

October 27, 2021

To,

National Stock Exchange of India Limited  
Exchange Plaza  
Bandra Kurla Complex,  
Bandra (E), Mumbai - 400 051

BSE Limited  
Phiroze Jeejeeboy Towers  
Dalal Street,  
Mumbai- 400 001

Dear Sir/Madam,

**Sub: Outcome of Board Meeting- 27-10-2021- Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

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This is to inform you that the Board of Directors of the Company, at their meeting held today:

- 1) Approved the Audited Special Purpose Consolidated financial statements of the Company as on 30<sup>th</sup> June 2021, to be included in the DRHP of API Holdings Ltd., who are holding company of Docon Technologies Limited, who are our holding company. Copies of the said statements are attached for information.
- 2) Noted the Management Accounts of the Company (unaudited, not reviewed) as on 30<sup>th</sup> September 2021 which would be shared with API Holdings Limited and their merchant bankers to give them comfort with respect to their DRHP. This will not be published or shared with any other individual/entity as it might be considered as unpublished price sensitive information.
- 3) Approved the proposal, based on the recommendation of the Audit Committee, to enter into an agreement for outsourcing the processing of samples and generating report, with API Holdings Ltd., who are a Related Party under statutory provisions.

Yours Faithfully,

For Thyrocare Technologies Limited,



**Ramjee Dorai**  
Company Secretary and Compliance Officer



Thyrocare Technologies Limited

# Thyrocare Technologies Limited

## Consolidated Balance Sheet

as at 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

	Note	30 June 2021	31 March 2021
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	1,309.60	1,293.30
Capital work-in-progress	4	74.40	82.80
Goodwill	4D	1,002.80	1,002.80
Other intangible assets	5A	9.20	9.60
Right-of-use assets	5B	377.10	224.90
Equity accounted investees	6	208.10	211.00
Financial assets	8,9	67.90	59.70
Deferred tax assets	10	53.60	56.30
Other tax assets	11	137.30	104.00
Other non-current assets	12	32.90	32.30
<b>Total non-current assets</b>		<b>3,272.90</b>	<b>3,076.70</b>
<b>Current assets</b>			
Inventories	13	269.20	233.60
Financial assets			
Investments	7	509.00	1,044.90
Trade receivables	14	550.50	446.80
Cash and cash equivalents	15	448.80	132.00
Other bank balances	15	25.30	25.30
Loans	8	0.20	6.00
Other financial assets	16	1.20	60.70
Other current assets	17	46.60	28.50
Assets held for sale	4	283.60	403.50
<b>Total current assets</b>		<b>2,134.40</b>	<b>2,381.30</b>
<b>Total assets</b>		<b>5,407.30</b>	<b>5,458.00</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	18	528.70	528.70
Other equity	19	3,508.60	3,744.10
<b>Equity attributable to owners of the Company</b>		<b>4,037.30</b>	<b>4,272.80</b>
<b>Non-controlling interests</b>		<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>4,037.30</b>	<b>4,272.80</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Lease liabilities	20	216.40	54.50
Provisions	22A	114.30	135.80
Deferred tax liabilities	10	40.50	43.90
<b>Total non-current liabilities</b>		<b>371.20</b>	<b>234.20</b>
<b>Current liabilities</b>			
Financial liabilities			
Lease liabilities	20	23.40	30.40
Trade payables	23		
- total outstanding dues of micro enterprises and small enterprises and		15.60	5.30
- total outstanding dues of creditors other than micro enterprises and small enterprises		179.00	244.80
Other financial liabilities	21	217.60	234.30
Current tax liabilities (net)	24	140.00	25.70
Provisions	22B	21.90	33.90
Other current liabilities	25	401.30	376.60
<b>Total current liabilities</b>		<b>998.80</b>	<b>951.00</b>
<b>Total equity and liabilities</b>		<b>5,407.30</b>	<b>5,458.00</b>
Significant accounting policies	2-3		

The accompanying notes form an integral part of the Special Purpose Interim Ind AS consolidated financial statements.

As per our report of even date attached

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

**Vaijayantimala Belsare**  
Partner  
Membership No: 049902

Mumbai, 27 October 2021

For and on behalf of the Board of Directors of  
**Thyrocare Technologies Limited**  
CIN - L85110MH2000PLC123882

**Hardik Dedhia**                      **Dharmil Sheth**  
Director                                      Director  
DIN - 06660799                      DIN - 06999772

**Ramjee D**  
Company Secretary  
Membership No - F2966  
Navi Mumbai, 27 October 2021

# Thyrocare Technologies Limited

## Consolidated Statement of Profit and Loss

for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

	Note	Period ended 30 June 2021	Period ended 31 March 2021
Revenue from operations	26	1,646.40	4,946.20
Other income	27	105.00	124.30
<b>Total income</b>		<b>1,751.40</b>	<b>5,070.50</b>
<b>Expenses</b>			
Cost of materials consumed	28a.	523.90	1,625.30
Purchases of stock-in-trade	28b.	18.70	10.90
Changes in inventories of stock-in-trade	28c.	(0.50)	2.80
Employee benefits expense	29	139.10	580.70
Finance cost		6.20	8.70
Depreciation and amortisation expense	4,5	73.00	302.80
Other expenses	30	253.00	1,013.90
<b>Total expenses</b>		<b>1,013.40</b>	<b>3,545.10</b>
<b>Profit before share of profit of associate, exceptional items and tax</b>		<b>738.00</b>	<b>1,525.40</b>
Share of (loss)/ profit of associate	6	(2.90)	(0.70)
<b>Profit before tax</b>		<b>735.10</b>	<b>1,524.70</b>
<b>Tax expense:</b>	31		
Current tax		180.60	442.50
Deferred tax		(1.20)	(49.30)
<b>Total Tax Expense</b>		<b>179.40</b>	<b>393.20</b>
<b>Profit for the period before Non controlling Interest</b>		<b>555.70</b>	<b>1,131.50</b>
Non- controlling Interest		-	-
<b>Profit for the period attributable to Owners of the Company</b>		<b>555.70</b>	<b>1,131.50</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit liability/(asset)		(2.10)	(18.70)
Income tax relating to items that will not be reclassified to profit or loss			
Remeasurement of defined benefit liability/(asset)	10,31	0.50	4.80
<b>Other comprehensive income for the period, net of tax</b>		<b>(1.60)</b>	<b>(13.90)</b>
<b>Total comprehensive income for the period</b>		<b>554.10</b>	<b>1,117.60</b>
<b>Other Comprehensive Income for the year Attributable to:</b>			
Non- controlling Interest		-	-
Owners of the Company		(1.60)	(13.90)
<b>Total Comprehensive Income for the year Attributable to:</b>			
Non- controlling Interest		-	-
Owners of the Company		554.10	1,117.60
<b>Earnings per share [Nominal value of Rs. 10 each]:</b>			
(a) Basic (INR)	32(i)	10.51	21.41
(b) Diluted (INR)	32(ii)	10.48	21.37

Significant accounting policies

2-3

The accompanying notes form an integral part of the Special Purpose Interim Ind AS consolidated financial statements.

As per our report of even date attached

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

For and on behalf of the Board of Directors of  
**Thyrocare Technologies Limited**  
CIN - L85110MH2000PLC123882

