over 2,000+ centers in FY22. During this period, Revenue from Operations have grown at a CAGR of 47%, and Net Profits grew at CAGR of 101%. Radiology and Pathology Revenue grew at a CAGR of 40% and 52% respectively during the same time.

Krsnaa Diagnostics is building a strong foundation for long term sustainable growth and looking ahead the Company is confident of maintaining the growth momentum. With increasing government focus on providing high quality healthcare services and the rising prevalence of various public healthcare schemes, such free diagnostics is expected to boost the PPP model in the diagnostic industry and Krsnaa Diagnostics' business fundamentals are fully aligned to tap in this growing opportunity.



# Board's Report

Dear Members,

The Directors are pleased to present the 12<sup>th</sup> Annual Report together with the Audited Accounts of the Company for the Financial Year ended March 31, 2022.

## FINANCIAL RESULTS

The Financial performance of your Company for the year ended March 31, 2022 is summarized below:

Particulars	(₹ in million)		
	Year ended March 31, 2022 (Consolidated)	Year ended March 31, 2022 (Standalone)	Year ended March 31, 2021 (Standalone)
Revenue from Operations	4554.50	4,548.90	3,964.56
Other Income	149.11	149.28	122.36
Gain on Fair Value movement of Compulsory Convertible Preference Shares	-	-	2,527.84
<b>Total Income</b>	<b>4,703.61</b>	<b>4,698.18</b>	<b>6,614.76*</b>
Total Expenses	3,838.51	3,802.18	3,660.24
Profit before Tax (PBT)	865.10	896.00	2,954.52*
Profit after Tax (PAT)	683.90	707.03	1,849.29*

\*Includes gain on fair value movement of Compulsory Convertible Preference Share.

Notes:

- For FY 2020-21, Profit Before Tax (PBT) was ₹ 426.68 million and Profit after Tax (PAT) was ₹ 315.32 million without considering exceptional item i.e. fair value movement of Compulsory Convertible Preference Shares.
- The Company has invested into seven Special Purpose Vehicles (SPVs) which are Wholly Owned Subsidiaries namely, - KDPL Diagnostics (Ludhiana) Private Limited on March 22, 2021, KDPL Diagnostics (Amritsar) Private Limited on March 24, 2021, KDPL Diagnostics (Bathinda) Private Limited on March 24, 2021, KDPL Diagnostics (Jalandhar) Private Limited on March 24, 2021, KDPL Diagnostics (Patiala) Private Limited on March 24, 2021, KDPL Diagnostics (SAS Nagar) Private Limited on March 24, 2021 and Krsnaa Diagnostics (Mohali) Private Limited on July 27, 2021. The company has remitted the amount towards subscription of share capital in these SPVs on April 12, 2021 and August 21, 2021. Therefore, in the absence of the necessary agreement being executed and transfer of funds for subscription of share capital of these subsidiaries by March 31, 2021, the Company has not consolidated the SPVs in its financial statement for the year ended March 31, 2021.

## FINANCIAL AND OPERATIONAL PERFORMANCE

On full year basis, the Company delivered revenues of ₹4,555 million with a robust topline growth of 15% y-o-y, led by growth in our core business of radiology and pathology which grew by 70% and this growth was offset by decline of 78% y-o-y in Covid-19 revenues.

Core business contribution was 93% with Radiology and Pathology contributing 55% and 38% to the revenues respectively whereas Covid-19 business contributed 7% to the total revenues in FY22.

EBITDA was ₹1,333 million, which is up by 40% y-o-y and maintain strong margins of 29.3%. Furthermore,

it is encouraging to see that our profitability more than doubled and we delivered Net Profits of ₹ 684 million, up by 117% y-o-y.

The strong financial performance during the year, was driven by strong increase in test volumes across all modalities except Covid-19. The total number of tests conducted were 17.3 million, a growth of 84% y-o-y, Radiology tests excluding Tele-reporting grew by 57% y-o-y, Tele-reporting test grew by 40%. In Pathology we crossed 12 million tests and the volumes grew significantly by 124% y-o-y to 12.16 million tests.





## DIVIDEND

Your Directors are pleased to recommend dividend of ₹ 2.50 (50%) per equity share of face value of ₹ 5 each as Final Dividend for the Financial Year 2021-22, for approval by the shareholders at the ensuing Annual General Meeting of the Company (AGM). The Dividend Distribution Policy is available on the website of the Company (<https://krsnaadiagnostics.com/>).

## TRANSFER TO RESERVES

During the year under review, no amount from the profit of the Company has been transferred to the General Reserve of the Company.

## SHARE CAPITAL

During the Financial Year 2021-22, following changes were done in the share capital of the Company:

1. With effect from April 25, 2021, the face value of the Equity Shares was split from ₹10 each into ₹5 each and consequently the issued and paid up Equity Share capital stood altered from ₹64,949,640 (divided into 6,494,964 equity shares of ₹10 each) to ₹64,949,640 (divided into 12,989,928 equity shares of ₹5 each);
2. Allotment of 8,123,828 equity shares pursuant to conversion of Series A CCPS in to equity shares on July 23, 2021;
3. Allotment of 60,77,772 equity shares pursuant to conversion of Series C CCPS in to equity shares on July 23, 2021;
4. The Company has raised a fund of ₹ 12,133.35 million through Initial Public Offer (IPO). The Company has issued 1,27,31,605 equity shares of face value of ₹5 each at an issue price of ₹ 954 per equity share to non-employee category shareholders and ₹ 861 per equity share to employee category shareholders.

The IPO comprised of:

- i. Offer For Sale of 85,25,520 equity shares by selling shareholders; and
- ii. Fresh Issue of 42,06,085 equity shares.

After introduction of Initial Public Offer, the issued, subscribed and paid-up capital of the Company as on March 31, 2022 stood at ₹ 156.99 million consisting of 31,397,613 equity shares of ₹5 each.

## ICRA RATINGS

ICRA has assigned the (ICRA) A1 as short-term rating and (ICRA) A with the "Stable" outlook as the Long-term rating.

## SUBSIDIARIES

As on March 31, 2022, the Company had subsidiary companies as detailed below.

Name of Subsidiaries	Shareholding / Ownership
KDPL Diagnostics (Ludhiana) Private Limited	
KDPL Diagnostics (Amritsar) Private Limited	
KDPL Diagnostics (Bathinda) Private Limited	100%
KDPL Diagnostics (Jalandhar) Private Limited	Wholly Owned
KDPL Diagnostics (Patiala) Private Limited	Subsidiaries
KDPL Diagnostics (SAS Nagar) Private Limited	
Krsnaa Diagnostics (Mohali) Private Limited	

In accordance with Section 129(3) of the Companies Act, 2013, (hereinafter referred to as "the Act") the Company has prepared consolidated financial statements of the Company and all its subsidiary companies, which forms a part of the Annual Report. A statement containing salient features of the financial statements of the subsidiary Companies in Form AOC-1 is annexed to this Report as "Annexure 1".

In accordance with Section 136(1) of the Act, the Annual Report of the Company, containing the standalone and the consolidated financial statements and all other documents required to be attached thereto have been placed on the website of the Company, [www.krsnaadiagnostics.com](http://www.krsnaadiagnostics.com). Ministry of Corporate Affairs (MCA), vide General Circular nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020 and 02/2021 dated January 13, 2021 provided certain relaxations for companies, including conducting Extraordinary General Meeting (EGM) through Video Conferencing (VC) or through other audio - visual means (OAVM) for passing of special and ordinary resolution by Company on account of threat posed by COVID-19. Further, MCA vide General Circular 20/2020 dated May 5, 2020, & Securities and Exchange Board of India vide circular SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 has extended these relaxations to Annual General Meeting of companies to be conducted during the calendar year 2022 and it has also dispensed with the printing and dispatch of annual reports to shareholders. The members interested in obtaining a soft copies of the audited annual accounts of the Company and its subsidiary companies may visit investor section on website of the Company [www.krsnaadiagnostics.com](http://www.krsnaadiagnostics.com).

## DIRECTORS

### 1. Retirement by rotation and subsequent re-appointment

Mr. Yash Mutha (DIN: 07285523), Whole time Director of the Company, is liable to retire by rotation at ensuing Annual General Meeting pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and being eligible offers himself for re-appointment. Resolution for his re-appointment is being placed for the approval of shareholders of the Company at the upcoming Annual General Meeting.

A brief profile of Mr. Yash Mutha and other related information is detailed in the Notice convening the 12<sup>th</sup> Annual General Meeting of your Company.

The Board considered the said re-appointment in the interest of the Company and hence recommends the same to the Shareholders for their approval.

### 2. Declaration of Independent Directors

The Company has received declarations from all Independent Directors confirming that they meet the criteria of Independence as prescribed under the

provisions of the Companies Act, 2013 read with the schedules and Rules issued thereunder as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, Board has appointed Mr. Adesh Kumar Gupta (DIN: 00020403) as an additional Director to act as an Independent Director of the Company, for a term of 5 years effective from May 28, 2022, subject to Members' approval and Board has accepted the resignation of Mr. Prakash Iyer (DIN: 00529591) from the post of Independent Director of the Company w.e.f. close of business hours on May 28, 2022.

In the opinion of the Board, Independent Directors fulfil the conditions specified in the Companies Act, 2013 read with the schedules and Rules issued thereunder as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent from Management.

### 3. Changes during the period under review

Further during the period under review, following changes has taken place in the Company.

Name of Director	Designation	Appointment / Cessation	Date
Ms. Chhaya Palrecha	Independent Director	Appointment	April 25, 2021
Mr. Prakash Iyer	Independent Director	Appointment	April 25, 2021
Mr. Rajiva Ranjan Verma	Independent Director	Appointment	April 25, 2021
Mr. Chetan Desai	Independent Director	Appointment	April 25, 2021
Mr. Sachin Kamath	Nominee Director	Cessation	April 25, 2021
Mr. Mayur Sirdesai	Nominee Director	Cessation	April 25, 2021
Mr. Rajendra Mutha	Chairman and Whole - time Director	Appointment	April 26, 2021
Ms. Pallavi Bhatevara	Managing Director	Appointment	April 26, 2021
Mr. Yash Mutha	Whole - time Director	Appointment	April 26, 2021

### Key Managerial Personnel

In accordance with the provisions of the Section 2(51) and 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following persons have been designated as Key Managerial Personnel of the Company as on March 31, 2022.

Name of Director	Designation
Mr. Rajendra Mutha	Chairman and Whole time Director
Ms. Pallavi Bhatevara	Managing Director
Mr. Yash Mutha	Whole - time Director
Mr. Pawan Daga	Chief Financial Officer
Mr. Nikhil Deshpande	Company Secretary



## BOARD MEETINGS

The Board met Nine (9) times during the Financial Year 2021-22. More details about the meetings are available in the Report on Corporate Governance, which forms a part of this Annual Report.

## COMMITTEES OF BOARD

The details regarding the Committees of the Board of Directors of the Company are given in the report on Corporate Governance, which forms a part of this Annual Report.

## COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND COMPENSATION

In compliance with the provision of Section 178 of the Companies Act, 2013, the Board has, on the recommendation of the Nomination & Remuneration Committee of the Company, framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration.

The Nomination and Remuneration Policy as updated from time to time can be accessed at the website of the Company at: <https://krsnaadiagnostics.com>.

## AUDIT COMMITTEE RECOMMENDATIONS

During the year, all the recommendations of the Audit Committee were accepted by the Board. The composition of the Audit Committee is as mentioned in the Report on Corporate Governance, which forms a part of this Annual Report.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

KRSNAA's Corporate Social Responsibility ("CSR") is aligned to have a stronger commitment towards the community. KRSNAA demonstrate its commitment across all the regions of KRSNAA's global presence. The Company had constituted a Corporate Social Responsibility (CSR) Committee and has framed the Policy on Corporate Social Responsibility as per the provisions of section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Policy including annual action plan is available on Company's website at the link: <https://krsnaadiagnostics.com>. The initiatives taken by the Company on CSR during the year as per the said rules has been annexed to this Report as "Annexure 5".

## VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has established a vigil mechanism/whistle blower policy as per Regulation 22 of the SEBI (LODR) Regulations, 2015 for Directors and employees to report their genuine concerns. The details of the same are explained in the Report on Corporate Governance.

The Policy on Vigil Mechanism & whistle blower may be accessed on the Company's website at the link: <https://krsnaadiagnostics.com>.

## AUDITORS

### 1. Statutory Auditors

Pursuant to the provisions of Section 139(1) of the Act, read with the Companies (Audit and Auditors) Rules, 2014, M/s. MSKA & Associates, Chartered Accountants, were appointed as the Statutory Auditors of the Company in the Annual General Meeting held on July 13, 2021 for a period of five years.

Further, the statutory Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143(12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force)

The Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The report does not contain any qualification, reservation or adverse remark.

### 2. Secretarial Auditors

Pursuant to provisions of section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company has appointed Dinesh Birla & Associates, Practicing Company Secretary, as the Secretarial Auditor to conduct audit for the year 2022-23.

The Secretarial Auditor's report for the year 2021-22 is annexed to this Report as **Annexure 6**. The report does not contain any qualification, reservation or adverse remark.

### 3. Internal Auditor

The Company has robust internal audit system for assessment of audit findings and its mitigation. The Internal Audit function covers center audit, inventory audit, process audit, audit of supportive functions, etc.

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014, and on the recommendation of the Audit Committee, Price Waterhouse Coopers Private Limited, were appointed by the Board of Directors in their meeting held on April 25, 2021 to conduct internal audit reviews of the Company for the Financial Year 2021-22. The Internal Auditor functionally reports to the Audit Committee to ensure independence of the Internal Audit function.

The Audit Committee reviews internal audit reports in quarterly meetings and ensure independence of auditors. The Company's internal controls are commensurate with the size and operations of the business. Continuous internal monitoring mechanism ensures compliance with internal controls and efficiency and effectiveness of operations as well as the key process risks.

#### 4. Maintenance of Cost Records and Cost Auditors

In terms of the Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost accounting records and get them audited every year. Accordingly, such accounts and records were made and maintained for the financial year 2021-22.

The Board of Directors on the basis of recommendations from Audit Committee has appointed M/s Harshad S. Deshpande & Associates, Cost and Management Accountants, as Cost Auditors of the Company for the Financial Year 2022-23 at a fee of ₹ 1 Lakh plus applicable taxes and out of pocket expenses subject to the ratification of the said fees by the shareholders at the ensuing AGM.

#### INTERNAL CONTROL SYSTEMS AND ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The internal control systems of the Company are adequate considering the nature of its business, size and complexity. The Statutory Auditors of the Company have expressed their opinion on adequacy of internal financial controls with reference to financial statements for the year under review and operating effectiveness of such controls.

#### CORPORATE GOVERNANCE

A separate section on Corporate Governance with a detailed compliance report thereon forms a part of this Report. The Auditors' Certificate in respect of compliance with the provisions concerning Corporate Governance, forms a part of this Annual Report, as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the SEBI (LODR) Regulations, 2015").

#### MANAGEMENT DISCUSSION AND ANALYSIS

A Management Discussion and Analysis Report giving detailed information on operations, performance and future outlook of the Company and its business forms a part of this Report.

#### PARTICULARS OF EMPLOYEES

A statement containing the names of every employee employed throughout the financial year and in receipt of remuneration of ₹ 1 crore 2 lakhs or more, or employed for part of the year and in receipt of ₹ 8.5 lakhs or more a month, and other employees as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to this Report as "Annexure 3 (A)".

The ratio of the remuneration of each director to the median employee's remuneration and other details prescribed in Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are annexed to this Report as "Annexure 3 (B)".

#### EMPLOYEES STOCK OPTION PLAN / SCHEME

During the year under review, there has been no material change in the ESOP 2020 Scheme of the Company and this Scheme continue to be in compliance with relevant/ applicable ESOP Regulations / Guidelines.

In compliance with Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, information relating to ESOSs of the Company is annexed to this Report as "Annexure 4".

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

The Company has a policy on prevention of sexual harassment at workplace and has put in place a redressal mechanism for resolving complaints received with respect to sexual harassment and discriminatory employment practices for all genders. The Company has constituted Internal Complaints Committee which is responsible for redressal of complaints related to sexual harassment. During the year under review, no case was filed with the POSH committee. Thus, there were no complaints pending as on March 31, 2022.

#### DISCLOSURE RELATED TO INSOLVENCY AND BANKRUPTCY

During the financial year under review, there is no application made and/or no proceeding pending under the Insolvency and Bankruptcy Code, 2016.

#### PUBLIC DEPOSITS

During the Financial Year 2021-22, your Company has not accepted any deposit within the meaning of Section 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.



## INFORMATION ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO STIPULATED UNDER SECTION 134(3)(M) OF THE ACT, READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is set out as under:

### 1. Conservation of Energy

(i) The Steps taken or impact on conservation of energy	The Company is fully committed for energy conservation measures including regular review of energy consumption and effective control on utilization of energy.  The Company has developed its centers considering the objective of minimum energy loss.  The Company has taken all steps to conserve Energy in the work places by educating and training the employees at its center level to conserve energy. The Company has installed LED lights at most of its Diagnostics Centers as well as laboratories and collection centers. The Company has also installed Inverter Air Conditioners at majority of centers.
(ii) The Steps taken by the Company for utilizing alternate sources of energy	The Company has installed Solar System at its Head Office.
(iii) The Capital Investment on energy conservation equipment(s)	The Company has spent approx. ₹ 12.76 million for setting up of above referred Solar System.

### 2. Technology absorption

(i) The efforts made towards technology absorption	The Company being in to the business of providing Diagnostics Service has adopted all latest technology (software and hardware) and latest equipment / machinery with automated processes available in the current Techno-environment and commensurate to the size, scale and complexity of its operations.  Technology absorption has helped the Company to provide better and more accurate service to end users.
(ii) The benefits derived like product improvement, cost reduction, product development or import substitutions	
(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	N.A
(a) The details of technology imported	
(b) The year of import	
(c) Whether the technology been fully absorbed	
(d) If not fully absorbed, areas where absorptions has been taken place, and the reasons thereof	
(iv) The expenditure incurred on Research and Development	There is no expenditure made on Research and Development during the Financial Year.

### 3. Foreign Exchange Earnings and Outgo

Total foreign exchange earnings during the year have been NIL (previous year NIL million) and foreign exchange outgo (including imports) has been ₹ 14.44 million (previous year ₹ 1.08 million).



## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE ACT**

In terms of the provisions of section 186 of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, details of Investments are set out in Note No. 8 and details of Loans are set out in Note Nos. 16 to the Standalone Financial Statements of the Company.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1) OF THE ACT**

Pursuant to the provisions of Section 134(3)(h) of the Act, the particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act and prescribed in Form AOC-2 of Companies (Accounts) Rules, 2014, is annexed to this Report as “Annexure 2”.

## **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION**

No material changes and commitments, other than disclosed as part of this report, affecting the financial position of the Company have occurred between March 31, 2022 and the date of the report.

## **CHANGE IN NATURE OF BUSINESS**

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

## **ANNUAL EVALUATION OF BOARD'S PERFORMANCE**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out annual evaluation of (i) its own performance; (ii) Individual Directors Performance; (iii) Chairman of the Board; and (iv) Performance of all Committees of Board for the Financial Year 2021-22.

A structured questionnaire was prepared after taking into consideration the inputs received from Nomination and Remuneration Committee, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors, who were evaluated on parameters such as level of engagement and contribution, independence of

judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Non-Independent Directors and Chairman of the Board was carried out by the Independent Directors.

The Directors expressed their satisfaction with the evaluation process.

Further, the evaluation process confirms that the Board and its Committees continue to operate effectively and the performance of the Directors and the Chair is satisfactory.

## **SIGNIFICANT AND MATERIAL ORDERS**

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

## **DEVIATION(S) OR VARIATION(S) IN THE USE OF PROCEEDS OF INITIAL PUBLIC ISSUE (IPO), IF ANY**

There were no instances of deviation(s) or variation(s) in the utilization of proceeds of IPO as mentioned in the objects of Offer in the Prospectus dated 10<sup>th</sup> August, 2021, in respect of the IPO of the Company.

## **COMPLIANCE OF SECRETARIAL STANDARDS**

The Company has duly complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors (SS-1) and Shareholders (SS-2).

## **RISK MANAGEMENT**

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. Your Company periodically assesses risk elements in the internal and external environment, along with the cost of treating such risk elements and incorporates risk treatment plans in its strategy, business and operational plans. As on the date of this report, the Company does not foresee any critical risk, which threatens its existence.

Your Company, strives to contain impact and likelihood of the risks within the risk appetite as agreed from time to time with the Board of Directors. The Company has a Risk Management Committee to identify elements of risk in different areas of operations; the details of the Risk Management Committee are included in the Corporate Governance Report.



## ANNUAL RETURN

The Annual Return of the Company for the financial year 2021-22 in Form MGT-7 has been uploaded on website of the Company i.e. [www.krsnaadiagnostics.com](http://www.krsnaadiagnostics.com).

## RESPONSIBILITY STATEMENT OF THE BOARD OF DIRECTORS

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors confirm that:

- a. in the preparation of the annual accounts for the year ended March 31, 2022, the applicable accounting standards and Schedule III of the Companies Act, 2013, have been followed along with proper explanation relating to material departures, if any;
- b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit of the Company for the year ended March 31, 2022;
- c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual financial statements have been prepared on a going concern basis;
- e. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively and

- f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## CEO & CFO CERTIFICATION

Certificate by Pallavi Bhatevara, Managing Director and Pawan Daga, Chief Financial Officer, pursuant to the provisions of regulation 17(8) of the SEBI (LODR) Regulations, 2015, for the year under review was placed before the Board of Directors of the Company at its meeting held on August 04, 2022.

A copy of such certificate forms a part of the Report on Corporate Governance.

## DIRECTORS & OFFICERS INSURANCE POLICY

The Company has in place an insurance policy for its Directors & Officers with a quantum and coverage as approved by the Board.

## ACKNOWLEDGMENTS

Your Directors wish to convey their gratitude and place on record their appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year. Your Directors sincerely convey their appreciation to customers, shareholders, vendors, bankers, business associates, regulatory and government authorities for their continued support.

**For and on behalf of the Board of Directors**

Pune  
August 04, 2022

**Rajendra Mutha**  
Chairman of the Board

### FORM AOC – 1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)  
 Statement containing salient features of the Financial Statement of Subsidiaries

(₹ in Million)																
(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	
Name of Subsidiary	Date on which subsidiary was acquired	Country of Occupation	Reporting Currency	Closing exchange rate against Indian Rupee as on Mar 31, 2022	% of Holding	Capital	Other Equity	Total Assets	Total Liabilities	Investments (in subsidiaries)	Turnover	Profit/ (loss) before taxation	Provision for taxation	Profit/ (loss) after taxation	Proposed Dividend	
KDPL Diagnostics (Amritsar) Private Limited	March 24, 2021	India	INR	NA	100%	0.10	(0.59)	0.26	0.75	0.10	0.46	(0.79)	(0.20)	(0.59)	-	
KDPL Diagnostics (Bathinda) Private Limited	March 24, 2021	India	INR	NA	100%	0.10	(0.17)	0.21	0.27	0.10	0.00	(0.23)	(0.057)	(0.17)	-	
KDPL Diagnostics (Jalandhar) Private Limited	March 24, 2021	India	INR	NA	100%	0.10	(0.51)	0.50	0.91	0.10	0.81	(0.68)	(0.17)	(0.51)	-	
KDPL Diagnostics (Ludhiana) Private Limited	March 22, 2021	India	INR	NA	100%	0.10	(0.69)	0.37	0.96	0.10	0.84	(0.92)	(0.23)	(0.69)	-	
KDPL Diagnostics (Patiala) Private Limited	March 24, 2021	India	INR	NA	100%	0.10	(0.75)	0.28	0.93	0.10	0.28	(1.00)	(0.25)	(0.75)	-	
KDPL Diagnostics (SAS Nagar) Private Limited	March 24, 2021	India	INR	NA	100%	0.10	(2.93)	1.09	3.91	0.10	5.53	(3.91)	(0.98)	(2.92)	-	
Krsnaa Diagnostics (Mohali) Private Limited	July 27, 2021	India	INR	NA	100%	0.10	(17.79)	7.90	25.59	0.10	13.38	(23.39)	(5.89)	(17.50)	-	

**For and on behalf of the Board of Directors**

**Rajendra Mutha**  
 Chairman of the Board

Pune  
 August 04, 2022

## Annexure- 2

**FORM AOC - 2**

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto. (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil
2. Details of material contracts or arrangement or transactions at arm's length basis: -

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid/ received as advances, if any:
Ms. Sunita Mutha	Leave and License Agreement for Office Space being used for the purpose of Registered Office of the Company	Ongoing Transaction	₹ 36.82 million	July 01, 2020	NIL
KDPL Diagnostics (Ludhiana) Private Limited (Wholly Owned Subsidiary / WOS)	Revenue Sharing Agreement	Agreement(s) executed between the parties on October 01, 2021 and shall be valid until terminated, as per the provisions of this agreement.	Sharing of revenue by WOS basis on the monthly revenue by individual subsidiary.	As Contract was entered in to in ordinary course of business and at arm's length basis, approval by the Board was not required.	NIL
KDPL Diagnostics (Amritsar) Private Limited (Wholly Owned Subsidiary / WOS)					
KDPL Diagnostics (Jalandhar) Private Limited (Wholly Owned Subsidiary / WOS)					
KDPL Diagnostics (Patiala) Private Limited (Wholly Owned Subsidiary / WOS)					
KDPL Diagnostics (SAS Nagar) Private Limited (Wholly Owned Subsidiary / WOS)					
Kirnaa Diagnostics (Mohali) Private Limited (Wholly Owned Subsidiary / WOS)					

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid/ received as advances, if any:
KDPL Diagnostics (Ludhiana) Private Limited (Wholly Owned Subsidiary / WOS)	Agreement for Unsecured Loans / Advances by Holding Company to Subsidiary Companies to meet short term funding requirements.	Agreement(s) executed between the parties on October 15, 2021 and shall be valid until terminated, as per the provisions of this agreement.	Advances under these agreements are repayable on demand and carries interest at the rate of 7.75% i.e. as per applicable provisions of Section 186 of the Companies Act, 2013	October 11, 2021	NA
KDPL Diagnostics (Amritsar) Private Limited (Wholly Owned Subsidiary / WOS)					
KDPL Diagnostics (Bathinda) Private Limited (Wholly Owned Subsidiary / WOS)					
KDPL Diagnostics (Jalandhar) Private Limited (Wholly Owned Subsidiary / WOS)					
KDPL Diagnostics (Patiala) Private Limited (Wholly Owned Subsidiary / WOS)					
KDPL Diagnostics (SAS Nagar) Private Limited (Wholly Owned Subsidiary / WOS)					
Krsnaa Diagnostics (Mohali) Private Limited (Wholly Owned Subsidiary / WOS)					

**For and on behalf of the Board of Directors**

**Rajendra Mutha**

Chairman of the Board

Pune  
August 04, 2022



**Annexure- 3A**

a) Statement of employees covered under Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Part A: Particulars of employees who were in employment throughout the financial year and are in receipt of remuneration of not less than ₹ 10.20 million p.a. in aggregate.**

Employee Name	Age (Yrs.)	Designation	Qualification	Experience (Yrs)	Date of Joining	Remuneration received (₹ in Million)	Particulars of previous employment
Mr. Rajendra Mutha	48	Chairman – Whole-time Director	D Pharmacy	11	December 22, 2010	26.41	Not Applicable

**Part B: Particulars of employees who were in employment for part of the financial year and are in receipt of remuneration of not less than ₹ 0.85 million p.m.**

Employee Name	Age (Yrs.)	Designation	Qualification	Experience (Yrs)	Date of Joining	Remuneration received (₹ in Million)	Particulars of previous employment
Dr. Ravinder Sethi	49	Chief Operating Officer	Hon. Doctorate Business Administration and Management	23	February 24, 2022	1.57	Not Applicable

**Notes:**

1. Remuneration comprises basic salary, allowances and taxable value of perquisites.
2. Remuneration does not include Company's contribution to provident fund and actuarial valuation of gratuity.
3. Employees mentioned above are neither relative of any director of the Company nor hold two percent or more of the paid up equity share capital of the Company as per Clause (iii) of sub-rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**Information as per Rule 5(2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:  
Top ten employees in terms of remuneration drawn during the year**

Employee Name	Age (Yrs.)	Designation	Qualification	Experience (Yrs)	Date of Joining	Remuneration received (₹ in Million)	Particulars of previous employment
Mr. Rajendra Mutha	48	Chairman – Whole-time Director	D. Pharm.	11	December 22, 2010	26.41	Not Applicable
Ms. Pallavi Bhatewara	44	Managing Director	HSC from Maharashtra State Board of Secondary and Higher Secondary Education	9	January 29, 2013	5.09	Not Applicable
Mr. Yash Mutha	41	Director Finance	Chartered Accountant CISA & CFE	14	September 1, 2017	4.80	Credit Suisse
Dr. Manish Karekar	43	COO-Pathology	MD - Pathology	15	August 2, 2021	4.16	Metropolis Healthcare Ltd.
Mr. Gaurav Sachdev	36	National Sales Head	Masters in Marketing Management	15	June 10, 2019	2.40	Medall Healthcare Pvt. Ltd.
Mr. Pankaj Wagh	35	GM - HRM	MBA - (Human Resource Management)	14	March 22, 2021	2.21	Symbiosis University Hospital and Research Centre
Mr. K. Shivananda Rao*	48	Chief Operating Officer	MBA - (Human Resource Management)	26	November 1, 2019	2.20	Gleneagles Global Hospitals (A-Parkway Pantai Enterprise)
Mr. Saurav Kumar	26	Manager	MBA - (Finance) CPA - Level II	4	April 2, 2018	1.98	Not Applicable
Mr. Pawan Daga	37	Chief Financial Officer	Chartered Accountant	11	November 20, 2020	1.90	SYSKA LED
Dr. Sanjay Pasoria	37	Radiologist	MD in Radio Diagnosis	8	January 01, 2014	1.80	Not Applicable

\*Ceased from the employment of the Company effective from closing of business hours on March 14, 2022.

**For and on behalf of the Board of Director**

**Rajendra Mutha**  
Chairman of the Board

Pune  
August 4, 2022

## Annexure- 3B

**DISCLOSURES REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

- The percentage increase in the median remuneration of employees during the Financial Year: Median remuneration of employees of the Company as at the end of the year under review was ₹ 265,790 which increased by 18.88% over the previous year's median remuneration of ₹ 223,573.
  - The ratio of the remuneration of each Director to the median remuneration of employees for the Financial Year 2021-22; and
- The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary during the Financial Year 2021-22:

Sr. No.	Names	Designation	Remuneration for the financial year 2021-22 (₹ in million)	Percentage increase/ (decrease) in remuneration in the financial Year 2021-22 (%)	Ratio to median remuneration (in times)
<b>Executive Directors</b>					
i)	Mr. Rajendra Mutha	Chairman and Whole-time Director	26.41	320.34%	99.36
ii)	Ms. Pallavi Bhatevara	Managing Director	5.09	4.33%	19.14
iii)	Mr. Yash Mutha	Whole-time Director	4.80	36.14%	18.06
<b>Non-executive Directors*</b>					
i)	Mr. Chetan Desai	Independent Director	-	-	-
ii)	Ms. Chhaya Palrecha	Independent Director	-	-	-
iii)	Mr. Rajiva Ranjan Verma	Independent Director	-	-	-
iv)	Mr. Prakash Iyer	Independent Director	-	-	-
v)	Mr. Prem Pradeep	Nominee Director	-	-	-
vi)	Mr. Mayur Sirdesai <sup>§</sup>	Nominee Director	-	-	-
vii)	Mr. Sachin Kamath <sup>§</sup>	Nominee Director	-	-	-
<b>Key Managerial Personnel#</b>					
i)	Mr. Pawan Daga	Chief Financial Officer	1.90	-	-
ii)	Mr. Nikhil Deshpande	Company Secretary	0.75	-	-
iii)	Ms. Manisha Chitgopekar	Company Secretary	0.20	-	-

## Notes:

\*Non-executive Directors, were not paid any remuneration / salary during the financial year under review except sitting fees.

# Percentage increase/ (decrease) in remuneration for Key Managerial Personnel of the Company in the financial Year 2021-22 (%) is not comparable since the Key Managerial Personnel are employed for part of the year either in FY2020-21 or FY2021-22 as detailed below:

- Mr. Pawan Daga was appointed as Chief Financial Officer of the Company effective from January 18, 2021;
- Ms. Manisha Chitgopekar, Company Secretary of the Company ceased from the employment effective from closing of business hours on October, 11, 2021;
- Mr. Nikhil Deshpande was appointed as Company Secretary of the Company effective from October 12, 2021.

<sup>§</sup> Ceased to be directors of the Company effective from closing of business hours on April 25, 2021.

- |    |   |  |
|----|---|--|
| 4. | The number of permanent employees on the rolls of the Company   | 1,994  |
| 5. | Average percentile increase already made in the salaries of employees other than the Managerial Personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration. | Average percentage increase in salaries of employees other than Managerial Personnel is 20.44% |
| 6. | It is affirmed that the remuneration paid is as per the Nomination and Remuneration Policy of the Company.  | Average increase in the remuneration of Directors and Key Managerial Personnel is 147.16%      |

**For and on behalf of the Board of Director**

**Rajendra Mutha**

Chairman of the Board

Pune  
August 4, 2022



## DETAILS OF EMPLOYEE STOCK OPTION SCHEME

Disclosure pursuant to Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as on March 31, 2022

### DESCRIPTION OF ESOP SCHEMES:

The Company views Employee Stock Options as instruments that would enable the employees to share the value they would create and contribute to the Company in the years to come.

The Company has framed and implemented the Employee Stock Option Scheme 2020 ("ESOP 2020") as well as for eligible employees. In terms of the said schemes, options to the employees have vest and shall continue to vest as given in the below table under point no. C.

#### A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by Institute of Chartered Accountants of India ("ICAI") or any other relevant accounting standards as prescribed from time to time.

The disclosures are provided in the Note No. 40 to the Financial Statements of the Company for the year ended March 31, 2022.

#### B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations, in accordance with 'Indian Accounting Standard 33 - Earnings per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time.

23.66 (Consolidated 22.88)

#### C. Details related to ESOP

Sr. No.	Particulars	KRSNAA 2020
<b>i)</b>	<b>Description of each ESOP that existed during the year, including the general terms and conditions:</b>	
1.	Date of Shareholders' approval	July 1, 2020
2.	Total number of options / units approved under ESOP	2,046,666
3.	Vesting requirement	<ol style="list-style-type: none"> <li>Options granted under ESOP 2020 would vest not earlier than one year and not later than six years from the date of Grant of such Options.</li> <li>Vesting is subject to continued employment with the Company.</li> <li>Additionally, Compensation Committee (Nomination and Remuneration Committee) may also, if it feels necessary in certain or in all cases, specify certain performance parameters - corporate, individual or a combination - subject to which the Options would vest.</li> </ol>
4.	Exercise price or pricing formula	For Options Grant on July 01, 2020: ₹ 225 For Options Grant on January 18, 2021: ₹ 350
5.	Maximum term of options / units granted (Years)	9 years
6.	Source of shares	Primary
7.	Variation in terms of options / units	There was no variation in terms of options outstanding during FY2021-22
<b>ii)</b>	<b>Method used to account for ESOP</b>	<b>Fair Value</b>
<b>iii)</b>	<b>Has the Company has opted for expensing of the options using the Fair Value of the Options: Yes</b>	
1.	Difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value	N.A.
2.	The impact of this difference on profits and on EPS of the Company	N.A.



Sr. No.	Particulars	KRSNAA 2020
<b>iv) Movement during the year:</b>		
1.	No. of options / units outstanding at the beginning of the period	2,046,666
2.	No. of options / units granted during the year	0
3.	No. of options / units forfeited/ lapsed during the year	124,660
4.	No. of options / units vested during the year	511,666
5.	No. of options / units exercised during the year	0
6.	No. of shares arising as a result of exercise of options / units	0
7.	Money realized by exercise of options / units (₹). If scheme is implemented directly by the Company	0
8.	Loan repaid by the Trust during the year from exercise price received	N.A.
9.	No. of options / units outstanding at the end of the year	19,22,006
10.	No. of options / units exercisable at the end of the year	480,501
<b>V) Weighted-average exercise prices ("WAEP") and weighted-average fair values("WAFV") of Options / Units</b>		
1.	Where the exercise price is less than the market price of the stock	<b>Grant on July 01, 2020:</b> Weighted-average exercise prices ("WAEP") = ₹ 225 and weighted-average fair values("WAFV") = ₹ 13.84 <b>Grant on January 18, 2021:</b> Weighted-average exercise prices ("WAEP") = ₹ 350 and weighted-average fair values("WAFV") = ₹31.46
<b>VI) Employee wise details (name of employee, designation, number of Options / Units granted during the year, exercise price) of Options / Units</b>		
1.	Senior Managerial Personnel	No grants made during the year under review.
2.	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	No grants made during the year under review.
3.	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	No grants made during the year under review.
<b>VII) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:</b>		
1.	Weighted-average Values of share price	As provided in notes to accounts no. 40
	Exercise price	
	Expected volatility	
	Expected option life	
	Expected dividends	
	The risk-free interest rate	
	Any other inputs to the model	
2.	The method used and the assumptions made to incorporate the effects of expected early exercise;	N.A.
3.	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility;	N.A.
4.	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	N.A.

**For and on behalf of the Board of Director**

**Rajendra Mutha**  
Chairman of the Board

Pune  
August 4, 2022



## Annual Report on CSR Activities

### 1. Brief Outline on CSR Policy of the Company:

Krsnaa Diagnostics Limited (Krsnaa) is committed fully committed to the social and economic development of the Society / Community in which it operates. Over the years of our journey, as an organization, we have come to believe that the well-being of society is a sum total of the well- being of its individual members. For this to be achieved, we believe that every member of society should have access to effective healthcare and we want to be able to play our part in being part of this transformation

#### CSR Policy:

The objective of the CSR Policy ("Policy") is to lay down the guiding principles in undertaking various programs and projects by or on behalf of the company relating to Corporate Social Responsibility ("CSR") within the meaning of section 135 of the Companies Act, 2013 read with Schedule VII of the Act and the Corporate Social Responsibility amended Rules 2021 vide the Ministry of Corporate Affairs (MCA) notification dated January 22, 2021.

### 2. Composition of CSR Committee:

During the financial year 2021-22, the CSR Committee was re-constituted on April 25, 2021. During the year under review, the Composition of CSR Committee of the Board of Directors was as under:

Name of the Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
Mr. Mayur Sirdesai*	Member	1	1
Mr. Sachin Kamath*	Member	1	1
Mr. Yash Mutha <sup>§</sup>	Member	1	1
Mr. Rajendra Mutha <sup>#</sup>	Chairperson	NA	NA
Ms. Pallavi Bhatevara	Member	1	1
Mr. Rajiva Ranjan Verma <sup>#</sup>	Member	NA	NA
Mr. Prem Pradeep <sup>#</sup>	Member	NA	NA

\*Ceased to be a Director and member of the Committee effective from closing of business hours on April 25, 2021.

§Ceased to a Chairperson / member of the Committee effective from closing of business hours on April 25, 2021.

#Appointed as a member / Chairperson of the Committee effective from April 26, 2021.