**Vaijayantimala Belsare**  
Partner  
Membership No: 049902

**Hardik Dedhia**  
Director  
DIN - 06660799

**Dharmil Sheth**  
Director  
DIN - 06999772

Mumbai, 27 October 2021

**Ramjee D**  
Company Secretary  
Membership No - F2966  
Navi Mumbai, 27 October 2021

# Thyrocare Technologies Limited

## Consolidated Statement of Cash Flows

for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

	Period ended 30 June 2021	Year ended 31 March 2021
<b>A. Cash flows from operating activities</b>		
Net profit before exceptional items, share of profit of associate and income tax	738.00	1,525.40
<i>Adjustments for:</i>		
Depreciation and amortisation	73.00	302.80
Net (gain) on investments	(14.90)	(36.80)
(Profit) on sale of property, plant and equipment	(80.00)	(42.00)
Allowance for credit impaired	13.10	4.30
Share issue expenses		0.20
Finance cost	6.20	8.70
Employee stock compensation expense	3.50	16.80
Interest income	(3.50)	(7.90)
	<u>(2.60)</u>	<u>246.10</u>
Operating profit before working capital changes	735.40	1,771.50
<i>Adjustments for :</i>		
(Increase) in Inventories	(35.60)	(27.40)
(Increase) in Trade receivables	(116.80)	(285.60)
(Increase)/ Decrease in Loans and advances	(2.70)	15.40
Decrease/ (Increase) in Other assets	35.70	(41.40)
(Decrease) in Trade payables	(55.40)	31.50
Increase in Other liabilities	25.40	71.70
(Decrease) in Provisions	(33.40)	59.30
	<u>(182.80)</u>	<u>(176.50)</u>
Cash generated from operations	552.60	1,595.00
Taxes paid (net of refunds)	(96.60)	(432.10)
<b>Net cash flows generated from operating activities (A)</b>	<u>456.00</u>	<u>1,162.90</u>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment, additions to capital work in progress and capital advances	(108.80)	(282.60)
Proceeds/ advance for sale of property, plant and equipment	226.50	53.10
Proceeds from sale of business undertaking	-	42.50
Purchase of current investments	(220.00)	(1,360.00)
Proceeds from sale of current investments	770.90	1,042.10
Investment in term deposits	-	(1.10)
Interest received	2.50	3.70
<b>Net cash (used) in/ from investing activities (B)</b>	<u>671.10</u>	<u>(502.30)</u>
<b>C. Cash flows from financing activities</b>		
Proceeds from issue of equity shares	-	0.30
Share issue expenses	-	(0.20)
Repayment of unsecured loan taken from related party	-	(25.00)
Payment towards principal portion of lease liabilities	(11.20)	(55.50)
Payment towards interest portion of lease liabilities	(6.00)	(5.50)
Dividend paid on equity shares	(793.10)	(528.40)
Interest paid	-	(1.40)
<b>Net cash used in financing activities (C)</b>	<u>(810.30)</u>	<u>(615.70)</u>
<b>Net Increase in Cash and cash equivalents (A+B+C)</b>	<u>316.80</u>	<u>44.90</u>
Cash and cash equivalents at the beginning of the year	132.00	87.10
<b>Cash and cash equivalents at the end of the year</b>	<u>448.80</u>	<u>132.00</u>

## Consolidated Statement of Cash Flows (Continued)

for the period ended 30 June 2021

### Notes to cash flow statement

- The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7, "Statement of cash flows".
- Reconciliation of cash and cash equivalents with the balance sheet:

Particulars	30 June 2021	31 March 2021
Cash and cash equivalents (refer note 15)	448.80	132.00
<b>Balance as per statement of cash flows</b>	<b>448.80</b>	<b>132.00</b>

- Reconciliation of the movements of liabilities to cash flows arising from financing activities :

Particulars	Lease liabilities
<b>Balance at 1 April 2020</b>	99.40
<b>Changes from financing cash flows</b>	
Repayment of lease liabilities - principal portion	(55.50)
Payment of interest on lease liabilities	(5.50)
<b>Total changes from financing cash flows</b>	<b>(61.00)</b>
<b>Other changes</b>	
Additional lease liabilities recognised/ (derecognised) during the year	41.00
Interest expense	5.50
<b>Balance at 31 March 2021</b>	<b>84.90</b>
<b>Balance at 1 April 2021</b>	<b>84.90</b>
<b>Changes from financing cash flows</b>	
Repayment of lease liabilities - principal portion	(11.20)
Payment of interest on lease liabilities	(6.00)
<b>Total changes from financing cash flows</b>	<b>(17.20)</b>
<b>Other changes</b>	
Additional lease liabilities recognised/ (derecognised) during the year	166.10
Interest expense	6.00
<b>Balance at 30 June 2021</b>	<b>239.80</b>

Significant accounting policies

The accompanying notes form an integral part of the Special Purpose Interim Ind AS Consolidated Financial Statements.

As per our report of even date attached.

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

For and on behalf of the Board of Directors of  
**Thyrocare Technologies Limited**  
CIN - L85110MH2000PLC123882

**Vaijayantimala Belsare**  
Partner  
Membership No: 049902

**Hardik Dedhia**  
Director  
DIN - 06660799

**Dharmil Sheth**  
Director  
DIN - 06999772

Mumbai, 27 October 2021

**Ramjee D**  
Company Secretary  
Membership No - F2966  
Navi Mumbai, 27 October 2021

# Thyrocare Technologies Limited

## Consolidated Statement of Changes in Equity for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

### a. Equity share capital

	Note	Amount
Balance as at the 1 April 2020		528.40
Changes in equity share capital during the year	18	0.30
<b>Balance as at the 31 March 2021</b>		<b>528.70</b>
Balance as at the 1 April 2021		528.70
Changes in equity share capital during the period	18	-
<b>Balance as at the 30 June 2021</b>		<b>528.70</b>

### b. Other equity

	Note	Reserves and surplus					Total	
		Capital reserve	Securities premium	Share options outstanding	General reserve	Capital redemption reserve		Retained earnings
Balance as at 1 April 2020		317.10	672.40	37.30	91.70	9.60	2,010.00	3,138.10
<b>Total comprehensive income for the year ended 31 March 2021</b>								
Profit for the year		-	-	-	-	-	1,131.50	1,131.50
Remeasurement of defined benefit liability/(asset)		-	-	-	-	-	(13.90)	(13.90)
Total comprehensive income		-	-	-	-	-	1,117.60	1,117.60
<b>Transaction with owners recorded directly in equity</b>								
Exercise of employee stock options	19(b)	-	24.70	-	-	-	-	24.70
Employee stock option compensation expense for the year	19(c)	-	-	16.80	-	-	-	16.80
Transfer to securities premium account on exercise of stock option	19(c)	-	-	(24.70)	-	-	-	(24.70)
Interim dividend on equity shares	19(f)	-	-	-	-	-	(528.40)	(528.40)
Total contributions by and distributions to owners		-	24.70	(7.90)	-	-	(528.40)	(511.60)
<b>Balance as at the 30 June 2021</b>		<b>317.10</b>	<b>697.10</b>	<b>29.40</b>	<b>91.70</b>	<b>9.60</b>	<b>2,599.20</b>	<b>3,744.10</b>
Balance as at 1 April 2021		317.10	697.10	29.40	91.70	9.60	2,599.20	3,744.10
<b>Total comprehensive income for the period ended 30 June 2021</b>								
Profit for the period		-	-	-	-	-	555.70	555.70
Remeasurement of defined benefit liability/(asset)		-	-	-	-	-	(1.60)	(1.60)
Total comprehensive income		-	-	-	-	-	554.10	554.10
<b>Transaction with owners recorded directly in equity</b>								
Employee stock option compensation expense for the period	19(c)	-	-	3.50	-	-	-	3.50
Final dividend on equity shares	19(f)	-	-	-	-	-	(793.10)	(793.10)
Total contributions by and distributions to owners		-	-	3.50	-	-	(793.10)	(789.60)
<b>Balance as at the 30 June 2021</b>		<b>317.10</b>	<b>697.10</b>	<b>32.90</b>	<b>91.70</b>	<b>9.60</b>	<b>2,360.20</b>	<b>3,508.60</b>

Significant accounting policies

2-3

The accompanying notes form an integral part of the Special Purpose Interim Ind AS consolidated financial statements.

As per our report of even date attached

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

For and on behalf of the Board of Directors of  
**Thyrocare Technologies Limited**  
CIN - L85110MH2000PLC123882

**Vaijayantimala Belsare**  
Partner  
Membership No: 049902

**Hardik Dedhia**                      **Dharmil Sheth**  
Director                                      Director  
DIN - 06660799                      DIN - 06999772

Mumbai, 27 October 2021

**Ramjee D**  
Company Secretary  
Membership No - F2966  
Navi Mumbai, 27 October 2021

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (*Continued*)