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:**

<https://krsnaadiagnostics.com/wp-content/uploads/2021/12/Policy-on-Corporate-Social-Responsibility-1.pdf>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹ Million)	Amount required to be set-off for the financial year, if any (in ₹ Million)
1	2021-22	19.84	5.66

6. Average net profit of the company as per section 135(5): ₹ 286.25 million

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 5.66 million

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: ₹ 19.84 million

(c) Amount required to be set off for the financial year, if any: ₹ 5.66 million

(d) Total CSR obligation for the financial year (7a+7b-7c): NIL

(e) Excess amount for set off, if any: ₹14.18 million

8. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s); Not Applicable

9. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s): Not Applicable

(b) Amount of CSR spent for creation or acquisition of capital asset.: Not Applicable

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

10. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

**Pallavi Bhatevara**  
Managing Director

**Rajendra Mutha**  
Chairperson of CSR Committee

Pune  
August 04, 2022

**Form No. MR 3****Secretarial Audit Report**

(For the year ended March 31, 2022)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Krsnaa Diagnostics Limited  
S.No. 243/A, Hissa No. 6,  
CTS No. 4519, 4519/1,  
Near Chinchwad Station,  
Chinchwad, Pune 411019.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Krsnaa Diagnostics Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Krsnaa Diagnostics Limited ("The Company")** for the financial year ended on March 31, 2022 according to the provisions of:

- i. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder as amended by Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the Company:-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended by The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

**(Not applicable to the Company during the Audit Period)**

- e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 upto August 12, 2021. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 with effect from August 13, 2021.

**(The Company had implemented the KRSNAA DIAGNOSTICS ESOP Scheme, 2020 prior to the IPO. The Scheme was prepared in line with SEBI (Share Based Employee Benefits) Regulations, 2014. At the time of In-principle approval, the Company has given an undertaking to the Stock Exchange for compliance with all regulations/ rules/ circulars as per the SEBI (Share Based Employee Benefits) Regulations, 2014.)**

- f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 upto August 15, 2021. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 with effect from August 16, 2021; and

**(Not applicable to the Company during the Audit Period)**

- g. Securities and Exchange Board of India (Issue and Listing of Non Convertible and Redeemable Preference Shares) Regulations, 2013 upto August 15, 2021. The Securities and Exchange Board of India (Issue and Listing of Non Convertible Securities) Regulations, 2021 with effect from August 16, 2021; and

**(Not applicable to the Company during the Audit Period)**

- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

**(Not applicable to the Company during the Audit Period)**

- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

**(Not applicable to the Company during the Audit Period)**

- vi. I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- (a) The Bio-medical Wastes (Management and Handling) Rules 1998;
- (b) The Clinical Establishments (Registration and Regulation) Act, 2010 and rules made thereunder;
- (c) Preconception and The Pre-Natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994 and rules made thereunder;
- (d) The Atomic Energy Act 1962 and rules made there under; and
- (e) Bio Medical Waste Management and Handling) Rules, 1988 framed under Environment (Protection) Act, 1986 being laws that are

specifically applicable to the Company based on their sector/industry

**I have also examined compliance with the applicable clauses of the following:**

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**I further report that:**

As on March 31, 2022 the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period under review, resolutions were carried out through majority decisions. As confirmed by the Management, there were no dissenting views expressed by any of the members on any business transacted at the Meetings held during the period under review.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the following are the major events happened during the period under review:

1. In an Extra-Ordinary General Meeting held on April 25, 2021, the face value of the Equity Shares was split from ₹10 each into ₹5 each and the Company had adopted a new set of Articles of Association.





2. The Company had converted 40,61,914 Compulsory Convertible Participating Preference Shares – Series A (CCPS – Series A) of ₹ 123/-each into 81,23,828 Equity Shares of ₹ 5/- each and 30,38,886 Compulsory Convertible Participating Preference Shares – Series C (CCPS – Series C) of ₹ 250/-each into 60,77,772 Equity Shares of ₹ 5/- each in the Board Meeting held on July 23, 2021.
3. The Company has issued prospectus offering 42,06,085 Equity Shares (Fresh Issue) and an Offer for Sale of 85,25,520 through an Initial Public Offer (IPO) which was opened on August 4, 2021 and closed on August 6, 2021.
4. Subsequent to IPO, the Equity shares of the Company got listed on stock Exchanges i.e., National

Stock Exchange and Bombay Stock Exchange w.e.f August 16, 2021.

**For Dinesh Birla & Associates**

Company Secretaries

**Dinesh Birla**

Proprietor

FCS: 7658, CP No. : 13029

PRC No. : 1668/2022

UDIN: F007658D000751775

Place: Pune

Date: August 04, 2022

Note: This report is to be read with our letter of even date, which is annexed as Annexure A and forms an integral part of this report.

## Annexure - A

To,  
The Members,  
**Krsnaa Diagnostics Limited**  
S.No. 243/A, Hissa No. 6,  
CTS No. 4519, 4519/1,  
Near Chinchwad Station,  
Chinchwad, Pune 411019.

Our Secretarial Audit report of even date is to be read together with this letter:

### I further report that:

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes, as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. Wherever required, I have obtained Management representation(s) about the compliance of Laws, Rules, regulations and happening of events etc.

4. The compliance of the provisions of corporate and other applicable Laws, Rules, Regulations, and Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
5. We have also relied on the documents and evidences provided on email to us, in view of the prevailing pandemic situation of COVID -19.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

### For Dinesh Birla & Associates

Company Secretaries

### Dinesh Birla

Proprietor

FCS: 7658, CP No. : 13029

PRC No. : 1668/2022

UDIN: F007658D000751775

Place: Pune

Date: August 04, 2022

# Report on Corporate Governance

## 1. Corporate Governance Philosophy:

Corporate Governance is a system by which companies are directed and controlled. It is a set of relationships between a company's management, its board, its shareholders and other stakeholders and also provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined. It implies governance with the highest standards of professionalism, integrity, accountability, fairness, transparency, social responsiveness and business ethics for efficient and ethical conduct of business.

There have been continuous amendments in Companies act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by which regulators are making tremendous efforts to introduce new and innovative means to make corporate governance in India optimally progressive, transparent and beneficial to all the stakeholders.

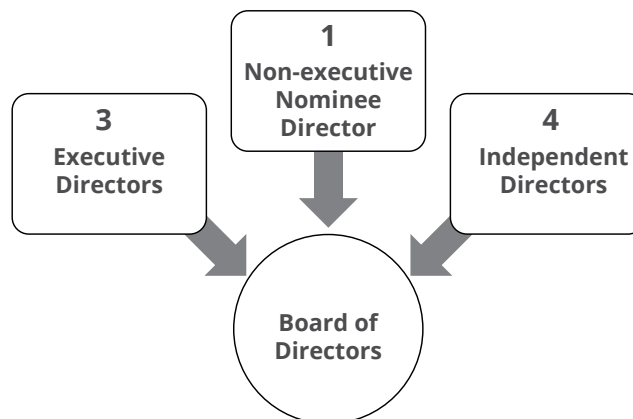
We believe practicing corporate governance to ensure transparency in our corporate affairs and are committed to continuously scale up the corporate governance standards.

Our philosophy aims at maximizing shareholders' interest. The Board of Directors periodically reviews our corporate strategies, annual budgets and sets, implements and monitors corporate objectives. It effectively monitors the Company's governance practices and ensures transparent Board processes. Further, it appoints and compensates the key executives and also monitors their performance. It strives to maintain overall integrity of the accounting and financial reporting systems.

## 2. Board of Directors

In order to maintain independence of the Board, we have a judicious mix of Executive, Non-Executive and Independent Directors on the Board which is essential to separate the two main Board functions viz. governance and management.

As on March 31, 2022, the Board of Directors comprises of 8 Directors having healthy mix as below:



The Board members have diverse background and possess rich experience and expertise in various industries such as Healthcare, Pharmacy, Mechanical Engineering, Finance, Central Civil Services and Research etc. The Board periodically evaluates the need for increasing or decreasing its size. The composition of the Board and the number of directorships held by each Director both in the Company as well as outside the Company is detailed in below table:

The Composition of the Board and the number of directorships held by them as on March 31, 2022

Name of Director	Category of Directorship at KRSNAA	Relationship with the Directors	No. of Director ships held in Public Companies*	No. of Committee Membership in Companies®	No. of Chairmanship in Committees®	Names of the listed entities where the person is a director and the category of directorship	
						Name of listed entity	Category of directorship
Mr. Rajendra Mutha	Chairman and Executive Director	None	1	0	0	NIL	NIL
Ms. Pallavi Bhatevara	Managing Director	None	1	0	0	NIL	NIL
Mr. Yash Mutha	Executive Director	None	1	2	0	NIL	NIL
Mr. Sachin Kamath#	Nominee Director	None	NIL	1	NIL	NIL	NIL
Mr. Mayur Sirdesai#	Nominee Director	None	NIL	1	NIL	NIL	NIL
Mr. Prem Pradeep	Nominee Director	None	1	1	0	NIL	NIL
Mr. Chetan Desai	Non-executive –Independent Director	None	7	7	4	Delta Corp Ltd.	Independent Director
Ms. Chhaya Palrecha	Non-executive –Independent Director	None	2	3	1	NIL	NIL
Mr. Prakash Iyer**	Non-executive –Independent Director	None	1	2	1	NIL	NIL
Mr. Rajiva Ranjan Verma	Non-executive –Independent Director	None	1	1	0	NIL	NIL
Mr. Adesh Kumar Gupta***	Non-executive –Independent Director	None	6	5	1	1. Grasim Industries Ltd 2. India Pesticides Ltd 3. Vinati Organics Ltd 4. Care Ratings Ltd. 5. Zee Entertainment Ltd	Independent Director Non-executive Director

\* including directorship in Krsnaa Diagnostics Limited.

\*\* Resigned on May 28, 2022

\*\*\* Appointed as Additional Director (Non-Executive Independent Director) from May 28, 2022. The details of Directorships and Committee Memberships / Chairmanship is given as on May 28, 2022.

@ includes only Audit Committee & Stakeholders Relationship Committee in all public limited companies including Krsnaa Diagnostics Limited.

#Ceased to be a Director and member of the Committee effective from closing of business hours on April 25, 2021.

The number of directorships, chairmanships and committee memberships of each director is in compliance with the relevant provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Number of Board Meetings

Generally, the Board meetings are held at the Registered Office of the Company located in Pune however, during the year under review, the meetings were held through Video Conferencing pursuant to amended Rule 4 of the Companies (Meetings of Board

and its Powers) Amendment Rules, 2020 as amended vide MCA notifications dated March 19, 2020, June 23, 2020, September 28, 2020 and December 30, 2020 due to COVID - 19 Pandemic. The agenda for each meeting is drafted by the Company Secretary in consultation with the Chairman of the Board and circulated to the Board members in advance.

During the Financial Year 2021-22, Nine (9) meetings of the Board of Directors were held and the maximum time gap between two consecutive meetings did not exceed one hundred and twenty (120) days.

**Date(s) on which meeting(s) were held**

Date of Meeting	Gap between meetings	Quorum	
		Total No. Directors	Directors Present
April 25, 2021	-	6	6
May 13, 2021	17	8	7
May 14, 2021	1	8	7
July 13, 2021	59	8	8
July 23, 2021	9	8	7
July 28, 2021	4	8	8
August 10, 2021	12	8	7
October 11, 2021	61	8	8
January 31, 2022	111	8	8

**The shareholding of Non-Executive Directors as on March 31, 2022 is as follows:**

Name of Director	Nature of Directorship	No. of Equity Shares held
Mr. Chetan Desai	Independent Director	
Ms. Chhaya Palrecha	Independent Director	
Mr. Prakash Iyer*	Independent Director	
Mr. Rajiva Ranjan Verma	Independent Director	NIL
Mr. Adesh Kumar Gupta**	Independent Director	
Mr. Prem Pradeep***	Nominee Director	

\* Resigned on May 28, 2022

\*\* Appointed as Additional Director (Non-Executive Independent Director) from May 28, 2022.

\*\*\*Mr. Prem Pradeep is a Nominee Director appointed on the Board of Directors of the Company to represent PHI Capital Trust - PHI Capital Growth Fund - I holding 4984967 (15.88%) shares in the Company.

**Familiarization Programme for the Independent Directors**

The Directors are provided with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Further, periodic presentations are made at the Board and Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Quarterly updates on relevant statutory changes are also provided to the Directors in the Board Meetings.

**Core competencies of the Board of Directors**

The Board of Directors has identified skills/competencies/expertise such as Business Operations & Management, Technical expertise, Business operations at Global Level including Industry knowledge, Strategy and planning, Financial, Treasury Management and Taxation, Governance, Compliance and Risk Management in order to assist the management and provide them advice in the business operations, which are available with the current Board of Directors of the Company. The list of expertise/core skills/competencies identified by the Board of Directors is detailed in below table.

Name of Director	Business Operations & Management	Technical expertise	Business operations at M Level including industry knowledge	Strategy and planning	Financial, treasury management and taxation expertise	Governance, Compliance and Risk Management
Mr. Rajendra Mutha	Yes	Yes	Yes	Yes	-	-
Ms. Pallavi Bhatevara	Yes	Yes	Yes	Yes	-	-
Mr. Yash Mutha	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Prem Pradeep	-	-	Yes	Yes	Yes	Yes
Mr. Chetan Desai	-	-	Yes	Yes	Yes	Yes
Ms. Chhaya Palrecha	-	-	Yes	Yes	Yes	Yes
Mr. Rajiva Ranjan Verma	-	-	Yes	Yes	Yes	Yes
Mr. Adesh Kumar Gupta*	-	-	Yes	Yes	Yes	Yes
Mr. Prakash Iyer**	Yes	Yes	Yes	Yes	Yes	Yes

\* Appointed as Additional Director (Non-Executive - Independent Director) from May 28, 2022.

\*\* Ceased to be a Director of the Company effective from closing of business hours on May 28, 2022.

### Confirmation of Independence

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013.

In the opinion of the Board, the independent directors fulfil the conditions of independence criteria as specified in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent from the management.

### 3. Audit Committee

The Company has a duly constituted Audit Committee and its composition meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. All members of the Committee are financially literate and have accounting or related financial management expertise.

During FY 2021-22, the Audit Committee met six times i.e. on April 25, 2021, May 12, 2021, July 13, 2021, July 23, 2021, October 11, 2021 and January 31, 2022. The details of meetings and attendance are given in below table:

Name of the Committee Member	Category	No. of meetings held during the tenure	No. of meetings attended
Mr. Chetan Desai	Chairperson	5	5
Ms. Chhaya Palrecha	Member	5	5
Mr. Prakash Iyer*	Member	5	2
Mr. Rajiva Ranjan Verma	Member	5	5
Mr. Yash Mutha	Member	6	5
Mr. Adesh Kumar Gupta#	Member	NA	NA
Mr. Prem Pradeep	Member	5	5
Mr. Sachin Kamath\$	Member	1	1
Mr. Mayur Sirdesai\$	Member	1	1

\*Ceased to be Member / Chairperson effective from May 28, 2022.

\$ Ceased to be a Director and member of the Committee effective from closing of business hours on April 25, 2021.

#Appointed as a Member effective from July 21, 2022.

### Roles and Objectives:

- a. Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b. Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee;
- c. Approval of payments to statutory auditors for any other services rendered by the statutory auditors of the Company;
- d. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - I. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act;
  - II. Changes, if any, in accounting policies and practices and reasons for the same;
  - III. Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
  - IV. Significant adjustments made in the financial statements arising out of audit findings;
  - V. Compliance with listing and other legal requirements relating to financial statements;
  - VI. Disclosure of any related party transactions; and Qualifications / modified opinion(s) in the draft audit report.
- e. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- f. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report





- submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- g. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - h. Formulating a policy on related party transactions, which shall include materiality of related party transactions;
  - i. Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
  - j. Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
  - k. Scrutiny of inter-corporate loans and investments;
  - l. Valuation of undertakings or assets of the Company, wherever it is necessary;
  - m. Evaluation of internal financial controls and risk management systems;
  - n. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - o. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - p. Discussion with internal auditors of any significant findings and follow up there on;
  - q. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  - r. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - s. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - t. Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
  - u. Monitoring the end use of funds raised through public offers and related matters;
  - v. Reviewing the functioning of the whistle blower mechanism;
  - w. Approval of the appointment of the chief financial officer of the Company (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;
  - x. Carrying out any other functions as provided under the Companies Act, the SEBI Listing Regulations and other applicable laws;
  - y. To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time;
  - z. Overseeing a vigil mechanism established by the Company, providing for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee for directors and employees to report their genuine concerns or grievances; and
  - aa. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision; and
  - bb. Such roles as may be prescribed under the Companies Act and SEBI Listing Regulations.
  - cc. The Audit Committee shall mandatorily review the following information:
    - I. Management discussion and analysis of financial condition and results of operations;
    - II. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;

- III. Management letters/letters of internal control weaknesses issued by the statutory auditors of the Company;
- IV. Internal audit reports relating to internal control weaknesses;
- V. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
- VI. Statement of deviations:
  - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
  - annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations; and
  - review the financial statements, in particular, the investments made by any unlisted subsidiary.
- dd. To carry out such other functions as may be specifically referred to the Committee by the Board of Directors and/or other Committees of Directors of the Company.

#### 4. Nomination and Remuneration Committee:

Company has a duly constituted Nomination and Remuneration Committee and its composition meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During FY 2021-22, the Nomination and Remuneration Committee met four times i.e. on April 25, 2021, July 13, 2021, October 11, 2021 and January 31, 2022. The details of meetings and attendance are given in below table:

Name of the Committee Member	Category	No. of meetings held during the tenure	No. of meetings attended
Mr. Prakash Iyer*	Chairperson	3	3
Ms. Chhaya Palrecha	Member	3	3
Mr. Chetan Desai <sup>§</sup>	Member	NA	NA
Mr. Prem Pradeep	Member	3	3

Name of the Committee Member	Category	No. of meetings held during the tenure	No. of meetings attended
Mr. Adesh Kumar Gupta <sup>#</sup>	Chairperson	NA	NA
Mr. Sachin Kamath <sup>%</sup>	Member	1	1
Mr. Mayur Sirdesai <sup>%</sup>	Member	1	1

<sup>%</sup> Ceased to be a Director and member of the Committee effective from closing of business hours on April 25, 2021.

<sup>\*</sup> Ceased to be Member and Chairperson effective from May 28, 2022

<sup>\$</sup> Appointed as a Member effective from January 31, 2022

<sup>#</sup> Appointed as a Member and Chairperson effective from July 21, 2022

#### Roles and Objectives:

- a. To be responsible for identifying and nominating, for the approval of the Board and ultimately the shareholders, candidates to fill Board vacancies as and when they arise as well as putting in place plans for succession, in particular with respect to the Chairman of the Board and the Chief Executive Officer;
- b. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- c. The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:
  - the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
  - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- d. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;



- e. To devise a policy on diversity of board of directors;
- f. To regularly review the Board structure, size, composition and make recommendations to the Board of adjustments that are deemed necessary, in order to ensure an adequate size and a well-balanced composition of the Board and further to make determinations regarding independence of members of the Board;
- g. To consider succession and emergency planning, taking into account the challenges and opportunities facing the Company and the skills and expertise therefore needed on the Board, reporting to the Board regularly;
- h. To keep under review the leadership needs of the organization, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the market place;
- i. To formulate criteria for evaluation of performance of independent directors and the board of directors;
- j. To decide on whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- k. To analyze, monitor and review various human resource and compensation matters;
- l. Annual performance evaluation of the Chairman of the Company and all Directors including Managing and other Executive Director with respect to their roles as Directors;
- m. To ensure that on appointment to the Board, Non-executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings;
- n. To recommend to the Board whether to reappoint a Director/Independent Director at the end of their term of office;
- o. To make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an executive Director as an employee of the Company subject to the provision of the law and their service contract;
- p. To identify and recommend Directors who are to be put forward for retirement by rotation;
- q. Before appointment is made by the Board, to evaluate the balance of skills, knowledge and experience on the Board, and in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment;
- r. To ensure the development of guidelines for selecting candidates for election or re-election to the Board, or to fill vacancies on the Board;
- s. To consider any other matters as may be requested by the Board;
- t. To frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, by the Company and its employees, as applicable including:
- the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and
  - the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended; and
  - To make available its terms of reference and review periodically those terms of reference and its own effectiveness and recommend any necessary changes to the Board.
- The duties of the Committee in relation to its remuneration function shall be:
- u. To consider and determine, based on their performance and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board and the Key Managerial Personnel, namely,
- i. base salary (the Committee shall also consider the pension consequences of basic salary increases);
  - ii. bonuses and performance-related payments (including profit-sharing schemes);
  - iii. discretionary payments;
  - iv. pension contributions;
  - v. benefits in kind; and
  - vi. share options and their equivalents

- v. To approve the remuneration of other members of the senior management of the Company;
  - w. To review and approve compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
  - x. In relation to the above, the Committee shall at all times give due regard to published or other available information relating to pay, bonuses and other benefits of executives in companies which are comparable to the Company;
  - y. To perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - z. [To administer the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan (“ESOP Scheme”) including the following:
    - Determining the eligibility of employees to participate under the ESOP Scheme;
    - Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;
    - Date of grant;
    - Determining the exercise price of the option under the ESOP Scheme;
    - The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;
    - The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
    - The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;
    - The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
    - Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;
    - The grant, vest and exercise of option in case of employees who are on long leave;
    - Allow exercise of unvested options on such terms and conditions as it may deem fit;
    - The procedure for cashless exercise of options;
    - Forfeiture/ cancellation of options granted;
    - Formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:
      - The number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
      - For this purpose, follow global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and
      - The vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.
- aa. To construe and interpret the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;]
  - bb. To consider any other matters as may be requested by the Board; and
  - cc. To make available its terms of reference and review annually those terms of reference and its own effectiveness and recommend any necessary changes to the Board.

**The committee is authorised by the Board to:**

- investigate any activity within its terms of reference;
- seek any information from any employee of the Company or any associate or subsidiary, joint venture Company in order to perform its duties and all employees are directed by the Board to co-operate with any request made by the Committee; and
- call any director or other employee to be present at a meeting of the Committee as and when required.

**5. Stakeholders Relationship Committee**

Company has a duly constituted Stakeholders Relationship Committee and its composition meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During FY 2021-22, the Stakeholders Relationship Committee met one time i.e. on March 31, 2022. The details of meetings and attendance are given in below table:

Name of the Committee Member	Category	No. of meetings held during the tenure	No. of meetings attended
Mr. Prakash Iyer <sup>\$</sup>	Chairperson	1	1
Ms. Chhaya Palrecha	Member	1	1
Mr. Yash Mutha	Member	1	1
Mr. Chetan Desai*	Member	NIL	NIL
Mr. Adesh Kumar Gupta <sup>#</sup>	Chairperson	NIL	NIL

\*Ceased as a Member effective from January 31, 2022

<sup>\$</sup>Ceased as a Member and Chairperson effective from closing of business hours on May 28, 2022

<sup>#</sup>Appointed as a Member and Chairperson effective from July 21, 2022

**Roles and Objectives:**

- To redress and resolve the grievances of the security holders of the Company including complaints related to transfer / transmission of shares and debentures, non-receipt of annual report, share certificates, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;

- To consider and look into various aspects of interest of shareholders, debenture holders and other security holders;
- To review of measures taken for effective exercise of voting rights by shareholders;
- To investigate complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- To give effect to all transfer/transmission of shares and debentures, dematerialization of shares and re-materialization of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
- To review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- To review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- To carry out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority; and
- To make available its terms of reference and review periodically those terms of reference and its own effectiveness and recommend any necessary changes to the Board.

**The committee is authorised by the Board to:**

- investigate any activity within its terms of reference;
- seek any information from any employee of the Company or any associate or subsidiary, joint venture Company in order to perform its duties and all employees are directed by the Board to co-operate with any request made by the Committee; and
- call any director or other employee to be present at a meeting of the committee as and when required.

- j. If the committee considers it necessary so to do it is authorised to obtain appropriate external advice including but not limited to legal and professional advice to assist it in the performance of its duties and to secure the services of outsiders with relevant experience and expertise and to invite those persons to attend at meetings of the committee. The cost of obtaining any advice or services shall be paid by the Company within the limits as authorised by the Board.

### Compliance Officer

Mr. Nikhil Deshpande, Company Secretary is Compliance officer of the Company. His Contact details are given below:

#### Krsnaa Diagnostics Limited

S. No. 243/A, Hissa No. 6, CTS No. 4519, 4519/1,  
Near Chinchwad Station, Chinchwad, Taluka - Haveli  
Pune MH 411019 IN

**Ph:** +91 20-29780210/11/12

**E-mail:** cs@krsnadiagnostics.com

The details of shareholders' complaints received and resolved during the Financial Year ended March 31, 2022 are given in the table below:

Sr. No.	Particulars	No. of Complaints
1	Number of Shareholders' complaints outstanding as at April 1, 2021	0
2	Number of shareholders' complaints received during the Financial Year	5341
3	Number of shareholders' complaints resolved to the satisfaction of shareholders during the Financial Year	5341
4	Number of pending shareholders' complaints as at March 31, 2022	0

## 6. Corporate Social Responsibility Committee

Company has a duly constituted Corporate Social Responsibility Committee and its composition meets the requirements of Section 135 of the Companies Act, 2013.

During FY 2021-22, the Corporate Social Responsibility (CSR) Committee met once i.e. on April 25, 2021. The details of meetings and attendance are given in below table.

Name of the Committee Member	Category	No. of meetings held during the tenure	No. of meetings attended
Mr. Mayur Sirdesai*	Member	1	1
Mr. Sachin Kamath*	Member	1	1
Mr. Yash Mutha\$	Chairperson	1	1
Mr. Rajendra Mutha#	Chairperson	NA	NA
Ms. Pallavi Bhatevara	Member	1	1
Mr. Rajiva Ranjan Verma#	Member	NA	NA
Mr. Prem Pradeep#	Member	NA	NA

\*Ceased to be a Director and member of the Committee effective from closing of business hours on April 25, 2021.

\$ Ceased to a Chairperson / member of the Committee effective from closing of business hours on April 25, 2021

#Appointed as a member / Chairperson of the Committee effective from April 26, 2021

### Roles and Responsibilities:

- To formulate and recommend to the board, a corporate social responsibility policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and the rules made thereunder and make any revisions therein as and when decided by the Board;
- To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- To recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
- To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- To review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and
- To perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act





## 7. Risk Management Committee

Company has duly constituted a Risk Management Committee in compliance of Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During FY 2021-22, the Enterprise Risk Management Committee met three i.e. on January 31, 2022, March 05, 2022 and March 7, 2022. The details of meetings and attendance are given in below table:

Name of the Committee Member	Category	No. of meetings held during the tenure	No. of meetings attended
Mr. Rajiva Ranjan Verma	Chairperson	3	3
Mr. Prakash Iyer*	Member	3	3
Mr. Yash Mutha	Member	3	3
Mr. Adesh Kumar Gupta#	Member	NIL	NIL

\* Ceased as a Member effective from closing of business hours on May 28, 2022.

#Appointed as a Member and Chairperson effective from July 21, 2022.

### Roles and Objectives:

1. Overseeing risk appetite and risk tolerance appropriate to each business area;
2. Considering the risk policy and strategy;

## 9. General Body Meetings

Details of Annual General Meetings held during the last three years are as under:

Financial Year	Date	Venue	Special Resolution set out at the Meeting
2020-21	July 1, 2020	Meeting Convened through Video Conferencing / Other Audio Visual Means (OAVM)	1. Alteration in Articles of Association; 2. Approval for Employee Stock Options Scheme; 3. Grant of ESOP Options 1% or more of the Issued Share Capital of the Company.
2019-20	June 17, 2019	Corporate Office: S. No. 243/A, Hissa No. 6, CTS No. 4519, 4519/1, Near Chinchwad Station, Chinchwad, Taluka - Haveli Pune MH 411019 IN	NIL
	October 17, 2018	Registered Office: 98, Pavananagar, Opp. Fathechand Jain School, Chinchwad, Pune MH 411033 IN	NIL
2018-19	January 22, 2019	Corporate Office: S. No. 243/A, Hissa No. 6, CTS No. 4519, 4519/1, Near Chinchwad Station, Chinchwad, Taluka - Haveli Pune MH 411019 IN	1. Issuance of Equity Shares and CCPS-Series C through Private Placement Offer; 2. Adoption of the re-stated Article of Association of the Company; 3. Approval for revised terms and conditions for CCPS (Series A) and (CCPS (Series B)
	January 31, 2019	Corporate Office: S. No. 243/A, Hissa No. 6, CTS No. 4519, 4519/1, Near Chinchwad Station, Chinchwad, Taluka - Haveli Pune MH 411019 IN	NIL

3. Ensuring that there are adequate enterprise wide processes and systems for identifying and reporting risks and deficiencies, including emerging risks;
4. Overseeing compliance with the stated risk appetite and policies and procedures related to risk management governance and the risk controls framework;
5. Monitoring the alignment of the risk framework to the company's growth strategy, supporting a culture of risk taking within sound risk governance;
6. Having an overview of the key risk issues identified across the organisation and the wider network.

## 8. Remuneration of Directors

The details of Remuneration of Directors forms part of the financial statements for the Financial Year ended March 31, 2022.

Criteria for making payments to Non-Executive Directors

Non-Executive Directors of the Company are paid sitting fees for attending Board/ Committee meetings and Commission within the limits prescribed under Companies Act, 2013.

The Nomination and Remuneration Policy of the Company, inter alia, disclosing detailed criteria of making payments to Non-Executive Directors of the Company is placed on Company's website.

## 10. Disclosures to Stock Exchanges

The quarterly/half-yearly/yearly results are intimated to the Stock Exchanges immediately after the Board Meeting at which they are approved. The results of the Company are also published in at least one national newspaper (usually Financial Express) and one regional newspaper (usually Loksatta) having wide circulation.

The results along with presentations made by the Company to Analysts/Investors are also posted on the website of the Company viz. [www.krsnaadiagnostics.com](http://www.krsnaadiagnostics.com)

The Company organizes investor conference calls to discuss its financial results every quarter, where investor queries are answered by the Executive Management of the Company. The transcripts of the conference calls are posted on our website and also sent to the Stock Exchanges.

All price sensitive information and matters that are material to shareholders are disclosed to the Stock Exchanges, where the securities of the Company are listed.

## 11. Additional Shareholders Information

<b>Registered and Corporate Office</b>	: S. No. 243/A, Hissa No. 6, CTS No. 4519, 4519/1, Near Chinchwad Station, Chinchwad, Taluka - Haveli Pune MH 411019 IN. Tel No. +91-20-29780210 Website: <a href="http://www.krsnaadiagnostics.com">www.krsnaadiagnostics.com</a>
<b>Date of Incorporation</b>	: December 22, 2010
<b>Registration No./CIN</b>	: L74900PN2010PLC138068
<b>Date, Time and Venue of 12<sup>th</sup> AGM</b>	: September 27, 2022 11:00 A.M. S. No. 243/A, Hissa No. 6, CTS No. 4519, 4519/1, Near Chinchwad Station, Chinchwad, Taluka - Haveli Pune MH 411019 IN.
<b>Record Date</b>	: Friday, September 16, 2022
<b>Dividend Payment Date</b>	: On or before Thursday, October 26, 2022
<b>Financial Year</b>	: April 01, 2021 - March 31, 2022
<b>Financial Calendar for 2022-2023 (tentative and subject to change)</b>	: April 01, 2022 - March 31, 2023
Financial reporting for the first quarter ending June 30, 2022	: August 14, 2022
Financial reporting for the second quarter ending September 30, 2022	: November 14, 2022
Financial reporting for the third quarter ending December 31, 2022	: February 14, 2023
Financial reporting for the last quarter and year ending March 31, 2023	: May 30, 2023
Annual General Meeting for the year ending March 31, 2023	: September 30, 2023
<b>The shares of the Company are listed on the following Stock Exchanges:</b>	:
National Stock Exchange of India Limited	: Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400051. NSE Code : KRSNAA
BSE Limited	: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001. BSE Code: 543328
ISIN Number of the Company	: INE08LI01020

The Company has paid the Annual Listing Fee for the Financial Year 2022-23 to both the Stock Exchanges on which the shares of the Company are listed.



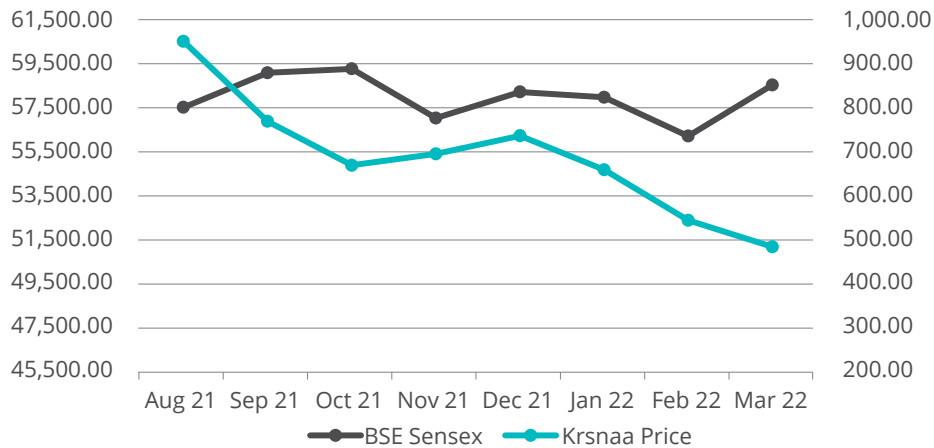
## Market Price Data and Share Price Performance:

The Monthly High and Low Share Price during each month of the Last Financial year is as below:

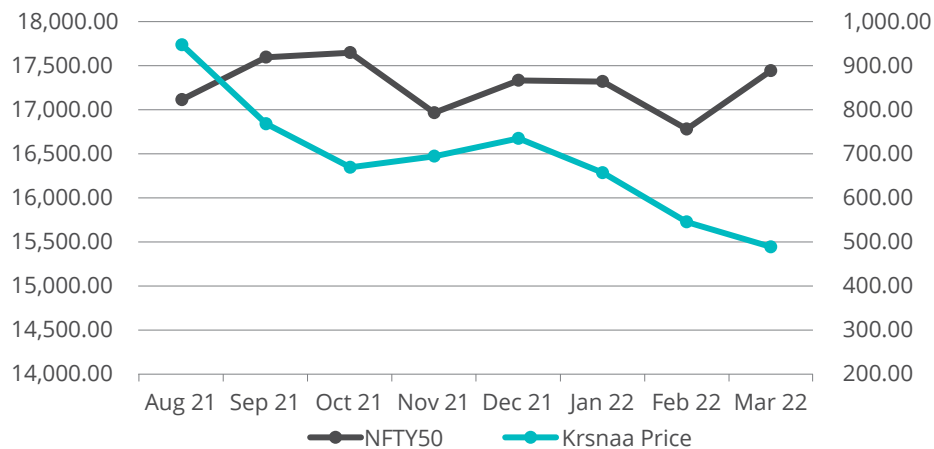
Month	BSE Limited		National Stock Exchange (NSE)	
	High	Low	High	Low
August, 2021	1099.50	862.45	1099.70	862.35
September, 2021	959.95	765.10	960.00	765.10
October, 2021	835.00	626.50	836.80	626.00
November, 2021	747.05	624.45	747.95	628.00
December, 2021	789.55	630.00	790.00	629.55
January, 2022	799.90	635.10	796.00	645.00
February, 2022	680.00	533.60	680.00	533.05
March, 2022	601.00	480.00	603.00	480.00

## Company's equity shares price comparison with BSE Sensex and NSE Nifty

### Krsnaa Price at BSE V/s BSE Sensex



### Krsnaa Price at NSE V/s Nifty50



### Registrar and Share Transfer Agent:

Kfin Technologies Limited  
Selenium Tower-B", Plot No. 31 & 32,  
Gachibowli, Financial District,  
Nanakramguda, Serilingampally,  
Hyderabad, Telangana-500032  
Contact No.: 040 67162222  
Email ID: einward.ris@kfintech.com

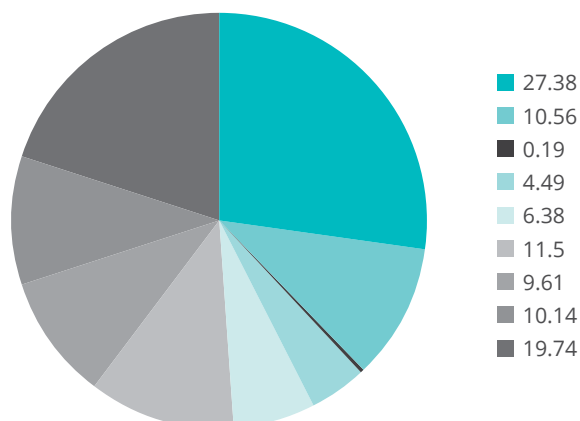
### Shareholding Pattern / Distribution as on March 31, 2022

Category	No. of shares held	% of total share capital
Promoters & Promoters Group	85,97,676	27.38
Mutual Funds	33,15,576	10.56
Alternate Investment Fund	59,720	0.19
Foreign Portfolio Investors	14,10,216	4.49
Financial Institutions/Banks	1,254	<0.004
Overseas Corporate Bodies	20,04,428	6.38
Qualified Institutional Buyer	36,10,130	11.50
Individuals shares capital upto ₹ 2 Lacs	30,16,647	9.61
Individuals shares capital in excess of ₹ 2 Lacs	31,83,774	10.14
NBFCs Registered with RBI	18	<0.0001
Any Other	61,98,174	19.74
<b>Non-Promoter - Non-Public</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL</b>	<b>3,13,97,613</b>	<b>100</b>

### Graphic Presentation of the Shareholding Pattern as on March 31, 2022

#### Share Transfer Systems:

% of Total Share Capital



The share transfer activities are carried out by our Registrar & Share Transfer Agent, the details of which are given above. The documents are received at their office in Hyderabad. The share transfers are carried out within a period of fifteen days from the date of receipt of request for transfer, provided, all the documents received are in order.

### Dematerialization of shares and liquidity:

As on March 31, 2022, 100% of the total issued and paid-up share capital was held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

### Outstanding GDRs /ADRs/Warrants or Convertible Instruments:

No GDRs/ ADRs/Warrants or Convertible Instruments has been issued by the Company.

### Commodity price risk or foreign risk and hedging activities:

Company does not have commodity price risk nor does the Company engage in hedging activities.

## 12. Disclosures

### a. Related Party Transactions

Company has not entered into any materially significant transactions with the related parties that may have potential conflict with the interests of the Company at large. Transactions with related parties are being disclosed in Note No. 42 to the Standalone Financial Statements of the Company forming part of the Annual Report and are transacted after obtaining applicable approval(s), wherever required. The Audit Committee and the Board of Directors of the Company have formulated the Policy on dealing with RPTs which can be accessed at the Company's website.

### b. Non-compliances by the Company

There were no strictures or penalties imposed on the Company either by the Stock Exchanges or SEBI, or any other statutory authority for noncompliance of any matter related to capital markets.

**c. Whistle Blower Policy**

Company is committed to conduct its business in accordance with applicable laws, rules and regulations. The Company promotes ethical behaviors in its operations and has a Whistle Blower Policy which is overseen by the Audit Committee. Under the Whistle Blower Policy, employees and stakeholders are free to report violations of applicable laws and regulations and the Code of Conduct. During the year under review, no employee was denied access to the Audit Committee.

The policy on Whistle Blower Policy has been posted on the website of the Company.

**d. Details of compliance with mandatory requirements on Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Company has complied with the mandatory requirements on Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**e. Subsidiaries Companies**

As on March 31, 2022, the Company had subsidiary companies as detailed below.

Name of the Committee Member	Shareholding / Ownership
KDPL Diagnostics (Ludhiana) Private Limited	
KDPL Diagnostics (Amritsar) Private Limited	
KDPL Diagnostics (Bathinda) Private Limited	
KDPL Diagnostics (Jalandhar) Private Limited	100% Wholly Owned Subsidiaries
KDPL Diagnostics (Patiala) Private Limited	
KDPL Diagnostics (SAS Nagar) Private Limited	
Krsnaa Diagnostics (Mohali) Private Limited	

The Board of Directors of the Company have also formulated a policy for determining "Material" subsidiaries. The said Policy has been placed on the website of the Company.

**f. Practicing CS Certification**

A certificate from a Company Secretary in Practice that as on March 31, 2022, none of

the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of Company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority is annexed to this Report as Annexure to this report.

**g. Statutory Auditor Fee**

The total fee paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which Statutory Auditor is a part, for all the services during the Financial Year 2021 -22 is ₹ 2.87 million.

**13. Business Responsibility Report**

Pursuant to the provisions of Regulation 34 of the SEBI (LODR) Regulations, 2015, the Company has prepared a Business Responsibility Report and the same forms a part of this Annual Report

**14. Code of Conduct**

The Board of Directors has laid down a Code of Conduct, which is applicable to all Directors and Senior Management personnel of the Company. The Code has also been posted on the website of the Company. All Board Members and Senior Management Executives have affirmed compliance with the Code of Conduct for the Financial Year 2021-22.

An annual declaration signed by the Chief Executive Officer of the Company affirming compliance to the Code by the Board of Directors and the Senior Management is annexed to this Report. The Code of Conduct is available on website of the Company.

**15. CEO/CFO Certification**

In compliance with Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate from Chief Executive Officer and Chief Financial Officer of the Company to the Board of Director as specified in Part B of Schedule II of the said regulations is annexed to this Report.

**16. Compliance Certificate on Corporate Governance**

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate on Corporate Governance issued by Company Secretary in Practice is annexed to this Report.

## CODE OF CONDUCT

The Board of Directors of the Company has laid down a Code of Conduct for all Board Members and Senior Management of the Company in terms of the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015. The Code of Conduct is uploaded at Company's website.

I hereby confirm that the Company has obtained from all members of the Board and Senior Management Personnel, affirmation that they have complied with the Code of Conduct for the FY 2021-22.

**Place: Pune**  
**Date: August 4, 2022**

**Pallavi Bhatevara**  
**Managing Director**

## CEO & CFO CERTIFICATION

We, Pallavi Bhatevara, Managing Director and Pawan Daga, Chief Financial Officer of Krsnaa Diagnostics Limited, in terms of Regulation 17(8) of Listing Regulations read with part B of schedule II, hereby certify to the Board that:

- a) We have reviewed Financial Statements and Cash flow statements for the Financial Year ended March 31, 2022 and that to the best of our knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affairs and are in accordance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year under review which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control system of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
  - i. Significant changes in internal control over financial reporting during the year under review;
  - ii. Significant changes in accounting policies during the year under review and that the same have been disclosed the notes to the financial statements; and
  - iii. Instances of significant fraud of which we have become aware of and the involvement therein, if any, of the management or an employee having significant role in Company's internal control system over financial reporting.

**Place: Pune**  
**Date: August 4, 2022**

**Pallavi Bhatevara**  
**Managing Director**

**Pawan Daga**  
**Chief Financial Officer**





## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,  
The Members  
**Krsnaa Diagnostics Limited**  
S. No. 243/A, Hissa No. 6,  
CTS No. 4519, 4519/1,  
Near Chinchwad Station,  
Chinchwad, Pune 411019.

I have examined the compliance of conditions of corporate governance by Krsnaa Diagnostics Limited, for the year ended on March 31, 2022, as stipulated in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to us, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchanges.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Dinesh Birla & Associates**  
Company Secretaries

Sd/-  
**Dinesh Birla**  
Proprietor  
FCS: 7658, CP No. : 13029  
PRC No. : 1668/2022  
UDIN: F007658D000751821

Place: Pune  
Date: August 4, 2022

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,  
 The Members  
**Krsnaa Diagnostics Limited**  
 S. No. 243/A, Hissa No. 6,  
 CTS No. 4519, 4519/1,  
 Near Chinchwad Station,  
 Chinchwad, Pune 411019.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Krsnaa Diagnostics Limited having CIN L74900PN2010PLC138068 and having registered office at S. No. 243/A, Hissa No. 6, CTS No. 4519, 4519/1, Near Chinchwad Station, Chinchwad, Pune MH 411019 IN and (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sr. No.	Name of the Director	DIN	Date of Appointment
1	Mr. Rajendra Khivraj Mutha	01066737	December 22, 2010
2	Ms. Pallavi Shantilal Bhatevara	03600332	January 29, 2013
3	Mr. Yash Prithviraj Mutha	07285523	January 31, 2019
4	Mr. Prem Pradeep	07400417	October 08, 2020
5	Mr. Chetan Rameshchandra Desai	03595319	April 25, 2021
6	Ms. Chhaya Manoj Palrecha	06914875	April 25, 2021
7	Mr. Prakash Iyer*	00529591	April 25, 2021
8	Mr. Rajiv Ranjan Verma	09157414	April 25, 2021

\*Ceased to be a Director of the Company effective from closing of business hours on May 28, 2022.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Dinesh Birla & Associates**  
 Company Secretaries

Sd/-  
**Dinesh Birla**  
 Proprietor  
 FCS: 7658, CP No. : 13029  
 PRC No. : 1668/2022  
 UDIN: F007658D000732910

Place: Pune  
 Date: August 3, 2022



# Business Responsibility Report

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company:** L74900PN2010PLC138068
- Name of the Company:** Krsnaa Diagnostics Limited
- Registered address:** S. No. 243/A, Hissa No. 6, CTS No. 4519, 4519/1, Near Chinchwad Station, Chinchwad, Taluka - Haveli Pune MH 411019 IN
- Website:** <https://krsnaadiagnostics.com/>
- E-mail ID:** investors@krsnadiagnostics.com
- Financial Year reported:** April 01, 2021 to March 31, 2022
- Sector(s) that the Company is engaged in (industrial activity code-wise):**

Diagnostic and Related Healthcare Tests and Services – Code -869

- List three key products / services that the Company manufactures/provides (as in balance sheet):**

Krsnaa Diagnostics Ltd. is one of the India's largest diagnostic services provider, both in Radiology and Pathology.

- Computed Tomography (CT) Scan
- Magnetic Resonance Imaging (MRI) Scan
- X-Ray
- Ultrasound
- Mammography
- Pathology Diagnostics Services
- Tele-reporting

- Total number of locations where business activity is undertaken by the Company (Major locations):**

Details of plants if not applicable as the Company provides Diagnostics Services in the area of Pathology and Radiology.

(a) Number of International Locations: NIL

(b) Number of National Locations:

i. Radiology Centers

Radiology Centers	CT Scan and MRI	X-Ray Tele-Reporting Centers	Radiology Centers
	107	1381	1488

ii. Pathology Labs

Pathology Labs	Processing Labs	Collection Centers	Pathology Centers
	49	534	583

**10. Markets served by the Company – Local/State/National/International:** Company serves the Indian market.

**Number of Locations**

Locations	Number
National (No. of States)	As on March 31, 2022, the Company has Radiology and Pathology Centers in 14+ States

**SECTION B: FINANCIAL DETAILS OF THE COMPANY**

- 1. Paid up Capital (₹) – 156.99 million**
- 2. Total Turnover (₹) – 4554.50 million**
- 3. Total profit after taxes (₹) - 683.90 million**
- 4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) (INR) –**

The Company had overspent an amount of ₹ 19.84 million during FY2020-21.

The Company have set off an amount of ₹ 5.72 million i.e. CSR liability of the Company for FY2021-22 against the amount overspent in FY2020-21.

- 5. List of activities in which expenditure in 4 above has been incurred -**

The major focus of spending on CSR activities was toward fight against Covid – 19 Pandemic.

**SECTION C: OTHER DETAILS**

- 1. Does the Company have any Subsidiary Company/Companies?**

Yes, the Company has the following subsidiaries:

Name of Subsidiaries	Shareholding / Ownership
KDPL Diagnostics (Ludhiana) Private Limited	100% Wholly Owned Subsidiaries
KDPL Diagnostics (Amritsar) Private Limited	
KDPL Diagnostics (Bathinda) Private Limited	
KDPL Diagnostics (Jalandhar) Private Limited	
KDPL Diagnostics (Patiala) Private Limited	
KDPL Diagnostics (SAS Nagar) Private Limited	
Krsnaa Diagnostics (Mohali) Private Limited	

- 2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).**

Our subsidiaries share our vision and values and are responsible businesses.

- 3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%].**

No, there is no such participation.



**Following is the list of Principles referred to in Section D and Section E:**

Principal No.	Principles to assess compliance with Environmental, Social and Governance norms (NVGSEE) Issued by Ministry of Corporate Affairs
Principal 1 : (P1)	Businesses should conduct and govern themselves with Ethics, Transparency, and Accountability
Principal 2 : (P2)	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
Principal 3 : (P3)	Businesses should promote the well-being of all employees
Principal 4 : (P4)	Businesses should respect the interests of, and be responsive to all stakeholders, especially those who are disadvantaged, vulnerable and, marginalized
Principal 5 : (P5)	Businesses should respect and promote human rights
Principal 6 : (P6)	Businesses should respect, protect, and make efforts to restore the environment
Principal 7 : (P7)	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principal 8 : (P8)	Businesses should support inclusive growth and equitable development
Principal 9 : (P9)	Businesses should engage with and provide value to their customers and consumers in a responsible manner

## SECTION D: BR INFORMATION

### 1. Details of Director/Directors responsible for BR:

- (a) Details of the Director/Directors responsible for implementation of the BR policy/policies:

The Board of Directors of the Company is responsible for sustainability-related initiatives at Krsnaa.

- (b) Details of the BR head:

Particulars	Details
DIN	03600332
Name	Ms. Pallavi Bhatevara
Designation	Managing Director
Telephone number	+91 20-29780210/11/12
E-mail ID	investors@krsnadiagnostics.com

### 2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

Sr. No.	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Yes, the policies are being formulated in consultation with all relevant stakeholders								
3	Does the policy conform to any national/international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		We are implementing robust policies that are globally benchmarked and aligned with industry best practices and approved by the Board.								
4	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Sr. No.	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
6	Indicate the link for the policy to be viewed online?	All employee related policies are uploaded on the intranet portal of the Company for communication and implementation. Other policies are uploaded on the Company website <a href="https://krsnaadiagnostics.com/investors/#acceluid331685f43">https://krsnaadiagnostics.com/investors/#acceluid331685f43</a>								
7	Has the policy been formally communicated to all relevant internal and external Stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Company communicates its policies through website, meetings, emails, and circulars to all relevant stakeholders.								
8	Does the company have an in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out an independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

**2a If the answer to Sr. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**

Sr. No.	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									Not Applicable
4	It is planned to be done within the next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

**3. GOVERNANCE RELATED TO BR**

Sr. No.	Questions	Response by the Company
1	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The number of meetings held for different committees is provided in the table below:





Committees of the Board	Frequency/ Number of Meetings held in FY 2021-22
Audit Committee	6
Nomination and Remuneration Committee	4
Risk Management Committee	3
Stakeholders Relationship Committee	1
Corporate Social Responsibility Committee	1
IPO Committee	7
Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?	The Company was listed on August 16, 2021 on (BSE Limited and National Stock Exchange of India Limited) and the provisions of BRR became applicable to the Company thereafter. The Company endeavors to publish its Sustainability Report and has initiated journey towards it.

## Section E- Principle Wise Disclosures

### Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency, and Accountability

1. Does the policy relating to ethics, bribery, and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?

The Company values of Excellence, Courage, Integrity, Empathy & Accountability form the bedrock of the work culture at KRSNAA. They shape the work environment and drive decisions, processes, and actions in the organization. We recognize the importance of laws that prohibit restraints of trade, predatory economic activities, and unfair or unethical business practices. The Code of Conduct sets forth policies and procedures regarding standards of conduct and ethical behaviour that are expected of employees. It provides guidance on identifying and reporting bribery-related practices and instances that employees may face in business dealings with customers, and suppliers. It establishes principles, procedures, and guidelines for employees to protect the business against bribery, corruption, and unethical practices.

The Whistleblower Policy enables staff and other members of Krsnaa to voice concerns. The policy is intended to cover issues related to financial malpractice, impropriety, fraud, procedural bypass for self-benefit, failure to comply with a legal obligation or statutes, dangers to health & safety or the environment, criminal activity, and improper conduct or unethical behavior. The policy applies to all employees and directors of Krsnaa Diagnostics Limited.

The Company has a separate Code of Conduct for Suppliers that forms part of the supplier agreement. The policy ensures that all contractors, suppliers, and vendors commit to anti-bribery and corruption and conduct business ethically.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Company has not received any complaints in relation to ethics, bribery, and corruption. However, during the financial year, we received 5,341 investor complaints. These complaints were mostly in the nature of refund of application money/ non allotment of equity shares after the IPO of the Company. 100% of these complaints were resolved by the Company at the end of the financial year as of March 31, 2022.

### Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks, and/or opportunities.

Our Company provides radiology and pathology diagnostics services and does not have environmental risks or concerns. We recognize that our operations indirectly impact the environment. Our safety protocol affirms our commitment of reducing impact on the environment. We do this through responsible environmental management, conservation, and protection across all our operations.

We avail services of agencies authorized by the Pollution Control Board for collecting Bio-medical waste from our labs and we follow the guidelines

issued by the local municipal governing bodies of different cities and states.

The Company has taken all steps to conserve Energy in the work places by educating and training the employees at its center level to conserve energy. The Company has installed LED lights at most of its Diagnostics Centers as well as laboratories and collection centers. The Company has also installed Inverter Air Conditioners at majority of centers.

The Company has installed Solar System at its Head Office.

**2. For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional):**

The Company is in to the business of providing diagnostics services (Radiology and Pathology) and does not carry out any manufacturing activity.

**3. Does the company have procedures in place for sustainable sourcing (including transportation)?**

The Company deals with best in class equipments / machinery, consumables, medical kits used in its normal course of business and make sure that the same are procured from the best in class vendors and suppliers which are evaluated with multiple aspects like type of vendor, quality of products, ethical business practices being followed by them, history and track record of business of vendors etc.

**4. Has the company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?**

Yes, the Company has its presence in more than 14 states as on March 31, 2022. We prefer procuring goods and services at our diagnostics centers from MSME vendors and regional vendors who fit in to the cost, quality and timely delivery matrix of the Company. We work with local businesses and generate productive local employment by hiring talent from the vicinity of our locations to meet requirements for services like waste handling, housekeeping, phlebotomist and logistics.

**5. Does the company have a mechanism to recycle products and waste?**

The Company normally generates bio-medical waste at its diagnostics centers. Such waste has to

be disposed off in accordance with the Bio-medical Waste Management Rules, 2016 and we make sure that bio-medical wastes and other clinical wastes are disposed-off with the assistance of outside agencies as per applicable regulatory requirements.

**Principle 3 - Businesses should promote the well-being of all employees**

**1. Please indicate the total number of employees.**

3,008

**2. Please indicate the total number of employees hired on a temporary/contractual/casual basis.**

1,014

**3. Please indicate the number of permanent women employees.**

535

**4. Please indicate the number of permanent employees with disabilities**

1

**5. Do you have an employee association that is recognized by management?**

No, we do not have any employee association.

**6. What percentage of your permanent employees are members of this recognized employee association?**

Not Applicable. We do not have any employee association.

**7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, and sexual harassment in the last financial year and pending, as of the end of the financial year.**

Sr. No.	Category	No. of Complaints filed during the financial year	No. of Complaints pending as of the end of the financial year
A	Child labour/ forced labour/	Nil	Nil
B	Sexual harassment	Nil	Nil
C	Discriminatory employment	Nil	Nil



## 8. What percentage of your under-mentioned employees were given safety and skill upgradation training in the last year?

At the center level, all employees are provided safety and skills training. The training and development needs of employees are identified based on their role and nomination by function heads.

For corporate employees, we provide need based training in response to feedback received from employees and function heads. This year, we have conducted a series of workshops on software tools and communication skills.

All center-level employees are provided access to online training modules and we track training hours on a monthly basis to enhance their functional knowledge.

For the safety of employees, First Aid boxes are present in all stores and yearly fire safety training is provided to all employees. Regular mock drills are also conducted at all Centers.

Our orientation and induction program at diagnostics centers and corporate office which stands for Cleanliness, Hospitality, Accuracy, Maintenance, Service Quality, and Service. This induction program comprises an understanding of organizational structure and hierarchy, in-center operations, way of life, Growth Path, Value systems, Safety, and basic first aid knowledge.

### Principle 4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable, and marginalized.

#### 1. Has the company mapped its internal and external stakeholders? Yes/No

Yes, we have mapped our internal and external stakeholders. Our internal stakeholders comprise all the employees and temporary workers. The key external stakeholders include customers, investors, suppliers, local communities, NGOs, civil society, and media, and government authorities.

#### 2. Out of the above, has the company identified the disadvantaged, vulnerable, and marginalized stakeholders?

Yes, identification of the disadvantaged, vulnerable, and marginalized stakeholders is done according to the Corporate Social Responsibility (CSR) Policy of the company. The policy is in accordance with

the provisions of Schedule VII- Section 135 of the Companies Act, 2013 and CSR Rules, thereof. All the CSR projects undertaken by the Company aim to improve the quality of life of the disadvantaged, vulnerable, and marginalized stakeholders.

### Principle 5 - Businesses should respect and promote human rights

#### 1. Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers /Contractors/ NGOs/ Others?

Our employees are treated with respect and dignity. We encourage our employees to raise any concerns they may have in relation to human rights. Under our Whistleblower Policy, a transparent mechanism has been provided to report any violation of our Code of Conduct.

Our POSH policy enables our employees to work without fear of prejudice, gender bias and sexual harassment. We have an Internal Complaints Committee that is responsible for reviewing and investigating sexual harassment complaints, if any.

#### 2. How many stakeholder complaints have been received in the past financial year and what percentage were satisfactorily resolved by the management?

Sr. No.	Category	No. of Complaints filed during the financial year	No. of Complaints pending as of the end of the financial year
A	Child labour/ forced labour/ involuntary labour	Nil	Nil
B	Sexual harassment	Nil	Nil
C	Discriminatory employment	Nil	Nil

### Principle 6 - Businesses should respect, protect, and make efforts to restore the environment

#### 1. Does the policy related to Principle 6 cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others?

Yes. The policy on environment and standard operating procedures is applicable to the Company and its subsidiaries.

The Company ensures that its suppliers, vendors, and contractors follow sustainable practices. Our terms of contract with these stakeholders set an expectation of the sustainable practices to be adhered to.

**2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?**

As of now, the Company do not have any specific strategy to address global environmental issues such as climate change, global warming, etc. However, the Company has taken all steps to conserve Energy in the work places by educating and training the employees at its center level to conserve energy. The Company has installed LED lights at most of its Diagnostics Centers as well as laboratories and collection centers. The Company has also installed Inverter Air Conditioners at majority of centers. The Company has also installed Solar System at its Head Office.

**3. Does the company identify and assess potential environmental risks? Y/N**

Yes. Though the Company does not have a structured approach to monitoring environmental risks. we continuously monitor and manage our environmental impacts. Several initiatives are implemented to create a positive impact on the environment through our business operations. Going forward we will identify environment-related risks and integrate them into our operations.

The Company being a responsible healthcare service provider, avails services of agencies authorized by the Pollution Control Board for collecting Bio-medical waste from our labs and we follow the guidelines issued by the local municipal governing bodies of different cities and states.

**4. Does the company have any projects related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report filed?**

No.

**5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N.**

Yes. The Company has installed Solar System at its Head Office for which the Company has spent approx. ₹ 12.76 million which has been capitalized in FY2021-22.

**6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

All emissions/waste generated are within permissible limits.

**7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e., not resolved to satisfaction) as of the end of the Financial Year?**

NIL

**Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

**1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

None.

**2. Have you advocated/lobbied through the above associations for the advancement or improvement of the public good? Yes/No; if yes specify the broad areas (dropdown: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

We have not directly lobbied but the association continuously takes up matters for public / industry good.

**Principle 8 - Businesses should support inclusive growth and equitable development.**

**1. Does the company have specified programs/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.**

The Company focuses on patriotism and high degree of social conscience. The management believes in the ideology of growth with equitable development of the people of in the society.

The Company is contributing development in many areas including healthcare. In accordance with the applicable regulatory provisions w.r.t. Corporate Social Responsibility (CSR), the Company has been overspending towards CSR initiatives over the years. The Company has contributed substantial amount towards various initiatives for fight against Covid-19 Pandemic.



**2. Are the programs/ projects undertaken through an in-house team/own foundation/ external NGO/ government structures/ any other organization?**

The Company carries out its CSR activities through engagement of its own employees.

**3. Have you done any impact assessment of your initiative?**

We have not conducted any impact assessment study

**4. What is your company's direct contribution to community development projects - The amount in INR and the details of the projects undertaken?**

The CSR activities that we do are partially quantifiable, and we have not recorded the same till now. Moving ahead, we plan to record the CSR data and have a quantifiable value.

**Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner**

**1. What percentage of customer complaints/ consumer cases are pending as of the end of the financial year?**

Sr. No.	Description	No. of Complaints
1	Received during the year	121
2	Resolved during the year	121
3	Pending as on March 31, 2022	0

**2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes, / No/N. A. / Remarks (additional information)**

The Company is in the business of providing diagnostics services (In Radiology as well as

Pathology). Hence, the above requirements are not applicable to the Company.

**3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising, and/or anti-competitive behavior during the last five years and pending as of the end of the financial year? If so, provide details thereof, in about 50 words or so.**

The Company has not received any stakeholder complaints regarding unfair trade practices, irresponsible advertising, and anti-competitive behavior during the last five years.

**4. Did your company carry out any consumer survey/ consumer satisfaction trends?**

Yes. All efforts are made towards delivering on end user's expectations, by adhering to all agreed deliverables. Since Company's operations span across multiple locations, it is imperative that the Company complies with legal requirements of each local laws. We conduct Patient Satisfaction Survey via telephonic conversation post receiving the services from our centers. This survey is based on customer experience in hospitality, cleaning, behavior of center staff, timely reporting and others. Further feedback given by the customer on social media is reviewed and closed as per customer satisfaction, also mystery audit is conducted to understand and improve customer experience.

**For and on behalf of the Board of Director**

**Rajendra Mutha**  
Chairman of the Board

Pune  
August 4, 2022



# Independent Auditor's Report

## To the Members of Krsnaa Diagnostics Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the standalone financial statements of Krsnaa Diagnostics Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone 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 standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and profit, changes in equity and its cash flows for the year ended on that date.

#### Key Audit Matters

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	<p>Provision for credit loss for accounts receivables: Refer Note 13 of Financial statement with respect to the disclosures of Trade Receivables.</p> <p>As on March 31, 2022, Trade receivables amounts to ₹ 651.37 Million against which provision of ₹ 58.30 Million was made towards expected credit loss in the books of account.</p> <p>We have identified provisioning for expected credit loss as a key audit matter as the calculation of credit loss provision is a complex area and requires management to make significant assumptions on customer payment behaviour and estimating the level and timing of expected future cash flows.</p>	<p>Our audit procedures in respect of this area include but are not limited to following:</p> <ul style="list-style-type: none"> <li>• Obtained understating of the Company's policy on assessment of impairment of trade receivables, including design and implementation of controls, validation of management review controls. We have verified the operating effectiveness of these controls.</li> <li>• Requested for and obtained independent balance confirmations from the Company's customers on sample basis.</li> <li>• Verified subsequent receipts after the year-end on sample basis.</li> <li>• Verified aging of trade receivables for sample of customer transactions.</li> <li>• Evaluated management comments and recovery plans for trade receivables outstanding for more than 180 days.</li> <li>• Assessed the trade receivables impairment methodology applied in the current year and compared the Company's provisioning rates against historical collection data.</li> </ul>

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.





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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report including Annexures to the Director's report in the annual report of the company but does not include the standalone financial statements and our auditor's report thereon.

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

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

## Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as

applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account

- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 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 standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
    - (1) 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 person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (2) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
    - (4) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. (Refer Note 67 to the Standalone financial statements)
3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

**Nitin Manohar Jumani**  
Partner

Place: Pune  
Date: May 28, 2022

Membership No. 111700  
UDIN: 22111700AJUPGD4822



## Annexure A to the Independent Auditor's Report on Even Date on the Standalone Financial Statements of Krsnaa Diagnostics Limited

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

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

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

may cause the Company to cease to continue as a going concern.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended March 31, 2022 and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

**Nitin Manohar Jumani**

Partner

Membership No. 111700

UDIN: 22111700AJUPGD4822

Place: Pune

Date: May 28, 2022

## Annexure B to the Independent Auditor's Report on Even Date on the Standalone Financial Statements of Krsnaa Diagnostics Limited

### [Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- 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) All the Property, Plant and Equipment were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, 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, there are no immovable properties, and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and its intangible assets. Accordingly,
- (A) The details of such loans or advances and guarantees or security to subsidiaries, Joint Ventures and Associates are as follows:

the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.

- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company.

- ii. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage & procedure of such verification is reasonable and appropriate. No material discrepancies were noticed on such verification.

- (b) The Company has been sanctioned working capital limits in excess of ₹ 5 crores in aggregate from Banks/financial institutions on the basis of security of current assets. Quarterly returns filed with such Banks are in agreement with the books of account.

- iii. (a) According to the information explanation provided to us, the Company has provided loans or provided advances in the nature of loans, or given guarantee, or provided security to any other entity.

	Guarantees	Security	Loans	Advances
Aggregate amount granted/provided during the year				
- Subsidiaries	Nil	Nil	1,40,07,082	Nil
- Joint Ventures	Nil	Nil	Nil	Nil
- Associates	Nil	Nil	Nil	Nil
Balance Outstanding as at balance sheet date in respect of above cases				
- Subsidiaries	Nil	Nil	34,84,675	Nil
- Joint Ventures	Nil	Nil	Nil	Nil
- Associates	Nil	Nil	Nil	Nil



- (b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to investments made, guarantees provided, securities given or grant of all loans and advances in the nature of loans and guarantees are not prejudicial to the interest of the Company.
- (c) In case of the loans to subsidiaries, schedule of repayment of principal have not been stipulated. In the absence of stipulation of repayment terms we are unable to comment on the regularity of repayment of principal. However, in case of interest on the loan, there is no interest which has fallen due during the year.
- (d) There are no amounts overdue for more than ninety days in respect of the loan granted to Company
- (e) According to the information explanation provided to us, the loan or advance in the nature of loan granted has not fallen due during the year. Hence, the requirements under paragraph 3(iii) (e) of the Order are not applicable to the Company.
- (f) According to the information explanation provided to us, the Company has granted loans/ advances in the nature of loans repayable on demand or without specifying any terms or period of repayment. The details of the same are as follows:

	All Parties	Promoters Related Parties	
Aggregate amount of loans/advances in nature of loans			
- Repayable on demand (A)	Nil	Nil	1,40,07,082
- Agreement does not specify any terms or period of repayment (B)	Nil	Nil	Nil
Total (A+B)			1,40,07,082
Percentage of loans/ advances in nature of loans to the total loans			100%

- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans, investments, guarantees and security made.
- v. In our opinion and according to the information and explanations given to us, there are no amounts outstanding which are in the nature of deposits as on March 31, 2022 and the Company has not accepted any deposits during the year.
- vi. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant as specified by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- (b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, customs duty, cess and any other statutory dues which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

- ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information explanation provided to us, no money was raised by way of term loans. Accordingly, the provision stated in paragraph 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. (a) In our opinion, according to the information explanation provided to us, money raised by way of initial public offer or further public offer (including debt instruments) during the year have been applied for the purpose for which they were raised.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year. Accordingly, the provisions stated in paragraph 3(x)(b) of the Order are not applicable to the Company.
- xi. (a) During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company nor on the Company.
- (b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the standalone financial statement for the year ended March 31, 2022, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the year. Accordingly, the provisions stated in paragraph (xi)(c) of the Order is not applicable to company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered internal audit reports issued by internal auditors during our audit.
- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors





or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

- xvi. (a) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi)(a) of the Order are not applicable to the Company.
- (b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(b) of the Order are not applicable to the Company.
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) of the Order are not applicable to the Company.
- (d) The Company does not have any CIC as part of its group. Hence the provisions stated in paragraph clause 3 (xvi) (d) of the order are not applicable to the company.
- xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph clause 3 (xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph clause 3 (xviii) of the Order are not applicable to the Company.

- xix. According to the information and explanations given to us and based on our examination of financial ratios, ageing and expected date of realisation of financial assets and payment of liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of audit report and the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx. (a) According to the information and explanations given to us, the provisions of section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred either to a Fund or to a Special Account as per the provisions of section 135 of the act read with schedule VII. Accordingly, reporting under clause 3(xx)(a) and clause 3(xx)(b) of the Order is not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in the report.

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

**Nitin Manohar Jumani**

Partner

Place: Pune

Date: May 28, 2022

Membership No. 111700

UDIN: 22111700AJUPGD4822

## Annexure C to the Independent Auditor's Report on Even Date on the Standalone Financial Statements of Krsnaa Diagnostics Limited

**[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Krsnaa Diagnostics Limited on the Financial Statements for the year ended March 31, 2022]**

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

### Opinion

We have audited the internal financial controls with reference to standalone financial statements of Krsnaa Diagnostics Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to standalone 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 (ICAI) (the "Guidance Note").

### Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone 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 Act.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

### Meaning of Internal Financial Controls With reference to Standalone Financial Statements

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records



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

### **Inherent Limitations of Internal Financial Controls With reference to Standalone financial statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements,

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

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

**Nitin Manohar Juman**

Partner

Membership No. 111700

UDIN: 22111700AJUPGD4822

Place: Pune

Date: May 28, 2022

# Standalone Balance Sheet

As at March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

	Notes	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	3,833.79	3,072.80
Capital work-in-progress	7	282.57	37.18
Intangible assets	6	23.15	12.28
<b>Financial assets</b>			
Investments	8	3.61	2.90
Loans	9	-	-
Other financial assets	10	1,155.15	159.51
Other non-current assets	11	114.61	279.24
<b>Total non-current assets</b>		<b>5,412.88</b>	<b>3,563.91</b>
<b>Current assets</b>			
Inventories	12	91.70	72.10
<b>Financial assets</b>			
Trade receivables	13	593.07	752.89
Cash and cash equivalents	14	883.24	246.75
Bank balances other than cash and cash equivalent	15	1,534.28	1,282.37
Other financial assets	16	121.79	90.08
Other current assets	17	133.59	84.67
<b>Total current assets</b>		<b>3,357.67</b>	<b>2,528.86</b>
<b>Total assets</b>		<b>8,770.55</b>	<b>6,092.77</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	18	156.99	64.95
Instruments entirely equity in nature	19	-	2,423.90
Other equity	20	6,710.51	(170.20)
<b>Total equity</b>		<b>6,867.50</b>	<b>2,318.65</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	21	196.22	1,529.26
Lease Liabilities	22	134.52	150.28
Other financial liabilities	23	16.39	63.89
Employee benefit obligations	24	2.61	5.19
Deferred Tax Liabilities	37	77.94	106.95
Other non-current liabilities	25	1.25	33.03
<b>Total non-current liabilities</b>		<b>428.93</b>	<b>1,888.60</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	26	60.08	620.76
Lease Liabilities	22	19.10	17.49
Trade payables			
i) total outstanding dues of micro enterprises and small enterprises	27	3.27	5.37
ii) total outstanding dues of creditors other than micro enterprise and small enterprise	27	761.26	827.66
Other financial liabilities	28	508.16	374.73
Other current liabilities	29	102.47	30.23
Employee benefit obligations	24	19.78	9.28
<b>Total current liabilities</b>		<b>1,474.12</b>	<b>1,885.52</b>
<b>Total liabilities</b>		<b>1,903.05</b>	<b>3,774.12</b>
<b>Total equity and liabilities</b>		<b>8,770.55</b>	<b>6,092.77</b>

See accompanying notes to Ind AS Standalone Financial Statements

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

As per our report of even date

For **MSKA & Associates**  
Chartered Accountants  
Firm Registration No.:105047W

**Nitin Manohar Jumani**  
Partner  
Membership No.: 111700

For and on behalf of the Board of Directors

**Krsnaa Diagnostics Limited**  
(Formerly known as Krsnaa Diagnostics Private Limited)  
CIN:L74900PN2010PLC138068

**Rajendra Mutha**  
Chairman  
DIN: 01066737

**Pallavi Bhatevara**  
Managing Director  
DIN: 03600332

**Nikhil Deshpande**  
Company Secretary

**Yash Mutha**  
Executive Director  
DIN: 07285523

**Pawan Daga**  
Chief Financial Officer

Place: Pune  
Date: May 28, 2022

Place: Pune  
Date: May 28, 2022



# Statement of Standalone Profit and Loss

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
<b>Income</b>			
Revenue from operations	30	4,548.90	3,964.56
Gain on fair value movement of Compulsory Convertible Preference Share (Refer Note 46)		-	2,527.84
Other income	31	149.28	122.36
<b>Total income</b>		<b>4,698.18</b>	<b>6,614.76</b>
<b>Expenses</b>			
Cost of material consumed	32	602.96	837.47
Employee benefits expense	33	533.32	299.07
Finance costs	34	184.89	259.40
Depreciation and amortization expense	35	413.87	374.39
Fees to hospitals and others		1,079.92	1,086.61
Other expenses	36	987.22	803.30
<b>Total expenses</b>		<b>3,802.18</b>	<b>3,660.24</b>
<b>Profit before tax</b>		<b>896.00</b>	<b>2,954.52</b>
<b>Tax expense</b>	37		
Income Tax charge		175.26	76.47
Deferred tax charge		13.71	1,028.76
<b>Total income tax expense</b>		<b>188.97</b>	<b>1,105.23</b>
<b>Profit for the year</b>		<b>707.03</b>	<b>1,849.29</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of net defined benefit liability		4.69	(0.38)
Income tax effect		(1.18)	0.10
<b>Other comprehensive income for the year, net of tax</b>		<b>3.51</b>	<b>(0.28)</b>
<b>Total comprehensive income for the year</b>		<b>710.54</b>	<b>1,849.01</b>
<b>Earnings per share</b>			
Basic earnings per share (₹)	38	23.66	160.36
Diluted earnings per share (₹)	38	23.66	12.25

See accompanying notes to Ind AS Standalone Financial Statements

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

As per our report of even date  
For **MSKA & Associates**  
Chartered Accountants  
Firm Registration No.:105047W

**Nitin Manohar Jumani**  
Partner  
Membership No.: 111700

For and on behalf of the Board of Directors  
**Krsnaa Diagnostics Limited**  
(Formerly known as Krsnaa Diagnostics Private Limited)  
CIN:L74900PN2010PLC138068

**Rajendra Mutha**  
Chairman  
DIN: 01066737

**Yash Mutha**  
Executive Director  
DIN: 07285523

**Pallavi Bhatevara**  
Managing Director  
DIN: 03600332

**Pawan Daga**  
Chief Financial Officer

**Nikhil Deshpande**  
Company Secretary

Place: Pune  
Date: May 28, 2022

Place: Pune  
Date: May 28, 2022

# Statement of Changes in Equity

(Amount in Rupees million except per share data and unless otherwise stated)

## (A) Equity share capital

	Equity Share Capital	
	No. of shares	Amount
Balance as at April 1, 2020	5,163,100	51.63
Add: Issued during the period	1,331,864	13.32
<b>Balance as at March 31, 2021 [Face value of ₹ 10 each]</b>	<b>6,494,964</b>	<b>64.95</b>
Balance as at April 1, 2021	6,494,964	64.95
Less: Old shares of face value ₹ 10 discarded against split of shares	6,494,964	64.95
Add: New shares of face value ₹ 5 issued against split of shares	12,989,928	64.95
Add: CCPS converted to equity shares of face value ₹ 5	14,201,600	71.01
Add: Issued through Initial Public Offer	4,206,085	21.03
<b>Balance as at March 31, 2022</b>	<b>31,397,613</b>	<b>156.99</b>

## (B) Other equity

	Reserve and surplus			Other items of other comprehensive income	Total
	Employee Stock options outstanding account (ESOOA)	Securities premium	Retained earnings		
Balance as at April 1, 2020	-	88.96	(2,261.56)	0.96	(2,171.64)
Profit for the year	-	-	1,849.29	-	1,849.29
Other comprehensive income	-	-	-	(0.28)	(0.28)
<b>Total other comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>1,849.29</b>	<b>(0.28)</b>	<b>1,849.01</b>
Transactions with owners in their capacity as owners:					
Securities premium on conversion of Class B Compulsory Convertible Preference Shares	-	144.23	-	-	144.23
Employee stock option expense	8.20	-	-	-	8.20
<b>Balance as at March 31, 2021</b>	<b>8.20</b>	<b>233.19</b>	<b>(412.27)</b>	<b>0.68</b>	<b>(170.20)</b>





# Statement of Changes in Equity

(Amount in Rupees million except per share data and unless otherwise stated)

	Reserve and surplus			Other items of other comprehensive income	Total
	Employee Stock options outstanding account (ESOOA)	Securities premium	Retained earnings		
Balance as at April 1, 2021	8.20	233.19	(412.27)	0.68	(170.20)
Profit for the period	-	-	707.03	-	707.03
Other comprehensive income	-	-	-	3.52	3.52
<b>Total other comprehensive income for the period</b>	-	-	<b>707.03</b>	<b>3.52</b>	<b>710.55</b>
Transactions with owners in their capacity as owners:					
Securities premium on conversion of Class A & Class C Compulsory Convertible Preference Shares and issue of shares through initial public offer	-	6,331.88	-	-	6,331.88
Securities premium utilised to write off the share issue expenses	-	(218.04)	-	-	(218.04)
Deferred tax on share issue expenses	-	43.90	-	-	43.90
Employee stock option expense	12.42	-	-	-	12.42
Forfeiture of share options	(0.23)	-	0.23	-	-
<b>Balance as at March 31, 2022</b>	<b>20.39</b>	<b>6,390.93</b>	<b>294.99</b>	<b>4.20</b>	<b>6,710.51</b>

See accompanying notes to Ind AS Standalone Financial Statements

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

As per our report of even date  
For **MSKA & Associates**  
Chartered Accountants  
Firm Registration No.:105047W

**Nitin Manohar Jumani**  
Partner  
Membership No.: 111700

Place: Pune  
Date: May 28, 2022

For and on behalf of the Board of Directors  
**Krsnaa Diagnostics Limited**  
(Formerly known as Krsnaa Diagnostics Private Limited)  
CIN:L74900PN2010PLC138068

**Rajendra Mutha**  
Chairman  
DIN: 01066737

**Yash Mutha**  
Executive Director  
DIN: 07285523

Place: Pune  
Date: May 28, 2022

**Pallavi Bhatevara**  
Managing Director  
DIN: 03600332

**Pawan Daga**  
Chief Financial Officer

**Nikhil Deshpande**  
Company Secretary

# Statement of Cash Flow

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
<b>Cash flow from operating activities</b>		
Profit for the period	896.00	2,954.52
Adjustments for:		
Depreciation and amortization expenses	413.87	374.39
Finance cost	184.89	259.40
Interest income on deposits	(122.44)	(99.09)
Loss on sale/disposal of assets	2.48	5.06
Provision for credit impaired	8.30	-
Effect of financial Instruments measured at amortised cost	(7.49)	(7.51)
Gain on fair value movement of compulsory convertible preference share	-	(2,527.84)
Employee stock option scheme compensation	12.42	8.20
<b>Operating profit before working capital changes</b>	<b>1,388.03</b>	<b>967.13</b>
<b>Changes in working capital</b>		
(Decrease)/increase in trade payables	(68.51)	434.06
(Increase) in inventories	(19.61)	(21.43)
Decrease/(increase) in trade receivables	146.01	(132.59)
Increase in other current liabilities	0.20	6.54
(Decrease) in other non current liabilities	(31.78)	(4.72)
(Decrease) in other financial liabilities	(58.00)	(19.48)
Increase in employee payables	12.60	3.67
Increase in other current financial liabilities	11.58	16.36
(Increase)/ decrease in other current financial assets	(75.30)	118.90
Decrease/ (increase) in non current financial assets	35.45	(19.53)
(Increase) in other current assets	(9.27)	(51.73)
Decrease/ (increase) in other non current assets	21.99	(33.85)
<b>Cash generated from operations</b>	<b>1,353.39</b>	<b>1,263.33</b>
Income tax paid	(148.30)	(76.73)
Income tax refund received	82.01	-
<b>Net cash flows generated from operating activities (A)</b>	<b>1,287.10</b>	<b>1,186.60</b>
<b>Cash flow from Investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(1,322.64)	(710.42)
Proceed from sale of property, plant and equipment and intangible assets	10.90	20.00
Investment in bank deposits (having original maturity of more than three months)	(1,264.56)	(56.97)
Investment in debt mutual fund	(0.01)	-
Loan given to subsidiaries	(3.48)	-
Investment in equity Instruments of Subsidiary	(0.70)	-
Interest received	169.51	73.69
<b>Net cash flow (used) in investing activities (B)</b>	<b>(2,410.98)</b>	<b>(673.70)</b>



# Statement of Cash Flow

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
<b>Cash flow from Financing activities</b>		
Proceeds from issuance of equity share capital	4,000.00	7.32
Proceeds/(repayment) of borrowings (net)	(1,893.72)	461.49
decrease in lease liabilities	(37.66)	(34.90)
Share issue expenses	(146.85)	-
Interest paid	(161.40)	(233.61)
<b>Net cash flow generated from financing activities (C)</b>	<b>1,760.37</b>	<b>200.30</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>636.49</b>	<b>713.20</b>
Cash and cash equivalents at the beginning of the period	246.75	(466.45)
<b>Cash and cash equivalents at the end of the period</b>	<b>883.24</b>	<b>246.75</b>
<b>Cash and cash equivalents comprise (Refer note 14)</b>		
Balances with banks		
On current accounts	286.56	237.98
Debit balance in bank overdraft	56.09	3.12
Fixed deposits with maturity of less than 3 months	537.49	-
Cash on hand	3.10	5.65
<b>Total cash and bank balances at end of the period</b>	<b>883.24</b>	<b>246.75</b>

See accompanying notes to Ind AS Standalone Financial Statements

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

As per our report of even date  
For **MSKA & Associates**  
Chartered Accountants  
Firm Registration No.:105047W

**Nitin Manohar Jumani**  
Partner  
Membership No.: 111700

Place: Pune  
Date: May 28, 2022

For and on behalf of the Board of Directors  
**Krsnaa Diagnostics Limited**  
(Formerly known as Krsnaa Diagnostics Private Limited)  
CIN:L74900PN2010PLC138068

**Rajendra Mutha**  
Chairman  
DIN: 01066737  
**Yash Mutha**  
Executive Director  
DIN: 07285523

Place: Pune  
Date: May 28, 2022

**Pallavi Bhatevara**  
Managing Director  
DIN: 03600332

**Pawan Daga**  
Chief Financial Officer

**Nikhil Deshpande**  
Company Secretary

# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## 1 General information

Krsnaa Diagnostics Limited (formerly known as Krsnaa Diagnostics Private Limited) is company domiciled in India and was incorporated on December 20, 2010 under the provisions of the Companies Act, 1956 applicable in India. Its registered and principal office of business is located at S. No. 243/A, Hissa No. 6, CTS No. 4519, 4519/1, Near Chinchwad Station, Chinchwad, Pune, Maharashtra - 411019. The Company is primarily engaged in the business of providing Diagnostic Services all over India. The company is providing Radiology and Pathology services for X Ray, CT Scan, MRI, Mammography, Tele- Reporting Services, and all type of Blood and Urine Investigation.