as at 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

### 4 Property, plant and equipment, capital work-in-progress and investment property

See accounting policies in Note 3 F

	Gross block				Accumulated depreciation and impairment losses					Net block		
	Balance as at 1 April 2021 Balance as at 1 April 2020	Addition	Disposal	Reclassification to assets held for sale/Reclassification to Right-of- use assets/ Other adjustments	Balance as at 30 June 2021 Balance as at 31 March 2021	Balance as at 1 April 2021 Balance as at 1 April 2020	Depreciation/ amortisation expense for the period	On disposals	Transfer on reclassification to assets held for sale*/right-of-use assets	Balance as at 30 June 2021 Balance as at 31 March 2021	Balance as at 30 June 2021 Balance as at 31 March 2021	Balance as at 31 March 2021 Balance as at 31 March 2020
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>A Property, plant and equipment</b>												
<b>Freehold Land</b>	<b>70.90</b>	-	-	-	<b>70.90</b>	-	-	-	-	-	<b>70.90</b>	<b>70.90</b>
	<i>166.20</i>	-	-	<i>(95.30)</i>	<i>70.90</i>	-	-	-	-	-	<i>70.90</i>	<i>166.20</i>
<b>Buildings/ Premises</b>	<b>469.40</b>	-	-	-	<b>469.40</b>	<b>97.90</b>	<b>4.70</b>	-	-	<b>102.60</b>	<b>366.80</b>	<b>371.50</b>
	<i>483.40</i>	-	<i>(14.00)</i>	-	<i>469.40</i>	<i>83.80</i>	<i>20.60</i>	<i>(6.50)</i>	-	<i>97.90</i>	<i>371.50</i>	<i>399.60</i>
<b>Plant and Equipment</b>	<b>1,383.70</b>	<b>64.30</b>	-	-	<b>1,448.00</b>	<b>710.60</b>	<b>37.50</b>	-	-	<b>748.10</b>	<b>699.90</b>	<b>673.10</b>
	<i>1,289.40</i>	<i>152.10</i>	<i>(57.80)</i>	-	<i>1,383.70</i>	<i>573.30</i>	<i>166.50</i>	<i>(29.20)</i>	-	<i>710.60</i>	<i>673.10</i>	<i>716.10</i>
<b>Furniture and Fixtures</b>	<b>247.60</b>	<b>5.60</b>	-	-	<b>253.20</b>	<b>126.60</b>	<b>10.60</b>	-	-	<b>137.20</b>	<b>116.00</b>	<b>121.00</b>
	<i>197.20</i>	<i>57.70</i>	<i>(7.30)</i>	-	<i>247.60</i>	<i>95.60</i>	<i>34.10</i>	<i>(3.10)</i>	-	<i>126.60</i>	<i>121.00</i>	<i>101.60</i>
<b>Vehicles</b>	<b>4.30</b>	-	<b>(0.40)</b>	-	<b>3.90</b>	<b>1.90</b>	<b>0.20</b>	<b>-0.30</b>	-	<b>1.80</b>	<b>2.10</b>	<b>2.40</b>
	<i>6.70</i>	-	<i>(2.40)</i>	-	<i>4.30</i>	<i>3.00</i>	<i>1.10</i>	<i>(2.20)</i>	-	<i>1.90</i>	<i>2.40</i>	<i>3.70</i>
<b>Office equipment</b>	<b>95.30</b>	<b>3.00</b>	-	-	<b>98.30</b>	<b>52.70</b>	<b>3.90</b>	-	-	<b>56.60</b>	<b>41.70</b>	<b>42.60</b>
	<i>66.40</i>	<i>31.00</i>	<i>(2.10)</i>	-	<i>95.30</i>	<i>38.90</i>	<i>15.20</i>	<i>(1.40)</i>	-	<i>52.70</i>	<i>42.60</i>	<i>27.50</i>
<b>Computers printers and scanners</b>	<b>59.80</b>	<b>1.80</b>	-	-	<b>61.60</b>	<b>48.00</b>	<b>1.40</b>	-	-	<b>49.40</b>	<b>12.20</b>	<b>11.80</b>
	<i>51.00</i>	<i>8.80</i>	-	-	<i>59.80</i>	<i>36.10</i>	<i>11.90</i>	-	-	<i>48.00</i>	<i>11.80</i>	<i>14.90</i>
<b>Total</b>	<b>2,331.00</b>	<b>74.70</b>	<b>(0.40)</b>	-	<b>2,405.30</b>	<b>1,037.70</b>	<b>58.30</b>	<b>(0.30)</b>	-	<b>1,095.70</b>	<b>1,309.60</b>	<b>1,293.30</b>
	<i>2,260.30</i>	<i>249.60</i>	<i>(83.60)</i>	<i>-95.30</i>	<i>2,331.00</i>	<i>830.70</i>	<i>249.40</i>	<i>(42.40)</i>	-	<i>1,037.70</i>	<i>1,293.30</i>	<i>1,429.60</i>
<b>B Capital work-in-progress</b>	<b>82.80</b>	<b>65.90</b>	<b>(74.30)</b>	<b>74.40</b>								
	<i>49.40</i>	<i>293.10</i>	<i>(259.70)</i>	<i>82.80</i>								

Figures in italic pertains to previous year.

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (Continued)

as at 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

### 4 Property, plant and equipment, capital work-in-progress and investment property (Continued)

	Gross block				Accumulated depreciation and impairment losses					Net block		
	Balance as at 1 April 2021 Balance as at 1 April 2020	Addition	Disposal	Reclassification to assets held for sale	Balance as at 30 June 2021 Balance as at 31 March 2021	Balance as at 1 April 2021 Balance as at 1 April 2020	Depreciation/ amortisation expense for the period	On disposals	Transfer on reclassification to assets held for sale**	Balance as at 30 June 2021 Balance as at 31 March 2021	Balance as at 30 June 2021 Balance as at 31 March 2021	Balance as at 31 March 2021 Balance as at 31 March 2020
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>C Assets held for sale *</b>												
Leasehold Land	72.30	-	(27.90)	-	44.40	3.30	-	(1.10)	-	2.20	42.20	69.00
	72.30	-	-	-	72.30	3.30	-	-	-	3.30	69.00	69.00
Freehold Land	95.30	-	-	-	95.30	-	-	-	-	-	95.30	95.30
	95.30	-	-	-	95.30	-	-	-	-	-	95.30	-
Buildings/ Premises	274.90	-	(109.50)	-	165.40	35.70	-	(16.40)	-	19.30	146.10	239.20
	281.70	0.60	(7.40)	-	274.90	39.20	-	(3.50)	-	35.70	239.20	-
<b>Total assets held for sale</b>	<b>442.50</b>	<b>-</b>	<b>(137.40)</b>	<b>-</b>	<b>305.10</b>	<b>39.00</b>	<b>-</b>	<b>(17.50)</b>	<b>-</b>	<b>21.50</b>	<b>283.60</b>	<b>403.50</b>
	449.30	0.60	-7.40	-	442.50	42.50	-	(3.50)	-	39.00	403.50	69.00

#### Note

##### \* Assets held for sale

The Company has reclassified certain building premises to assets held for sale in previous years as the Company has already received advances towards sale consideration for building premises. The procedural formalities for effecting the transfer could not be completed before 30 June 2021. The sale of these assets held for sale is expected to be completed before 31 March 2022.

4D. The Group tested the goodwill on consolidation for impairment as at 30 June 2021. The Group prepared its cash flow forecasts based on the most recent financial forecasts approved by management with projected revenue growth rates ranging from 10% to 15% over a 10 year forecast period which in Management's assessment was the most appropriate period to consider given the inherent nature of the business which involves a significant initial gestation period before centres reach break-even and the growth potential in the industry that exists considering various factors including the past experience. Growth rate used for extrapolation of cash flows beyond the period covered by the forecasts is 3%. The rates used to discount the forecasted cash flows is 13.46%. Management believes that any reasonable possible change to the discount rate or revenue growth rate could have an impact on the recoverable amount, however, Management believes the assumptions considered represent Management's best estimate as at 30 June 2021.

Particulars	As at	As at
	30 June 2021	31 March 2021
Goodwill	1,002.80	1,002.80



# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (Continued)

as at 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

### 5 Other intangible assets and right-of-use assets

See accounting policy in Note 3 G

A	Intangible assets	Gross block				Accumulated depreciation and impairment losses					Net block		
		Balance as at 1 April 2021 Balance as at 1 April 2020	Addition	Disposal	Reclassification to assets held for sale	Balance as at 30 June 2021 Balance as at 31 March 2021	Balance as at 1 April 2021 Balance as at 1 April 2020	Depreciation/ amortisation expense for the period	On disposals	Transfer on reclassification to assets held for sale**	Balance as at 30 June 2021 Balance as at 31 March 2021	Balance as at 30 June 2021 Balance as at 31 March 2021	Balance as at 31 March 2021 Balance as at 31 March 2020
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
	Computer software	12.80	-	-	-	12.80	11.80	-	-	-	11.80	1.00	1.00
		12.80	-	-	-	12.80	11.30	0.50	-	-	11.80	1.00	1.50
	Trademark	14.60	-	-	-	14.60	6.00	0.40	-	-	6.40	8.20	8.60
		14.60	-	-	-	14.60	4.50	1.50	-	-	6.00	8.60	10.10
	<b>Total intangible assets</b>	<b>27.40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27.40</b>	<b>17.80</b>	<b>0.40</b>	<b>-</b>	<b>-</b>	<b>18.20</b>	<b>9.20</b>	<b>9.60</b>
		27.40	-	-	-	27.40	15.80	2.00	-	-	17.80	9.60	11.60
B	Right of use assets (net off investment in sub-leases)	Gross block				Accumulated depreciation and impairment losses					Net block		
		Balance as at 1 April 2021 Balance as at 1 April 2020	Recognised during the period	Derecognised during the period	Other adjustments	Balance as at 30 June 2021 Balance as at 31 March 2021	Balance as at 1 April 2021 Balance as at 1 April 2020	Depreciation/ amortisation expense for the year	On Derecognition	Impairment losses	Balance as at 30 June 2021 Balance as at 31 March 2021	Balance as at 30 June 2021 Balance as at 31 March 2021	Balance as at 31 March 2021 Balance as at 31 March 2020
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
	Leasehold Land	157.00	-	-	-	157.00	6.00	0.70	-	-	6.70	150.30	151.00
		157.00	-	-	-	157.00	3.00	3.00	-	-	6.00	151.00	154.00
	Buildings	108.60	12.70	-	-	121.30	34.70	7.90	-	-	42.60	78.70	73.90
		110.70	57.90	(60.00)	-	108.60	31.80	34.40	(31.50)	-	34.70	73.90	78.90
	Plant and machinery	32.60	153.80	(32.60)	-	153.80	32.60	5.70	(32.60)	-	5.70	148.10	-
		32.60	-	-	-	32.60	18.60	14.00	-	-	32.60	-	14.00
	<b>Total</b>	<b>298.20</b>	<b>166.50</b>	<b>(32.60)</b>	<b>-</b>	<b>432.10</b>	<b>73.30</b>	<b>14.30</b>	<b>(32.60)</b>	<b>-</b>	<b>55.00</b>	<b>377.10</b>	<b>224.90</b>
		300.30	57.90	-60.00	-	298.20	53.40	51.40	(31.50)	-	73.30	224.90	246.90