The Company was converted to a public limited company with effect from May 6, 2021. The Company was listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) on August 16, 2021.

The Board of Directors approved the standalone financial statements for the year ended March 31, 2022 and authorised for issue on May 28, 2022.

## 2 Significant accounting policies

Significant accounting policies adopted by the company are as under:

### 2.1 Basis of preparation of Ind AS financial statements

#### (a) Statement of compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements were approved by the Company's Board of Directors and authorised for issue on May 28, 2022.

#### (b) Basis of measurement

The financial statements have been prepared on a historical cost convention on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:-

- i) Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments)
- ii) Share based payments

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and noncurrent classification of assets and liabilities.

#### (c) Use of estimates

The preparation of financial statements are in conformity with Ind AS which requires the Management to make estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 3 for detailed discussion on estimates and judgments.



# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

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## 2.2 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized 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 derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

### Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Property, plant and equipment	Life Used by Company	Life as per Schedule II
Plant & Machinery	7 to 13 years	13 years
Furniture and Fixtures	10 years	10 years
Office Equipment	5 years	5 years
Vehicle	8 years	8 years
Computers (End user devices such as, desktops, laptops etc.)	3 years	3 years

Leasehold improvements are amortised over the estimated useful economic life i.e. the duration of lease (ranging from 5 to 10 years)

Based on the technical expert's assessment of useful life, certain items of property plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the

Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

## 2.3 Other intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortization.

The Company amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible assets	Life Used by Company
Computer Software	6 years

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

## 2.4 Foreign currency transactions

### (a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian

# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

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rupee (₹), which is the Company's functional and presentation currency.

## (b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rates between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuations in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

## 2.5 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

and procedures for fair value measurement such as derivative instrument.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

## 2.6 Revenue recognition

Revenue is primarily generated from Radiology, Pathology services and Tele- Reporting Services.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised at a point in time when the Company satisfies performance obligations by transferring the promised services to its customers. Generally, each test represents a separate performance obligation for which revenue is recognised when the test report is generated i.e. when the performance obligation is satisfied.

The Company has assessed that it is primarily responsible for fulfilling the performance obligation and has no agency relationships. Accordingly the revenue has been recognised at the gross amount and fees to hospitals and others has been recognised as an expense.

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met as described below.

Amounts disclosed as revenue are net of indirect taxes, trade allowances, rebates and amounts collected on behalf of third parties and is not recognised in





# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

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instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognised on reasonable certainty of collection.

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

## Other income

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

Dividends are recognized in statement of profit and loss on the date on which the Company's right to receive payment is established.

## 2.7 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

### (a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### (b) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is

also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax asset and current tax liabilities are offset when entity has legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

## 2.8 Leases

### The company as a lessee

The Company's lease asset classes primarily consist of leases for Machinery. The Company assesses

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For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

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

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

## 2.9 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost

of completion and the estimated costs necessary to make the sale.

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

## 2.10 Impairment of non-financial assets

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

## 2.11 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of



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the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

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

The Company records a provision for decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

## 2.12 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks less bank and book overdraft.

## 2.13 Financial instruments

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

### (a) Financial assets

#### (i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

#### (ii) Subsequent measurement

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

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

**Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

**Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains

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or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments: All equity investments 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 AS103 applies are classified as at FVTPL. For all other equity instruments, 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 FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

### (iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and

recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

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

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the



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measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

#### (iv) Derecognition of financial assets

A financial asset is derecognized only when

- a) the rights to receive cash flows from the financial asset is transferred or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients. Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

#### (b) Financial liabilities

##### (i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

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

##### (ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

##### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities

designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

##### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized 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 amortization is included as finance costs in the Statement of Profit and Loss.

##### (iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

##### (c) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. Derivatives embedded in all other

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host contract are separated if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

## (d) Offsetting financial instruments

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

## 2.14 Employee benefits

### (a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### (b) Other long-term employee benefit obligations

#### (i) Defined contribution plan

Provident Fund: Contribution towards provident fund is made to the regulatory

authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

#### (ii) Defined benefit plans

Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.





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Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under define benefit plans can be encashed only on discontinuation of service by employee.

## (c) Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

## 2.15 Contributed equity

Equity shares are classified as equity share capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## 2.16 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

## 2.17 Rounding off amounts

All amounts disclosed in financial statements and notes have been rounded off to the nearest million as per requirement of Schedule III of the Act except for per share data and unless otherwise stated.

# Notes to the Standalone Financial Statements

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## 3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

### 3.1 Estimates and assumptions

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

#### (a) Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 40.

#### (b) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the

losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

#### (c) Defined benefit plans (gratuity benefits and leave encashment)

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

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer Note 39.

#### (d) Intangible asset under development

The Company capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.



# Notes to the Standalone Financial Statements

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## (e) Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

## (f) Determination of useful lives of property, plant and equipments and intangible asset

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end.

## 4 Standards (including amendments) issued but not yet effective

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards)

Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below. Ind AS 16, Property Plant and equipment – The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its Standalone financial statements.

Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets –The amendment specifies 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 (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## 5 Property, plant and equipment

	Gross block			Accumulated Depreciation			Net block	
	As at April 1, 2020	Additions/ Adjustments	Deductions/ Adjustments	As at April 1, 2020	For the year	Deductions/ Adjustments	As at March 31, 2021	As at March 31, 2021
<b>Owned assets</b>								
Plant and Machinery	2,357.02	474.90	30.61	2,801.31	247.86	6.24	456.53	2,344.78
Furniture and Fixtures	6.76	-	-	6.76	1.09	-	2.18	4.58
Office Equipment	26.56	8.84	0.12	35.28	7.05	0.06	12.78	22.50
Vehicles	5.22	21.53	-	26.75	3.12	-	3.64	23.11
Leasehold Improvement	524.24	69.69	12.78	581.15	67.88	12.15	120.01	461.14
Data Processing Equipment	45.34	23.15	0.01	68.48	14.40	0.01	33.93	34.55
<b>Leased assets</b>								
Right of Use Asset -Plant & Machinery	0.80	-	-	0.80	0.79	0.01	0.80	(0.00)
Data Processing Equipment	20.33	6.74	-	27.07	10.81	-	19.80	7.27
Plant and Machinery	67.77	118.02	-	185.79	8.61	-	10.92	174.87
<b>Total</b>	<b>3,054.04</b>	<b>722.87</b>	<b>43.52</b>	<b>3,733.39</b>	<b>318.22</b>	<b>18.46</b>	<b>660.59</b>	<b>3,072.80</b>

\*Data Processing Equipments and Plant and Machinery classified under Leased assets are taken on Finance Lease

	Gross block			Accumulated Depreciation			Net block	
	As at April 1, 2021	Additions/ Adjustments	Deductions/ Adjustments	As at April 1, 2021	For the Period	Deductions/ Adjustments	As at March 31, 2022	As at March 31, 2022
<b>Owned assets</b>								
Plant and Machinery	2,801.31	913.66	42.18	3,672.79	279.85	30.55	705.83	2,966.96
Furniture and Fixtures	6.76	0.00	-	6.76	1.08	-	3.26	3.50
Office Equipment	35.28	23.80	0.52	58.56	9.01	0.50	21.29	37.27
Vehicles	26.75	1.30	-	28.05	3.48	-	7.11	20.94
Leasehold Improvement	581.15	191.87	2.96	770.06	74.19	1.24	192.96	577.10
Data Processing Equipment	68.48	42.69	(22.06)*	133.23	27.29	(14.80)#	76.02	57.21
<b>Leased assets</b>								
Right of Use Asset -Plant & Machinery	0.80	-	-	0.80	-	-	0.80	-
Right of Use Asset -Building	0.00	11.35	-	11.35	1.46	-	1.46	9.89
*Data Processing Equipment	27.07	-	27.07	-	-	19.80	-	-
*Plant and Machinery	185.79	-	-	185.79	13.95	-	24.87	160.92
<b>Total</b>	<b>3,733.39</b>	<b>1,184.67</b>	<b>50.67</b>	<b>4,867.39</b>	<b>410.31</b>	<b>37.29</b>	<b>1,033.60</b>	<b>3,833.79</b>

\* Data Processing Equipments and Plant and Machinery classified under Leased assets are taken on Finance Lease

# The adjustment pertains to re-classification of assets from leased assets to owned assets on account of lease buyout

# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## 6 Intangible assets

	Gross block			Accumulated Amortisation			Net block	
	As at April 1, 2020	Additions/ Adjustments	Deductions/ Adjustments	As at April 1, 2021	As at March 31, 2021	For the year	As at March 31, 2021	As at March 31, 2022
Computer Software	21.03	10.70	-	31.73	31.73	13.56	19.45	12.28
<b>Total</b>	<b>21.03</b>	<b>10.70</b>	<b>-</b>	<b>31.73</b>	<b>31.73</b>	<b>13.56</b>	<b>19.45</b>	<b>12.28</b>

	Gross block			Accumulated Amortisation			Net block	
	As at April 1, 2021	Additions/ Adjustments	Deductions/ Adjustments	As at April 1, 2021	As at March 31, 2022	For the year	As at March 31, 2022	As at March 31, 2022
Computer Software	31.73	14.43	0.02	46.14	46.14	3.56	22.99	23.15
<b>Total</b>	<b>31.73</b>	<b>14.43</b>	<b>0.02</b>	<b>46.14</b>	<b>46.14</b>	<b>3.56</b>	<b>22.99</b>	<b>23.15</b>

# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## 7 Capital work in progress

	Amount
As at April 1, 2020	91.30
Add: Additions during the year	104.59
Less: Capitalised during the year	(158.71)
As at March 31, 2021	37.18
As at April 1, 2021	37.18
Add: Additions during the year	799.70
Less: Capitalised during the year	(554.31)
As at March 31, 2022	282.57

## 8 Financial assets - investments

	As at March 31, 2022	As at March 31, 2021
Investment in equity instruments (fully paid-up)		
Unquoted equity shares at cost		
A. Investments in subsidiaries		
9,999 Equity shares of ₹ 10 each fully paid-up in KDPL Diagnostics (Amritsar) Private Limited	0.10	-
9,999 Equity shares of ₹ 10 each fully paid-up in KDPL Diagnostics (Bathinda) Private Limited	0.10	-
9,999 Equity shares of ₹ 10 each fully paid-up in KDPL Diagnostics (Jalandhar) Private Limited	0.10	-
9,999 Equity shares of ₹ 10 each fully paid-up in KDPL Diagnostics (Ludhiana) Private Limited	0.10	-
9,999 Equity shares of ₹ 10 each fully paid-up in KDPL Diagnostics (Patiala) Private Limited	0.10	-
9,999 Equity shares of ₹ 10 each fully paid-up in KDPL Diagnostics (SAS Nagar) Private Limited	0.10	-
9,999 Equity shares of ₹ 10 each fully paid-up in Krsnaa Diagnostics (Mohali) Private Limited	0.10	-
<b>Total Investments in subsidiaries (A)</b>	<b>0.70</b>	<b>-</b>
B. Other equity instruments		
29,000 Equity shares of ₹ 100 each fully paid-up in Janata Sahakari Bank Limited, Pune	2.90	2.90
<b>Total Investments in other shares (B)</b>	<b>2.90</b>	<b>2.90</b>
<b>Total (Equity Instruments) (A+B)</b>	<b>3.60</b>	<b>2.90</b>
Investments in Mutual Funds at fair value through profit and loss (fully paid)		
Investment in Kotak Liquid Fund Regular Plan Growth	0.01	-
<b>Total (Mutual Fund)</b>	<b>0.01</b>	<b>-</b>
<b>Total</b>	<b>3.61</b>	<b>2.90</b>
Current	-	-
Non-Current	3.61	2.90
<b>Aggregate book value of:</b>		
Quoted investments	-	-
Unquoted investments	3.61	2.90
<b>Aggregate amount of impairment in value of Investments</b>	<b>-</b>	<b>-</b>





# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## 9 Non-current financial assets - Loans

	As at March 31, 2022	As at March 31, 2021
<b>Unsecured loan at amortised cost</b>		
Credit Impaired		
Loans to related party	31.01	31.01
Less: Provision for doubtful advances	(31.01)	(31.01)
	-	-

## 10 Other financial assets

	As at March 31, 2022	As at March 31, 2021
<b>Unsecured security deposit at amortised cost</b>		
Considered Good		
Security Deposits	118.43	135.44
In Fixed deposit accounts with maturity for more than 12 months from balance sheet date	1,036.72	24.07
	1,155.15	159.51

## 11 Other non-current assets

	As at March 31, 2022	As at March 31, 2021
<b>Unsecured, considered good</b>		
Capital advance	6.89	67.52
Prepaid expenses	54.36	76.35
Advance tax and tax deducted at source (Net of provision for income tax)	53.36	135.37
<b>Total other non-current other assets</b>	114.61	279.24

## 12 Inventories

	As at March 31, 2022	As at March 31, 2021
<b>Valued at lower of cost and net realisable value</b>		
Inventory in Hand - Consumables (Reagents, diagnostics kits & X-Ray films)	91.70	72.10
	91.70	72.10

# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## 13 Trade receivable

	As at March 31, 2022	As at March 31, 2021
<b>Unsecured</b>		
- Considered good	572.92	727.42
Receivables which have significant increase in credit risk	29.39	29.20
Less : Allowance for bad and doubtful debts	(9.24)	(3.73)
Credit impaired	49.06	46.27
Less : Allowance for bad and doubtful debts	(49.06)	(46.27)
	593.07	752.89
<b>Unsecured</b>		
- Considered good	593.07	752.89
- Considered doubtful	58.30	50.00
Less-Allowance for bad and doubtful debts	(58.30)	(50.00)
	593.07	752.89
<b>Further classified as:</b>		
Receivable from related parties	14.37	-
Receivable from others	578.70	752.89
	593.07	752.89

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

### Trade receivable ageing schedule as on March 31, 2022:

Particulars	Not Due*	Outstanding for the following period from Invoice date					Total
		Less Than 6 Month	6 Months to 1 year	1 to 2 year	2 to 3 year	More than 3 year	
(i) Undisputed Trade receivables – considered good	-	528.54	44.37	-	-	-	572.92
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	29.28	-	0.11	29.39
(iii) Undisputed Trade Receivables – credit impaired	-	-	0.50	2.28	-	46.27	49.06
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	-	-	(0.50)	(11.42)	-	(46.38)	(58.30)
<b>Total</b>	-	528.54	44.37	20.14	-	-	593.07

\* Ageing of trade receivable is calculated from the date of invoice



# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## Trade receivable ageing schedule as on March 31, 2021:

Particulars	Not Due*	Outstanding for the following period from Invoice date					Total
		Less Than 6 Month	6 Months to 1 year	1 to 2 year	2 to 3 year	More than 3 year	
(i) Undisputed Trade receivables – considered good	-	655.05	72.37	-	-	-	727.42
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	27.58	1.39	0.23	29.20
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	46.27	46.27
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	-	-	-	(2.11)	(1.39)	(46.50)	(50.00)
<b>Total</b>	-	<b>655.05</b>	<b>72.37</b>	<b>25.47</b>	-	-	<b>752.89</b>

\* Ageing of trade receivable is calculated from the date of invoice

## 14 Cash and cash equivalents

	As at March 31, 2022	As at March 31, 2021
<b>Balances with banks:</b>		
On current accounts	286.56	237.98
In fixed deposits with original maturity less than 3 months	537.49	-
Debit balance in cash credit and bank overdraft account	56.09	3.12
Cash on hand	3.10	5.65
	<b>883.24</b>	<b>246.75</b>

## 15 Bank balances other than cash and cash equivalent

	As at March 31, 2022	As at March 31, 2021
In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date	1,534.28	1,282.37
	<b>1,534.28</b>	<b>1,282.37</b>

## 16 Other financial assets

	As at March 31, 2022	As at March 31, 2021
Interest accrued on fixed deposits	24.00	71.06
Other receivables	0.62	3.01
Security deposits	93.69	16.01
Loan to subsidiaires	3.48	-
	<b>121.79</b>	<b>90.08</b>

# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## 17 Other current assets

	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	57.10	64.32
Advance to suppliers	19.36	19.35
GST credit receivable	56.20	-
Advance to employees	0.93	1.00
	<b>133.59</b>	<b>84.67</b>

## 18 Share capital

	As at March 31, 2022	As at March 31, 2021
<b>(A) Equity shares</b>		
<b>Authorized</b>		
4,24,48,000 Equity Shares of ₹ 5 each (March 31, 2021: 2,12,24,000 Equity Shares of ₹ 10 each)	212.24	212.24
	<b>212.24</b>	<b>212.24</b>
<b>Issued, subscribed and paid up</b>		
3,13,97,613 Equity Shares of ₹ 5 each (March 31, 2021: 64,94,964 Equity Shares of ₹ 10 each)	156.99	64.95
<b>Total</b>	<b>156.99</b>	<b>64.95</b>

### (i) Reconciliation of equity shares outstanding at the beginning and at the end of the year

	Number of shares	Amount
Outstanding as on April 01, 2020	5,163,100	51.63
Add: Issued during the period	1,331,864	13.32
Outstanding as on March 31, 2021	6,494,964	64.95
Outstanding as on April 01, 2021	6,494,964	64.95
Less: Old shares of face value ₹ 10 discarded against split of shares	6,494,964	64.95
Add: New shares of face value ₹ 5 issued against split of shares	12,989,928	64.95
Add: CCPS converted to equity shares of face value ₹ 5	14,201,600	71.01
Add: Issued through Initial Public Offer	4,206,085	21.03
Outstanding as on March 31, 2022	<b>31,397,613</b>	<b>156.99</b>

### (ii) Rights, preferences and restrictions attached to shares

Equity shares :-The company has equity shares having par value of ₹ 5 per share (₹ 10 per share as on March 31, 2021). Each shareholder is entitled to one vote per share held. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## (iii) Details of shares held by shareholders holding more than 5% of the aggregate shares in the company

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Equity shares				
Mr. Rajendra Mutha	8,029,920	25.57%	4,014,960	61.82%
Phi Capital Trust - Phi Capital Growth Fund - I	4,984,967	15.88%	145,134	2.23%

## (iv) Details of shares held by promoters at the end of the year

Promoter Name	March 31, 2022			March 31, 2021		
	Number of shares (FV ₹ 5)	% of total shares #	% Change during the year*	Number of shares (FV ₹ 10)	% of total shares	% Change during the year
Mr. Rajendra Mutha	8,029,920	25.57%	0.00%	4,014,960	61.82%	20.45%
Krsnaa Diagnostics (Mumbai) Private Limited	567,756	1.81%	0.00%	283,878	4.37%	0.00%

\* There was split of shares in FY 2021-22. This has led to change in number of shares held by promoters. This increase is not considered as change in shareholding of promoters.

# The holding of promoters has decreased due to issue of shares through initial public offer and conversion of Class A & Class C Compulsory Convertible Preference shares.

(iv) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current period end (i.e. March 31, 2022).

(v) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

## 19 Instrument entirely equity in nature

Compulsory Convertible Preference Shares	Series A	Series B	Series C	Total
Balance as on April 01, 2020	-	150.24	-	150.24
Changes in Compulsory Convertible Preference Shares	1,386.57	(150.24)	1,037.34	2,273.66
Balance as on March 31, 2021	1,386.57	-	1,037.34	2,423.90
Balance as on April 01, 2021	1,386.57	-	1,037.34	2,423.90
Changes in Compulsory Convertible Preference Shares	(1,386.57)	-	(1,037.34)	(2,423.90)
Balance as on March 31, 2022	-	-	-	-

## Disclosures on Compulsory Convertible Preference Shares

### (i) Authorized Capital

	As at March 31, 2022	As at March 31, 2021
40,61,914 (March 31, 2021: 40,61,914) Series A Compulsory Convertible Preference Shares ('Series A -CCPS') of ₹ 123 each	499.62	499.62
3,038,886 (March 31, 2021: 3,038,886 ) Series C Compulsory Convertible Preference Shares ('Series C -CCPS') ₹ 250 each	759.72	759.72
<b>Total</b>	<b>1,259.34</b>	<b>1,259.34</b>

# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## (ii) Issued, subscribed and paid up

	As at March 31, 2022	As at March 31, 2021
March 31, 2022 - Nil, March 31, 2021 - 40,61,914 Series A Compulsory Convertible Preference Shares ('Series A -CCPS') of ₹ 123 each	-	499.62
March 31, 2022 - Nil, March 31, 2021 - 3,038,886 Series C Compulsory Convertible Preference Shares ('Series C -CCPS') ₹ 250 each	-	759.72
<b>Total</b>	-	1,259.34

## (iii) Reconciliation of preference shares outstanding at the beginning and at the end of the year

	Series A-CCPS		Series B- CCCPPS		Series C- CCPS	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Outstanding as on April 01, 2020	4,061,914	499.62	600,960	150.24	3,038,886	759.72
Add: Issued during the period	-	-	-	-	-	-
Less: Converted during the year	-	-	600,960	150.24	-	-
<b>Outstanding as on March 31, 2021</b>	<b>4,061,914</b>	<b>499.62</b>	<b>-</b>	<b>-</b>	<b>3,038,886</b>	<b>759.72</b>
Add: Issued during the period	-	-	-	-	-	-
Less: Converted to equity shares during the year	4,061,914	499.62	-	-	3,038,886	759.72
<b>Outstanding as on March 31, 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## (iv) Rights, preferences and restrictions attached to shares and conversion thereof

Series A-CCPS :- The company has allotted 40,61,914 Series A - CCPS of face value of ₹ 123 each in the year 2015. The Series A-CCPS are compulsory convertible into equity shares upon occurrence of any of the following events.

- At the latest time permitted under applicable law, when considering the listing of equity shares of the Company pursuant to a Qualified IPO;
- Expiry of 19 (nineteen) years and 11 (eleven) months from the Series A completion date ("Investment Period"); or
- At any time prior to the expiry of the Investment Period at the option of the respective Existing Investor.

Each Series A CCPS shall be converted into one equity share as per the terms mentioned in amended and restated Shareholders Agreement dated December 22, 2018 subject to certain anti-dilution provisions. The equity shares to be allotted on conversion of the Series A- CCPS shall rank pari passu in all respects with the then existing equity shares of the Company.

Each shareholder is entitled to one vote per share held. The Series A CCPS shall carry such voting rights as are exercisable by person's holding equity shares in the company and shall be treated pari-passu with the equity shares on all voting matters. All outstanding equity shares have been converted to equity shares during FY 2021-22.

Series B-CCPPS :- The company has allotted 6,00,960 Series B-CCPPS of Face Value ₹ 250 each on March 07, 2017 through Right issue offer. These shares shall be converted into equity shares in the conversion ratio which is dependent on future events including subsequent fund raising by the Company, period at which the subsequent funds are raised post issue of Series B-CCPPS and valuation at which these new funds are raised.





# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

Until conversion of Series B-CCPPS, each Series B-CCPPS shall carry voting rights equivalent to 1 vote per CCCPPS-B. The equity shares to be allotted on conversion of the Series B- CCCPPS shall rank pari passu in all respects with the then existing equity shares of the Company. Fixed dividend is payable annually @0.0001% of the value of Series B-CCPPS.

During the year ended March 31, 2021, Series B-CCPPS have been converted to equity shares of ₹ 10 each as per the terms in the offer letter. Accordingly, 6,00,960 equity shares having par value of ₹ 10 have been issued to the holders of Series B – CCCPPS at ₹ 250 each.

Series C-CCPS :- The Company has allotted 30,38,886 of Series C-CCPS of face value of ₹ 250/- at an offer price of ₹ 328.96 each (including Security Premium of ₹ 78.96 each). Series C-CCPS are compulsory convertible into equity shares upon occurrence of any of the following events.

- At the latest time permitted under applicable law, when considering the listing of equity shares of the Company pursuant to a Qualified IPO;
- Expiry of 19 (nineteen) years and 11 (eleven) months from the Series A completion date (“Investment Period”); or
- Ant time prior to the expiry of the Investment Period at the option of the respective Existing Investor.

Each Series C- CCPS shall be converted into one equity share as per the terms mentioned in Shareholders Agreement dated December 22, 2018 subject to certain anti-dilution provisions The equity shares to be allotted on conversion of the Series C- CCPS shall rank pari passu in all respects with the then existing equity shares of the Company.

Until conversion of Series C-CCPS, each Series C-CCPS shall carry voting rights equivalent to 1 vote per Series C- CCPS. The Company shall be liable to pay a fixed dividend equivalent to an annual per share dividend equal to 0.0001% of the value of the Series C-CCPS . The holders of the Series C-CCPS shall be entitled to pro-rata participate in any dividend declaration on the Equity Shares on an as converted Basis.

All outstanding equity shares have been converted to equity shares during FY 2021-22.

## (v) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
<b>Series A-CCPS</b>				
Somerset Indus Healthcare	-	-	2,026,142	49.88%
Kitara PIIN 1104	-	-	2,026,142	49.88%
<b>Series B-CCPPS</b>				
Rajendra Mutha	-	-	-	-
Somerset Indus Healthcare	-	-	-	-
Kitara PIIN 1104	-	-	-	-
<b>Series C-CCPS</b>				
Phi Capital Growth Fund I	-	-	3,038,886	100.00%

# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## 20 Other equity

### (A) Employee Stock options outstanding account (ESOOA)\*

	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	8.20	-
Add: Employee stock option expense	12.42	8.20
Less: Transferred to general reserve on forfeiture of stock options	(0.23)	-
<b>Closing balance</b>	<b>20.39</b>	<b>8.20</b>

\*ESOOA recognizes the fair value of options as at the grant date spread over the vesting period. (Refer note 40)

The employee stock options reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 40 for details of these plans.

### (B) Securities premium

	As at March 31, 2022	As at March 31, 2021
Opening balance	233.19	88.96
Add : Securities premium credited on share issue	6,331.88	144.23
Less: Securities premium utilised to write off the share issue expenses	(218.04)	-
Add: Deferred Tax Asset on share issue expenses	43.90	-
<b>Closing balance</b>	<b>6,390.93</b>	<b>233.19</b>

### (C) Surplus/(deficit) in the Statement of Profit and Loss

	As at March 31, 2022	As at March 31, 2021
Opening balance	(412.27)	(2,261.56)
Add: Profit for the year	707.03	1,849.29
Add: Vested and lapsed ESOP reserve	0.23	-
<b>Closing balance</b>	<b>294.99</b>	<b>(412.27)</b>

### (D) Others reserves

	As at March 31, 2022	As at March 31, 2021
- As at beginning of year	0.68	0.96
- Re-measurement gains/ (losses) on defined benefit plans (net of tax)	3.52	(0.28)
<b>Closing balance</b>	<b>4.20</b>	<b>0.68</b>

^Includes cumulative impact of amounts (net of tax effect) recognized through other comprehensive income and has not been transferred to Equity or Profit and loss, as applicable.

<b>Total other equity</b>	<b>6,710.51</b>	<b>(170.20)</b>
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# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## 21 Borrowings

	As at March 31, 2022	As at March 31, 2021
Secured		
Term loan		
From Bank	256.30	1,504.55
From NBFC	-	298.02
Less: Current Maturities of borrowings	60.08	273.31
<b>Total non current maturities of borrowings</b>	<b>196.22</b>	<b>1,529.26</b>

### Terms of repayment and security offered:

#### Term loan from banks:

- a) During the year 2017-18, the company had taken five term loans for financing of DG Genset from Kotak Bank Ltd of ₹ 4.40 million repayable in 36 instalments at a fixed interest rate of 10.30% per annum. Out of the five loans, three loans have been fully repaid during FY 2020-21. The balance loan has been repaid from IPO proceeds in FY 2021-22.

During the year 2018-19, the company has taken a loan of ₹ 2.96 million from Kotak Mahindra Bank for the purchase of the DG Genset at a fixed interest rate of 13.02% per annum to be repaid in 36 instalments. The balance loan has been repaid from IPO proceeds in FY 2021-22.

During the year 2020-21, the company has taken a loan of ₹ 4.86 million from Kotak Mahindra Bank for the purchase of the DG Genset at a fixed interest rate of 13.28% per annum to be repaid in 36 instalments from the month of December 2020. The balance loan has been repaid from IPO proceeds in FY 2021-22.

Security given: Hypothecation on the Equipment funded out of above mentioned term loan (DG Genset)

- b) During the year 2019-20, the company had taken term loan for the purchase of Vehicles from Kotak Prime Ltd of ₹ 4.21 million to be repaid in 36 instalments at a fixed interest rate of 13.00% per annum. The balance loan has been repaid from IPO proceeds in FY 2021-22.

Security given: Hypothecation on the Vehicle

- c) During the year 2018-19, the Company had taken two term loans for equipment financing from HDFC Bank Ltd. totalling ₹ 95.51 million for the purchase of the MRI and CT Scan Machine (₹ 31.51 million and 64 million respectively) at a floating interest rate of HDFC Bank 1 year MCLR plus 2.3% margin per annum repayable in 60 and 80 instalments respectively. The balance loan has been repaid from IPO proceeds in FY 2021-22.

During the year 2019-20, the Company had taken two loans for the purchase of CT Scan Machine & MRI Machine from HDFC Bank Ltd. totalling ₹ 100.06 million. The loan will be repaid in 84 instalments respectively at a floating interest rate of HDFC Bank 1 year MCLR plus 2.3% margin per annum. The balance loan has been repaid from IPO proceeds in FY 2021-22.

Security given:

1. Hypothecation on MRI & CT Scan Machine funded out of loan
2. Fixed Deposit of ₹ 18.42 million

# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

- d) During the year 2018-19, the company had taken two term loans from IndusInd Bank totalling ₹ 1000 million at a floating interest rate of 1 year MCLR plus 0.85 % margin per annum. The loans were taken for the purpose of taking over the existing term loans of various facilities (Yes Bank Ltd- ₹ 42.2 million, India Infoline Ltd ₹ 56.1 million, Hero Fincorp ₹ 81.7 million outstanding balances of all loans taken over during the year 2019-20) and also for the purchases of the capital assets at few centers. The loans shall be repaid in 9 years. The balance loan has been repaid from IPO proceeds in FY 2021-22.

In FY 2019-20, term loan (taken during FY2017-18) for equipment financing from Yes Bank Ltd of ₹ 50.74 million at an interest rate of 10.74% per annum was taken over by Indusind Bank. The balance loan has been repaid from IPO proceeds in FY 2021-22.

During the year 2020-21, the company has taken a loan of ₹ 220 million from Indusind Bank for working capital term loan at a floating interest rate of MCLR + 1% per annum to be repaid in 5 years from the month of April 2022.

Security given:

1. Exclusive charge on specific movable fixed assets funded out of loan
  2. Exclusive charge on all current assets of borrower, both present & future
  3. Fixed Deposit of ₹ 308.00 millions
  4. Pledge over 30% of the shareholdings of Mr. Rajendra Mutha (Pledge removed on May 10, 2021)
- e) During the year 2020-21, the company has taken a vehicle loan from ICICI Bank of ₹ 21.06 million for financing of 8 buses. The loan will be repaid in 36 equal instalments at a fixed interest rate of 11% per annum starting from the month of June 2020. The balance loan has been repaid from IPO proceeds in FY 2021-22.

Security given: Secured by way of the hypothecation of the buses funded out of loan

- f) During the year 2020-21, the company has taken a loan of ₹ 42 million from Axis Bank for purchase of MRI machine at a floating interest rate of Repo Rate + 4.50% per annum to be repaid in 7 years from the month of January 2021.

Security given: Secured by way of the hypothecation of the MRI Machine funded out of loan

- g) During the year 2020-21, the company has taken a loan of ₹ 69 million for the purchase of healthcare equipment from Yes Bank Limited at a fixed interest rate of 10.50% per annum to be repaid in 60 equal instalments starting from the month of June 2020. The balance loan was pre-paid in April 2021.

Security given: Secured by way of the hypothecation of the MRI Machine funded out of loan

## Loan from NBFC:

- a) During the year 2014-15, the company had taken two term loans from Clix Capital (formerly known as GE Capital Services India) for the purpose of purchasing various medical equipment of ₹ 55.18 million at a floating interest rate of SBI Base Rate plus 2.6% per annum. The loans are repayable in 72 monthly instalments including a 6 months moratorium period. These loans were fully repaid during the year FY2020-21.

During the year 2017-18, the company had taken a loan from Clix Financial India for the purchase of CT Scan and MRI Machines of ₹ 167.85 million at a floating interest rate of Yes Bank's 1 Yr MCLR + 2.15% per annum to be repaid in 94 monthly instalments. The balance loan has been repaid from IPO proceeds in FY 2021-22.



# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

Security given:

1. Secured by way of the hypothecation of the CT & MRI machines funded out of loan
2. Personal guarantees of the director Mr. Rajendra Mutha and his spouse Ms. Sunita Mutha

- b) During the year 2017-18, the company had taken a loan for medical equipment financing from Dewan Housing Finance Ltd. of ₹ 50.62 million at an fixed interest rate of 11.75% per annum repayable in 60 instalments. The balance loan was pre-paid in April 2021.

Security given: Secured by way of the hypothecation of MRI machine funded out of loan

- c) During the year 2018-19, the company had taken five loans for equipment financing from DLL Financial Services Pvt. Ltd. aggregating to ₹ 77.3 million at a fixed interest rate of 9.50% per annum repayable in 84 instalments totalling ₹ 1.33 million per month. The balance loan has been repaid from IPO proceeds in FY 2021-22.

Security given: Secured by way of the hypothecation of the CT Scan machines funded out of loan

- d) During the year 2018-19, the company had taken two loans for equipments financing from Reliance Commercial Finance Ltd. of ₹ 67.83 million and ₹ 32.05 million at a floating interest of 1 year RCFL PLR Rate minus 6% margin per annum and RCFL PLR Rate minus 5.5% margin per annum respectively repayable in 84 instalments. The balance loan has been repaid from IPO proceeds in FY 2021-22.

Security given: Secured by way of the hypothecation of CT Scan machines funded out of loan

## Unsecured Loans:

- a) Unsecured loan from the director - Ms. Pallavi Bhatevara carries interest @ 12% p.a. As per SHA terms of series A, the loan was repayable after achieving the EBITDA of ₹ 56 Cr for the period of two years ended March 31, 2018. The company has achieved the same and now it will be repayable and therefore classified as current maturities of long term borrowings. This has been repaid in December 2021.

## 22 Lease liabilities

	As at March 31, 2022	As at March 31, 2021
Lease Liabilities	153.62	167.78
Less: Current Maturities of Lease Liabilities	19.10	17.49
<b>Total non current maturities of lease obligations</b>	<b>134.52</b>	<b>150.28</b>

## Terms of repayment

### Long term maturities of finance lease obligation:

- (a) During the year 2018-19, the company has taken data processing units and printers worth ₹ 27 million on lease for a period of three years from Hewlett Packard Financials Services India Pvt Ltd. These leased assets have been purchased from leasing company and the lease is now closed.
- (b) During the year 2019-20, the company has taken MRI Machine worth ₹ 67.80 million on lease for a period of Seven years from Philips India Ltd.
- (c) During the year 2020-21, the company has taken a MRI Machine worth ₹ 44.70 million on lease for a period of Seven years from Philips India Ltd.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

- (d) During the the year 2020-21, the company has taken a CT Scan Machine worth ₹ 14.44 million on lease for a period of Seven years from Philips India Ltd.
- (e) During the the year 2020-21, the company has taken data processing units and printers worth ₹ 11.30 million on lease for a period of three years from Hewlett Packard Financials Services India Pvt Ltd. These leased assets have been purchased from leasing company and the lease is now closed.
- (f) During the year 2020-21, the company has taken a MRI Machine worth ₹ 44.70 million on lease for a period of Seven years from Philips India Ltd.

## 23 Other financial liabilities

	As at March 31, 2022	As at March 31, 2021
Security deposit received	16.39	63.89
<b>Total other financial liabilities</b>	<b>16.39</b>	<b>63.89</b>

## 24 Employee benefit obligations

	As at March 31, 2022	As at March 31, 2021
<b>Long Term</b>		
<b>Provision for employee benefits</b>		
Provision for gratuity (funded) (Refer note 39)	-	-
Provision for leave encashment (unfunded)	2.61	5.19
<b>Total Provisions</b>	<b>2.61</b>	<b>5.19</b>
<b>Short Term</b>		
<b>Provision for employee benefits</b>		
Provision for gratuity (funded) (Refer note 39)	11.71	7.76
Provision for leave encashment (unfunded)	8.07	1.52
<b>Total Provisions</b>	<b>19.78</b>	<b>9.28</b>

## 25 Other non-current liabilities

	As at March 31, 2022	As at March 31, 2021
Deferred Revenue	1.25	33.03
<b>Total other long term liabilities</b>	<b>1.25</b>	<b>33.03</b>

## 26 Short-term borrowings

	As at March 31, 2022	As at March 31, 2021
<b>Secured - from bank</b>		
Cash credit loan from banks	-	327.71
Bank Overdraft	-	-
Current Maturities of borrowings	60.08	273.32
Unsecured, Loans from related parties	-	19.73
<b>Total short-term borrowings</b>	<b>60.08</b>	<b>620.76</b>





# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## 27 Trade payables

	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises	3.27	5.37
Total outstanding dues of creditors other than micro enterprises and small enterprises*	761.26	827.66
<b>Total trade payables</b>	<b>764.53</b>	<b>833.03</b>

### Trade payable ageing schedule as on March 31, 2022:

Particulars	Particulars Outstanding for following periods from due date of Payment				
	1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
MSME	3.27	-	-	-	3.27
Others	730.37	26.60	4.29	-	761.26
Disputed - MSME	-	-	-	-	-
Disputed - Other	-	-	-	-	-
<b>Total</b>	<b>733.64</b>	<b>26.60</b>	<b>4.29</b>	<b>-</b>	<b>764.53</b>

### Trade payable ageing schedule as on March 31, 2021:

Particulars	Particulars Outstanding for following periods from due date of Payment				
	1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
MSME	4.47	0.90	-	-	5.37
Others	759.61	48.71	18.96	0.38	827.66
Disputed - MSME	-	-	-	-	-
Disputed - Other	-	-	-	-	-
<b>Total</b>	<b>764.08</b>	<b>49.61</b>	<b>18.96</b>	<b>0.38</b>	<b>833.03</b>

### Disclosure relating to suppliers registered under MSMED Act based on the information available with the company:

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Amount remaining unpaid to any supplier at the end of each reporting period:		
Principal	3.27	5.37
Interest	0.15	0.43
<b>Total</b>	<b>3.42</b>	<b>5.79</b>
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.15	1.05
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	0.62

# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## 28 Other financial liabilities

	As at March 31, 2022	As at March 31, 2021
<b>Other financial liabilities at amortised cost</b>		
Interest accrued	0.77	11.27
Security deposits received	0.07	0.07
Payable for capital purchases	361.32	300.16
Employee Benefits Expenses Payable	72.95	59.92
Employee reimbursement payable	1.87	2.58
Payable for IPO expenses	71.18	-
Payable to related parties	-	0.73
<b>Total other financial liabilities</b>	<b>508.16</b>	<b>374.73</b>
<b>Total financial liability</b>	<b>1,351.87</b>	<b>1,846.01</b>

## 29 Other current liabilities

	As at March 31, 2022	As at March 31, 2021
Statutory due payable	17.55	17.16
Advance from Customers	0.47	5.98
Deferred Revenue	1.27	7.09
Income Tax Payable	26.95	-
Payable to selling shareholders	56.23	-
<b>Total other current liabilities</b>	<b>102.47</b>	<b>30.23</b>

## 30 Revenue from operations

	Year Ended March 31, 2022	Year ended March 31, 2021
Sale of services	4,538.93	3,964.56
Consultancy income	9.97	-
<b>Total revenue from operations</b>	<b>4,548.90</b>	<b>3,964.56</b>

## 31 Other income

	Year Ended March 31, 2022	Year ended March 31, 2021
<b>Interest income</b>		
on fixed deposits	122.38	99.09
on other deposits	0.06	0.44
on income tax refund	2.57	2.87
on other financial assets at amortised cost	24.08	19.85
on loan to subsidiaries	0.17	-
Miscellaneous income	0.02	0.11
<b>Total other income</b>	<b>149.28</b>	<b>122.36</b>



# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## 32 Cost of material consumed

	Year Ended March 31, 2022	Year ended March 31, 2021
Inventory at the beginning of the year	72.10	50.67
Add: Purchases	622.56	858.90
Less: Inventory at the end of the year	(91.70)	(72.10)
<b>Cost of material consumed</b>	<b>602.96</b>	<b>837.47</b>

## 33 Employee benefits expense

	Year Ended March 31, 2022	Year ended March 31, 2021
Salaries, wages, bonus and other allowances	448.86	248.88
Contribution to provident and other funds	37.92	16.66
Gratuity expenses (Refer note 39)	11.14	4.51
Employee stock option scheme compensation (Refer note 40)	12.42	8.20
Staff welfare expenses	22.98	20.82
<b>Total employee benefits expense</b>	<b>533.32</b>	<b>299.07</b>

## 34 Finance costs

	Year Ended March 31, 2022	Year ended March 31, 2021
<b>Interest on borrowing</b>		
On bank and NBFC	132.96	226.94
On loans from related parties	1.65	4.08
On finance lease	23.52	12.35
On Other financial liabilities at amortised cost	10.50	5.98
Bank Charges	8.36	9.90
Other borrowing costs	7.90	0.15
<b>Total finance costs</b>	<b>184.89</b>	<b>259.40</b>

## 35 Depreciation and amortization expense

	Year Ended March 31, 2022	Year ended March 31, 2021
Depreciation (Refer note 6)	410.31	360.83
Amortization (Refer note 7)	3.56	13.56
<b>Total depreciation and amortization expense</b>	<b>413.87</b>	<b>374.39</b>

# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## 36 Other expenses

	Year Ended March 31, 2022	Year ended March 31, 2021
Power & Fuel	61.63	47.92
Rent	84.01	76.06
Repairs and maintenance - Machinery	152.67	111.74
Insurance	5.16	4.49
Rates and taxes	4.29	5.49
Logistics expenses	45.37	28.16
Travelling and lodging expenses	37.23	44.28
Auditor's remuneration (Refer note below)	2.60	0.94
Security and facility management expenses	59.95	39.23
Business promotion expenses	16.88	10.33
Printing & Stationery	30.49	18.81
Communication expenses	18.54	16.86
Corporate social responsibility expenses (Refer Note 49)	5.66	6.71
Office expenses	21.91	15.34
Legal and professional charges	36.28	82.52
Sitting Fees to Directors	3.20	-
Provision for doubtful debt	8.30	-
Reporting Charges	378.39	269.22
Loss on sale/disposal of fixed assets	2.48	5.06
Service Charges	1.55	10.26
Miscellaneous expenses	10.63	9.88
<b>Total other expenses</b>	<b>987.22</b>	<b>803.30</b>

	Year Ended March 31, 2022	Year ended March 31, 2021
<b>Breakup of auditor's remuneration:</b>		
Statutory audit Fees*	1.36	0.94
Limited Review Fees*	1.24	-
<b>Total</b>	<b>2.60</b>	<b>0.94</b>

\* Auditor's remuneration includes GST component



# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## 37 Income Tax

### (A) Deferred tax relates to the following:

	As at March 31, 2022	As at March 31, 2021
<b>Deferred tax assets</b>		
On Expenses provided but allowable in Income Tax on payment basis - Provision for employee benefits	5.64	3.64
On Deduction available u/s 80JJAA	20.90	4.47
On Provision for doubtful debts and advances	14.68	12.58
On Share issue expenses adjusted to securities premium account	43.90	-
On ESOP expense reserve	5.13	-
<b>Total Deferred tax assets</b>	<b>90.25</b>	<b>20.69</b>
<b>Deferred tax liabilities</b>		
On Difference between book depreciation and tax depreciation	168.19	127.64
<b>Total Deferred tax liabilities</b>	<b>168.19</b>	<b>127.64</b>
Deferred tax (liability) / asset, net	(77.94)	(106.95)

### (B) Reconciliation of deferred tax assets/ (liabilities) (net):

	As at March 31, 2022	As at March 31, 2021
Opening balance as of April 1	(106.95)	921.72
Tax liability recognized in Statement of Profit and Loss	(13.71)	(1,028.77)
On re-measurements gain/(losses) of post-employment benefit obligations	(1.18)	0.10
Tax liability recognized directly in equity	43.90	-
<b>Closing balance as at March 31</b>	<b>(77.94)</b>	<b>(106.95)</b>

### (C) Movement in deferred tax assets/ liabilities recognized in Statement of Profit and Loss

	As at March 31, 2022	As at March 31, 2021
Deferred tax charge on account of difference between book depreciation and tax depreciation	40.55	16.23
Deferred tax charge/(credit) on expenses allowed on payment basis		
- Provision for employee benefits	(3.18)	(0.51)
- On Provision for doubtful debts and advances	(2.10)	1.98
MAT credit reversal	-	21.66
Deferred tax asset on deduction u/s 80JJAA	(16.43)	(4.47)
Deferred tax asset on ESOP expense reserve	(5.13)	
Deferred tax charge/(credit) on movement in fair value of compulsory convertible preference shares	-	993.87
	<b>13.71</b>	<b>1,028.76</b>

# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## (D) Income tax expense

	Year ended March 31, 2022	Year ended March 31, 2021
- Income tax expense	175.26	76.47
- Adjustments in respect of current income tax of previous year		
- Deferred tax charge / (income)	13.71	1,028.76
<b>Income tax expense reported in the statement of profit or loss</b>	<b>188.97</b>	<b>1,105.23</b>

## (E) Income tax expense charged to OCI

	Year ended March 31, 2022	Year ended March 31, 2021
Net loss/(gain) on remeasurements of defined benefit plans	1.18	(0.10)
<b>Income tax charged to OCI</b>	<b>1.18</b>	<b>(0.10)</b>

## (F) Reconciliation of tax charge

	Year ended March 31, 2022	Year ended March 31, 2021
Profit before tax	896.00	2,954.52
Income tax expense at tax rates applicable	225.51	743.59
Tax effects of:		
- Item not deductible for tax	12.68	3.15
- Tax deduction i.r.t. Public Issue Expenses	(10.98)	-
- 80 JJAA	(28.00)	(6.70)
- ESOP expense reserve	(5.13)	-
- Change in Tax Rate	-	87.17
- Reversal of deferred tax asset on CCPS	-	257.77
- Minimum Alternate Tax (MAT) Lapsed due to Lower Tax Rate availed	-	21.66
- Others	(5.11)	(1.41)
<b>Income tax expense</b>	<b>188.97</b>	<b>1,105.23</b>

## 38 Earnings per share

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

Diluted earnings per share amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.





# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

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

	Year Ended March 31, 2022	Year ended March 31, 2021
Profit attributable to equity holders	707.03	1,849.29
Less: preference dividend after-tax	-	-
Profit attributable to equity holders net of above adjustment	707.03	1,849.29
Add: Change in fair value of compulsory convertible preference share	-	(1,533.96)
Profit attributable to equity holders adjusted for the effect of dilution	707.03	315.33
Weighted average number of equity shares for basic EPS	29,876,508	11,532,125
Effect of dilution:		
Share options	7,087	-
Conversion of CCPS Series A & C - Post Split from ₹ 10 Each to 5 Each	-	14,201,600
Weighted average number of equity shares adjusted for the effect of dilution	29,883,596	25,733,725
Basic profit per share (₹)	23.66	160.36
Diluted profit per share (₹)	23.66	12.25

Pursuant to Shareholder's resolution passed at the Extrordinary General Meeting held on April 25, 2021 the equity share capital (Authorised, Issued and Paid-up) of the Company was subdivided from ₹ 10.00 (Rupees ten) each to equity shares of ₹ 5.00 (Rupees five) each. Accordingly, prior period EPS has been calculated.

The Company is having following potential equity shares :

- (a) Shares allotted to employees in pursuance of the Employee Stock Option Plan (ESOP).

## 39 Employee benefits

### (A) Defined contribution plans

	Year Ended March 31, 2022	Year ended March 31, 2021
<b>During the year, the Company has recognized the following amounts in the Statement of Profit and Loss -</b>		
Employers' Contribution to Provident Fund (Refer note 33)	30.77	13.42
Employers' Contribution to Employee State Insurance (Refer note 33)	7.08	3.20
Employers' Contribution to Labour Welfare Fund (Refer note 33)	0.07	0.04
	37.92	16.66

### (B) Defined benefit plans

	Year Ended March 31, 2022	Year ended March 31, 2021
Gratuity payable to employees	11.71	7.76
Compensated absences for Employees	10.68	6.71
	22.39	14.47

# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## i) Actuarial assumptions

	As at March 31, 2022	As at March 31, 2021
Discount rate (per annum)	6.40%	6.10%
Rate of increase in Salary	6.00%	6.00%
Expected average remaining working lives of employees (years)	4.92	4.93
Attrition rate	20%	20%
Expected rate of return on plan assets	6.10%	6.20%

## ii) Changes in the present value of defined benefit obligation

	As at March 31, 2022	As at March 31, 2021
<b>Employess's gratuity</b>		
Present value of obligation at the beginning of the year	14.34	10.63
Interest cost	0.84	0.61
Past service cost	-	-
Current service cost	10.74	4.23
Curtailements	-	-
Settlements	-	-
Benefits paid	(1.02)	(1.56)
Actuarial (gain)/ loss on obligations	(4.55)	0.43
<b>Present value of obligation at the end of the year/period*</b>	<b>20.35</b>	<b>14.34</b>

\*Included in provision for employee benefits (Refer note 24)

## iii) Expense recognized in the statement of profit and loss

	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Employess's gratuity</b>		
Current service cost	10.74	4.23
Past service cost	-	-
Interest cost	0.40	0.28
Expected return on plan assets	-	-
Actuarial (gain) / loss on obligations	-	-
Settlements	-	-
Curtailements	-	-
<b>Total expenses recognized in the Statement Profit and Loss*</b>	<b>11.14</b>	<b>4.51</b>

\*Included in Employee benefits expense (Refer Note 33). Actuarial (gain)/loss of ₹ 4.69 million (March 31, 2022) ₹ (0.38 million) March 31, 2021 is included in other comprehensive income.

## iv) Amounts recognised in statement of other comprehensive income (OCI):

	Year Ended March 31, 2022	Year Ended March 31, 2021
Opening amount recognised in OCI outside profit and loss account	(0.95)	(1.33)
Remeasurement for the year - obligation (Gain) / Loss	(4.55)	0.43
Remeasurement for the year - plan asset (Gain) / Loss	(0.14)	(0.05)
Total Remeasurements Cost / (Credit) for the year recognised in OCI	(4.69)	0.38
<b>Closing amount recognised in OCI outside profit and loss account</b>	<b>(5.64)</b>	<b>(0.95)</b>



# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## v) Changes in the fair value of plan assets

	As at March 31, 2022	As at March 31, 2021
Present value of obligation at the end of the year	6.58	4.46
Acquisition adjustments	-	-
Transfer In / (Out)	-	-
Interest Income	0.45	0.34
Contributions	3.66	1.99
Mortality Charges and Taxes	(0.24)	(0.26)
Benefits paid	(1.94)	-
Amount paid on settlement	-	-
Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)	0.14	0.05
<b>Fair value of plan assets at the end of the period</b>	<b>8.65</b>	<b>6.58</b>

## vi) Assets and liabilities recognized in the balance sheet:

	As at March 31, 2022	As at March 31, 2021
Present value of unfunded obligation as at the end of the year	(20.35)	(14.34)
Fair value of the plan assets at the end of period	8.65	6.58
Surplus / (Deficit)	(11.71)	(7.76)
Current liability	11.71	7.76
Non-current liability	-	-
<b>Unfunded net asset / (liability) recognized in Balance Sheet*</b>	<b>(11.71)</b>	<b>(7.76)</b>

\*Included in provision for employee benefits (Refer note 24)

## vii) Reconciliation of net asset / (liability) recognised:

	As at March 31, 2022	As at March 31, 2021
Net asset / (liability) recognised at the beginning of the period	(7.76)	(6.17)
Company contributions	3.66	1.99
Benefits directly paid by Company	0.00	1.56
Amount recognised outside	4.69	(0.38)
Expense recognised at the end of period	(11.14)	(4.51)
Mortality Charges and Taxes	(0.24)	(0.26)
Gratuity Benefits Received from Fund against payment made by company last year	(0.92)	-
<b>Net asset / (liability) recognised at the end of the period</b>	<b>(11.72)</b>	<b>(7.77)</b>

## viii) Expected contribution to the fund in the next year

	As at March 31, 2022	As at March 31, 2021
Gratuity	3.70	7.80

# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## ix) A quantitative sensitivity analysis for significant assumption

Impact on defined benefit obligation	As at March 31, 2022	As at March 31, 2021
<b>Employee's gratuity</b>		
Discount rate		
1.00% increase	(19.40)	(13.68)
1.00% decrease	21.43	15.08
Rate of increase in salary		
1.00% increase	21.20	14.93
1.00% decrease	(19.59)	(13.80)
Impact of change in withdrawal rate		
1.00% increase	(20.26)	(14.28)
1.00% decrease	20.49	14.41

## x) Maturity profile of defined benefit obligation

Year	As at March 31, 2022	As at March 31, 2021
<b>Employee's gratuity</b>		
April 2021- March 2022	-	1.82
April 2022- March 2023	2.30	2.17
April 2023- March 2024	2.60	2.55
April 2024- March 2025	2.98	2.79
April 2025- March 2026	3.39	3.26
April 2026- March 2027	5.87	-
April 2026- March 2031	-	28.75
April 2027- March 2032	37.10	-

## 40 Employee Stock Option Scheme 2020 (ESOP)

The board vide its resolution dated July 01, 2020 approved ESOP 2020 for granting Employee Stock Options in form of equity shares linked to the completion of a minimum period of continued employment to the eligible employees of the Company, monitored and supervised by the Board of Directors. The employees can purchase equity shares by exercising the options as vested at the price specified in the grant.



# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the period

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	Number	Number
Options outstanding at beginning of year:		
Tranche 1 (Exercise Price: 225)	1,552,566	-
Tranche 2 (Exercise Price: 350)	494,108	-
<b>Add:</b>		
Options granted during the year:		
Tranche 1 (Exercise Price: 225)	-	1,552,566
Tranche 2 (Exercise Price: 350)	-	494,108
<b>Less:</b>		
Options exercised during the year	-	-
Options forfeited during the year		
Tranche 1 (Exercise Price: 225)	124,660	-
Tranche 2 (Exercise Price: 350)	-	-
Options outstanding at the end of year:		
Tranche 1 (Exercise Price: 225)	1,427,906	1,552,566
Tranche 2 (Exercise Price: 350)	494,108	494,108
Option exercisable at the end of year:		
Tranche 1 (Exercise Price: 225)	356,974	-
Tranche 2 (Exercise Price: 350)	123,527	-

In accordance with the above mentioned ESOP Scheme, ₹ 12.42 million (FY 2021-22) & ₹ 8.20 million (FY 2020-21) has been charged to the Statement of Profit and Loss in respective periods in relation to the Employee Stock Option Scheme Compensation. (Refer note 33)

The options outstanding at the period ending on March 31, 2022 with exercise price of ₹ 225 are 14,27,906 options (Tranche 1) & with exercise price of ₹ 350 are 4,94,108 (Tranche 2) and a weighted average remaining contractual life of all options are between 1 to 3 years.

The fair value of each option is estimated on the date of grant using the Black Scholes model. The following tables list the inputs to the [Option pricing model] used for the years ended:

Vesting year- Tranche 1	1	2	3	4
Weighted average fair value of the options at the grant dates (₹)	15.28	22.48	31.20	41.71
Compounded Risk-Free Interest Rate (%)	3.73%	4.21%	4.81%	5.10%
Number of periods to Exercise in years	1.25	2.25	3.25	4.25
Expected volatility (%)	27.39%	22.06%	19.25%	17.91%
Weighted average share price (₹)	341.35	341.35	341.35	341.35

Vesting year- Tranche 2	1	2	3	4
Weighted average fair value of the options at the grant dates (₹)	36.16	53.12	71.17	91.20
Compounded Risk-Free Interest Rate (%)	3.93%	4.41%	4.91%	5.32%
Number of periods to Exercise in years	1.25	2.25	3.25	4.25
Expected volatility (%)	26.89%	22.33%	19.80%	18.18%
Weighted average share price (₹)	572.35	572.35	572.35	572.35

# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

Above fair value calculations are for options before split of share from face value ₹ 10 to ₹ 5 while the number of options reported above are after split.

## 41 Leases where company is a lessee

During FY 2019-20, the company has entered into finance lease and hire purchase contract for 3T MRI machine. Rentals are payable on from 7 days of date of invoicing or installation date whichever is earlier and would then be payable on monthly basis in arrears. Lessee has the option to purchase the asset by paying ₹ 1000/- along with last instalment.

During FY 2020-21, the company has taken a MRI Machine worth ₹ 44.70 million on lease for a period of Seven years from Philips India Ltd., a CT Scan Machine, worth ₹ 14.44 million on lease for a period of Seven years from Philips India Ltd., data processing units and printers worth ₹ 11.30 million on lease for a period of three years from Hewlett Packard Financials Services India Pvt Ltd., a MRI Machine worth ₹ 44.70 million on lease for a period of Seven years from Philips India Ltd.

During FY 2021-22, the company has exercised purchase option under lease with Hewlett Packard Financials Services India Pvt Ltd. and has purchased data processing units and printers.

### i) Changes in the carrying value of right-of-use assets

Particulars	Category of ROU Asset		
	Land & Building	Plant & Machinery	Total
Balance as at April 1, 2020	-	76.81	76.81
Additions	-	124.76	124.76
Deletions	-	-	-
Depreciation	-	19.43	19.43
<b>Balance as at March 31, 2021</b>	-	<b>182.14</b>	<b>182.14</b>
Additions	11.35	-	11.35
Deletion	-	7.27	7.27
Depreciation	1.46	13.95	15.41
<b>Balance as at March 31, 2022</b>	<b>9.89</b>	<b>160.92</b>	<b>170.81</b>

### ii) Changes in lease liabilities

Particulars	Category of ROU Asset		
	Land & Building	Plant & Machinery	Total
Balance as at April 1, 2020	-	73.92	73.92
Additions	-	109.20	109.20
Lease Payments	-	15.34	15.34
<b>Balance as at March 31, 2021</b>	-	<b>167.78</b>	<b>167.78</b>
Additions	11.35	-	11.35
Lease Payments	1.12	24.39	25.51
<b>Balance as at March 31, 2022</b>	<b>10.23</b>	<b>143.39</b>	<b>153.62</b>

### iii) Break-up of current and non-current lease liabilities

Particulars	March 31, 2022	March 31, 2021
Current Lease Liabilities	19.10	17.49
Non-current Lease Liabilities	134.52	150.28



# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## iv) Maturity analysis of lease liabilities

Particulars	March 31, 2022	March 31, 2021
Less than one year	19.10	17.49
One to five years	114.28	103.71
More than five years	20.23	46.57
<b>Total</b>	<b>153.62</b>	<b>167.77</b>

## v) Amounts recognised in statement of profit and loss account

Particulars	March 31, 2022	March 31, 2021
Interest on Lease Liabilities	23.52	12.35
Depreciation on ROU Assets	15.42	19.43

## vi) Undiscounted lease liabilities

Particulars	March 31, 2022	March 31, 2021
- Not later than one year	35.56	36.31
- Later than one year but not later than five years	152.95	151.63
- Later than five years	21.18	50.79
<b>Total undiscounted lease liabilities</b>	<b>209.69</b>	<b>238.73</b>

## 42 Related party disclosures:

### (A) Names of related parties and description of relationship as identified and certified by the Company:

#### Entity under common control

Krsna International Limited - Yemen  
 KDPL Diagnostics (Amritsar) Private Limited  
 KDPL Diagnostics (Bathinda) Private Limited  
 KDPL Diagnostics (Jalandhar) Private Limited  
 KDPL Diagnostics (Ludhiana) Private Limited  
 KDPL Diagnostics (Patiala) Private Limited  
 KDPL Diagnostics (SAS Nagar) Private Limited  
 Krsnaa Diagnostics (Mohali) Private Limited

#### Key Management Personnel (KMP)

Mr. Rajendra Mutha - Director  
 Mr. Narayanan Balasubramanyam - Nominee Director (w.e.f. January 31, 2019)  
 Mr. Yash Mutha - Wholtime Director (w.e.f. January 31, 2019)  
 Ms. Pallavi Bhatevara - Managing Director  
 Ms. Manisha Chitgopekar - Company Secretary (till October 11, 2021)  
 Mr. Nikhil Deshpande - Company Secretary (from October 12, 2021)  
 Ms. Sunita Mutha - Relative of KMP  
 Mr. Pawan Daga - Chief Financials Officer (w.e.f. January 18, 2021)



# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

Mr. Prakash Iyer - Independent Director (w.e.f. April 25, 2021)  
 Mr. Chetan Desai - Independent Director (w.e.f. April 25, 2021)  
 Ms. Chhaya Palrecha - Independent Director (w.e.f. April 25, 2021)  
 Mr. Prem Pradeep - Independent Director (w.e.f. October 8, 2020)  
 Mr. Rajiv Ranjan Verma - Independent Director (w.e.f. April 25, 2021)

## Entity in which KMP exercise significant influence

Krsna Diagnostics (Mumbai) Private Limited

### (B) Details of transactions with related party in the ordinary course of business for the year ended:

	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>(i) Key Management Personnel (KMP)</b>		
<b>Compensation of key management personnel</b>		
Ms. Pallavi Bhatevara	5.09	4.88
Mr. Rajendra Mutha	26.41	6.28
Mr. Yash Mutha	4.80	3.53
Mr. Pawan Daga	1.90	0.37
Ms. Manisha Chitgopekar	0.20	0.31
Mr. Nikhil Deshpande	0.75	-
<b>Sitting fees paid to directors</b>		
Mr. Prakash Iyer	0.75	-
Mr. Chetan Desai	0.70	-
Ms. Chhaya Palrecha	0.90	-
Mr. Rajiv Ranjan Verma	0.85	-
<b>(ii) Expenses Incurred:</b>		
Ms. Sunita Mutha - Rent Expenses	36.82	35.64
Ms. Pallavi Bhatevara - Interest Expenses	1.65	4.08
<b>(iii) Income from Subsidiaries</b>		
Interest on loan to subsidiaries	0.17	-
Revenue share income from subsidiaries:	15.69	-
<b>(iv) Loans (liability) taken earlier now repaid during the period</b>		
Mr. Rajendra Mutha	1.19	10.00
Ms. Pallavi Bhatevara	18.54	17.50
<b>(v) Loans (liability) taken during the period</b>		
Mr. Rajendra Mutha	-	7.72
Ms. Pallavi Bhatevara	-	17.50
<b>(vi) Loans (asset) given during the period</b>	14.01	-
<b>(vii) Loans (asset) received back during the period</b>	10.52	-



# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## (C) Outstanding Balances

	As at March 31, 2022	As at March 31, 2021
<b>i) Entity under common control</b>		
Krsna International Limited-Yemen -Receivable	31.01	31.01
Less: Provision	(31.01)	(31.01)
	-	-
<b>ii) Investments Made in Subsidiaries</b>	0.70	-
<b>iii) Loan receivable from subsidiaries:</b>	3.48	-
<b>iv) Receivable from subsidiaries (trade receivable):</b>	14.37	-
<b>v) Key Management Personnel (KMP)</b>		
<b>(a) Director Loans</b>		
Ms. Pallavi Bhatevara -Loans Payable (Unsecured)	-	18.54
Mr. Rajendra Mutha - Loan Payable (Unsecured)	-	1.19
<b>(b) Compensation payable to KMPs</b>		
Mr. Yash Mutha	0.34	0.36
Mr. Pawan Daga	0.14	0.12
Ms. Pallavi Bhatevara	0.30	0.92
Mr. Nikhil Deshpande	0.11	-
Mr. Rajendra Mutha	25.91	9.82
<b>(b) Other Payables</b>		
Ms. Sunita Mutha	3.19	6.29

## 43 Segment reporting

The Company's operations predominantly relate to providing Radiology and Pathology services for X Ray, CT Scan, MRI, Mammography, Tele - Reporting Services and all type of Blood and Urine Investigation. The Chief Operating Decision Maker (CODM) reviews the operations of the Company as one operating segment. Hence no separate segment information has been furnished herewith.

## 44 Fair value measurement

### Financial instruments by category:

Financial Assets	March 31, 2022		March 31, 2021	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Investment				
- In shares of Janata Sahakari Bank Limited, Pune	-	2.90	-	2.90
- Mutual Funds	0.01	-	-	-
Security Deposit (Current + Non Current)	-	212.12	-	151.44
Fixed deposit accounts with maturity for more than 12 months	-	1,036.72	-	24.07
Trade receivables	-	593.07	-	752.89
Cash and cash equivalents	-	883.24	-	246.75
Bank balances other than cash and cash equivalent	-	1,534.28	-	1,282.37
Interest accrued on fixed deposits	-	24.00	-	71.06
Loan to Subsidiaries	-	3.48	-	-
Other receivables	-	0.62	-	3.01
<b>Total Financial Assets</b>	<b>0.01</b>	<b>4,290.43</b>	<b>-</b>	<b>2,534.49</b>

# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

Financial Liabilities	March 31, 2022		March 31, 2021	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Borrowings (including current maturities of long term borrowings and short term borrowings)	-	256.30	-	2,150.02
Security deposit received (Current + Non current)	-	16.46	-	63.96
Trade Payable	-	764.53	-	833.03
Interest accrued	-	0.77	-	11.26
Payable for capital purchases	-	361.32	-	300.16
Lease Liabilities	-	153.62	-	167.78
Employee reimbursement payable	-	1.87	-	2.58
Employee Benefits Expenses Payable	-	72.95	-	59.92
Payable for IPO expenses	-	71.18	-	-
Other Payable	-	-	-	0.73
<b>Total Financial Liabilities</b>	<b>-</b>	<b>1,699.00</b>	<b>-</b>	<b>3,589.44</b>

## 45 Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

No financial assets/liabilities have been valued using level 1 fair value measurements.

### a The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

As at March 31, 2022	Level 1	Level 2	Level 3	Total
<b>Financial Asset</b>				
Investment in Kotak Liquid Fund Regular Plan Growth	-	0.01	-	0.01
<b>Total Financial Asset</b>	<b>0.00</b>	<b>0.01</b>	<b>0.00</b>	<b>0.01</b>
<b>Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

As at March 31, 2021	Level 1	Level 2	Level 3	Total
<b>Financial Asset</b>				
Total Financial Asset	-	-	-	-
<b>Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### b Fair value of financial assets and liabilities measured at amortised cost

The fair value of other current financial assets, cash and cash equivalents, trade receivables, trade payables, short-term borrowings and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.



# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

The amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security and term deposits and of non current financial liabilities consisting of borrowings and security deposit received are not significantly different from the carrying amount.

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

## 46 Fair value movement of compulsory convertible preference shares

These amounts represent the fair value changes in respect of liability of Compulsory Convertible Preference Share - Series A & Series C which have certain anti-dilution clauses. Preference shareholders have granted waiver in respect of these anti-dilution in July 2020 and hence, necessary accounting adjustments due to significant modification of the instruments have been passed in the year ended March 31, 2021.

## 47 Financial risk management objectives and policies

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

### (A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments. The Company have certain debt obligations with floating interest rates. Further, the Company is not exposed to currency risk as the Company does not have any significant foreign currency outstandings/receivables neither is the Company exposed to price or commodity risk.

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased equity and profit or loss by amounts shown below. This analyses assumes that all other variables, in particular, foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the year.

Interest Rate Sensitivity	March 31, 2022	March 31, 2021
Increase by 100 basis point	11.85	12.30
Decrease by 100 basis point	(11.85)	(12.30)

### (B) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables and security deposit to hospitals), from its financing activities, including deposits with banks and other statutory deposits with regulatory agencies. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Company does not foresee any credit risks on deposits with regulatory authorities. Customer credit risk is managed

# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

by the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain.

The movement in the provision for the year ended are as follows:

	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>The movement in the provision for bad and doubtful debts for the year ended are as follows:</b>		
Opening balance	50.00	50.00
Changes in loss allowance:		
1. Loss allowance based on Expected credit loss	8.30	-
2. Write off as bad debts	-	-
<b>Closing Balance</b>	<b>58.30</b>	<b>50.00</b>
<b>The movement in the provision for doubtful advances for the year ended are as follows:</b>		
Opening balance	31.01	31.01
Changes in loss allowance:		
1. Loss allowance based on Expected credit loss	-	-
2. Write off as bad debts	-	-
<b>Closing Balance</b>	<b>31.01</b>	<b>31.01</b>

Company has one customer as at March 31, 2022 & March 31, 2021 which accounts for 10% or more of the total trade receivables at each reporting date.

## (C) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The table below summarizes the maturity profile of the Company's financial liabilities:

As at March 31, 2022	Less than 1 year	1 to 5 years	More than 5 years	Total
Short term borrowings & leases	79.18	-	-	79.18
Long-term borrowings & leases	-	305.16	25.58	330.74
Trade payables	764.53	-	-	764.53
Other financial liability	508.16	16.39	-	524.55
	<b>1,351.87</b>	<b>321.55</b>	<b>25.58</b>	<b>1,699.00</b>
As at March 31, 2021				
Short term borrowings & leases	638.25	-	-	638.25
Long-term borrowings & leases	-	1,263.15	416.39	1,679.54
Trade payables	833.03	-	-	833.03
Other financial liability	374.73	14.76	49.13	438.62
	<b>1,846.01</b>	<b>1,277.91</b>	<b>465.52</b>	<b>3,589.44</b>



# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## 48 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, instrument entirely equity in nature, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current and current borrowing including current maturities of long term borrowings and liability on compulsory convertible preference share. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

		Year Ended March 31, 2022	Year Ended March 31, 2021
Equity		6,867.50	2,318.65
<b>Total equity</b>	(i)	<b>6,867.50</b>	<b>2,318.65</b>
Borrowings & lease liability		409.92	2,317.79
Less: cash and cash equivalents		(883.24)	(246.75)
<b>Net debt</b>	(ii)	<b>(473.33)</b>	<b>2,071.04</b>
Overall financing	(iii) = (i) + (ii)	6,394.17	4,389.69
Gearing ratio	(ii)/ (iii)	(0.07)	0.47

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2022 and March 31, 2021.

## 49 Corporate social responsibility (CSR)

	Year Ended March 31, 2022	Year Ended March 31, 2021
Gross amount required to be spent	5.66	3.48
Amount spend during the year	5.66	6.71

### Amount spent during the year

Particulars	March 31, 2022		
	In cash	Yet to be paid in cash	Total
i. Construction/acquisition of any asset			
- Under control of the Company for future use	-	-	-
- Not under control of the Company for future use	-	-	-
ii. On purpose other than (i) above*	5.66	-	5.66
	5.66	-	5.66
Less: Amount capitalized as CSR assets			-
			5.66

\* Ventilators donated to various Municipal Corporations

# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## Amount spent during the year

Particulars	March 31, 2021		Total
	In cash	Yet to be paid in cash	
i. Construction/acquisition of any asset			
- Under control of the Company for future use	-	-	-
- Not under control of the Company for future use	-	-	-
ii. On purpose other than (i) above*	6.71	-	6.71
	6.71	-	6.71
Less: Amount capitalized as CSR assets			-
			6.71

\* Ventilators donated to various Municipal Corporations

## 50 Disclosure pursuant to Schedule V read with regulations 34(3) and 53(f) of the SEBI(Listing Obligations And Disclosure Requirements) Regulations, 2015

A) Amount of loans / advances in nature of loans outstanding from subsidiaries as at March 31, 2022 -

Name of the company	Balance as at		Maximum outstanding	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
KDPL Diagnostics (Amritsar) Private Limited	0.21	-	0.27	-
KDPL Diagnostics (Bathinda) Private Limited	0.21	-	0.27	-
KDPL Diagnostics (Jalandhar) Private Limited	0.21	-	0.27	-
KDPL Diagnostics (Ludhiana) Private Limited	0.21	-	0.27	-
Krsnaa Diagnostics (Mohali) Private Limited	2.39	-	5.76	-
KDPL Diagnostics (Patiala) Private Limited	0.21	-	0.27	-
KDPL Diagnostics (Sas Nagar) Private Limited	0.04	-	0.69	-

B) Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount -

Name of the company	Balance as at		Maximum outstanding	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Krsna International Limited-Yemen	31.01	31.01	31.01	31.01
Less: Credit impaired & full provided for in book	(31.01)	(31.01)	(31.01)	(31.01)
Net	-	-	-	-

C) Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan as at March 31, 2022 - Nil

## 51 Utilisation of money raised through public issue

During the year ended March 31, 2022, the Company had raised ₹ 4000 Million through public issue of fresh equity shares, mainly with an objective of repayment of borrowings, capital expenditure for setting-up new centers in Punjab, Karnataka, Himachal Pradesh & Maharashtra and for general corporate purposes. The Company has estimated to incur expenses aggregating ₹ 662.19 Million (out of which, 218.04 Million pertains company's share) towards the initial public offering which includes both issue of fresh equity shares as well as offer for sale of equity shares by existing share holders. Given below are the details of utilisation of proceeds raised through public issue during the year ended March 31, 2022.





# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

Particulars	March 31, 2022
Unutilized amount at the beginning of the year	-
Amount raised through public issue	4,000.00
Less - Share Issue Expenses relating to fresh offer	(218.04)
Net IPO Proceeds available for utilization	3,781.96
<b>Less: amount utilized during the year</b>	
Payment towards project expenditure relating to Capital Expenditure	583.50
Payment towards repayment of borrowings	1,429.02
Payment towards general corporate purpose	5.00
<b>Less: Interest Received on Unutilized funds &amp; Others</b>	
Add: Interest received on funds re-invested during the year	34.98
Add: Amount pending to be released in current account of the company	3.32
<b>Amount Unutilized at the year end</b>	<b>1,802.76</b>

Details of short-term investments made from unutilized portion of public issue raised during the year ended March 31, 2022

Particulars	March 31, 2022
Balance amount in current account	3.00
Investment in fixed deposits of banks	1,799.76
	<b>1,802.76</b>

## 52 Contingent liabilities

	March 31, 2022	March 31, 2021
Other money for which the Company is contingently liable (Note 1)	36.50	36.50
<b>Total</b>	<b>36.50</b>	<b>36.50</b>

Note 1 : The company had availed Bank Gurantee facility of ₹ 334 million with Janata Sahakari bank limited against the property of Mr. Narayan Chighlikar and Ms. Shubhangi Chighlikar, for which the company had paid the sum of ₹ 36.50 million to Mr. Narayan Chighlikar, the proprietor of Yash Construction.