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (*Continued*)

as at 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

30 June 2021 31 March 2021

### 6 Equity accounted investees

See accounting policy in Note 2(F)(v)

#### Interest in associates

Equity shares (unquoted)	208.10	211.00
429,185 (31 March 2020 : 429,185) equity shares of Equinox Laboratories Private Limited		
	<u>208.10</u>	<u>211.00</u>

#### Associates

##### Equinox Laboratories Private Limited (Equinox)

The Group had acquired 30% stake in Equinox Laboratories Private Limited (Equinox) vide the terms of the Share Subscription and Shareholder's agreement and Business Transfer agreement executed on 15 December 2017 and 3 January 2018 respectively, partially by subscribing to 214,592 equity shares of Equinox in cash and partially by subscribing to 214,593 equity shares of Equinox for consideration other than cash i.e. by transferring Thyrocare Technologies Limited Water Testing Business on a slump sale basis. Equinox is domiciled in India and engaged in the business of testing and analysis of food, water and air samples.

Ownership interest	30%	30%
Carrying amount of assets and liabilities of the associate entity as per its standalone financial statements:		
Non-current assets	246.20	221.50
Current assets	51.20	65.60
Non-current liabilities	(15.10)	(13.20)
Current liabilities	(41.70)	(23.60)
Net assets (100%)	<u>240.60</u>	<u>250.30</u>
Group's share of net assets (based on carrying amount as per associate's financial statements)	<u>72.18</u>	<u>75.10</u>
Revenue	23.90	92.90
Profit	(9.60)	(2.50)
Other comprehensive income	-	0.00*
Total comprehensive income	<u>(9.60)</u>	<u>(2.50)</u>
Group's share of Profit (30%)	(2.90)	(0.75)
Group's share of OCI (30%)	-	0.00*
<b>Group's share of total comprehensive income</b>	<u>(2.90)</u>	<u>(0.75)</u>

\* amount less than Rs. 1 Lakh

#### Reconciliation of investments in associates

Opening balance	211.00	211.70
Share of (loss)/profit	(2.90)	(0.70)
Share of other comprehensive income	-	-
Closing balance	208.10	211.00

During the period ended 30 June 2021, the Group did not receive any dividend from its associates.

The associate does not have any contingent liabilities and capital commitments as at 30 June 2021 and at 31 March 2021

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (*Continued*)

as at 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

	30 June 2021	31 March 2021
<b>7 Investments</b>		
<b>Current investments</b>		
Investments in Mutual Funds (Quoted) measured at FVTPL		
596,157.929 units (31 March 2021 : 596,157.929 units) of ABSL Corporate Fund - Growth	52.50	51.70
2,681,594.421 units (31 March 2021 : 2,681,594.421 units) of ABSL Short Term Fund - Growth - Direct	104.70	103.10
12008.244 units (31 March 2021 : 12008.244 units) of Aditya Birla Sunlife Savings Fund -Direct Plan	5.20	5.10
20,704.832 units (31 March 2021 : 20,704.832 units) of Axis Treasury Advantage Fund - Direct Growth	52.00	51.40
428728.842 units (31 March 2021 : 428728.842 units) of HDFC Ultra Short Term Fund	5.20	5.10
3473855.434 units (31 March 2021 : Nil units) of ICICI Ultra Short Term Fund - Growth	80.40	-
1,022,348.239 units (31 March 2021 : 1,022,348.239 units) of Unifi Capital Fund	209.00	204.80
Nil units (31 March 2021 : 272,165.84 units) of ABSL Liquid Fund - Growth - Direct	-	90.20
Nil units (31 March 2021 : 110,477.286 units) of ABSL Low Duration Fund - Growth	-	61.00
Nil units (31 March 2021 : 29,736.361 units) of HDFC Liquid Fund - Direct Growth	-	120.30
Nil units (31 March 2021 : 3,820,652.296 units) of HDFC Low Duration Fund - Direct Growth	-	181.80
Nil units (31 March 2021 : 296,094.166 units) of ICICI Prudential Liquid Fund	-	90.20
Nil units (31 March 2021 : 191,133.461 units) of ICICI Prudential Savings Fund	-	80.20
	<b>509.00</b>	<b>1,044.90</b>
Aggregate amount of quoted investments - At cost	445.00	985.00
Aggregate amount of quoted investments - At market value	509.00	1,044.90
<b>8 Loans</b>		
<i>(unsecured, considered good unless otherwise stated)</i>		
<b>A. Non-current loans and advances</b>		
Security deposits		
To related parties	-	1.20
To parties other than related parties	-	27.70
	<b>-</b>	<b>28.90</b>
<b>B. Current loans and advances</b>		
Security deposits		
To related parties	-	0.20
To parties other than related parties	-	5.60
Loans and advances to employees	0.20	0.20
	<b>0.20</b>	<b>6.00</b>
<b>9 Financial assets</b>		
Security deposits		
To related parties	1.40	-
To parties other than related parties	35.70	-
Bank balance in deposit accounts * (with maturity period exceeding 12 months from the reporting date)	30.80	30.80
	<b>67.90</b>	<b>30.80</b>

\* Bank Deposits are with the Banks against the Bank Guarantees issued to customers for execution of tenders .

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (*Continued*)

as at 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

	30 June 2021	31 March 2021
<b>11 Other tax assets</b>		
<i>See accounting policy in Note 3 P</i>		
Advance income tax (net of provision for tax)	137.30	104.00
	<u>137.30</u>	<u>104.00</u>
<b>12 Other non-current assets</b>		
Capital advances	10.00	10.10
Prepaid expenses	1.20	0.50
Balance with government authorities	5.20	5.20
Advances for supply of goods	16.50	16.50
	<u>32.90</u>	<u>32.30</u>
<b>13 Inventories</b>		
<i>See accounting policy in Note 3 H</i>		
Reagents, diagnostic material and consumables	265.30	232.60
Stock-in-trade (acquired for trading)	3.90	1.00
	<u>269.20</u>	<u>233.60</u>
<b>14 Trade receivables</b>		
Secured, considered good	19.70	69.00
Unsecured, considered good	556.20	398.30
Credit impaired	14.30	6.10
	<u>590.20</u>	<u>473.40</u>
Less: Allowance for Credit impaired	(39.70)	(26.60)
	<u>550.50</u>	<u>446.80</u>
Trade receivables from related parties excluding allowance for Credit impaired ( <i>refer Note 38</i> )	44.10	26.70

Trade receivable ageing schedule				
Particulars	Outstanding for following period from due date of			
	Less than 6 months	6 months - 1 year	1-2 years	Total
Undisputed Trade receivables - considered good	549.50	1.10	-	550.60
	<i>446.50</i>	<i>0.30</i>	-	<i>446.80</i>
Undisputed Trade receivables - which have significant increase in credit risk	25.40	-	-	25.40
	<i>16.20</i>	-	-	<i>16.20</i>
Undisputed Trade receivables credit impaired	-	2.00	-	2.00
	-	-	-	-
Disputed Trade receivables - considered good	-	12.20	-	12.20
	-	<i>10.40</i>	-	<i>10.40</i>
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-
	-	-	-	-
Disputed Trade receivables credit impaired	-	-	-	-
	-	-	-	-

Figures in italic pertains to previous year.

## 15 Cash and bank balances

### Cash and cash equivalents

Cash on hand	0.60	0.60
Balances with banks		
in current accounts	448.20	131.40
	<u>448.80</u>	<u>132.00</u>

### Other bank balances

in deposit accounts * (with original maturity period exceeding 3 months but maturing within 12 months from reporting date)	25.30	25.30
	<u>474.10</u>	<u>157.30</u>

\* Bank Deposits are with the Banks against the Bank Guarantees issued to customers for execution of tenders.

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (*Continued*)

as at 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

### 16 Other financial assets - current

Security deposits		
To related parties	-	-
To parties other than related parties	<b>0.30</b>	-
Other receivables	-	60.50
Interest accrued on deposits	<b>0.90</b>	0.20
	<u><b>1.20</b></u>	<u>60.70</u>

### 17 Other current assets

Advances for supply of goods and services	<b>36.20</b>	16.00
Prepaid expenses	<b>10.40</b>	12.50
	<u><b>46.60</b></u>	<u>28.50</u>

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (Continued)

as at 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

### 10 Recognised deferred tax assets and liabilities

#### A. Deferred tax assets and liabilities are attributable to the following :

	Deferred tax		Deferred tax (liabilities)		Net deferred tax assets/ (liabilities)	
	30 June 2021	31 March 2021	30 June 2021	31 March 2021	30 June 2021	31 March 2021
Property, plant and equipment/ Intangible assets/ Investment property	-		(22.70)	(27.40)	(22.70)	(27.40)
Intangible assets	-		(1.40)	(1.40)	(1.40)	(1.40)
Investments at fair value through profit or loss	-		(16.40)	(15.10)	(16.40)	(15.10)
Provisions - employee benefits	36.40	43.90	-	-	36.40	43.90
Provisions - others	1.80	(0.20)	-	-	1.80	(0.20)
Other items	15.40	12.60	-	-	15.40	12.60
<b>Net deferred tax (assets) liabilities</b>	<b>53.60</b>	<b>56.30</b>	<b>(40.50)</b>	<b>(43.90)</b>	<b>13.10</b>	<b>12.40</b>

#### B. Movement in temporary differences

	Balance as at 1 April 2020	Recognised in profit or loss during the year	Recognised in OCI during the year	Balance as at 31 March 2021	Balance as at 1 April 2021	Recognised in profit or loss during the period	Recognised in OCI during the period	Balance as at 30 June 2021
Property, plant and equipment/ Intangible assets/ Investment property	(55.20)	27.80	-	(27.40)	(27.40)	4.70	-	(22.70)
Intangible assets	(1.40)	-	-	(1.40)	(1.40)	-	-	(1.40)
Investments at fair value through profit or loss	(5.30)	(9.80)	-	(15.10)	(15.10)	(1.30)	-	(16.40)
Provisions - employee benefits	11.50	27.60	4.80	43.90	43.90	(7.00)	(0.50)	36.40
Provisions - others	-	(0.20)	-	(0.20)	(0.20)	2.00	-	1.80
Other items	8.70	3.90	-	12.60	12.60	2.80	-	15.40
	<b>(41.70)</b>	<b>49.30</b>	<b>4.80</b>	<b>12.40</b>	<b>12.40</b>	<b>1.20</b>	<b>(0.50)</b>	<b>13.10</b>

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (Continued) as at 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

### 18 Share capital

	30 June 2021		31 March 2021	
	Number of shares	Amount	Number of shares	Amount
(a) Authorised				
Equity shares of Rs. 10 each with equal voting rights	10,00,00,000	1,000.00	10,00,00,000	1,000.00
(b) Issued, subscribed and paid-up				
Equity shares of Rs. 10 each with equal voting rights	5,28,74,419	528.70	5,28,36,365	528.70
<b>Total</b>	<b>5,28,74,419</b>	<b>528.70</b>	<b>5,28,36,365</b>	<b>528.70</b>

#### Reconciliation of shares outstanding at the beginning and at the end of the reporting period

	30 June 2021		31 March 2021	
	Number of shares	Amount	Number of shares	Amount
<b>Equity shares</b>				
At the commencement of the period	5,28,74,419	528.70	5,28,36,365	528.40
Shares issued on exercise of employee stock options	0	-	38,054	0.30
<b>Issued and subscribed share capital</b>	<b>5,28,74,419</b>	<b>528.70</b>	<b>5,28,74,419</b>	<b>528.70</b>
Less: Equity shares held by Trust	(3,048)	(0.00)*	(3,048)	(0.00)*
<b>At the end of the period</b>	<b>5,28,71,371</b>	<b>528.70</b>	<b>5,28,71,371</b>	<b>528.70</b>

\* amount less than Rs. 1 Lakh

The Group has also issued share options plan for its employees. (see Note 35)

#### Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shareholders are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity share capital of the Company.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

#### Employee stock option plan

Terms attached to stock options granted to employees are described in Note 35 regarding share-based payments.

#### Equity shares bought back

During the previous year ended 31 March 2019, the Company bought back 958,900 equity shares for an aggregate amount of Rs. 63.00 crore being 1.78% of the total paid up equity share capital, at an average price of Rs. 656.90 per equity share. The equity shares bought back were extinguished on 12 October 2018 and 22 October 2018.

#### Particulars of shareholders holding more than 5% shares of a class of shares

	30 June 2021		31 March 2021	
	Number of shares (in 'thousands)	% of total shares held	Number of shares (in 'thousands)	% of total shares held
Equity shares of INR 10 each fully paid-up held by -				
Dr A Velumani	1,48,17,675	28.02%	1,48,17,675	28.04%
Thyrocare Publications LLP (formerly known as "Thyrocare Publications Private Limited")	65,34,500	12.36%	65,34,500	12.37%
Thyrocare Properties & Infrastructure Private Limited	52,25,315	9.88%	52,25,315	9.89%
Nalanda India Equity Fund Limited			38,21,394	7.23%
Arisaig Asia Consumer Fund Limited	32,31,412	6.11%	32,31,412	6.12%
A Sundararaju HUF	24,16,540	4.57%	24,16,540	4.57%

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (Continued)

as at 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

### 18 Share capital (Continued)

#### Shareholding of promoters

	30 June 2021		31 March 2021	
	Number of shares	% of total shares held	Number of shares	% of total shares held
Equity shares of INR 10 each fully paid-up held by -				
Dr A Velumani	1,48,17,675	28.02%	1,48,17,675	28.02%
A Sundararaju	2,49,669	0.47%	2,49,669	0.47%

#### Shares reserved for issue under options

	30 June 2021		31 March 2021	
	Number of shares	Amount	Number of shares	Amount
a. Under Employees Stock Option Scheme, 2021 - at an exercise price of INR 10 per share (see Note 35)	40,429	0.40	0	-
b. Under Employees Stock Option Scheme, 2020 - at an exercise price of INR 10 per share (see Note 35)	40,429	0.40	40,429	0.40
c. Under Employees Stock Option Scheme, 2019 - at an exercise price of INR 10 per share (see Note 35)	33,337	0.30	33,337	0.30
d. Under Employees Stock Option Scheme, 2018 - at an exercise price of INR 10 per share (see Note 35)	31,005	0.30	31,005	0.30

#### Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

a. Below is a summary of the equity shares allotted by the Company pursuant to various ESOP plans for consideration other than cash (except for the face value of shares that has been recovered in case:

	30 June 2021	31 March 2021
Number of shares allotted pursuant to ESOP schemes	38,054	38,054

b. During the years 31 March 2016 and 31 March 2015, the Company allotted 3,187,562 and 691,295 equity shares of INR 10 each fully paid up respectively, to the equity shareholders of Nueclear Healthcare Limited ('NHL') in consideration for 4,611,000 and 1,000,000 equity shares of NHL respectively at a premium of INR 295.95 per share to acquire 100% shares and make it a subsidiary.

c. During the previous five years, the Group has not issued any bonus shares.

### 19 Other equity

	30 June 2021	31 March 2021
<b>(a) Capital reserve</b>		
At the commencement and end of the period	317.10	317.10
<b>(b) Securities premium</b>		
At the commencement of the period	697.10	672.40
Transfer on exercise of stock option	-	24.70
At the end of the period	697.10	697.10
<b>(c) Share options outstanding</b>		
At the commencement of the period	29.40	37.30
Employee compensation expense for the period	3.50	16.80
Transfer on exercise of stock option	-	(24.70)
At the end of the period	32.90	29.40
<b>(d) General reserve</b>		
At the commencement of the period	91.70	91.70
<b>(e) Capital redemption reserve</b>		
At the commencement and end of the period	9.60	9.60
<b>(f) Retained earnings</b>		
At the commencement of the period	2,599.20	2,010.00
Profit for the year including other comprehensive income	554.10	1,117.60
Appropriation		
Final/ Interim dividend on equity shares	(793.10)	(528.40)
At the end of the period	2,360.20	2,599.20
	<b>3,508.60</b>	<b>3,744.10</b>



# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (Continued)

as at 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

### 19 Other equity (Continued)

#### Capital reserve

Capital Reserve represents a) amounts received in earlier years from the selling shareholder at the time of the IPO towards reimbursement of certain expenses and b) fair of the trademark "Whaters" (subsequently disposed off) assigned by Dr A Velumani in favour of the Company for no consideration.

#### Securities premium

Securities premium represent the premium received on issue of shares. It is utilized in accordance with the provisions of the Companies Act, 2013.