**53** Lokmanya Hospital Medical Stores (LHMS) has entered into an agreement with Rogi Kalyan Samiti (RKS) of Himachal Pradesh (HP) under PPP arrangement (Public Private Partnership) for establishment of diagnostic centres at twelve locations at HP for rendering radiology services which majorly includes services for MRI and CT scan. The Company has entered into agreement with LHMS whereby the services at RKS hospitals at HP are provided by the Company on behalf of LHMS. As per agreement entered between the two, the revenue recognised by rendering services at twelve centres at HP is to be shared between the Company and LHMS in 99:1, but the same is not shared during the year as LHMS has waived off the revenue due to them.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## 54 Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:

Type of Borrower	Loans/Advances granted Individually or Jointly with other. (Individually / Jointly)	Repayable on demand (Yes / No)	Terms/Period of repayment is specified (Yes / No)	March 31, 2022		March 31, 2021	
				Amount outstanding as at the balance sheet date	% of Total	Amount outstanding as at the balance sheet date	% of Total
Promoter							
Directors							
KMPs							
Related Parties:							
i. Subsidiaries	Individually	Yes	No	3.48	10%	-	-
ii. Krsna International Limited-Yemen (Entity under common control)	Individually	Yes	No	31.01	90%	31.01	100%
Less: Credit impaired and fully Provide for				(31.01)	-90%	(31.01)	-100%
<b>Total of Loan and Advances in the nature of Loan (Refer Note 9 &amp; 16)</b>				<b>3.48</b>	<b>10%</b>	<b>-</b>	<b>-</b>

## 55 Capital-work-in progress (CWIP)

(a) For Capital-work-in progress ageing schedule

March 31, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	277.91	-	-	4.66	282.57
Projects temporarily suspended	-	-	-	-	-

March 31, 2021

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	16.06	4.18	16.94	-	37.18
Projects temporarily suspended	-	-	-	-	-

(b) In case of the following projects (CWIP), where completion is overdue or has exceeded its cost compared to its original plan:

March 31, 2022

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
<b>Projects in progress:</b>				
i. Work in Progress (Karnataka) *	4.66	-	-	-
Projects where activity has been suspended: Nil				

\* Few centers in Karnataka project have exceeded its original plan of completion due to delay in allotting space at center by tender authorities



# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## March 31, 2021

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress				
i. Work in Progress (Karnataka) *	-	4.66	-	-
Projects where activity has been suspended: Nil				

\* Few centers in Karnataka project have exceeded its original plan of completion due to delay in allotting space at center by tender authorities

## 56 Reconciliation of quarterly statements of current assets filed with banks for the period

### March 31, 2022

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies	
Jun-21	IndusInd Bank	Trade Receivable Upto 120 Days	797.31	791.25	6.06	Statement submitted to bank Net of Advance from Customer	
		Inventories	109.63	109.63	-		
		(Trade Payable) Upto 90 days	(138.71)	(138.71)	-		
Sep-21	IndusInd Bank	Trade Receivable Upto 120 Days	842.73	840.00	2.74	Statement submitted to bank Net of Advance from Customer	
		Inventories	95.50	92.64	2.86		Inventory Revalued
		(Trade Payable) Upto 90 days	(195.46)	(195.46)	-		
Dec-21	IndusInd Bank	Trade Receivable Upto 120 Days	703.94	703.94	-		
		Inventories	97.85	97.85	-		
		(Trade Payable) Upto 90 days	(260.06)	(260.06)	-		
Mar-22	IndusInd Bank	Trade Receivable Upto 120 Days	487.10	487.10	-		
		Inventories	91.70	91.70	-		
		(Trade Payable) Upto 90 days	(432.08)	(413.31)	(18.77)		Statement submitted to bank Net of Advance to Vendor

# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## March 31, 2021

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Jun-20	IndusInd Bank	Trade Receivable Upto 120 Days	457.30	441.42	15.88	Statement submitted to bank Net of Advance from Customer
		Inventories	110.24	110.24	-	
		(Trade Payable) Upto 90 days	(318.25)	(314.69)	(3.57)	Statement submitted to bank Net of Advance to Vendor
Sep-20	IndusInd Bank	Trade Receivable Upto 120 Days	757.26	752.73	4.53	Statement submitted to bank Net of Advance from Customer
		Inventories	107.42	107.42	-	
		(Trade Payable) Upto 90 days	(306.11)	(290.38)	(15.74)	Statement submitted to bank Net of Advance to Vendor
Dec-20	IndusInd Bank	Trade Receivable Upto 120 Days	693.94	692.64	1.30	Statement submitted to bank Net of Advance from Customer
		Inventories	91.19	91.19	-	
		(Trade Payable) Upto 90 days	(269.15)	(254.66)	(14.48)	Statement submitted to bank Net of Advance to Vendor
Mar-21	IndusInd Bank	Trade Receivable Upto 120 Days	574.35	574.35	-	
		Inventories	72.10	72.10	-	
		(Trade Payable) Upto 90 days	(557.98)	(557.98)	-	

## 57 Registration of charges or satisfaction with Registrar of Companies

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

## 58 Compliance with number of layers of companies

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

**59** There are no immovable properties standing in the books of the company, hence the discloser of title deed not held in the name of the company is not applicable

**60** The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

**61** The company has not being declared as wilful defaluter by any bank or financials institution or any government authority

**62** The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,



# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## 63 Utilisation of borrowed funds and share premium:

- (i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

**64** The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year, (previous 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).

**65** The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

## 66 Capital Commitments

Particulars	March 31, 2022	March 31, 2021
- Estimated Amount of contracts remaining to be executed on capital account Net of Advances	618.81	511.01
	618.81	511.01

## 67 Dividend

The board of directors have recommended the dividend of ₹ 2.50 per share of the face value of ₹ 5 per share for the year ended March 31, 2022. The payment of dividend is subject to approval of shareholders at the ensuing Annual General meeting of the company.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## 68 Ratios

Ratio	Particulars		Ratio as on March 31, 2022	Ratio as on March 31, 2021	Variation (in %)	Reason (If variation is more than 25%)
	Numerator	Denominator				
Current Ratio	Current Assets	Current Liability	2.28	1.34	69.83%	Variance in current ratio in FY2021-22 on account of following : <ol style="list-style-type: none"> <li>Increase in current assets due to IPO proceeds held in cash &amp; cash equivalent pending utilisation.</li> <li>Decrease in current liability due to repayment of current borrowing.</li> </ol>
Debt-Equity Ratio	Debt = Long term borrowing and current maturities of long-term borrowings and lease liabilities.	Equity	0.06	0.85	-92.98%	Variance in debt equity ratio is on account of following : <ol style="list-style-type: none"> <li>Reduction of debt on account of foreclosure of loans during current period.</li> <li>Increase in equity due to fresh issue of shares and conversion of preference shares</li> </ol>
Debt Service Coverage Ratio	Net Operating Income= Net profit after taxes + Non-cash operating expenses/(income) + finance cost	Debt Service = Repayment of borrowings (excluding the foreclosure amount prepaid during the current year) + interest paid + lease payments	6.69	3.05	119.42%	Variance in Debt Service Coverage ratio is on account of following : <ol style="list-style-type: none"> <li>Reduction of debt on account of foreclosure of loans during current period.</li> <li>Increase in profit ratio in FY 2021-22</li> </ol> <p>Note - There was an exceptional item of gain on fair value movement of CCPS of ₹ 1,553.96 million net of tax in FY 2020-21. This is not considered in net operating income of FY 2020-21.</p>
Return on Equity Ratio	Net Income= Net Profits after taxes	Average Shareholders' Equity	15.39%	180.76%	-91.48%	Variance in return on equity is on account of following : <ol style="list-style-type: none"> <li>Average equity in current period has increase due to fresh issue of shares in IPO.</li> <li>The average equity for previous period was less owing to fair value loss on CCPS.</li> </ol> <p>Note - There was an exceptional item of gain on fair value movement of CCPS of ₹ 1,553.96 million net of tax in FY 2020-21. This is not considered in net operating income of FY 2020-21.</p>
Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	7.36	13.64	-46.04%	Variance in Inventory Turnover Ratio is on account of following: <ol style="list-style-type: none"> <li>New centres were opened in FY 2021-22. Due to this, overall closing stock levels increased in FY 2021-22.</li> <li>Increase in core business i.e. Non-covid business have lower cost of consumption</li> </ol>
Trade Receivables Turnover Ratio	Revenue from operations	Average Trade Receivables	6.76	5.80	16.55%	
Trade Payables Turnover Ratio	Purchases	Average Trade Payable  * Trade payables related to purchases & consumables only	6.92	20.94	-66.97%	Variance in Trade Payables Turnover Ratio is on account of accumulation of balance outstanding of trade payable as on March 31, 2022 as compared to March 31, 2021 which got subsequently cleared in April 2022.
Net Capital Turnover Ratio	Revenue from operations	Average Working Capital	3.60	8.16	-55.88%	Variance in Net Capital Turnover Ratio is on account of following: <ol style="list-style-type: none"> <li>Increase in revenue from operations due to increase in core business i.e. Non-covid business.</li> <li>Increase in current assets due to IPO proceeds held in cash &amp; cash equivalent pending utilisation.</li> </ol>



# Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

Ratio	Particulars		Ratio as on March 31, 2022	Ratio as on March 31, 2021	Variation (in %)	Reason (If variation is more than 25%)
	Numerator	Denominator				
Net Profit Ratio	Net Profit	Revenue from Operations	15.54%	7.95%	95.42%	Variance in Net profit ratio is on account of following <ol style="list-style-type: none"> <li>1. Decrease in cost of consumables</li> <li>2. Increase in core business i.e. Non-covid business leading to higher profit margin</li> </ol> Note - There was an exceptional item of gain on fair value movement of CCPS of ₹ 1,553.96 million net of tax in FY 2020-21. This is not considered in net operating income of FY 2020-21.
Return on Capital Employed	EBIT= Earnings before interest and taxes	Capital Employed = Average of Shareholders' Equity + Long Term Borrowings & Leases.	18.69%	37.00%	-49.48%	The variance in the ratio is on account of following <ol style="list-style-type: none"> <li>1. During current year average equity has increased on account of fresh issue of share capital.</li> <li>2. The average equity for previous period was less owing to fair value loss on CCPS.</li> </ol> Note - There was an exceptional item of gain on fair value movement of CCPS of ₹ 2,527.84 million in FY 2020-21. This is not considered in net operating income of FY 2020-21.
Return on Investment	Income generated from investments	Average Investments	-	-	-	Note - There is no return on the investments made by the company hence no ratio is reported.

## 69 The Code on Social Security 2020

The Code on Social Security 2020 (‘the Code’) relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

## 70 Covid-19

The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2022 and has concluded that the impact is primarily on the operational aspects of the business. In making the assessment, management has considered the recoverability of trade receivables, investment and other assets and also considered the external and internal information available up to the date of approval of these financial statements including status of existing and future customer orders, cash flow projections etc. and concluded that there is no significant impact which is required to be recognized in the financial statements. Accordingly, no adjustments have been made to the financial statements.

**71** Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS and as required by Schedule III of the Act.

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

As per our report of even date  
For **MSKA & Associates**  
Chartered Accountants  
Firm Registration No.:105047W

**Nitin Manohar Jumani**  
Partner  
Membership No.: 111700

For and on behalf of the Board of Directors  
**Krsnaa Diagnostics Limited**  
(Formerly known as Krsnaa Diagnostics Private Limited)  
CIN:L74900PN2010PLC138068

**Rajendra Mutha**  
Chairman  
DIN: 01066737

**Yash Mutha**  
Executive Director  
DIN: 07285523

**Pallavi Bhatevara**  
Managing Director  
DIN: 03600332

**Pawan Daga**  
Chief Financial Officer

**Nikhil Deshpande**  
Company Secretary

Place: Pune  
Date: May 28, 2022

Place: Pune  
Date: May 28, 2022



# Independent Auditor's Report

## To the Members of Krsnaa Diagnostics Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of Krsnaa Diagnostics Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2022 and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards)

Rules, 2015 as amended and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2022 of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

#### 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 Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	<p>Provision for credit loss for accounts receivables:</p> <p>Refer Note 13 of Consolidated Financial statement with respect to the disclosures of Trade Receivables.</p> <p>As on March 31, 2022, Trade receivables amounts to ₹ 637.03 Million against which provision of ₹ 58.30 Million was made towards expected credit loss in the books of account.</p> <p>We have identified provisioning for expected credit loss as a key audit matter as the calculation of credit loss provision is a complex area and requires management to make significant assumptions on customer payment behaviour and estimating the level and timing of expected future cash flows.</p>	<p>Our audit procedures in respect of this area include but are not limited to following:</p> <ul style="list-style-type: none"> <li>• Obtained understating of the Holding Company's policy on assessment of impairment of trade receivables, including design and implementation of controls, validation of management review controls. We have verified the operating effectiveness of these controls.</li> <li>• Requested for and obtained independent balance confirmations from the Holding Company's customers on sample basis.</li> <li>• Verified subsequent receipts after the year-end on sample basis.</li> </ul>



Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
		<ul style="list-style-type: none"> <li>• Verified ageing of trade receivables for sample of customer transactions.</li> <li>• Evaluated management comments and recovery plans for trade receivables outstanding for more than 180 days.</li> <li>• Assessed the trade receivables impairment methodology applied in the current year and compared the Holding Company's provisioning rates against historical collection data.</li> </ul>

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report including Annexures to the Director's report in the annual report of the Holding Company but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets

of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 Standards on Auditing ("SAs") will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they

could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

### Other Matters

We did not audit the financial statements of seven (7) subsidiaries whose financial statements reflect total assets of ₹ 10.62 Million as at March 31, 2022, total revenues of ₹ 21.29 Million and net cash flows amounting to ₹ 1.29 Million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

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

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with

the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g. 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:
  - i. There were no pending litigations which would impact the consolidated financial position of the Group.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, incorporated in India.
  - iv. 1. The respective Managements of the Holding Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other



- auditors of such subsidiaries that to the best of their 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 Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
2. The respective Managements of the Holding Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiaries shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  3. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
  - v. The Board of Directors of Holding Company have proposed the final dividend for the year which is subject to the approval of the member at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend. (Refer Note 66 to the Consolidated Financial Statements)
  2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Holding Company, to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder except in case of seven (7) subsidiaries as the provisions of the aforesaid section is not applicable to private companies.
  3. According to the information and explanations given to us, the details of Qualifications/adverse remarks made by the respective auditors of the subsidiaries, in the Companies (Auditor’s Report) Order (CARO) Reports of the companies included in the consolidated financial statements are as follows:

S. No.	Name of the Company	CIN	Type of Company	Clause number of the CARO Report which is qualified or Adverse remark
1.	KDPL Diagnostics (Amritsar) Private Limited	U85100PN2021PTC199780	Wholly Owned Subsidiary	3(xvii)
2.	KDPL Diagnostics (Bhatinda) Private Limited	U85100PN2021PTC199781	Wholly Owned Subsidiary	3(xvii)
3.	KDPL Diagnostics (Jalandhar) Private Limited	U85100PN2021PTC199783	Wholly Owned Subsidiary	3(xvii)
4.	KDPL Diagnostics (Ludhiana) Private Limited	U85100PN2021PTC199690	Wholly Owned Subsidiary	3(xvii)
5.	KDPL Diagnostics (Patiala) Private Limited	U85100PN2021PTC199785	Wholly Owned Subsidiary	3(xvii)
6.	KDPL Diagnostics (SAS Nagar) Private Limited	U85110PN2021PTC199787	Wholly Owned Subsidiary	3(xvii)
7.	Krsnaa Diagnostics (Mohali) Private Limited	U85300PN2021PTC202948	Wholly Owned Subsidiary	3(xvii)

For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

**Nitin Manohar Jumani**  
Partner  
Membership No. 111700  
UDIN: 22111700AJUPKA5048

Place: Pune  
Date: May 28, 2022



## Annexure A to the Independent Auditor's Report on Even Date on the Consolidated Financial Statements of Krsnaa Diagnostics Limited

### Auditor's Responsibilities for the Audit of the Consolidated 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 consolidated 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 internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

**Nitin Manohar Jumani**  
Partner

Place: Pune  
Date: May 28, 2022

Membership No. 111700  
UDIN: 22111700AJUPKA5048



## Annexure B to the Independent Auditor's Report of Even Date on the Consolidated Financial Statements of Krsnaa Diagnostics Limited

**[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Krsnaa Diagnostics Limited on the consolidated Financial Statements for the year ended March 31, 2022]**

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

### Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of Krsnaa Diagnostics Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and its subsidiary companies which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for





our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and its subsidiary companies which are companies incorporated in India.

### Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

### Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

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

### Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to seven (7) subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

**Nitin Manohar Jumani**  
Partner

Place: Pune  
Date: May 28, 2022

Membership No. 111700  
UDIN: 22111700AJUPKA5048

# Consolidated Balance Sheet

As at March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

	Notes	As at March 31, 2022
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	5	3,833.79
Capital work-in-progress	7	282.57
Intangible assets	6	23.15
<b>Financial assets</b>		
Investments	8	2.91
Loans	9	-
Other financial assets	10	1,155.15
Deferred tax asset	37	7.88
Other non-current assets	11	114.61
<b>Total non-current assets</b>		<b>5,420.06</b>
<b>Current assets</b>		
Inventories	12	91.70
<b>Financial assets</b>		
Trade receivables	13	578.73
Cash and cash equivalents	14	884.53
Bank balances other than cash and cash equivalent	15	1,534.28
Other financial assets	16	118.56
Other current assets	17	133.67
<b>Total current assets</b>		<b>3,341.47</b>
<b>Total assets</b>		<b>8,761.53</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	18	156.99
Instruments entirely equity in nature	19	-
Other equity	20	6,687.10
Non controlling Interest		-
<b>Total equity</b>		<b>6,844.09</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	21	196.22
Lease Liabilities	22	134.52
Other financial liabilities	23	16.38
Employee benefit obligations	24	3.16
Deferred Tax Liabilities	37	77.95
Other non-current liabilities	25	1.25
<b>Total non-current liabilities</b>		<b>429.48</b>
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	26	60.08
Lease Liabilities	22	19.10
Trade payables		
i) total outstanding dues of micro enterprises and small enterprises	27	3.27
ii) total outstanding dues of creditors other than micro enterprise and small enterprise	27	769.73
Other financial liabilities	28	512.57
Other current liabilities	29	103.40
Employee benefit obligations	24	19.81
<b>Total current liabilities</b>		<b>1,487.96</b>
<b>Total liabilities</b>		<b>1,917.44</b>
<b>Total equity and liabilities</b>		<b>8,761.53</b>

See accompanying notes to Ind AS Consolidated Financial Statements

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

As per our report of even date

For **MSKA & Associates**  
Chartered Accountants  
Firm Registration No.:105047W

**Nitin Manohar Jumani**  
Partner  
Membership No.: 111700

For and on behalf of the Board of Directors

**Krsnaa Diagnostics Limited**  
(Formerly known as Krsnaa Diagnostics Private Limited)  
CIN:L74900PN2010PLC138068

**Rajendra Mutha**  
Chairman  
DIN: 01066737

**Yash Mutha**  
Executive Director  
DIN: 07285523

**Pallavi Bhatevara**  
Managing Director  
DIN: 03600332

**Pawan Daga**  
Chief Financial Officer

**Nikhil Deshpande**  
Company Secretary

Place: Pune  
Date: May 28, 2022

Place: Pune  
Date: May 28, 2022



# Statement of Consolidated Profit and Loss

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

	Notes	Year ended March 31, 2022
<b>Income</b>		
Revenue from operations	30	4,554.50
Other income	31	149.11
<b>Total income</b>		<b>4,703.61</b>
<b>Expenses</b>		
Cost of material consumed	32	602.96
Employee benefits expense	33	547.47
Finance costs	34	184.90
Depreciation and amortization expense	35	413.87
Fees to hospitals and others		1,079.92
Other expenses	36	1,009.39
<b>Total expenses</b>		<b>3,838.51</b>
<b>Profit before tax</b>		<b>865.10</b>
<b>Tax expense</b>	37	
Income Tax charge		175.26
Deferred tax charge		5.94
<b>Total income tax expense</b>		<b>181.20</b>
<b>Profit for the year</b>		<b>683.90</b>
<b>Other comprehensive income</b>		
<i>Items that will not be reclassified to profit or loss</i>		
Remeasurement of net defined benefit liability		4.32
Income tax effect		(1.09)
Other comprehensive income for the year, net of tax		3.23
<b>Total comprehensive income for the year</b>		<b>687.13</b>
<b>Profit for the year</b>		
Attributable to:		
Equity Holders of the Holding Company		683.90
Non Controlling Interests		-
		<b>683.90</b>
<b>Other comprehensive income for the year</b>		
Attributable to:		
Equity Holders of the Holding Company		3.23
Non Controlling Interests		-
		<b>3.23</b>
<b>Total comprehensive income for the year</b>		
Attributable to:		
Equity Holders of the Holding Company		687.13
Non Controlling Interests		-
		<b>687.13</b>
<b>Earnings per share</b>		
Basic earnings per share (₹)	38	22.89
Diluted earnings per share (₹)	38	22.88

See accompanying notes to Ind AS Consolidated Financial Statements

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

As per our report of even date  
For **MSKA & Associates**  
Chartered Accountants  
Firm Registration No.:105047W

**Nitin Manohar Jumani**  
Partner  
Membership No.: 111700

For and on behalf of the Board of Directors  
**Krsnaa Diagnostics Limited**  
(Formerly known as Krsnaa Diagnostics Private Limited)  
CIN:L74900PN2010PLC138068

**Rajendra Mutha**  
Chairman  
DIN: 01066737

**Pallavi Bhatevara**  
Managing Director  
DIN: 03600332

**Nikhil Deshpande**  
Company Secretary

**Yash Mutha**  
Executive Director  
DIN: 07285523

**Pawan Daga**  
Chief Financial Officer

Place: Pune  
Date: May 28, 2022

Place: Pune  
Date: May 28, 2022

# Statement of Changes in Equity

(Amount in Rupees million except per share data and unless otherwise stated)

## (A) Equity share capital

	Equity Share Capital	
	No. of shares	Amount
Balance as at April 1, 2021	6,494,964	64.95
Less: Old shares of face value ₹ 10 discarded against split of shares	6,494,964	64.95
Add: New shares of face value ₹ 5 issued against split of shares	12,989,928	64.95
Add: CCPS converted to equity shares of face value ₹ 5	14,201,600	71.01
Add: Issued through Initial Public Offer	4,206,085	21.03
<b>Balance as at March 31, 2022</b>	<b>31,397,613</b>	<b>156.99</b>

## (B) Other equity

	Reserve and surplus			Other items of other comprehensive income	Total
	Employee Stock options outstanding account (ESOOA)	Securities premium	Retained earnings		
Balance as at April 1, 2021	8.20	233.19	(412.26)	0.68	(170.20)
Profit for the period	-	-	683.90	-	683.90
Other comprehensive income	-	-	-	3.23	3.23
<b>Total other comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>683.90</b>	<b>3.23</b>	<b>687.13</b>
Transactions with owners in their capacity as owners:					
Securities premium on conversion of Class A & Class C Compulsory Convertible Preference Shares and issue of shares through initial public offer	-	6,331.88	-	-	6,331.88
Securities premium utilised to write off the share issue expenses	-	(218.04)	-	-	(218.04)
Deferred tax on share issue expenses	-	43.90	-	-	43.90
Employee stock option expense	12.42	-	-	-	12.42
Forfeiture of share options	(0.24)	-	0.24	-	-
<b>Balance as at March 31, 2022</b>	<b>20.38</b>	<b>6,390.93</b>	<b>271.88</b>	<b>3.91</b>	<b>6,687.10</b>

See accompanying notes to Ind AS Consolidated Financial Statements

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

As per our report of even date  
For **MSKA & Associates**  
Chartered Accountants  
Firm Registration No.:105047W

**Nitin Manohar Jumani**  
Partner  
Membership No.: 111700

Place: Pune  
Date: May 28, 2022

For and on behalf of the Board of Directors  
**Krsnaa Diagnostics Limited**  
(Formerly known as Krsnaa Diagnostics Private Limited)  
CIN:L74900PN2010PLC138068

**Rajendra Mutha**  
Chairman  
DIN: 01066737

**Yash Mutha**  
Executive Director  
DIN: 07285523

Place: Pune  
Date: May 28, 2022

**Pallavi Bhatevara**  
Managing Director  
DIN: 03600332

**Pawan Daga**  
Chief Financial Officer

**Nikhil Deshpande**  
Company Secretary



# Statement of Consolidated Cash Flow

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

	Year ended March 31, 2022
<b>Cash flow from operating activities</b>	
Profit for the period	865.10
Adjustments for:	
Depreciation and amortization expenses	413.87
Finance cost	184.90
Interest income on deposits	(122.44)
Loss on sale/disposal of assets	2.48
Provision for credit imparied	8.30
Effect of financial instruments measured at amortised cost	(7.49)
Employee stock option scheme compensation	12.42
<b>Operating profit before working capital changes</b>	<b>1,357.14</b>
<b>Changes in working capital</b>	
(Decrease) in trade payables	(60.04)
(Increase) in inventories	(19.61)
Decrease in trade receivables	160.33
Increase in other current liabilities	1.15
(Decrease) in other non current liabilities	(31.78)
(Decrease) in other financial liabilities	(58.01)
Increase in employee payables	12.81
Increase in other current financial liabilities	16.00
(Increase) in other current financial assets	(75.55)
Decrease in non current financial assets	35.45
(Increase) in other current assets	(9.35)
Decrease in other non current assets	21.99
<b>Cash generated from operations</b>	<b>1,350.53</b>
Income tax paid	(148.30)
Income tax refund receivable	82.01
<b>Net cash flows generated from operating activities (A)</b>	<b>1,284.24</b>
<b>Cash flow from Investing activities</b>	
Purchase of property, plant and equipment and intangible assets	(1,322.19)
Proceed from Sale of property, plant and equipment and intangible assets	10.90
Investment in bank deposits (having original maturity of more than three months)	(1,264.56)
Investment in debt mutual fund	(0.01)
Interest received	169.50
<b>Net cash flow (used) in investing activities (B)</b>	<b>(2,406.36)</b>
<b>Cash flow from Financing activities</b>	
Proceeds from issuance of equity share capital	4,000.00
Repayment of borrowings	(1,893.72)
Decrease in lease liabilities	(38.16)
Share issue expenses	(146.81)
Interest paid	(161.41)
<b>Net cash flow generated from financing activities (C)</b>	<b>1,759.90</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>637.78</b>

# Statement of Consolidated Cash Flow

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

	Year ended March 31, 2022
Cash and cash equivalents at the beginning of the period	246.75
<b>Cash and cash equivalents at the end of the period</b>	<b>884.53</b>
<b>Cash and cash equivalents comprise (Refer note 14)</b>	
Balances with banks	
On current accounts	287.53
Debit balance in bank overdraft	56.10
Fixed deposits with maturity of less than 3 months	537.49
Cash on hand	3.41
<b>Total cash and bank balances at end of the period</b>	<b>884.53</b>

See accompanying notes to Ind AS Consolidated Financial Statements

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

As per our report of even date  
 For **MSKA & Associates**  
 Chartered Accountants  
 Firm Registration No.:105047W

**Nitin Manohar Jumani**  
 Partner  
 Membership No.: 111700

Place: Pune  
 Date: May 28, 2022

For and on behalf of the Board of Directors  
**Krsnaa Diagnostics Limited**  
 (Formerly known as Krsnaa Diagnostics Private Limited)  
 CIN:L74900PN2010PLC138068

**Rajendra Mutha**  
 Chairman  
 DIN: 01066737

**Yash Mutha**  
 Executive Director  
 DIN: 07285523

Place: Pune  
 Date: May 28, 2022

**Pallavi Bhatevara**  
 Managing Director  
 DIN: 03600332

**Pawan Daga**  
 Chief Financial Officer

**Nikhil Deshpande**  
 Company Secretary



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## 1 General information

Krsnaa Diagnostics Limited (formerly known as Krsnaa Diagnostics Private Limited ) is holding company domiciled in India and was incorporated on December 20, 2010 under the provisions of the Companies Act, 1956 applicable in India. Its registered and principal office of business is located at S. No. 243/A, Hissa No. 6, CTS No. 4519, 4519/1, Near Chinchwad Station, Chinchwad, Pune, Maharashtra - 411019. The Holding Company is primarily engaged in the business of providing Diagnostic Services all over India. The holding company is providing Radiology and Pathology services for X Ray, CT Scan, MRI, Mammography, Tele- Reporting Services, and all type of Blood and Urine Investigation.

The holding company was converted to a public limited company with effect from May 6, 2021. The Holding Company was listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) on August 16, 2021.

The Holding company has invested into seven special purpose vehicles (SPVs) which are wholly owned subsidiaries namely, - KDPL Diagnostics (Ludhiana) Private Limited on March 22, 2021, KDPL Diagnostics (Amritsar) Private Limited on March 24, 2021, KDPL Diagnostics (Bathinda) Private Limited on March 24, 2021, KDPL Diagnostics (Jalandhar) Private Limited on March 24, 2021, KDPL Diagnostics (Patiala) Private Limited on March 25, 2021, KDPL Diagnostics (SAS Nagar) Private Limited on March 25, 2021 and Krsnaa Diagnostics (Mohali) Private Limited on July 27, 2021, together referred as 'Group'.

The holding company has remitted the amount towards subscription of share capital in these SPVs on April 12, 2021 & August 21, 2021. In the absence of the necessary agreement being executed and transfer of funds for subscription of share capital of these subsidiaries by March 31, 2021 the Holding Company has not consolidated the SPVs in its financial statement for the year ended March 31, 2021.

The Board of Directors approved the consolidated financial statements for the year ended March 31, 2022 and authorised for issue on May 28, 2022

## 2 Significant accounting policies

Significant accounting policies adopted by the Group are as under:

### 2.1 Basis of preparation of Ind AS financial statements

#### (a) Statement of compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements were approved by the holding company's Board of Directors and authorised for issue on May 28, 2022.

#### (b) Basis of measurement

The financial statements have been prepared on a historical cost convention on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:-

- i) Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments)
- ii) Share based payments

All assets and liabilities have been classified as current or non-current as per the Group's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the holding company has ascertained its operating cycle as twelve months for the purpose of current and noncurrent classification of assets and liabilities.



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## (c) Use of estimates

The preparation of financial statements are in conformity with Ind AS which requires the Management to make estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the holding company financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 3 for detailed discussion on estimates and judgments.

## 2.2 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the holding company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

## Depreciation methods, estimated useful lives

The Group depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Property, plant and equipment	Life Used by Group	Life as per Schedule II
Plant & Machinery	7 to 13 years	13 years
Furniture and Fixtures	10 years	10 years
Office Equipment	5 years	5 years
Vehicle	8 years	8 years
Computers (End user devices such as, desktops, laptops etc.)	3 years	3 years

Leasehold improvements are amortised over the estimated useful economic life i.e. the duration of lease (ranging from 5 to 10 years)

Based on the technical expert's assessment of useful life, certain items of property plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

## 2.3 Other intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortization.



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

The Group amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible assets	Life Used by Group
Computer Software	6 years

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

## 2.4 Foreign currency transactions

### (a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (₹), which is the Group's functional and presentation currency.

### (b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

## 2.5 Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Group's management determines the policies and procedures for fair value measurement such as derivative instrument.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

## 2.6 Revenue recognition

Revenue is primarily generated from Radiology, Pathology services and Tele- Reporting Services.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised at a point in time when the Group satisfies performance obligations by transferring the promised services to its customers. Generally, each test represents a separate performance obligation for which revenue is recognised when the test report is generated i.e. when the performance obligation is satisfied.

The Group has assessed that it is primarily responsible for fulfilling the performance obligation and has no agency relationships. Accordingly the revenue has been recognised at the gross amount and fees to hospitals and others has been recognised as an expense.

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met as described below.

Amounts disclosed as revenue are net of indirect taxes, trade allowances, rebates and amounts collected on behalf of third parties and is not recognised in instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognised on reasonable certainty of collection.

A contract liability is the obligation to transfer services to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group performs under the contract.

## Other income

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

Dividends are recognized in statement of profit and loss on the date on which the Group's right to receive payment is established.

## 2.7 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

### (a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### (b) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

appropriate on the basis of amounts expected to be paid to the tax authorities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax asset and current tax liabilities are offset when entity has legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

## 2.8 Leases

### The group as a lessee

The Group's lease asset classes primarily consist of leases for Machinery. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

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

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

## 2.9 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

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

## 2.10 Impairment of non-financial assets

The Group assesses at each year end whether there is any objective evidence that a non financial asset or a Group of non financial assets is impaired. If any such indication exists, the Group estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are Grouped together into the smallest Group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or Groups of assets (the "cash-generating unit").

## 2.11 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

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

The Group records a provision for decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future

costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

## 2.12 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks less bank and book overdraft.

## 2.13 Financial instruments

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

### (a) Financial assets

#### (i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

#### (ii) Subsequent measurement

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

a) at amortized cost; or



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

**Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

**Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

**Equity instruments:** All equity investments 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

AS103 applies are classified as at FVTPL. For all other equity instruments, the holding company or it's components may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The holding company or it's components makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the holding company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the holding company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

## (iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

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

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

#### (iv) Derecognition of financial assets

A financial asset is derecognized only when

- a) the rights to receive cash flows from the financial asset is transferred or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks

and rewards of ownership of the financial asset, the financial asset is not derecognized.

#### (b) Financial liabilities

##### (i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

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

##### (ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

##### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

##### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized 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 amortization





# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

is included as finance costs in the Statement of Profit and Loss.

### (iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

### (c) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a Consolidated derivative. Derivatives embedded in all other host contract are separated if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

### (d) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the

asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the holding company or its components or the counterparty.

## 2.14 Employee benefits

### (a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### (b) Other long-term employee benefit obligations

#### (i) Defined contribution plan

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## (ii) Defined benefit plans

**Gratuity:** The Group provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

**Compensated Absences:** Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under define benefit plans can be encashed only on discontinuation of service by employee.

## (c) Share-based payments

Employees (including senior executives) of the holding company receive remuneration in the form of share-based payments, whereby employees render services as consideration for

equity instruments (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

## 2.15 Contributed equity

Equity shares are classified as equity share capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## 2.16 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Group's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

## 2.17 Rounding off amounts

All amounts disclosed in financial statements and notes have been rounded off to the nearest million as per requirement of Schedule III of the Act except for per share data and unless otherwise stated.

## 3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the acGroup companying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

### 3.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available

when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### (a) Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 40.

#### (b) Valuation for liabilities of compulsory convertible preference shares

Estimating fair value of liabilities of compulsory convertible preference shares requires determination of the most appropriate valuation model, which is dependent on terms and conditions of the shareholder agreement. This estimate also requires determination of the most appropriate inputs to the valuation model including cash flow forecasts, discount rate and credit risk. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 46.

#### (c) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

future taxable profits together with future tax planning strategies.

**(d) Defined benefit plans (gratuity benefits and leave encashment)**

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

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer Note 39.

**(e) Intangible asset under development**

The Group capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

**(f) Impairment of non-financial assets**

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to

discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

**(g) Determination of useful lives of property, plant and equipments and intangible asset**

Estimation involved is determining the economic useful lives of Property, plant and Equipments and Intangible asset which is based on technical evaluation by the management.

**4 Standards (including amendments) issued but not yet effective**

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16, Property Plant and equipment – The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Group has evaluated the amendment and there is no impact on its Consolidated financial statements.

Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets –The amendment specifies 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 (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Group has evaluated the amendment and the impact is not expected to be material.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## 5 Property, plant and equipment

	Gross block		Accumulated Depreciation		Net block	
	As at April 1, 2021	Additions/ Adjustments	Deductions/ Adjustments	As at April 1, 2021	For the year	As at March 31, 2022
<b>Owned assets</b>						
Plant and Machinery	2,801.31	913.66	42.18	456.53	279.85	30.55
Furniture and Fixtures	6.76	0.00	-	2.18	1.08	-
Office Equipment	35.28	23.80	0.52	12.78	9.01	0.50
Vehicles	26.75	1.30	-	3.64	3.48	-
Leasehold Improvement	581.15	191.87	2.96	120.01	74.19	1.24
Data Processing Equipment	68.48	42.69	(22.06)*	33.93	27.29	(14.80)#
<b>Leased assets</b>						
Right of Use Asset - Plant & Machinery	0.80	-	-	0.80	-	-
Right of Use Asset - Building	0.00	11.35	-	-	1.46	-
* Data Processing Equipment	27.07	-	27.07	19.80	-	19.80
* Plant and Machinery	185.79	-	-	10.92	13.95	-
<b>Total</b>	<b>3,733.39</b>	<b>1,184.67</b>	<b>50.67</b>	<b>660.59</b>	<b>410.31</b>	<b>37.29</b>

\* Data Processing Equipments and Plant and Machinery classified under Leased assets are taken on Finance Lease

# The adjustment pertains to re-classification of assets from leased assets to owned assets on account of lease buyout

## 6 Intangible assets

	Gross block		Accumulated Amortisation		Net block	
	As at April 1, 2021	Additions/ Adjustments	Deductions/ Adjustments	As at April 1, 2021	For the year	As at March 31, 2022
Computer Software	31.73	14.43	0.02	19.45	3.56	0.02
<b>Total</b>	<b>31.73</b>	<b>14.43</b>	<b>0.02</b>	<b>19.45</b>	<b>3.56</b>	<b>0.02</b>

	Gross block		Accumulated Amortisation		Net block	
	As at April 1, 2021	Additions/ Adjustments	Deductions/ Adjustments	As at April 1, 2021	For the year	As at March 31, 2022
Computer Software	31.73	14.43	0.02	19.45	3.56	0.02
<b>Total</b>	<b>31.73</b>	<b>14.43</b>	<b>0.02</b>	<b>19.45</b>	<b>3.56</b>	<b>0.02</b>

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## 7 Capital work in progress

	Amount
As at April 1, 2021	37.18
Add: Additions during the year	799.70
Less: Capitalised during the year	(554.31)
As at March 31, 2022	282.57

## 8 Financial assets - investments

	As at March 31, 2022
Investment in equity instruments (fully paid-up)	
Unquoted equity shares at cost	
29,000 Equity shares of ₹ 100 each fully paid-up in Janata Sahakari Bank Limited, Pune	2.90
Total Investments in other shares	2.90
<b>Total (Equity Instruments)</b>	<b>2.90</b>
Investments in Mutual Funds at fair value through profit and loss (fully paid)	
Investment in Kotak Liquid Fund Regular Plan Growth	0.01
<b>Total (Mutual Fund)</b>	<b>0.01</b>
<b>Total</b>	<b>2.91</b>
Current	-
Non-Current	2.91
Aggregate book value of:	
Quoted investments	-
Unquoted investments	2.91
Aggregate amount of impairment in value of Investments	-

## 9 Non-current financial assets - Loans

	As at March 31, 2022
Unsecured loan at amortised cost	
Credit Impaired	
Loans to related party	31.01
Less: Provision for doubtful advances	(31.01)
	-

## 10 Other financial assets

	As at March 31, 2022
Unsecured security deposit at amortised cost	
Considered Good	
Security Deposits	118.43
In Fixed deposit accounts with maturity for more than 12 months from balance sheet date	1,036.72
	1,155.15



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## 11 Other non-current assets

	As at March 31, 2022
<b>Unsecured, considered good</b>	
Capital advance	6.89
Prepaid expenses	54.36
Advance tax and tax deducted at source (Net of provision for income tax)	53.36
<b>Total other non-current other assets</b>	<b>114.61</b>

## 12 Inventories

	As at March 31, 2022
<b>Valued at lower of cost and net realisable value</b>	
Inventory in Hand - Consumables (Reagents, diagnostics kits and x-ray films)	91.70
	<b>91.70</b>

## 13 Trade receivable

	As at March 31, 2022
<b>Unsecured</b>	
-considered good	558.58
Receivables which have significant increase in credit risk	29.39
Less : Allowance for bad and doubtful debts	(9.24)
Credit impaired	49.06
Less : Allowance for bad and doubtful debts	(49.06)
	<b>578.73</b>

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

### Trade receivable ageing schedule as on March 31, 2022:

Particulars	Not Due*	Outstanding for the following period from Invoice date					Total
		Less Than 6 Month	6 Months to 1 year	1 to 2 year	2 to 3 year	More than 3 year	
(i) Undisputed Trade receivables – considered good	-	514.21	44.37	-	-	-	558.58
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	29.28	-	0.11	29.39
(iii) Undisputed Trade Receivables – credit impaired	-	-	0.50	2.29	-	46.27	49.06
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	-	-	(0.50)	(11.42)	-	(46.38)	(58.30)
<b>Total</b>	<b>-</b>	<b>514.21</b>	<b>44.37</b>	<b>20.15</b>	<b>-</b>	<b>-</b>	<b>578.73</b>

\* Ageing of trade receivable is calculated from the date of invoice



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## 14 Cash and cash equivalents

	As at March 31, 2022
<b>Balances with banks:</b>	
On current accounts	287.53
In fixed deposits with original maturity less than 3 months	537.49
Debit balance in cash credit and bank overdraft account	56.10
Cash on hand	3.41
	884.53

## 15 Bank balances other than cash and cash equivalent

	As at March 31, 2022
In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date	1,534.28
	1,534.28

## 16 Other financial assets

	As at March 31, 2022
Interest accrued on fixed deposits	24.00
Other receivables	0.62
Security deposits	93.94
	118.56

## 17 Other current assets

	As at March 31, 2022
Prepaid expenses	57.10
Advance to suppliers	19.36
GST credit receivable	56.28
Advance to employees	0.93
<b>Total</b>	133.67

## 18 Share capital

	As at March 31, 2022
<b>(A) Equity shares</b>	
<b>Authorized</b>	
4,24,48,000 Equity Shares of ₹ 5 each (March 31, 2021: 2,12,24,000 Equity Shares of ₹ 10 each)	212.24
	212.24
<b>Issued, subscribed and paid up</b>	
3,13,97,613 Equity Shares of ₹ 5 each (March 31, 2021: 64,94,964 Equity Shares of ₹ 10 each)	156.99
<b>Total</b>	156.99



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## (i) Reconciliation of equity shares outstanding at the beginning and at the end of the year

	Number of shares	Amount
Outstanding as on April 01, 2021	6,494,964	64.95
Less: Old shares of face value ₹ 10 discarded against split of shares	6,494,964	64.95
Add: New shares of face value ₹ 5 issued against split of shares	12,989,928	64.95
Add: CCPS converted to equity shares of face value ₹ 5	14,201,600	71.01
Add: Issued through Initial Public Offer	4,206,085	21.03
Outstanding as on March 31, 2022	31,397,613	156.99

## (ii) Rights, preferences and restrictions attached to shares

Equity shares :-The holding company has equity shares having par value of ₹ 5 per share (₹ 10 per share as on March 31, 2021). Each shareholder is entitled to one vote per share held. The holding company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the holding company, the holders of equity shares will be entitled to receive remaining assets of the holding company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## (iii) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Group

Name of the shareholder	As at March 31, 2022	
	Number of shares	% of holding in the class
Equity shares		
Mr. Rajendra Mutha	8,029,920	25.57%
Phi Capital Trust - Phi Capital Growth Fund - I	4,984,967	15.88%

## (iv) Details of shares held by promoters at the end of the year

Promoter Name	March 31, 2022		
	Number of shares (FV ₹ 5)	% of total shares #	% Change during the ear
Mr. Rajendra Mutha	8,029,920	25.57%	0.00%
Krsnaa Diagnostics (Mumbai) Private Limited	567,756	1.81%	0.00%

(iv) No class of shares have been issued as bonus shares or for consideration other than cash by the Group during the period of five years immediately preceding the current period end (i.e. March 31, 2022).