#### Share option outstanding account

The group has established various equity-settled share-based payment plans for certain categories of employees of the Group. The balance in the share option outstanding account represents the expenses recorded pursuant to the aforesaid schemes for which the options are not yet vested or exercised. (See Note 35 for further details on these plans).

#### General reserve

General reserve is used to record the transfer from retained earnings of the Company. It is utilized in accordance with the provisions of the Companies Act, 2013.

#### Capital redemption reserve

The Company bought back 9,58,900 equity shares for an aggregate amount of Rs. 63.00 crore being 1.78% of the total paid up equity share capital, at an average price of Rs. 656.90 per equity share. The equity shares bought back were extinguished on 12 October 2018 and 22 October 2018 and as per the provisions of the Companies Act, 2013, the Capital redemption reserve is used to record the reduction of the share capital of the Company on account of equity shares bought back out of the accumulated profits. It is created in accordance with the provisions of the Companies Act, 2013.

#### Dividends

The following dividends were declared and paid by the Company during the year :

	30 June 2021	31 March 2021
Interim dividend Nil (31 March 2021 : INR 10 per equity share)	-	528.40
Final dividend of previous financial year 31 March 2021 : INR 15 per equity share (31 March 2020 : INR Nil per equity share)	793.10	-
After the reporting dates the following dividends (excluding dividend distribution tax) were proposed by the directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities in the respective years. Dividends would attract dividend distribution tax when declared or paid. However, with the abolition of dividend distribution tax effective April 01, 2020, dividends will be taxable in the hands of recipient and hence Dividend Distribution Tax is not applicable.		
Nil (31 March 2021 : INR 15 per equity share)	-	793.10

**30 June 2021**

**31 March 2021**

### 20 Lease liabilities

Non-current lease liabilities	216.40	54.50
Current lease liabilities	23.40	30.40
	<u>239.80</u>	<u>84.90</u>

### 21 Other financial liabilities

#### Current

Security deposits received		
from related parties	10.00	-
from parties other than related parties	126.20	102.80
Employees dues	61.50	68.90
Creditors for capital goods	18.80	61.40
Unclaimed dividend	1.10	1.20
	<u>217.60</u>	<u>234.30</u>

Investor Education and Protection Fund ('IEPF') - As at 30 June 2021 (31 March 2021 : INR Nil) there is no amount due and outstanding to be transferred to the IEPF by the Company. Unclaimed dividend, if any, shall be transferred to IEPF as and when they become due.

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (Continued)

as at 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

30 June 2021

31 March 2021

### 22 Provisions

See accounting policy in Note 3 K and 3 L

#### A Non-current provisions

Provision for employee benefits:

Provision for compensated absences	70.00	93.70
Provision for gratuity (refer note 34)	44.30	42.10

**114.30**

**135.80**

#### B Current provisions

Provision for CSR spending	4.90	21.90
Provision for employee benefits:		
Provision for compensated absences	13.70	11.10
Provision for gratuity (refer note 34)	3.30	0.90

**21.90**

**33.90**

### 23 Trade payables

Trade Payables

- total outstanding dues of micro enterprises and small enterprises and (See Note 39 (a))	15.60	5.30
- total outstanding dues of creditors other than micro enterprises and small enterprises	179.00	244.80

**194.60**

**250.10**

#### Trade payables ageing schedule

Particulars	Outstanding for following period from due date of			
	Less than 6 months	6 months - 1 year	1-2 years	Total
MSME	15.50	-	-	15.50
	<i>5.30</i>	-	-	<i>5.30</i>
Others	179.10	-	-	179.10
	<i>244.80</i>	-	-	<i>244.80</i>
Disputed dues - MSME	-	-	-	-
Disputed dues - Others	-	-	-	-
	-	-	-	-

Figures in italic pertains to previous year.

### 24 Current tax liabilities (net)

See accounting policy in Note 3 P

Provision for current tax (net of advance tax and tax deducted at source)	140.00	25.70
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**140.00**

**25.70**

### 25 Other current liabilities

Contract liabilities - Advance from customers	93.50	86.00
Advance received towards consideration for sale of capital assets held for sale (Refer Note 4C)	297.00	272.00
Statutory dues *	10.80	18.60

**401.30**

**376.60**

\* Statutory dues include goods and services tax, tax deducted at source, local body tax, profession tax, employees provident fund and ESIC.

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (*Continued*) for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

	Period ended 30 June 2021	Year ended 31 March 2021
<b>26 Revenue from operations</b>		
Sale of products ( <i>See Note (i) below</i> )	28.40	31.50
Sale of services ( <i>See Note (ii) below</i> )	1,589.60	4,859.30
	<u>1,618.00</u>	<u>4,890.80</u>
Other operating revenue	28.40	55.40
<b>Total</b>	<u><u>1,646.40</u></u>	<u><u>4,946.20</u></u>
<b>Note:</b>		
(i) Sale of products comprises :		
<u>Manufactured goods</u>		
Radioactive pharmaceutical (FDG)	5.30	18.10
<u>Traded goods</u>		
Point of Care Testing devices and strips	23.10	13.40
<b>Total</b>	<u>28.40</u>	<u>31.50</u>
<b>(a) Reconciliation of revenue from contracts with customers</b>		
Revenue from contract with customer as per the contract price	1,659.10	4,946.20
Adjustments made to contract price on account of :-		
Discount / Rebates	(12.60)	-
<b>Revenue from contract with customer</b>	<u>1,646.50</u>	<u>4,946.20</u>
<b>(b) Movement in Contract liabilities</b>		
<b>Opening Balance</b>	86.00	47.30
Revenue recognised that was included in contract liability balance at the beginning of the period	(86.00)	(47.30)
Increases due to cash received, excluding amounts recognised as revenue during the period	93.60	86.00
<b>Closing Balance</b>	<u>93.60</u>	<u>86.00</u>
(ii) Sale of services comprises :		
Diagnostic Services	1,495.90	4,557.70
Sale of consumables for providing diagnostic services	45.50	183.80
Imaging Services	48.20	117.80
<b>Total</b>	<u>1,589.60</u>	<u>4,859.30</u>
<b>27 Other income</b>		
Interest income ( <i>See Note (i) below</i> )	3.50	7.90
Net gain on investments	14.90	36.80
Profit on sale of business undertaking		16.40
Others ( <i>See Note (ii) below</i> )	86.60	63.20
	<u>105.00</u>	<u>124.30</u>
<b>Note:</b>		
(i) Interest income comprises:		
Interest from banks on deposits	0.80	5.80
Interest on income tax refund	-	0.20
Interest on deposit for electricity	0.30	-
Interest on loans	2.10	-
Others	0.30	1.90
<b>Total - Interest income</b>	<u>3.50</u>	<u>7.90</u>
(ii) Others comprises:		
Profit on sale of property, plant and equipment	80.00	42.00
Miscellaneous income	6.60	21.20
<b>Total - Others</b>	<u>86.60</u>	<u>63.20</u>

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (*Continued*) for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

	Period ended 30 June 2021	Year ended 31 March 2021
<b>28 a. Cost of materials consumed</b>		
Opening stock	230.20	202.40
Add: Purchases	559.00	1,655.50
	<u>789.20</u>	<u>1,857.90</u>
Less: Closing stock	265.30	232.60
<b>Cost of material consumed</b>	<u>523.90</u>	<u>1,625.30</u>
<i>Material consumed comprises:</i>		
Reagents/ Diagnostics material	389.00	1,384.90
Radiopharmaceuticals	2.10	9.60
Consumables - laboratory	23.60	202.60
Consumables - processing	109.20	28.20
	<u>523.90</u>	<u>1,625.30</u>
<b>28 b. Purchases of stock-in-trade</b>		
Point of Care Testing devices and strips	18.70	10.90
	<u>18.70</u>	<u>10.90</u>
<b>28 c. Changes in inventories of stock-in-trade</b>		
<u>Inventories at the end of the period:</u>		
Point of Care Testing devices and strips	3.90	1.00
	<u>3.90</u>	<u>1.00</u>
<u>Inventories at the beginning of the period:</u>		
Point of Care Testing devices and strips	3.40	3.80
	<u>3.40</u>	<u>3.80</u>
<b>Net change</b>	<u>(0.50)</u>	<u>2.80</u>
<b>29 Employee benefits expense</b>		
Salaries, wages and bonus	117.20	459.20
Contributions to provident and other funds	10.10	37.00
Employees stock compensation expense	3.50	16.80
Gratuity	3.20	5.20
Compensated absences	-	40.10
Staff welfare expenses	5.10	22.40
	<u>139.10</u>	<u>580.70</u>

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (*Continued*) for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