(v) No class of shares have been bought back by the holding company during the period of five years immediately preceding the current year end.

## 19 Instrument entirely equity in nature

Compulsory Convertible Preference Shares	Series A	Series C	Total
Balance as on April 01, 2021	1,386.57	1,037.34	2,423.90
Changes in Compulsory Convertible Preference Shares	(1,386.57)	(1,037.34)	(2,423.90)
Balance as on March 31, 2022	-	-	-

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## Disclosures on Compulsory Convertible Preference Shares

### (i) Authorized Capital

	As at March 31, 2022
40,61,914 (March 31, 2021: 40,61,914) Series A Compulsory Convertible Preference Shares ('Series A -CCPS') of ₹ 123 each	499.62
3,038,886 (March 31, 2018: Nil) Series C Compulsory Convertible Preference Shares ('Series C- CCPS') of ₹ 250 each	759.72
<b>Total</b>	<b>1,259.34</b>

### (ii) Reconciliation of preference shares outstanding at the beginning and at the end of the year

	Series A-CCPS		Series C- CCPS	
	Number of shares	Amount	Number of shares	Amount
Outstanding as on March 31, 2021	4,061,914	499.62	3,038,886	759.72
Add: Issued during the period	-	-	-	-
Less: Converted to equity shares during the year	4,061,914	499.62	3,038,886	759.72
<b>Outstanding as on March 31, 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### (iii) Rights, preferences and restrictions attached to shares and conversion thereof

Series A-CCPS :- The Holding Company has allotted 40,61,914 Series A - CCPS of face value of ₹ 123 each in the year 2015. The Series A-CCPS are compulsory convertible into equity shares upon occurrence of any of the following events.

- At the latest time permitted under applicable law, when considering the listing of equity shares of the Holding Company pursuant to a Qualified IPO;
- Expiry of 19 (nineteen) years and 11 (eleven) months from the Series A completion date ("Investment Period"); or
- At any time prior to the expiry of the Investment Period at the option of the respective Existing Investor.

Each Series A CCPS shall be converted into one equity share as per the terms mentioned in amended and restated Shareholders Agreement dated December 22, 2018 subject to certain anti-dilution provisions. The equity shares to be allotted on conversion of the Series A- CCPS shall rank pari passu in all respects with the then existing equity shares of the Holding Company.

Each shareholder is entitled to one vote per share held. The Series A CCPS shall carry such voting rights as are exercisable by person's holding equity shares in the Holding Company and shall be treated pari-passu with the equity shares on all voting matters.

All outstanding equity shares have been converted to equity shares during FY 2021-22.

Series C-CCPS :- The Holding Company has allotted 30,38,886 of Series C-CCPS of face value of ₹ 250/- at an offer price of ₹ 328.96 each (including Security Premium of ₹ 78.96 each). Series C-CCPS are compulsory convertible into equity shares upon occurrence of any of the following events.

- At the latest time permitted under applicable law, when considering the listing of equity shares of the Holding Company pursuant to a Qualified IPO;



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

- Expiry of 19 (nineteen) years and 11 (eleven) months from the Series A completion date ("Investment Period"); or
- Ant time prior to the expiry of the Investment Period at the option of the respective Existing Investor.

Each Series C- CCPS shall be converted into one equity share as per the terms mentioned in Shareholders Agreement dated December 22, 2018 subject to certain anti-dilution provisions The equity shares to be allotted on conversion of the Series C- CCCPPS shall rank pari passu in all respects with the then existing equity shares of the Holding Company.

Until conversion of Series C-CCPS, each Series C-CCPS shall carry voting rights equivalent to 1 vote per Series C- CCPS. The Holding Company shall be liable to pay a fixed dividend equivalent to an annual per share dividend equal to 0.0001% of the value of the Series C-CCPS . The holders of the Series C-CCPS shall be entitled to pro-rata participate in any dividend declaration on the Equity Shares on an as converted Basis.

All outstanding equity shares have been converted to equity shares during FY 2021-22.

## 20 Other equity

### (A) Employee Stock options outstanding account (ESOOA)\*

	As at March 31, 2022
Balance at the beginning of the year	8.20
Add: Employee stock option expense	12.42
Less: Transferred to general reserve on forfeiture of stock options	(0.24)
<b>Closing balance</b>	<b>20.38</b>

\*ESOOA recognizes the fair value of options as at the grant date spread over the vesting period. (Refer note 40)

The employee stock options reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 40 for details of these plans.

### (B) Securities premium

	As at March 31, 2022
Opening balance	233.19
Add : Securities premium credited on share issue	6,331.88
Less: Securities premium utilised to write off the share issue expenses	(218.04)
Add: Deferred Tax Asset on share issue expenses	43.90
<b>Closing balance</b>	<b>6,390.93</b>

### (C) Surplus/(deficit) in the Statement of Profit and Loss

	As at March 31, 2022
Opening balance	(412.26)
Add: Profit for the year	683.90
Add: Vested and lapsed ESOP reserve	0.24
Less: NCI Loss	(0.00)
<b>Closing balance</b>	<b>271.88</b>

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## (D) Others reserves

	As at March 31, 2022
- As at beginning of year	0.68
- Re-measurement gains/ (losses) on defined benefit plans (net of tax)	3.23
<b>Closing balance</b>	<b>3.91</b>
^Includes cumulative impact of amounts (net of tax effect) recognized through other comprehensive income and has not been transferred to Equity or Profit and loss, as applicable.	
<b>Total other equity</b>	<b>6,687.10</b>

## 21 Borrowings

	As at March 31, 2022
Secured	
Term loan	
From Bank	256.30
From NBFC	-
Less: Current Maturities of borrowings	60.08
<b>Total non - current maturities of borrowings</b>	<b>196.22</b>

### Terms of repayment and security offered:

#### Term loan from banks:

- a) During the year 2017-18, the holding company had taken five term loans for financing of DG Genset from Kotak Bank Ltd of ₹ 4.40 million repayable in 36 instalments at a fixed interest rate of 10.30% per annum. Out of the five loans, three loans have been fully repaid during FY 2020-21. The balance loan has been repaid from IPO proceeds in FY 2021-22.

During the year 2018-19, the holding company has taken a loan of ₹ 2.96 million from Kotak Mahindra Bank for the purchase of the DG Genset at a fixed interest rate of 13.02% per annum to be repaid in 36 instalments. The balance loan has been repaid from IPO proceeds in FY 2021-22.

During the year 2020-21, the holding company has taken a loan of ₹ 4.86 million from Kotak Mahindra Bank for the purchase of the DG Genset at a fixed interest rate of 13.28% per annum to be repaid in 36 instalments from the month of December 2020. The balance loan has been repaid from IPO proceeds in FY 2021-22.

Security given: Hypothecation on the Equipment funded out of above mentioned term loan (DG Genset)

- b) During the year 2019-20, the holding company had taken term loan for the purchase of Vehicles from Kotak Prime Ltd of ₹ 4.21 million to be repaid in 36 instalments at a fixed interest rate of 13.00% per annum. The balance loan has been repaid from IPO proceeds in FY 2021-22.

Security given: Hypothecation on the Vehicle

- c) During the year 2018-19, the holding company had taken two term loans for equipment financing from HDFC Bank Ltd. totalling ₹ 95.51 million for the purchase of the MRI and CT Scan Machine (₹ 31.51 million and 64 million respectively) at a floating interest rate of HDFC Bank 1 year MCLR plus 2.3% margin per annum repayable in 60 and 80 instalments respectively. The balance loan has been repaid from IPO proceeds in FY 2021-22.



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

During the year 2019-20, the holding company had taken two loans for the purchase of CT Scan Machine & MRI Machine from HDFC Bank Ltd. totalling ₹ 100.06 million. The loan will be repaid in 84 instalments respectively at a floating interest rate of HDFC Bank 1 year MCLR plus 2.3% margin per annum. The balance loan has been repaid from IPO proceeds in FY 2021-22.

Security given:

1. Hypothecation on MRI & CT Scan Machine funded out of loan
2. Fixed Deposit of ₹ 18.42 million

d) During the year 2018-19, the holding company had taken two term loans from IndusInd Bank totalling ₹ 1000 million at a floating interest rate of 1 year MCLR plus 0.85 % margin per annum. The loans were taken for the purpose of taking over the existing term loans of various facilities (Yes Bank Ltd- ₹ 42.2 million, India Infoline Ltd ₹ 56.1 million, Hero Fincorp ₹ 81.7 million outstanding balances of all loans taken over during the year 2019-20) and also for the purchases of the capital assets at few centers. The loans shall be repaid in 9 years. The balance loan has been repaid from IPO proceeds in FY 2021-22.

In FY 2019-20, term loan (taken during FY2017-18) for equipment financing from Yes Bank Ltd of ₹ 50.74 million at an interest rate of 10.74% per annum was taken over by Indusind Bank. The balance loan has been repaid from IPO proceeds in FY 2021-22.

During the year 2020-21, the holding company has taken a loan of ₹ 220 million from Indusind Bank for working capital term loan at a floating interest rate of MCLR + 1% per annum to be repaid in 5 years from the month of April 2022.

Security given:

1. Exclusive charge on specific movable fixed assets funded out of loan
2. Exclusive charge on all current assets of borrower, both present & future
3. Fixed Deposit of ₹ 308.00 millions
4. Pledge over 30% of the shareholdings of Mr. Rajendra Mutha (Pledge removed on May 10t, 2021)

e) During the year 2020-21, the holding company has taken a vehicle loan from ICICI Bank of ₹ 21.06 million for financing of 8 buses. The loan will be repaid in 36 equal instalments at a fixed interest rate of 11% per annum starting from the month of June 2020. The balance loan has been repaid from IPO proceeds in FY 2021-22.

Security given: Secured by way of the hypothecation of the buses funded out of loan

f) During the year 2020-21, the holding company has taken a loan of ₹ 42 million from Axis Bank for purchase of MRI machine at a floating interest rate of Repo Rate + 4.50% per annum to be repaid in 7 years from the month of January 2021.

Security given: Secured by way of the hypothecation of the MRI Machine funded out of loan

g) During the year 2020-21, the holding company has taken a loan of ₹ 69 million for the purchase of healthcare equipment from Yes Bank Limited at a fixed interest rate of 10.50% per annum to be repaid in 60 equal instalments starting from the month of June 2020. The balance loan was pre-paid in April 2021.

Security given: Secured by way of the hypothecation of the MRI Machine funded out of loan

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## Loan from NBFC:

- a) During the year 2014-15, the holding company had taken two term loans from Clix Capital (formerly known as GE Capital Services India) for the purpose of purchasing various medical equipment of ₹ 55.18 million at a floating interest rate of SBI Base Rate plus 2.6% per annum. The loans are repayable in 72 monthly instalments including a 6 months moratorium period. These loans were fully repaid during the year FY2020-21.

During the year 2017-18, the company had taken a loan from Clix Financial India for the purchase of CT Scan and MRI Machines of ₹ 167.85 million at a floating interest rate of Yes Bank's 1 Yr MCLR + 2.15% per annum to be repaid in 94 monthly instalments. The balance loan has been repaid from IPO proceeds in FY 2021-22.

Security given:

1. Secured by way of the hypothecation of the CT & MRI machines funded out of loan
  2. Personal guarantees of the director Mr. Rajendra Mutha and his spouse Ms. Sunita Mutha
- b) During the year 2017-18, the holding company had taken a loan for medical equipment financing from Dewan Housing Finance Ltd. of ₹ 50.62 million at an fixed interest rate of 11.75% per annum repayable in 60 instalments. The balance loan was pre-paid in April 2021.

Security given: Secured by way of the hypothecation of MRI machine funded out of loan

- c) During the year 2018-19, the holding Company had taken five loans for equipment financing from DLL Financial Services Pvt. Ltd. aggregating to ₹ 77.3 million at a fixed interest rate of 9.50% per annum repayable in 84 instalments totalling ₹ 1.33 million per month. The balance loan has been repaid from IPO proceeds in FY 2021-22.

Security given: Secured by way of the hypothecation of the CT Scan machines funded out of loan

- d) During the year 2018-19, the holding Company had taken two loans for equipments financing from Reliance Commercial Finance Ltd. of ₹ 67.83 million and ₹ 32.05 million at a floating interest of 1 year RCFL PLR Rate minus 6% margin per annum and RCFL PLR Rate minus 5.5% margin per annum respectively repayable in 84 instalments. The balance loan has been repaid from IPO proceeds in FY 2021-22.

Security given: Secured by way of the hypothecation of CT Scan machines funded out of loan

## Unsecured loans:

- a) Unsecured loan from the director - Ms. Pallavi Bhatevara carries interest @ 12% p.a. As per SHA terms of series A, the loan was repayable after achieving the EBITDA of ₹ 56 Cr for the period of two years ended March 31, 2018. The company has achieved the same and now it will be repayable and therefore classified as current maturities of long term borrowings. This has been repaid in December 2021.

## 22 Lease liabilities

	As at March 31, 2022
Lease Liabilities	153.62
Less: Current Maturities of Lease Liabilities	19.10
<b>Total non - current maturities of lease obligations</b>	<b>134.52</b>





# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## Terms of repayment

### Long term maturities of finance lease obligation:

- During the year 2018-19, the Holding Company has taken data processing units and printers worth ₹ 27 million on lease for a period of three years from Hewlett Packard Financials Services India Pvt Ltd. These leased assets have been purchased from leasing Holding Company and the lease is now closed.
- During the year 2019-20, the Holding Company has taken MRI Machine worth ₹ 67.80 million on lease for a period of Seven years from Philips India Ltd.
- During the year 2020-21, the Holding Company has taken a MRI Machine worth ₹ 44.70 million on lease for a period of Seven years from Philips India Ltd.
- During the the year 2020-21, the Holding Company has taken a CT Scan Machine worth ₹ 14.44 million on lease for a period of Seven years from Philips India Ltd.
- During the the year 2020-21, the Holding Company has taken data processing units and printers worth ₹ 11.30 million on lease for a period of three years from Hewlett Packard Financials Services India Pvt Ltd. These leased assets have been purchased from leasing Holding Company and the lease is now closed.
- During the year 2020-21, the Holding Company has taken a MRI Machine worth ₹ 44.70 million on lease for a period of Seven years from Philips India Ltd.

## 23 Other financial liabilities

	As at March 31, 2022
Security deposit received	16.38
<b>Total other financial liabilities</b>	<b>16.38</b>

## 24 Employee benefit obligations

	As at March 31, 2022
<b>Long Term</b>	
<b>Provision for employee benefits</b>	
Provision for gratuity (funded) (Refer note 39)	0.38
Provision for leave encashment (unfunded)	2.78
<b>Total Provisions</b>	<b>3.16</b>
<b>Short Term</b>	
<b>Provision for employee benefits</b>	
Provision for gratuity (funded) (Refer note 39)	11.71
Provision for leave encashment (unfunded)	8.10
<b>Total Provisions</b>	<b>19.81</b>

## 25 Other non-current liabilities

	As at March 31, 2022
Deferred Revenue	1.25
<b>Total other long term liabilities</b>	<b>1.25</b>

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## 26 Short-term borrowings

	As at March 31, 2022
Secured - from bank	
Current Maturities of borrowings	60.08
<b>Total short-term borrowings</b>	<b>60.08</b>

## 27 Trade payables

	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	3.27
Total outstanding dues of creditors other than micro enterprises and small enterprises*	769.73
<b>Total trade payables</b>	<b>773.00</b>

### Trade payable ageing schedule as on March 31, 2022:

Particulars	Particulars Outstanding for following periods from due date of Payment				
	1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
MSME	3.27	-	-	-	3.27
Others	738.85	26.60	4.28	-	769.73
Disputed - MSME	-	-	-	-	-
Disputed - Other	-	-	-	-	-
<b>Total</b>	<b>742.12</b>	<b>26.60</b>	<b>4.28</b>	<b>-</b>	<b>773.00</b>

### Disclosure relating to suppliers registered under MSMED Act based on the information available with the Group:

Particulars	As at March 31, 2022
(a) Amount remaining unpaid to any supplier at the end of each reporting period:	
Principal	3.27
Interest	0.15
<b>Total</b>	<b>3.42</b>
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.15
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## 28 Other financial liabilities

	As at March 31, 2022
<b>Other financial liabilities at amortised cost</b>	
Interest accrued	0.77
Security deposits received	0.07
Payable for capital purchases	361.32
Employee Benefits Expenses Payable	77.36
Employee reimbursement payable	1.87
Payable for IPO expenses	71.18
<b>Total other financial liabilities</b>	<b>512.57</b>
<b>Total financial liability</b>	<b>1,711.87</b>

## 29 Other current liabilities

	As at March 31, 2022
Statutory due payable	18.41
Advance from Customers	0.47
Deferred Revenue	1.27
Income Tax Payable	26.95
Payable to selling shareholders	56.23
Other Payables	0.07
<b>Total other current liabilities</b>	<b>103.40</b>

## 30 Revenue from operations

	Year Ended March 31, 2022
Sale of services	4,544.53
Consultancy income	9.97
<b>Total revenue from operations</b>	<b>4,554.50</b>

## 31 Other income

	Year Ended March 31, 2022
<b>Interest income</b>	
on fixed deposits	122.38
on other deposits	0.06
on income tax refund	2.57
on other financial assets at amortised cost	24.08
Miscellaneous income	0.02
<b>Total other income</b>	<b>149.11</b>

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## 32 Cost of material consumed

	Year Ended March 31, 2022
Inventory at the beginning of the year	72.10
Add: Purchases	622.56
Less: Inventory at the end of the year	(91.70)
<b>Cost of material consumed</b>	<b>602.96</b>

## 33 Employee benefits expense

	Year Ended March 31, 2022
Salaries, wages, bonus and other allowances	461.43
Contribution to provident and other funds	39.06
Gratuity expenses (Refer note 39)	11.14
Employee stock option scheme compensation (Refer note 40)	12.42
Staff welfare expenses	23.42
<b>Total employee benefits expense</b>	<b>547.47</b>

## 34 Finance costs

	Year Ended March 31, 2022
<b>Interest on borrowing</b>	
On bank and NBFC	132.96
On loans from related parties	1.65
On finance lease	23.52
On Other financial liabilities at amortised cost	10.50
Bank Charges	8.37
Other borrowing costs	7.90
<b>Total finance costs</b>	<b>184.90</b>

## 35 Depreciation and amortization expense

	Year Ended March 31, 2022
Depreciation (Refer note 5)	410.31
Amortization (Refer note 6)	3.56
<b>Total depreciation and amortization expense</b>	<b>413.87</b>



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## 36 Other expenses

	Year Ended March 31, 2022
Power & Fuel	63.35
Rent	84.25
Repairs and maintenance - Machinery	152.74
Insurance	5.16
Rates and taxes	4.29
Logistics expenses	51.18
Travelling and lodging expenses	37.49
Auditor's remuneration (Refer note below)	2.87
Security and facility management expenses	64.23
Business promotion expenses	18.09
Printing & Stationery	30.49
Communication expenses	19.44
Corporate social responsibility expenses (Refer Note 49)	5.66
Office expenses	22.98
Legal and professional charges	36.95
Sitting Fees to Directors	3.20
Provision for doubtful debt	8.30
Reporting Charges	383.81
Loss on sale/disposal of fixed assets	2.48
Service Charges	1.55
Miscellaneous expenses	10.87
<b>Total other expenses</b>	<b>1,009.39</b>

	Year Ended March 31, 2022
<b>Breakup of auditor's remuneration:</b>	
Statutory audit Fees*	1.63
Limited Review Fees*	1.24
<b>Total</b>	<b>2.87</b>

\* Auditor's remuneration includes GST component

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## 37 Income Tax

### (A) Deferred tax relates to the following:

	Year Ended March 31, 2022
<b>Deferred tax assets</b>	
On Expenses provided but allowable in Income Tax on payment basis - Provision for employee benefits	5.64
On Deduction available u/s 80JJAA	20.90
On Provision for doubtful debts and advances	14.67
On Share issue expenses adjusted to securities premium account	43.90
On ESOP expense reserve	5.13
On losses of subsidiaries	7.88
<b>Total Deferred tax assets</b>	<b>98.12</b>
<b>Deferred tax liabilities</b>	
On Difference between book depreciation and tax depreciation	168.19
<b>Total Deferred tax liabilities</b>	<b>168.19</b>
Deferred tax (liability) / asset, net	(70.07)

### (B) Reconciliation of deferred tax assets/ (liabilities) (net):

	As at March 31, 2022
Opening balance as of April 1, 2021	(106.95)
Tax liability recognized in Statement of Profit and Loss	(5.94)
On re-measurements gain/(losses) of post-employment benefit obligations	(1.09)
Tax liability recognized directly in equity	43.91
<b>Closing balance as at March 31, 2022</b>	<b>(70.07)</b>

### (C) Movement in deferred tax assets/ liabilities recognized in Statement of Profit and Loss

	As at March 31, 2022
Deferred tax charge on account of difference between book depreciation and tax depreciation	40.57
Deferred tax charge/(credit) on expenses allowed on payment basis	
- Provision for employee benefits	(3.08)
- On Provision for doubtful debts and advances	(2.09)
MAT credit reversal	-
Deferred tax asset on deduction u/s 80JJAA	(16.43)
Deferred tax asset on ESOP expense reserve	(5.13)
Deferred tax asset on losses of subsidiaries	(7.88)
	5.94



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## (D) Income tax expense

	Year ended March 31, 2022
- Income tax expense	175.26
- Adjustments in respect of current income tax of previous year	
- Deferred tax charge / (income)	5.94
<b>Income tax expense reported in the statement of profit or loss</b>	<b>181.20</b>

## (E) Income tax expense charged to OCI

	Year ended March 31, 2022
Net loss/(gain) on remeasurements of defined benefit plans	1.09
<b>Income tax charged to OCI</b>	<b>1.09</b>

## (F) Reconciliation of tax charge

	Year ended March 31, 2022
Profit before tax	865.10
Income tax expense at tax rates applicable	217.73
Tax effects of:	
- Item not deductible for tax	12.68
- Tax deduction i.r.t. Public Issue Expenses	(10.98)
- 80 JJAA	(28.00)
- ESOP expense reserve	(5.13)
- Others	(5.10)
<b>Income tax expense</b>	<b>181.20</b>

## 38 Earnings per share

Basic earnings per share amounts are calculated by dividing the profit/loss for the year attributable to holding company equity holders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the profit/loss attributable to holding company equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

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

	Year Ended March 31, 2022
Profit attributable to equity holders	683.90
Less: preference dividend after-tax	-
Profit attributable to equity holders net of above adjustment	683.90
Profit attributable to equity holders adjusted for the effect of dilution	683.90
Weighted average number of equity shares for basic EPS	29,876,508
Effect of dilution:	
Share options	7,989
Weighted average number of equity shares adjusted for the effect of dilution	29,884,497
Basic profit per share (₹)	22.89
Diluted profit per share (₹)	22.88

Pursuant to Shareholder's resolution passed at the Extrordinary General Meeting of Holding Company held on April 25, 2021 the equity share capital (Authorised, Issued and Paid-up) of the Company was subdivided from ₹ 10.00 (Rupees ten) each to equity shares of ₹ 5.00 (Rupees five) each. Accordingly, prior period EPS has been calculated.

The Holding Company is having following potential equity shares :

- (a) Shares allotted to employees in pursuance of the Employee Stock Option Plan (ESOP).

## 39 Employee benefits

### (A) Defined contribution plans

	Year Ended March 31, 2022
<b>During the year, the Group has recognized the following amounts in the Statement of Profit and Loss -</b>	
Employers' Contribution to Provident Fund (Refer note 33)	31.71
Employers' Contribution to Employee State Insurance (Refer note 33)	7.08
Employers' Contribution to Labour Welfare Fund (Refer note 33)	0.27
	39.06

### (B) Defined benefit plans

	Year Ended March 31, 2022
Gratuity payable to employees	12.09
Compensated absences for employees	10.89
	22.98



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## i) Actuarial assumptions

	As at March 31, 2022
Discount rate (per annum)	6.40%
Rate of increase in Salary	6.00%
Expected average remaining working lives of employees (years)	4.92
Attrition rate	20%
Expected rate of return on plan assets	6.10%

## ii) Changes in the present value of defined benefit obligation

	As at March 31, 2022
<b>Employess's gratuity</b>	
Present value of obligation at the beginning of the year	14.35
Interest cost	0.84
Current service cost	10.75
Benefits paid	(1.02)
Actuarial (gain)/ loss on obligations	(4.18)
<b>Present value of obligation at the end of the year/period*</b>	<b>20.74</b>

\*Included in provision for employee benefits (Refer note 24)

## iii) Expense recognized in the Statement of Profit and Loss

	Year Ended March 31, 2022
<b>Employess's gratuity</b>	
Current service cost	10.75
Interest cost	0.39
<b>Total expenses recognized in the Statement Profit and Loss*</b>	<b>11.14</b>

\*Included in Employee benefits expense (Refer Note 33). Actuarial (gain)/loss of ₹ 4.69 million (March 31, 2022) is included in other comprehensive income.

## iv) Amounts recognised In statement of other comprehensive income (OCI):

	Year Ended March 31, 2022
Opening amount recognised in OCI outside profit and loss account	(0.95)
Remeasurement for the year - obligation (Gain) / Loss	(4.18)
Remeasurement for the year - plan asset (Gain) / Loss	(0.14)
<b>Total Remeasurements Cost / (Credit ) for the year recognised in OCI</b>	<b>(4.32)</b>
Closing amount recognised in OCI outside profit and loss account	(5.27)

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## v) Changes in the fair value of plan assets

	As at March 31, 2022
Present value of obligation at the end of the year	6.58
Acquisition adjustments	-
Transfer In / (Out)	-
Interest Income	0.45
Contributions	3.66
Mortality Charges and Taxes	(0.24)
Benefits paid	(1.94)
Amount paid on settlement	-
Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)	0.14
<b>Fair value of plan assets at the end of the period</b>	<b>8.65</b>

## vi) Assets and liabilities recognized in the Balance Sheet:

	As at March 31, 2022
Present value of unfunded obligation as at the end of the year	(20.74)
Fair value of the plan assets at the end of period	8.65
Surplus / (Deficit)	(12.09)
Current liability	12.09
Non-current liability	-
<b>Unfunded net asset / (liability) recognized in Balance Sheet*</b>	<b>(12.09)</b>

\*Included in provision for employee benefits (Refer note 24)

## vii) Reconciliation of net asset / (liability) recognised:

	As at March 31, 2022
Net asset / (liability) recognised at the beginning of the period	(7.77)
Group's contributions	3.66
Benefits directly paid by the Group	0.00
Amount recognised outside	4.32
Expense recognised at the end of period	(11.14)
Mortality Charges and Taxes	(0.24)
Gratuity Benefits Received from Fund against payment made by the group last year	(0.92)
<b>Net asset / (liability) recognised at the end of the period</b>	<b>(12.09)</b>

## viii) Expected contribution to the fund in the next year

	As at March 31, 2022
Gratuity	3.70



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## ix) A quantitative sensitivity analysis for significant assumption

Impact on defined benefit obligation	As at March 31, 2022
<b>Employee's gratuity</b>	
Discount rate	
1.00% increase	(19.40)
1.00% decrease	21.43
Rate of increase in salary	
1.00% increase	21.20
1.00% decrease	(19.59)
Impact of change in withdrawal rate	
1.00% increase	(20.26)
1.00% decrease	20.49

## x) Maturity profile of defined benefit obligation

Year	As at March 31, 2022
<b>Employee's gratuity</b>	
April 2022- March 2023	2.30
April 2023- March 2024	2.60
April 2024- March 2025	2.98
April 2025- March 2026	3.39
April 2026- March 2027	5.87
April 2027- March 2032	37.10

## 40 Employee Stock Option Scheme 2020 (ESOP)

The board of holding company vide its resolution dated July 01, 2020 approved ESOP 2020 for granting Employee Stock Options in form of equity shares linked to the completion of a minimum period of continued employment to the eligible employees of the holding Company, monitored and supervised by the Board of Directors. The employees can purchase equity shares by exercising the options as vested at the price specified in the grant.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the period

Particulars	As at
	March 31, 2022
	Number
Options outstanding at beginning of year:	
Tranche 1 (Exercise Price: 225)	1,552,566
Tranche 2 (Exercise Price: 350)	494,108
<b>Add:</b>	
Options granted during the year:	
Tranche 1 (Exercise Price: 225)	-
Tranche 2 (Exercise Price: 350)	-
<b>Less:</b>	
Options exercised during the year	-
Options forfeited during the year	
Tranche 1 (Exercise Price: 225)	124,660
Tranche 2 (Exercise Price: 350)	-
Options outstanding at the end of year:	
Tranche 1 (Exercise Price: 225)	1,427,906
Tranche 2 (Exercise Price: 350)	494,108
Option exercisable at the end of year:	
Tranche 1 (Exercise Price: 225)	356,974
Tranche 2 (Exercise Price: 350)	123,527

In accordance with the above mentioned ESOP Scheme, ₹ 12.42 million (FY 2021-22) has been charged to the Statement of Profit and Loss of the holding company in respective periods in relation to the Employee Stock Option Scheme Compensation. (Refer note 33)

The options outstanding at the period ending on March 31, 2022 with exercise price of ₹ 225 are 14,27,906 options (Tranche 1) & with exercise price of ₹ 350 are 4,94,108 (Tranche 2) and a weighted average remaining contractual life of all options are between 1 to 3 years.

The fair value of each option is estimated on the date of grant using the Black Scholes model. The following tables list the inputs to the [Option pricing model] used for the years ended:

Vesting year- Tranche 1	1	2	3	4
Weighted average fair value of the options at the grant dates (₹)	15.28	22.48	31.20	41.71
Compounded Risk-Free Interest Rate (%)	3.73%	4.21%	4.81%	5.10%
Number of periods to Exercise in years	1.25	2.25	3.25	4.25
Expected volatility (%)	27.39%	22.06%	19.25%	17.91%
Weighted average share price (₹)	341.35	341.35	341.35	341.35

Vesting year- Tranche 2	1	2	3	4
Weighted average fair value of the options at the grant dates (₹)	36.16	53.12	71.17	91.20
Compounded Risk-Free Interest Rate (%)	3.93%	4.41%	4.91%	5.32%
Number of periods to Exercise in years	1.25	2.25	3.25	4.25
Expected volatility (%)	26.89%	22.33%	19.80%	18.18%
Weighted average share price (₹)	572.35	572.35	572.35	572.35



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

Above fair value calculations are for options before split of share from face value ₹ 10 to ₹ 5 while the number of options reported above are after split.

## 41 Leases where company is a lessee

During FY 2019-20, the Holding company has entered into finance lease and hire purchase contract for 3T MRI machine. Rentals are payable on from 7 days of date of invoicing or installation date whichever is earlier and would then be payable on monthly basis in arrears. Lessee has the option to purchase the asset by paying ₹ 1000/- along with last instalment.

During FY 2020-21, the Holding company has taken a MRI Machine worth ₹ 44.70 million on lease for a period of Seven years from Philips India Ltd., a CT Scan Machine, worth ₹ 14.44 million on lease for a period of Seven years from Philips India Ltd., data processing units and printers worth ₹ 11.30 million on lease for a period of three years from Hewlett Packard Financials Services India Pvt Ltd., a MRI Machine worth ₹ 44.70 million on lease for a period of Seven years from Philips India Ltd.

During FY 2021-22, the Holding company has exercised purchase option under lease with Hewlett Packard Financials Services India Pvt Ltd. and has purchased data processing units and printers.

### i) Changes in the carrying value of right-of-use assets

Particulars	Category of ROU Asset		
	Land & Building	Plant & Machinery	Total
Balance as at April 1, 2020	-	76.81	76.81
Additions	-	124.76	124.76
Deletions	-	-	-
Depreciation	-	19.43	19.43
<b>Balance as at March 31, 2021</b>	-	<b>182.14</b>	<b>182.14</b>
Additions	11.35	-	11.35
Deletion	-	7.27	7.27
Depreciation	1.46	13.95	15.41
<b>Balance as at March 31, 2022</b>	<b>9.89</b>	<b>160.92</b>	<b>170.81</b>

### ii) Changes in lease liabilities

Particulars	Category of ROU Asset		
	Land & Building	Plant & Machinery	Total
Balance as at April 1, 2020	-	73.92	73.92
Additions	-	109.20	109.20
Lease Payments	-	15.34	15.34
<b>Balance as at March 31, 2021</b>	-	<b>167.78</b>	<b>167.78</b>
Additions	11.35	-	11.35
Lease Payments	1.12	24.39	25.51
<b>Balance as at March 31, 2022</b>	<b>10.23</b>	<b>143.39</b>	<b>153.62</b>

### iii) Break-up of current and non-current lease liabilities

Particulars	March 31, 2022
Current Lease Liabilities	19.10
Non-current Lease Liabilities	134.52

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## iv) Maturity analysis of lease liabilities

Particulars	March 31, 2022
Less than one year	19.10
One to five years	114.28
More than five years	20.24
<b>Total</b>	<b>153.62</b>

## v) Amounts recognised in statement of Profit and Loss account

Particulars	March 31, 2022
Interest on Lease Liabilities	23.52
Depreciation on ROU Assets	15.42

## vi) Undiscounted lease liabilities

Particulars	March 31, 2022
- Not later than one year	35.56
- Later than one year but not later than five years	152.95
- Later than five years	21.18
<b>Total undiscounted lease liabilities</b>	<b>209.69</b>

## 42 Related party disclosures:

### (A) Names of related parties and description of relationship as identified and certified by the holding Company:

#### Entity under common control

Krsna International Limited-Yemen

#### Key Management Personnel (KMP)

Mr. Rajendra Mutha - Director

Mr. Narayanan Balasubramanyam - Nominee Director (w.e.f. January 31, 2019)

Mr. Yash Mutha - Wholetime Director (w.e.f. January 31, 2019)

Ms. Pallavi Bhatevara - Managing Director

Ms. Manisha Chitgopekar - Company Secretary (till October 11, 2021)

Mr. Nikhil Deshpande - Company Secretary (from October 12, 2021)

Ms. Sunita Mutha - Relative of KMP

Mr. Pawan Daga - Chief Financials Officer (w.e.f. January 18, 2021)

Mr. Prakash Iyer - Independent Director (w.e.f. April 25, 2021)

Mr. Chetan Desai - Independent Director (w.e.f. April 25, 2021)

Ms. Chhaya Palrecha - Independent Director (w.e.f. April 25, 2021)

Mr. Prem Pradeep - Independent Director (w.e.f. October 8, 2020)

Mr. Rajiv Ranjan Verma - Independent Director (w.e.f. April 25, 2021)

Mr. Ram Singh - Director in Subsidiaries (w.e.f. Incorporation)

Mr. Chetan Karnawat - Director in Subsidiaries (w.e.f. Incorporation)





# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## Entity in which KMP exercise significant influence

Krsna Diagnostics (Mumbai) Private Limited

### (B) Details of transactions with related party in the ordinary course of business for the year ended:

	Year Ended March 31, 2022
<b>(i) Key Management Personnel (KMP)</b>	
<b>Compensation of key management personnel</b>	
Ms. Pallavi Bhatevara	5.09
Mr. Rajendra Mutha	26.41
Mr. Yash Mutha	4.80
Mr. Pawan Daga	1.90
Ms. Manisha Chitgopekar	0.20
Mr. Nikhil Deshpande	0.75
<b>Sitting fees paid to directors</b>	
Mr. Prakash Iyer	0.75
Mr. Chetan Desai	0.70
Ms. Chhaya Palrecha	0.90
Mr. Rajiv Ranjan Verma	0.85
<b>(ii) Expenses Incurred:</b>	
Ms. Sunita Mutha - Rent Expenses	36.82
Ms. Pallavi Bhatevara - Interest Expenses	1.65
<b>(iii) Loans (liability) taken earlier now repaid during the period</b>	
Mr. Rajendra Mutha	1.19
Ms. Pallavi Bhatevara	18.54

### (C) Outstanding Balances

	As at March 31, 2022
<b>i) Entity under common control</b>	
Krsna International Limited-Yemen -Receivable	31.01
Less: Provision	(31.01)
<b>ii) Key Management Personnel (KMP)</b>	
<b>(a) Compensation payable to KMPs</b>	
<b>(b) Other Payables</b>	
Ms. Sunita Mutha	3.19
<b>(c) Compensation payable to KMPs</b>	
Mr. Yash Mutha	0.34
Mr. Pawan Daga	0.14
Ms. Pallavi Bhatevara	0.30
Mr. Nikhil Deshpande	0.11
Mr. Rajendra Mutha	25.91

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## 43 Segment reporting

The Group's operations predominantly relate to providing Radiology and Pathology services for X Ray, CT Scan, MRI, Mammography, Tele- Reporting Services and all type of Blood and Urine Investigation. The Chief Operating Decision Maker (CODM) reviews the operations of the Group as one operating segment. Hence no separate segment information has been furnished herewith.

## 44 Fair value measurement

### Financial instruments by category:

Financial Assets	March 31, 2022	
	FVTPL	Amortised Cost
Investment		
- In shares of Janata Sahakari Bank Limited, Pune	-	2.90
- Mutual Funds	0.01	-
Security Deposit (Current + Non Current)	-	212.37
Fixed deposit accounts with maturity for more than 12 months	-	1,036.72
Trade receivables	-	578.73
Cash and cash equivalents	-	884.53
Bank balances other than cash and cash equivalent	-	1,534.28
Interest accrued on fixed deposits	-	24.00
Other receivables	-	0.62
<b>Total Financial Assets</b>	<b>0.01</b>	<b>4,274.15</b>

Financial Liabilities	March 31, 2022	
	FVTPL	Amortised Cost
Borrowings (including current maturities of long term borrowings and short term borrowings)	-	256.30
Security deposit received (Current + Non current)	-	16.46
Trade Payable	-	773.00
Interest accrued	-	0.76
Payable for capital purchases	-	361.32
Lease Liabilities	-	153.62
Employee reimbursement payable	-	1.87
Employee Benefits Expenses Payable	-	77.36
Payable for IPO expenses	-	71.18
<b>Total Financial Liabilities</b>	<b>-</b>	<b>1,711.87</b>

## 45 Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

No financial assets/liabilities have been valued using level 1 fair value measurements.



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

**(a) The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:**

As at March 31, 2022	Level 1	Level 2	Level 3	Total
<b>Financial Asset</b>				
Investment in Kotak Liquid Fund Regular Plan Growth	-	0.01	-	0.01
<b>Total Financial Asset</b>	<b>0.00</b>	<b>0.01</b>	<b>0.00</b>	<b>0.01</b>
<b>Financial Liabilities</b>				
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**(b) Fair value of financial assets and liabilities measured at amortised cost**

The fair value of other current financial assets, cash and cash equivalents, trade receivables, trade payables, short-term borrowings and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

The amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security and term deposits and of non current financial liabilities consisting of borrowings and security deposit received are not significantly different from the carrying amount.

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

## 46 Financial risk management objectives and policies

The Group is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Group's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Group does not engage in trading of financial assets for speculative purposes.

### (A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments. The Group have certain debt obligations with floating interest rates. Further, the Group is not exposed to currency risk as the Group does not have any significant foreign currency outstandings/receivables neither is the Group exposed to price or commodity risk.

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased equity and profit or loss by amounts shown below. This analyses assumes that all other variables, in particular, foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the year.

Interest Rate Sensitivity	March 31, 2022
Increase by 100 basis point	11.85
Decrease by 100 basis point	(11.85)

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## (B) Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The group is exposed to credit risk from its operating activities (primarily trade receivables and security deposit to hospitals), from its financing activities, including deposits with banks and other statutory deposits with regulatory agencies. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The group limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The group does not foresee any credit risks on deposits with regulatory authorities. Customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. On account of adoption of Ind AS 109, the group uses expected credit loss model to assess the impairment loss or gain.

The movement in the provision for the year ended are as follows:

	Year Ended March 31, 2022
<b>The movement in the provision for bad and doubtful debts for the year ended are as follows:</b>	
Opening balance	50.00
Changes in loss allowance:	
1. Loss allowance based on Expected credit loss	8.30
2. Write off as bad debts	-
<b>Closing Balance</b>	<b>58.30</b>
<b>The movement in the provision for doubtful advances for the year ended are as follows:</b>	
Opening balance	31.01
Changes in loss allowance:	
1. Loss allowance based on Expected credit loss	-
2. Write off as bad debts	-
<b>Closing Balance</b>	<b>31.01</b>

Group has one customer as at March 31, 2022 which accounts for 10% or more of the total trade receivables at reporting date.

## (C) Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

The table below summarizes the maturity profile of the Company's financial liabilities:

As at March 31, 2022	Less than 1 year	1 to 5 years	More than 5 years	Total
Short term borrowings & leases	79.18	-	-	79.18
Long-term borrowings & leases	-	305.16	25.58	330.74
Trade payables	773.00	-	-	773.00
Other financial liability	512.56	16.39	-	528.95
	1,364.74	321.55	25.58	1,711.87

## 47 Capital management

For the purpose of the holding company's capital management, capital includes issued equity capital, instrument entirely equity in nature, share premium and all other equity reserves attributable to the equity holders. The primary objective of the holding company's capital management is to maximize the shareholder value and to ensure the holding company's ability to continue as a going concern.

The holding company has not distributed any dividend to its shareholders. The holding company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current and current borrowing including current maturities of long term borrowings and liability on compulsory convertible preference share. The holding company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

		Year Ended March 31, 2022
Equity		6,844.09
<b>Total equity</b>	(i)	6,844.09
Borrowings & lease liability		409.92
Less: cash and cash equivalents		(884.53)
<b>Net debt</b>	(ii)	(474.61)
Overall financing	(iii) = (i) + (ii)	6,369.47
Gearing ratio	(ii)/ (iii)	(0.07)

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

## 48 Corporate social responsibility (CSR)

	Year Ended March 31, 2022
Gross amount required to be spent	5.66
Amount spend during the year	5.66

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## Amount spent during the year

Particulars	March 31, 2022		
	In cash	Yet to be paid in cash	Total
i. Construction/acquisition of any asset			
- Under control of the holding company for future use	-	-	-
- Not under control of the holding company for future use	-	-	-
ii. On purpose other than (i) above*	5.66	-	5.66
	5.66	-	5.66
Less: Amount capitalized as CSR assets			-
			5.66

\* Ventilators donated to various Municipal Corporations

## 49 Disclosure pursuant to Schedule V read with regulations 34(3) and 53(f) of the SEBI(Listing Obligations And Disclosure Requirements) Regulations, 2015

A) Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount -

Name of the company	Balance as at	Maximum outstanding
	March 31, 2022	March 31, 2022
Krsna International Limited-Yemen	31.01	31.01
Less: Credit impaired & full provided for in book	(31.01)	(31.01)
Net	-	-

B) Investments by the loanee in the shares of parent holding company and subsidiary holding company, when the holding company has made a loan or advance in the nature of loan as at March 31, 2022 - Nil

## 50 Utilisation of money raised through public issue

During the year ended March 31, 2022, the holding company had raised ₹ 4000 Million through public issue of fresh equity shares, mainly with an objective of repayment of borrowings, capital expenditure for setting-up new centers in Punjab, Karnataka, Himachal Pradesh & Maharashtra and for general corporate purposes. The holding company has estimated to incur expenses aggregating ₹ 662.19 Million (out of which, 218.04 Million pertains holding company's share) towards the initial public offering which includes both issue of fresh equity shares as well as offer for sale of equity shares by existing share holders. Given below are the details of utilisation of proceeds raised through public issue during the year ended March 31, 2022.



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

Particulars	March 31, 2022
Unutilized amount at the beginning of the year	-
Amount raised through public issue	4,000.00
Less - Share Issue Expenses relating to fresh offer	(218.04)
	3,781.96
<b>Less: amount utilized during the year</b>	
Payment towards project expenditure relating to Capital Expenditure	583.50
Payment towards repayment of borrowings	1,429.02
Payment towards general corporate purpose	5.00
<b>Less: Interest Received on Unutilized funds &amp; Others</b>	
Add: Interest received on funds re-invested during the year	34.98
Add: Amount pending to be released in current account of the company	3.32
<b>Amount Unutilized at the year end</b>	<b>1,802.76</b>

Details of short-term investments made from unutilized portion of public issue raised during the year ended March 31, 2022 -

Particulars	March 31, 2022
Balance amount in current account	3.00
Investment in fixed deposits of banks	1,799.76
	1,802.76

## 51 Contingent liabilities

	March 31, 2022
Other money for which the group is contingently liable (Note 1)	36.50
<b>Total</b>	<b>36.50</b>

Note 1 : The Group had availed Bank Gurantee facility of ₹ 334 million with Janata Sahakari bank limited against the property of Mr. Narayan Chighlikar and Ms. Shubhangi Chighlikar, for which the Group had paid the sum of ₹ 36.50 million to Mr. Narayan Chighlikar, the proprietor of Yash Construction.

**52** Lokmanya Hospital Medical Stores (LHMS) has entered into an agreement with Rogi Kalyan Samiti (RKS) of Himachal Pradesh (HP) under PPP arrangement (Public Private Partnership) for establishment of diagnostic centres at twelve locations at HP for rendering radiology services which majorly includes services for MRI and CT scan. The Group has entered into agreement with LHMS whereby the services at RKS hospitals at HP are provided by the Group on behalf of LHMS. As per agreement entered between the two, the revenue recognised by rendering services at twelve centres at HP is to be shared between the Group and LHMS in 99:1, but the same is not shared during the year as LHMS has waived off the revenue due to them.



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## 53 Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:

Type of Borrower	Loans/Advances granted Individually or Jointly with other. (Individually / Jointly)	Repayable on demand (Yes / No)	Terms/Period of repayment is specified (Yes / No)	March 31, 2022	
				Amount outstanding as at the balance sheet date	% of Total
Promoter					
Directors					
KMPs					
Related Parties:					
i. Krsna International Limited-Yemen (Entity under common control)	Individually	Yes	No	31.01	100%
Less: Credit impaired and fully Provide for				(31.01)	-100%
<b>Total of Loan and Advances in the nature of Loan (Refer Note 9)</b>				-	

## 54 Capital-work-in progress (CWIP)

(a) For Capital-work-in progress ageing schedule

March 31, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	277.91	-	-	4.66	282.57
Projects temporarily suspended	-	-	-	-	-

(b) In case of the following projects (CWIP), where completion is overdue or has exceeded its cost compared to its original plan:

March 31, 2022

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress:				
i. Work in Progress (Karnataka) *	4.66	-	-	-
Projects where activity has been suspended: Nil				

\* Few centers in Karnataka project have exceeded its original plan of completion due to delay in allotting space at center by tender authorities



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## 55 Reconciliation of quarterly statements of current assets filed with banks for the period March 31, 2022

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Jun-21	IndusInd Bank	Trade Receivable Upto 120 Days	797.31	791.25	6.06	Statement submitted to bank Net of Advance from Customer
		Inventories	109.63	109.63	-	
		(Trade Payable) Upto 90 days	(138.71)	(138.71)	-	
Sep-21	IndusInd Bank	Trade Receivable Upto 120 Days	842.73	840.00	2.74	Statement submitted to bank Net of Advance from Customer
		Inventories	95.50	92.64	2.86	Inventory Revalued
		(Trade Payable) Upto 90 days	(195.46)	(195.46)	-	
Dec-21	IndusInd Bank	Trade Receivable Upto 120 Days	703.94	703.94	-	
		Inventories	97.85	97.85	-	
		(Trade Payable) Upto 90 days	(260.06)	(260.06)	-	
Mar-22	IndusInd Bank	Trade Receivable Upto 120 Days	487.10	487.10	-	
		Inventories	91.70	91.70	-	
		(Trade Payable) Upto 90 days	(432.08)	(413.31)	(18.77)	Statement submitted to bank Net of Advance to Vendor

## 56 Registration of charges or satisfaction with Registrar of Companies

The holding company or its subsidiaries does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

## 57 Compliance with number of layers of companies

The holding company or its subsidiaries has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

**58** There are no immovable properties standing in the books of the holding company or its subsidiaries, hence the discloser of title deed not held in the name of the holding company or its subsidiaries is not applicable

**59** The holding company or its subsidiaries does not have any Benami property, where any proceeding has been initiated or pending against the holding company or its subsidiaries for holding any Benami property.

**60** The holding company or its subsidiaries has not being declared as wilful defaulter by any bank or financial institution or any government authority

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

**61** The holding company or its subsidiaries does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,

**62 Utilisation of borrowed funds and share premium:**

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

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

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

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

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

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

**63** The group does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year, (previous 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).

**64** The group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

**65 Commitments**

Particulars	March 31, 2022
- Estimated Amount of contracts remaining to be executed on capital account Net of Advances	618.81
	618.81

**66 Dividend**

The board of directors of holding company have recommended the dividend of ₹ 2.50 per share of the face value of ₹ 5 per share for the year ended March 31, 2022. The payment of dividend is subject to approval of shareholders at the ensuing Annual General meeting of the company.



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## 67 Ratios

Ratio	Particulars		Ratio as on March 31, 2022
	Numerator	Denominator	
Current Ratio	Current Assets	Current Liability	2.25
Debt-Equity Ratio	Debt = Long term borrowing and current maturities of long-term borrowings and lease liabilities.	Equity	0.06
Debt Service Coverage Ratio	Net Operating Income= Net profit after taxes + Non-cash operating expenses/ (income) + finance cost	Debt Service = Repayment of borrowings (excluding the foreclosure amount prepaid during the current year) + interest paid + lease payments	6.57
Return on Equity Ratio	Net Income= Net Profits after taxes	Shareholders' Equity	9.99%
Inventory Turnover Ratio	Cost of Goods Sold	Inventory	6.58
Trade Receivables Turnover Ratio	Revenue from operations	Trade Receivables	7.87
Trade Payables Turnover Ratio	Purchases	Trade Payable * Trade payables related to purchases & consumables only	5.03
Net Capital Turnover Ratio	Revenue from operations	Working Capital	2.46
Net Profit Ratio	Net Profit	Revenue from Operations	15.02%
Return on Capital Employed	EBIT= Earnings before interest and taxes	Capital Employed = Average of Shareholders' Equity + Long Term Borrowings & Leases.	14.47%
Return on Investment	Income generated from investments	Investments	-

## 68 Note : Group information

### Information about subsidiary

Name of the Entity	Country of incorporation	Principal activities	% equity interest
			March 31, 2022
KDPL Diagnostics (Amritsar) Pvt. Ltd.	India	Radiology and Pathology services	100.00%
KDPL Diagnostics (Bathinda) Pvt. Ltd.	India	Radiology and Pathology services	100.00%
KDPL Diagnostics (Jalandhar) Pvt. Ltd.	India	Radiology and Pathology services	100.00%
KDPL Diagnostics (Ludhiana) Pvt. Ltd.	India	Radiology and Pathology services	100.00%
KDPL Diagnostics (Patiala) Pvt. Ltd.	India	Radiology and Pathology services	100.00%
KDPL Diagnostics (SAS Nagar) Pvt. Ltd.	India	Radiology and Pathology services	100.00%
Krsnaa Diagnostics (Mohali) Pvt. Ltd.	India	Radiology and Pathology services	100.00%

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## 69 Note : Additional information required by Schedule III of the Companies Act 2013.

Name of the Entity	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income (OCI)		Share in Total comprehensive Income (TCI)	
	As % of conso. net assets	Amt	As % of conso. P&L	Amt	As % of conso. OCI	Amt	As % of TCI	Amt
<b>Parent</b>								
Krsnaa Diagnostics Limited	100.33%	6,867.50	103.50%	683.90	109.59%	3.23	103.53%	687.13
<b>Subsidiaries</b>								
KDPL Diagnostics (Amritsar) Pvt. Ltd.	-0.01%	(0.49)	-0.09%	(0.59)	0.00%	-	-0.09%	(0.59)
KDPL Diagnostics (Bathinda) Pvt. Ltd.	0.00%	(0.07)	-0.03%	(0.17)	0.00%	-	-0.03%	(0.17)
KDPL Diagnostics (Jalandhar) Pvt. Ltd.	-0.01%	(0.41)	-0.08%	(0.51)	0.00%	-	-0.08%	(0.51)
KDPL Diagnostics (Ludhiana) Pvt. Ltd.	-0.01%	(0.59)	-0.10%	(0.69)	0.00%	-	-0.10%	(0.69)
KDPL Diagnostics (Patiala) Pvt. Ltd.	-0.01%	(0.65)	-0.11%	(0.75)	0.00%	-	-0.11%	(0.75)
KDPL Diagnostics (SAS Nagar) Pvt. Ltd.	-0.04%	(2.83)	-0.44%	(2.93)	0.00%	-	-0.44%	(2.93)
Krsnaa Diagnostics (Mohali) Pvt. Ltd.	-0.26%	(17.69)	-2.65%	(17.50)	-9.59%	(0.28)	-2.68%	(17.79)
<b>Total Net Assets</b>	<b>100.00%</b>	<b>6,844.78</b>	<b>100.00%</b>	<b>660.77</b>	<b>100.00%</b>	<b>2.95</b>	<b>100.00%</b>	<b>663.71</b>
Holding Company Interest	100.00%	6,844.78	100.00%	660.77	100.00%	2.95	100.00%	663.72
Non-controlling Interest	0.00%	(0.00)	0.00%	(0.00)	0.00%	(0.00)	0.00%	(0.00)
<b>Total</b>	<b>100.00%</b>	<b>6,844.78</b>	<b>100.00%</b>	<b>660.77</b>	<b>100.00%</b>	<b>2.95</b>	<b>100.00%</b>	<b>663.71</b>



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

(Amount in Rupees million except per share data and unless otherwise stated)

## 70 The Code on Social Security 2020

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Group will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

## 71 Covid-19

The management has made an assessment of the impact of COVID-19 on the Group's operations, financial performance and position as at and for the year ended March 31, 2022 and has concluded that the impact is primarily on the operational aspects of the business. In making the assessment, management has considered the recoverability of trade receivables, investment and other assets and also considered the external and internal information available up to the date of approval of these financial statements including status of existing and future customer orders, cash flow projections etc. and concluded that there is no significant impact which is required to be recognized in the financial statements. Accordingly, no adjustments have been made to the financial Statements.

**72** Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS and as required by Schedule III of the Act.

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

As per our report of even date  
For **MSKA & Associates**  
Chartered Accountants  
Firm Registration No.:105047W

**Nitin Manohar Jumani**  
Partner  
Membership No.: 111700

Place: Pune  
Date: May 28, 2022

For and on behalf of the Board of Directors  
**Krsnaa Diagnostics Limited**  
(Formerly known as Krsnaa Diagnostics Private Limited)  
CIN:L74900PN2010PLC138068

**Rajendra Mutha**  
Chairman  
DIN: 01066737

**Yash Mutha**  
Executive Director  
DIN: 07285523

Place: Pune  
Date: May 28, 2022

**Pallavi Bhatevara**  
Managing Director  
DIN: 03600332

**Pawan Daga**  
Chief Financial Officer

**Nikhil Deshpande**  
Company Secretary







KRSNAA DIAGNOSTICS LIMITED  
(formerly known as Krsnaa Diagnostics Private Limited)

S.No. 243, A-Hissa No. 6/6 CTS No. 4519, Near Mayur Trade Centre,  
Chinchwad, Pune- 411 019 , India



## KRSNAA DIAGNOSTICS LIMITED

(formerly known as Krsnaa Diagnostics Private Limited)

**Corporate Identification Number (CIN):** L74900PN2010PLC138068

**Registered Office:** S. No. 243/A, Hissa No. 6, CTS No. 4519, 4519/1, Near Chinchwad Station, Chinchwad, Pune 411019

**Tel. No.:** +91 20 29780210/11/12

**E-mail:** investors@krsnadiagnostics.com **Website:** www.krsnaadiagnostics.com

# NOTICE

**NOTICE IS HEREBY GIVEN THAT THE 12<sup>th</sup> ANNUAL GENERAL MEETING ("AGM") OF MEMBERS OF KRSNAA DIAGNOSTICS LIMITED WILL BE HELD ON TUESDAY, SEPTEMBER 27, 2022 AT 11:00 A.M. IST THROUGH VIDEO CONFERENCING (VC) OR OTHER AUDIO-VISUAL MEANS (OAVM), TO TRANSACT THE FOLLOWING BUSINESS:**

### ORDINARY BUSINESS:

#### Item No. 1 – Adoption of Accounts

To receive, consider, approve and adopt:

- the Audited Financial Statements (Standalone) of the Company for the Financial Year ended March 31, 2022 together with the Reports of the Board of Directors and the Auditors thereon; and
- the Audited Financial Statements (Consolidated) of the Company for the Financial Year ended March 31, 2022 together with the Reports of the Auditors thereon.

#### Item No. 2 – To declare Final Dividend

To declare Final Dividend of ₹ 2.50 (₹ Two and Fifty Paise only) per equity share of face value of ₹ 5 each, of the Company for the Financial Year ended March 31, 2022.

#### Item No. 3 – Re - appointment of Mr. Yash Mutha (DIN: 07285523)

To appoint a Director in place of Mr. Yash Mutha (DIN: 07285523), who retires by rotation in terms of Section 152 of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

#### Item No. 4 – Ratification of Remuneration payable to Cost Auditors for the Financial Year 2022-23

The Members are requested to consider and if thought fit, pass with or without modification(s), the following resolution as **Ordinary Resolution(s)**:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) / re-enactment(s) thereof, for the time being in force) and any

other applicable provisions / statutes as may be applicable from time to time, the shareholders hereby ratify the remuneration of ₹ 100,000/- (₹ One Lakh) plus applicable taxes thereon and reimbursement of out-of-pocket expenses at actuals payable to M/s Harshad S. Deshpande & Associates, Cost and Management Accountants, (Firm Registration No. 00378), appointed as Cost Auditors of the Company for conducting the cost audit of the accounts for the financial year ending March, 31, 2023.

**RESOLVED FURTHER THAT** the Board of Directors and / or Chief Financial Officer and / or Company Secretary of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

#### Item No. 5 – Reclassification of Authorised Share Capital and consequent Alteration of Memorandum of Association.

The Members are requested to consider and if thought fit, pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 13, 61, 64 and all other applicable provision(s), if any, under the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) the existing Authorised Share Capital of the Company ₹ 147,15,76,922/- (₹ One Hundred Forty-Seven Crore Fifteen Lakhs Seventy-Six Thousand Nine Hundred Twenty-Two only) divided into

- 4,24,48,000 (Four Crore Twenty-Four Lakh Forty-Eight Thousand) Equity Shares of face value of ₹ 5/- (Rupees Five only) each,
- 40,61,914 (Forty Lakh Sixty-One Thousand Nine Hundred and Fourteen) Compulsory Convertible Cumulative Participating Preference Shares –Series A (CCPS–Series A) of face value of ₹ 123/- (Rupees One Hundred Twenty-Three Only) each, and
- 30,38,886 (Thirty Lakh Thirty-Eight Thousand Eight Hundred Eighty-Six) 0.0001% (zero point zero zero zero one percent) Compulsory Convertible

Cumulative Participating Preference Shares –Series C (CCPS – Series C) of face value of ₹ 250/- (Rupees Two Hundred Fifty Only) each.

be and is hereby reclassified to ₹ 147,15,76,922/- (Rupees One Hundred Forty-Seven Crore Fifteen Lakh Seventy-Six Thousand Nine Hundred Twenty-Two only) divided into 29,43,15,384 (Twenty-Nine Crore Forty-three Lakh Fifteen Thousand Three Hundred Eighty-Four) Equity Shares of face value of ₹ 5/- (Rupees Five Only) each and Unclassified Share Capital ₹ 2/- (Rupees Two only) after cancelling the existing unissued Preference Share Capital (i) 40,61,914 (Forty Lakh Sixty-One Thousand Nine Hundred and Fourteen) Compulsory Convertible Cumulative Participating Preference Shares –Series A (CCPS–Series A) of face value of ₹ 123/- (Rupees One Hundred Twenty-Three Only) each, and (ii) 30,38,886 (Thirty Lakh Thirty-Eight Thousand Eight Hundred Eighty-Six) 0.0001% (zero point zero zero zero one percent) Compulsory Convertible Cumulative Participating Preference Shares –SeriesC (CCPS – Series C) of face value of ₹ 250/- (Rupees Two Hundred Fifty Only) each.

**RESOLVED FURTHER THAT** pursuant to Section 13 and all other applicable provisions of the Companies Act, 2013, the existing Clauses V of the Memorandum of Association of the Company be and is hereby substituted with the following new Clause V:

- V. the Authorized Share Capital of the Company is ₹ 147,15,76,922/- (Rupees One Hundred Forty-Seven Crore Fifteen Lakh Seventy-Six Thousand Nine Hundred Twenty-Two only) divided into –**
- **29,43,15,384 (Twenty-Nine Crore Forty-three Lakh Fifteen Thousand Three Hundred Eighty-Four) Equity Shares of face value of ₹ 5/- (Rupees Five Only) and.**
  - **Unclassified Share Capital ₹ 2/- (Rupees Two Only).**

*The Company has the power from time to time to increase or reduce its capital and to divide the share in the capital*

*for the time being into other classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions subject to and in accordance with the Articles of Association of the Company.*

**RESOLVED FURTHER THAT**, any one of the Directors and / or Chief Financial Officer and / or Company Secretary of the Company, are hereby severally authorised to do all such acts deemed necessary, proper or desirable, and to settle or give instructions and directions for settling any questions, difficulties or doubts that may arise in this regard and to give effect to such modifications, changes, variations, alterations, deletions or additions as may be deemed fit and proper in the best interest of the Company and things with respect to the above and sign, execute and deliver such deeds, documents, writings or paper as may be necessary or incidental to give effect to the foregoing resolutions.

**RESOLVED FURTHER THAT**, a copy of the above resolution, certified to be true by any one of the Directors and / or Chief Financial Officer and / or Company Secretary of the Company, be forwarded to concerned authorities for necessary actions.”

By Order of the Board of Directors

**Nikhil Deshpande**  
Company Secretary  
(M. No. A28940)

Pune, August 04, 2022

**Registered Office:**

S. No. 243/A, Hissa No. 6, CTS No. 4519, 4519/1,  
Near Chinchwad Station, Chinchwad,  
Taluka - Haveli Pune MH 411019  
CIN: L74900PN2010PLC138068

## NOTES

1. The Ministry of Corporate Affairs ("MCA") vide its General Circular Nos. 14/2020, 17/2020, 20/2020 and 02/2021 dated April 8, 2020, April 13, 2020, May 5, 2020 January 13, 2021, December 8, 2021, December 14, 2021 and 02/2022 dated May 5, 2022 respectively ("MCA Circulars"), allowed companies whose AGMs were due to be held in the year 2022 to conduct their AGMs on or before December 31, 2022, in accordance with the requirements provided inter-alia in paragraphs 3 and 4 of the General Circular No. 20/2020 dated May 5, 2020. Accordingly, the AGM of the Company is being held through VC/OAVM. The deemed venue of the meeting shall be deemed to be the Registered Office of the Company situated at S. No. 243/A, Hissa No. 6, CTS No. 4519, 4519/1, Near Chinchwad Station, Chinchwad, Taluka - Haveli Pune 411019 MH India.
2. In compliance with the aforesaid Circulars, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories as on Friday, August 26, 2022. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website [www.krsnaadiagnostics.com](http://www.krsnaadiagnostics.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of NSDL <https://www.evoting.nsdl.com>
3. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013 ("the Act").
4. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 ("Listing Regulations") (as amended), and MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has engaged National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-Voting system as well as voting on the date of the AGM will be provided by NSDL.
5. Pursuant to aforesaid MCA Circulars, the facility for appointment of proxies by the Members will not be available. Since the AGM will be held through VC/OAVM, route map, proxy form and attendance slip are not annexed to the Notice.
6. The Explanatory Statement as required under Section 102 of the Act, is annexed hereto. Further, additional information, inter-alia, pursuant to Regulation 26(4) and 36 of the Listing Regulations, in respect of Director seeking re-appointment at the AGM, forms part of the Notice and/or Annual Report.

## Dividend-related information

7. The Board of Directors has recommended a Final Dividend of ₹ 2.50 per equity share of ₹ 5.00 each for the Financial Year ended on March 31, 2022, that is proposed to be paid within a period of 30 days from the date of declaration, subject to approval of the shareholders at the 12<sup>th</sup> AGM.
8. The Company has fixed Friday, September 16, 2022 as the record date for determination of entitlement for payment of Final Dividend.
9. Pursuant to amendments in the Income Tax Act, 1961 ("IT Act") dividend income is taxable in the hands of the shareholders from April 1, 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members as per the rates prescribed in IT Act. In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants ("DP") or in case shares are held in physical form, with Company's Registrar and Transfer Agents viz., KFin Technologies Limited ("RTA").
10. Further, in order to receive dividend(s) in a seamless manner, Members who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means ("Electronic Bank Mandate"), are requested to update your Electronic Bank Mandate through your DPs.
11. In the event the Company is unable to pay the dividend to any Member directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate or otherwise, the Company shall dispatch the dividend

warrant/Bankers' cheque/demand draft or any other permitted instrument(s), to such Member, as soon as possible.

### **INSTRUCTION FOR MEMBERS FOR REMOTE E-VOTING AND ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

The remote e-voting period begins on Saturday, September 24, 2022 at 9:00 A.M. (IST) and ends on Monday, September 26, 2022 at 5:00 P.M. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the cut-off date i.e. Tuesday, September 20, 2022 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the aforesaid cut-off date.

### **How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

#### **Step 1: Access to NSDL e-Voting system**

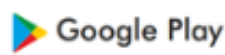
##### **A) Login method for e-Voting for Individual shareholders holding securities in DEMAT mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in DEMAT mode are allowed to vote through their DEMAT account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their DEMAT accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in DEMAT mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in DEMAT mode with NSDL.	<ol style="list-style-type: none"> <li>Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https:// eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https:// www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit DEMAT account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders / Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>

**NSDL Mobile App is available on**



Type of shareholders	Login Method
Individual Shareholders holding securities in DEMAT mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> <li>If the user is not registered for Easi / Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing DEMAT Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the DEMAT Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in DEMAT mode) login through their depository participants	You can also login using the login credentials of your DEMAT account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

### Helpdesk for Individual Shareholders holding securities in DEMAT mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in DEMAT mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in DEMAT mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk. <a href="mailto:evoting@cdslindia.com">evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

### B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in DEMAT mode and shareholders holding securities in physical mode.

#### How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section.

- A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- Your User ID details are given below:

Manner of holding shares i.e. DEMAT (NSDL or CDSL) or Physical	
a) For Members who hold shares in DEMAT account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in DEMAT account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***



5. Password details for shareholders other than Individual shareholders are given below:
    - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
    - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
    - c) How to retrieve your 'initial password'?
      - (i) If your email ID is registered in your DEMAT account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
  6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
    - a) Click on "**Forgot User Details / Password?**" (If you are holding shares in your DEMAT account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your DEMAT account number/folio number, your PAN, your name and your registered address etc.
      - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
  7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  8. Now, you will have to click on "Login" button.
  9. After you click on the "Login" button, Home page of e-Voting will open.
- Step 2: Cast your vote electronically on NSDL e-Voting system.**
- How to cast your vote electronically on NSDL e-Voting system?**
1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
  2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting"
  3. Now you are ready for e-Voting as the Voting page opens.
  4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
  5. Upon confirmation, the message "Vote cast successfully" will be displayed.
  6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- General Guidelines for Shareholders**
- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [csdineshbirla@gmail.com](mailto:csdineshbirla@gmail.com) with a copy marked



to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-Voting" tab in their login.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details / Password?" or "Physical User Reset Password?" option available on www.evoting.nsd.com to reset the password.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsd.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Sarita Mote at evoting@nsdl.co.in

**Process for those shareholders whose email IDs are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this Notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investors@krsnadiagnostics.com.
2. In case shares are held in DEMAT mode, please provide DPID-CLID (16 digit DPID + CLID or 16digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investors@krsnadiagnostics.com. If you are an Individual shareholders holding securities in DEMAT mode, you are requested to refer to the login method explained at step **1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in DEMAT mode.**
3. Alternatively shareholder / members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies,

Individual shareholders holding securities in DEMAT mode are allowed to vote through their DEMAT account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their DEMAT account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
2. Only those Members / shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system at the AGM.
3. Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-Voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members can join the AGM in the VC / OAVM mode 30 minutes before the scheduled commencement time of the Meeting and window for joining the Meeting shall be kept open throughout the meeting by following the procedure mentioned in the Notice.

The facility of participation at the AGM through VC/ OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

3. Members are encouraged to join the Meeting through Laptops for better experience.
4. Please note that Participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ ask questions during the AGM may register themselves as speaker by sending request from their registered E-mail ID, if any, mentioning their names, DP ID and Client ID/Folio Number, PAN and mobile number at [investors@krsnadiagnostics.com](mailto:investors@krsnadiagnostics.com) between 9:00 a.m. (IST) on Saturday, 24<sup>th</sup> September, 2022 to 5:00 p.m. (IST) Monday, 26<sup>th</sup> September, 2022. Members who have registered themselves as a speaker as aforesaid, will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending upon the availability of time for the AGM. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Members who do not wish to speak during the AGM but have queries, may send the same latest by Friday, 16<sup>th</sup> September, 2022, mentioning their names, DP ID and Client ID/Folio Number, email ID and mobile number at [investors@krsnadiagnostics.com](mailto:investors@krsnadiagnostics.com). The same will be replied suitably at the AGM or by email.
7. Members who need assistance before or during the AGM with use of technology, can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or use a Toll-free No. (helpline): 1800 1020 990 or connect with Ms. Sarita Mote, NSDL.

8. Further instructions, if any, regarding this AGM and related matters, shall be available on the website of the Company, under Investors section.

### **Other Information**

1. Mr. Dinesh Birla (FCS 7658), Company Secretary, has been appointed as the Scrutinizer to scrutinize the e-Voting process and to conduct the same in a fair and transparent manner.
2. The Scrutinizer shall within the prescribed period from conclusion of the AGM, unblock the votes in the presence of at least two (2) witnesses not in employment of the Company and make a consolidated Scrutinizer's Report for the votes cast during the AGM & votes cast through remote e-Voting and submit his report to the Chairman and/ or authorised person of the Company. The results will be announced on or before Thursday, September 29, 2022 i.e. within 48 hours from the conclusion of AGM. The resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolutions.
3. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act and Certificate from the Secretarial auditor of the Company under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, will be available electronically for inspection by the members during the AGM. All documents referred to in the notice will also be available for electronic inspection without any fee, up to the date of AGM. Members seeking to inspect such documents may send a request on the email ID [investors@krsnadiagnostics.com](mailto:investors@krsnadiagnostics.com).
4. The results declared along with the Scrutinizer's report will be placed on the website of the Company i.e. <https://krsnaadiagnostics.com> under Investors section and on the website of NSDL i.e. <https://evoting.nsdl.com>. The results shall also be communicated to the Stock Exchanges.
5. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of Bank and branch details, bank account number, MICR code, IFSC code etc.

Type of holder	Process to be followed
Demat	Please contact your DP and register your email address and bank account details in your demat account, as per the process advised by your DP
Physical	For availing the following investor services, send a written request in the prescribed forms to the RTA of the Company, KFin Technologies Limited either by email to einward.ris@kfintech.com or by post to Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032.
	Form for availing investor services to register PAN, email address, bank details and other Form ISR-1 KYC details or changes/update thereof for securities held in physical mode
	Update of signature of securities holder <span style="float: right;">Form ISR-2</span>
	<b>For nomination as provided in the Rule 19(1) of Companies (Share Capital and Form SH-13 Debenture) Rules, 2014</b>
	<b>Cancellation of nomination by the holder(s) (along with ISR-3)/Change of Nominee</b> <span style="float: right;">Form SH-14</span>
	<b>Form for requesting issue of Duplicate Certificate and other service requests for Form ISR- 4 shares held in physical form</b>
	Members may download all the forms from website of the Company or RTA i.e. <a href="https://krsnaadiagnostics.com">https://krsnaadiagnostics.com</a> or <a href="http://www.kfintech.com">www.kfintech.com</a>

- i. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.
- ii. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to RTA in case the shares are held in physical form.
6. SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities by March 31, 2023 and linking PAN with Aadhar by March 31, 2022 vide its circular dated November 3, 2021 and December 15, 2021. Shareholders are requested to submit their PAN, KYC and nomination details to the Company's registrars KFin Technologies Limited at einward.ris@kfintech.com. The forms for updating the same are available at <https://krsnaadiagnostics.com>
7. Members holding shares in electronic form are, therefore, requested to submit their PAN to their DP. In case a holder of physical securities fails to furnish these details or link their PAN with Aadhar before the due date, our registrars are obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the Registrar/the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and/or the Prevention of Money Laundering Act, 2002.
8. Members are requested to address all correspondence, including dividend related matters, to (RTA):
- K V S Gopala Krishna  
KFin Technologies Limited,  
Unit: Krsnaa Diagnostics Limited,  
Selenium Tower B, Plot 31-32, Financial District,  
Nanakramguda Serilingampally  
Mandal, Hyderabad 500 032, India  
Tel: +91 40 6716 2222  
Fax: +91 40 2342 0814  
E-mail: einward.ris@kfintech.com
9. To support the Green initiatives taken by the MCA, Members are requested to register their email ID(s) (if not already done), so that all future communication/documents can be sent in electronic mode.
- Members holding shares in physical form and who have not registered their email ID(s) may get their email ID's registered with the RTA, by sending an email to einward.ris@kfintech.com. Members are requested to provide details such as name, folio number, certificate number, PAN, mobile number, and email ID and attach image of share certificate in PDF or JPEG format.
- In respect of DEMAT holdings, for registration of email-ID, the members are requested to register the same with the respective DP by following the procedure prescribed by their DP.

## STATEMENT EXPLAINING MATERIAL FACTS PURSUANT TO SECTION 102 OF THE ACT

### Item No. 4 – Ratification of Remuneration payable to Cost Auditors for the Financial Year 2022-23

The Board of Directors of the Company at its meeting held on August 4, 2022, on recommendation by the Audit Committee, appointed M/s Harshad S. Deshpande & Associates (Firm Registration Number: 00378), Cost and Management Accountants, as the Cost Auditors for the Financial Year 2022-23 at a remuneration of ₹ 100,000/- (₹ One Lakh only) plus applicable taxes and out of pocket expenses.

As per Section 148 of Companies Act, 2013 and applicable rules thereunder, the remuneration payable to the Cost Auditors is to be ratified by the shareholders of the Company.

The Board considers the remuneration payable to the Cost Auditors as fair and recommends the resolution contained in Item no. 4 of the accompanying notice for approval of the Shareholders as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of this AGM Notice.

### Item No. 5 – Reclassification of Authorised Share Capital and consequent Alteration of Memorandum of Association.

The Board of Directors vide resolution passed in their meeting held on August 4, 2022, decided to alter the Capital clause of the Memorandum of Association of the Company, to re-classify (by cancelling the un-issued Preference Share capital) the Authorised Share Capital of the Company subject to approval of the shareholders of the Company.

The Present Authorised Share Capital of Krsnaa Diagnostics Limited ("the Company") is as under:

- (a) 4,24,48,000 (Four Crore Twenty-Four Lakh Forty-Eight Thousand) Equity Shares of face value of ₹ 5/- (Rupees Five only) each,
- (b) 40,61,914 (Forty Lakh Sixty-One Thousand Nine Hundred and Fourteen) Compulsory Convertible Cumulative Participating Preference Shares – Series A (CCPS–Series A) of face value of ₹ 123/- (Rupees One Hundred Twenty-Three Only) each, and
- (c) 30,38,886 (Thirty Lakh Thirty-Eight Thousand Eight Hundred Eighty-Six) 0.0001% (zero point zero zero zero one percent) Compulsory Convertible Cumulative Participating Preference Shares –Series C (CCPS – Series C) of face value of ₹ 250/- (Rupees Two Hundred Fifty Only) each.

Since the Company has already converted all the preference shares into Equity shares, it is deemed appropriate to re-classify the Authorised Share Capital of the Company and for that purpose, the Memorandum of Association of the Company is proposed to be altered in the manner specified in resolution at Item No. 5 of the accompanied notice.

The draft of the Memorandum of Association of the Company, after incorporating the proposed changes is available for inspection by the Members at the Registered Office of the Company during business hours on any working day up to the date of the Meeting and will be kept open at the place of the Meeting during the continuation of the Meeting.

The Board therefore, submits the resolutions for your consideration and recommends it to be passed as a Special Resolution.

None of the Directors or Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of this AGM Notice.

**ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT/RE-APPOINTMENT AS REQUIRED UNDER LISTING REGULATIONS AND APPLICABLE SECRETARIAL STANDARDS:**

**YASH PRITHVIRAJ MUTHA**

Age	41 Years
Date of first appointment on the Board	January 31, 2019
Qualification	Chartered Accountant
Brief Profile	Yash Mutha is the Whole-time Director of our Company. He holds a bachelor's degree in commerce from the University of Pune and has been admitted to the Institute of Chartered Accountants of India as an associate member. He is also a certified fraud examiner and has been accredited by Association of Certified Fraud Examiners, USA and a Certified Information Systems Auditor ("CISA") accredited by the CISA Certification Committee, USA. He has been associated with our Company since October 17, 2018. He has over 12 years of experience in the field of audit and risk management. He is currently responsible for internal audit, risk review and development of business processes. Prior to joining our Company, he was associated with BSR & Co. LLP as assistant manager (audit), Deloitte as senior manager (audit), KPMG as a governance and risk compliance services manager and Credit Suisse Services (India) Private Limited as assistant vice president.
Nature of expertise in specific functional area/skills and capabilities	<ol style="list-style-type: none"> <li>1. Business Operations and Management;</li> <li>2. Technical Expertise;</li> <li>3. Business operations at Global Level including industry knowledge;</li> <li>4. Strategy and Planning;</li> <li>5. Financial Treasury management and taxation expertise;</li> <li>6. Governance Compliance and Risk Management</li> </ol>
Directorships in other Companies	NIL
Memberships of Committees in other Companies	NIL
Number of Board meetings of the Company attended during FY 2021-22	All the 9 (Nine) meetings held during the year.
Listed entities from which Yash Prithviraj Mutha has resigned as Director in past 3 years	Not applicable
No. of Shares held in the Company, including shareholding as a beneficial owner	570
Disclosure of inter-se relationships between Directors and Key Managerial Personnel	Mr. Yash Mutha is not related to any one of the Directors or Key Managerial Personnel of the Company as per applicable regulatory provisions.