	Period ended 30 June 2021	Year ended 31 March 2021
<b>30 Other expenses</b>		
Outlab processing	3.30	12.00
Power and fuel and water	22.60	76.40
Rent	2.40	8.40
Repairs and maintenance - Buildings	4.10	20.70
Repairs and maintenance - Machinery	15.90	63.60
Repairs and maintenance - Others	0.10	0.30
Insurance	0.30	0.90
Rates and taxes	2.90	21.30
Communication	3.40	10.50
Service charges	91.10	343.60
Postage and courier	11.20	25.50
Printing and stationery	7.00	19.40
Sales incentive	35.40	182.30
Advertisement expenses	1.00	39.90
Business promotion	5.00	16.70
Legal and professional fees	24.70	92.00
Payments to the auditors ( <i>See note (i) below</i> )	1.40	4.60
Loss on foreign exchange fluctuation (net)	-	1.40
Provision for doubtful debts	13.10	4.30
Corporate social responsibility expense	-	44.70
Share issue expenses	-	0.20
Miscellaneous expenses	8.10	25.20
	<b>253.00</b>	<b>1,013.90</b>

### Notes:

#### (i) *Payments to the auditors comprises \**

Statutory audit and limited review fees	0.90	4.40
Tax audit fees	-	0.20
Reimbursement of out of pocket expenses <i>[Payment to auditors is inclusive of GST, as applicable]</i>	0.50	0.00*
	<b>1.40</b>	<b>4.60</b>

\* amount less than Rs. 1 Lakh

### 31 Income tax

See accounting policy in Note 3 P

#### A. Amount recognised in profit or loss

##### Current tax

Current period (a)	180.60	441.40
Changes in estimates related to prior periods (b)	-	1.10

##### Deferred tax (c)

Attributable to -

Origination and reversal of temporary differences	(1.20)	(49.30)
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##### Tax expense (a)+(b)+(c)

	<b>179.40</b>	<b>393.20</b>
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#### B. Amount recognised in other comprehensive income

Re-measurement gains/ (losses) on defined benefit plans	(0.50)	(4.80)
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##### Tax expense in other comprehensive income

	<b>(0.50)</b>	<b>(4.80)</b>
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#### C. Reconciliation of effective tax rate

	Period ended 30 June 2021		Period ended 31 March 2021	
Profit before exceptional items, share of profit of associate and tax	738.00		1,525.40	
Tax using the Group's domestic tax rate	189.12	25.63%	383.91	25.17%
Effect of :				
Non-deductible expenses (net)	11.70	1.6%	3.68	0.2%
Others	(21.92)	-3.0%	0.80	0.1%
<b>Effective tax rate</b>	<b>178.90</b>	<b>24.2%</b>	<b>388.40</b>	<b>25.5%</b>

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (*Continued*) for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

	<b>Period ended</b> <b>30 June 2021</b>	Year ended 31 March 2021
<b>32 Earnings per share</b>		
<b>(i) Basic</b>		
Net profit for the period attributable to equity shareholders	<b>555.70</b>	1,131.50
Weighted average number of equity shares outstanding during the period	<b>5,28,74,419</b>	5,28,50,753
Face value per share Rs.	<b>10</b>	10
Earnings per share - Basic (Rs.)	<b>10.51</b>	21.41
<b>(ii) Diluted</b>		
Net profit for the period attributable to equity shareholders	<b>555.70</b>	1,131.50
Weighted average number of equity shares for Basic EPS	<b>5,28,74,419</b>	5,28,50,753
Add: Equity shares reserved for issuance on ESOP	<b>1,39,247</b>	1,03,054
Weighted average number of equity shares - for diluted EPS	<b>5,30,13,666</b>	5,29,53,807
Face value per share Rs.	<b>10</b>	10
Earnings per share - Diluted (Rs.)	<b>10.48</b>	21.37

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (*Continued*)

for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

### 33 Operating segments

#### A. Basis for segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer (CEO) to make decisions about resources to be allocated to the segments and assess their performance.

The Group has three reportable segments, as described below, which are the Group's strategic business units. These business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the business units, the Group's CEO reviews internal management reports on at least a quarterly basis.

The following summary describes the operations in each of the Group's reportable segments :

Reportable segments	Operations
Diagnostic Testing Services	Diagnostic and testing services, selling of consumables used for collection and promotion of pathology segment
Imaging Services	Diagnostic and imaging services, selling of radio-pharmaceutical, selling of consumables for reporting
Others: Sale of testing equipment and consumables	Selling of glucometer and glucostrips under the brand name <i>Sugarscan</i>

#### B. Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

The Group operates from its centralised laboratory, regional processing laboratories, medical cyclotron facility, PET-CT centres and corporate office in India and therefore does not have much of its operations in economic environments with different risks and returns, hence considering its operation from single geographical segment, the Company has not recognised geographical segment as its secondary segment for reporting.

	Reportable segments			Total
	Diagnostic Testing Services	Imaging Services	Others	
Segment revenue	1,569.40	53.90	23.10	1,646.40
	4,728.70	204.10	13.40	4,946.20
Segment profit (loss) before income tax	643.00	(8.50)	4.80	639.30
	1,493.00	(90.30)	0.80	1,403.50
Unallocable income net off other unallocable expenditure				98.70
				121.90
Profit before exceptional items and income tax				738.00
				1,525.40
Exceptional items				(2.90)
				(0.70)
Segment assets	2,461.50	747.70	4.30	3,213.50
	2,065.50	920.80	1.00	2,987.30
Unallocable assets (includes assets held for sale)				2,193.80
				2,470.70
Total assets				5,407.30
				5,458.00
Segment liabilities	812.10	377.40	-	1,189.50
	766.60	349.40	0.60	1,116.60
Unallocable liabilities				140.00
				49.40
Total liabilities				1,329.50
				1,166.00
Other information				
Capital expenditure (allocable)	140.60	0.10	-	140.70
	391.00	0.70	-	391.70

The testing and imaging services to patients and sale of pharmaceuticals to customers are primarily in India and hence information about geographical areas of the operations was not disclosed separately by the Group.

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (Continued)

for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

### 34 Employee benefits

#### A. Defined contribution plans

The Group makes Provident Fund, ESIC and Maharashtra Labour Welfare Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognised Rs. 8.00 millions (31 March 2021 : Rs. 29.90 millions) for Provident Fund contributions and Rs. 2.00 millions (31 March 2021 : INR 6.60 millions) for ESIC contributions in the Statement of Profit and Loss during the year (See note 29). The contributions payable to these plans by the Group are at rates specified in the rules of the schemes. The Group does not expect any further liability other than the specified contributions.

#### B. Defined benefit plans

The Group offers the following employee benefit schemes to its employees :

- Gratuity

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

	30 June 2021	31 March 2021
<b>a. Components of defined benefit plan expense</b>		
<i>i. Expenses recognised in profit or loss</i>		
Current service cost	2.00	3.80
Interest cost	0.70	1.30
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>2.70</b>	<b>5.11</b>
<i>ii. Expenses recognised in other comprehensive income</i>		
Actuarial (gain) loss on defined benefit obligations	2.10	18.70
<b>Total expense recognised in other comprehensive income</b>	<b>2.10</b>	<b>18.70</b>
<b>b. Net asset / (liability) recognised in the Balance Sheet</b>		
Present value of unfunded obligation	(47.60)	(43.00)
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(47.60)</b>	<b>(43.00)</b>
<b>Net asset/ (liability) is bifurcated as follows :</b>		
Current	(3.30)	(0.90)
Non Current	(44.30)	(42.10)
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(47.60)</b>	<b>(43.00)</b>
<b>c. Change in defined benefit obligations (DBO) during the year</b>		
Present value of DBO at beginning of the period	43.00	19.70
Current service cost	2.00	3.90
Interest cost	0.70	1.30
Actuarial (gains) / losses	2.20	18.70
Benefits paid	(0.30)	(0.60)
Present value of DBO at the end of the year	<b>47.60</b>	<b>43.00</b>
<b>d. Actuarial assumptions</b>		
Discount rate	6.47%	6.44%
Salary escalation	4% p.a. for next 1 year, 9% p.a. for the year thereafter, 10% p.a. for all years thereafter	4% p.a. for next 1 year, 9% p.a. for the year thereafter, 10% p.a. for all years thereafter
Rate of employee turnover	Employees : For service 2 yrs. & below 35% p.a., For service 3 yrs. to 4 yrs. 20% p.a. & thereafter 2% p.a.	Employees : For service 2 yrs. & below 35% p.a., For service 3 yrs. to 4 yrs. 20% p.a. & thereafter 2% p.a. Directors : 1% p.a.
Mortality rate during employment	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2006-08)



# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (Continued)

for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

### 35 Share-based payments

See accounting policy in Note 3 K

#### A. Description of share-based payment arrangements

During the year, the Company has offered stock options to the eligible employees under “THYROCARE EMPLOYEES STOCK OPTION SCHEME 2021” (ESOS2021) vide authorisation of shareholders in the annual general meeting held on 26 June 2021. The options may be exercised either fully or partially in four equal instalments.

The employees were identified as those who had completed two years of service as on the date of sanction of the scheme, subject to their continuous service till the vesting period.

During the earlier years, the Company had offered stock options to the eligible employees under “THYROCARE EMPLOYEES STOCK OPTION SCHEME 2020” (ESOS2020), “THYROCARE EMPLOYEES STOCK OPTION SCHEME 2019” (ESOS2019), “THYROCARE EMPLOYEES STOCK OPTION SCHEME 2018” (ESOS2018), “THYROCARE EMPLOYEES STOCK OPTION SCHEME 2017” (ESOS2017), “THYROCARE EMPLOYEES STOCK OPTION SCHEME 2016” (ESOS2016) and “THYROCARE EMPLOYEES STOCK OPTION SCHEME 2015” (ESOS2015) vide authorisation of shareholders in their meetings held on 29 September 2020, 24 August 2019, 1 September 2018, 12 August 2017, 12 September 2016 and 26 September 2015 respectively. Under the respective scheme, the options may be exercised either fully or partially in four equal instalments. The employees were identified as those who had completed certain years of service subject to their continuous service till the vesting period.

Additionally, the Company formed a trust, 'Thyrocare Employee Stock Option Trust' wherein the shares to be issued under these options were allotted to the Trust. The Trust holds these shares for the benefit of the employees and issues them to the eligible employees as per the recommendation of the compensation committee. The identified employees are also entitled to purchase additional shares proportionately from the shares of employees who are not desirous to purchase the equity shares or who have left the organisation.

The key details of the various schemes are as under:

Scheme	Date of Grant	Numbers of options granted	Vesting Conditions	Exercise Period	Exercise Price (INR) per share	Weighted Average Exercise Price (INR) per share
ESOS2021	Saturday, June 26, 2021	40,429	3 years	One year from vesting date	10	10
ESOS2020	Tuesday, September 29, 2020	40,429	3 years	One year from vesting date	10	10
ESOS2019	Saturday, August 24, 2019	40,429	3 years	One year from vesting date	10	10
ESOS2018	Saturday, September 1, 2018	40,452	3 years	One year from vesting date	10	10
ESOS2017	Saturday, August 12, 2017	50,516	3 years	One year from vesting date	10	10
ESOS2016	Monday, September 12, 2016	50,537	3 years	One year from vesting date	10	10

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (Continued)

for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

### 35 Share-based payments (Continued)

B. Employee stock option activity under the respective schemes is as follows:

Scheme	30 June 2021 No of Options	31 March 2021 No of Options
<b>ESOS2021</b>		
Outstanding at 1 April	-	-
Granted during the period	40,429	-
<b>Outstanding at the end of the period</b>	<b>40,429</b>	-
<b>ESOS2020</b>		
Outstanding at 1 April	40,429	-
Forfeited during the period	(3,321)	40,429
<b>Outstanding at the end of the period</b>	<b>37,108</b>	40,429
<b>ESOS2019</b>		
Outstanding at 1 April	33,084	37,189
Forfeited during the period	(1,383)	(4,105)
<b>Outstanding at the end of the period</b>	<b>31,701</b>	33,084
<b>ESOS2018</b>		
Outstanding at 1 April	30,847	34,270
Forfeited during the period	(1,204)	(3,423)
<b>Outstanding at the end of the period</b>	<b>29,643</b>	30,847
<b>ESOS2017</b>		
Outstanding at 1 April	-	39,880
Forfeited during the period	-	(1,826)
Exercised during the year	-	(38,054)
<b>Outstanding at the end of the period</b>	<b>-</b>	-

C. The key assumptions used to estimate the fair value of options are:

	30 June 2021	31 March 2021
Volatility	21.65%	21.65%
Expected life	3.50 years	3.50 years
Dividend Yield	1.50%	1.50%
Risk-free interest rate (based on government bonds)	7.85%	7.85%
Model Used	Black-Scholes-Merton Formula	Black-Scholes-Merton Formula

The expense arising from equity settled share based payment transaction amounting to Rs. 3.50 millions for the period ended 30 June 2021 (Rs. 17.00 millions for the year ended 31 March 2021), have been recognised in the Statement of profit and loss.

**Fair Value of the option as at the grant date**

Plan	Grant date	Fair value in INR
ESOS2021	Saturday, June 26, 2021	1,349.18
ESOS2020	Tuesday, September 29, 2020	758.00
ESOS2019	Saturday, August 24, 2019	448.83
ESOS2018	Saturday, September 1, 2018	632.88
ESOS2017	Saturday, August 12, 2017	653.35
ESOS2016	Monday, September 12, 2016	577.04

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (Continued)

for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

### 36 Financial instruments - Fair values and risk management

#### A. Accounting classifications and fair values

30 June 2021	Note	Carrying amount			Total carrying amount
		FVTPL	FVOCI	Amortised cost	
<b>Financial assets</b>					
<b>Investments</b>	7	509.00	-	-	509.00
		1,044.90	-	-	1,044.90
<b>Loans</b>	8	-	-	0.20	0.20
		-	-	6.00	6.00
<b>Trade receivables</b>	14	-	-	550.50	550.50
		-	-	446.80	446.80
<b>Cash and cash equivalents</b>	15	-	-	448.80	448.80
		-	-	132.00	132.00
<b>Other bank balances</b>	15	-	-	25.30	25.30
		-	-	25.30	25.30
<b>Others</b>	9,16	-	-	69.10	69.10
		-	-	120.40	120.40
		<b>509.00</b>	<b>-</b>	<b>1,093.90</b>	<b>1,602.89</b>
		1,044.90	-	730.50	1,775.39
<b>Financial liabilities</b>					
<b>Other financial liabilities</b>	21B	-	-	217.60	217.60
		-	-	234.30	234.30
<b>Trade payables</b>	23	-	-	194.60	194.60
		-	-	250.10	250.10
		<b>-</b>	<b>-</b>	<b>412.20</b>	<b>412.20</b>
		-	-	484.40	484.40

#### B. Measurement of fair values

The Management assessed that cash and bank balances, trade receivables, borrowings, trade payables and other financial assets and liabilities approximate their carrying amounts largely due to short-term maturities of these instruments.

The fair value of investment in mutual funds is included at the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair value of the quoted investments/units of mutual fund scheme are based on net asset value at the reporting date as published by the mutual fund.

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (Continued)

for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

### 36 Financial instruments - Fair values and risk management (continued)

The following table provides the fair value measurement hierarchy of the Company's financial instruments which are measured at fair value:

	30 June 2021			31 March 2021		
	Total	Quoted prices in active markets (Level 1)	Level 3	Total	Quoted prices in active markets (Level 1)	Level 3
Security Deposits	22.30	-	22.30	20.80	-	20.80
Investment in Mutual funds (Refer Note 7)	509.00	509.00	-	1,044.90	1,044.90	-

Fair value of financial assets and liabilities measured at amortised cost is not materially different from the amortised cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.

	30 June 2021	31 March 2021
Opening balance	20.80	12.50
Additions during the period	1.60	13.10
Deletions during the period	-	(4.30)
Fair value movement	(0.10)	(0.50)
Closing balance	22.30	20.80

One percentage change in the unobservable inputs used in the fair valuation of level 3 assets does not have a significant impact in the fair value of the financial instrument. There have been no transfers among Level 1, Level 2 and Level 3 during the period ended 30 June 2021 and for the year ended 31 March 2021

Description of significant unobservable inputs to valuation:

Name of financial asset	Security deposit
Valuation technique	Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow to the Group arising from the investments in financial assets.
Significant unobservable inputs	Discount rate

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (Continued)

for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

### 36 Financial instruments - Fair values and risk management (Continued)

#### C. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- credit risk (see (C) (i));
- liquidity risk (see (C) (ii));
- market risk (see (C) (iii)).

#### i. 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, and arises principally from the Group's receivables from customers and loans.

The Group has no significant concentration of credit risk with any counterparty.

##### Trade receivables and loans

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment terms and conditions are offered. Sale limits are established for each customer and reviewed periodically. Any sales exceeding those limits require approval from the management.

##### Security deposits

These represents security deposits given towards laboratories taken on lease under contractual arrangement EMD deposit for participation in tender.

The Group limits its exposure to credit risk from trade receivables by establishing a credit limit that is linked to either category of the customer or the security deposits paid by the customer to avail the services.

In monitoring customer credit risk, customers are compared according to their credit characteristics, including whether they are individuals or legal entities, their geographic locations, industry, trading history with the Group and existence of previous financial difficulties, if any.

##### Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

The Group's exposure to credit risk for trade receivables by geographic region was as follows -

	Carrying amount	
	30 June 2021	31 March 2021
<b>Trade receivables (net of provision for doubtful debts)</b>		
India	506.40	418.50
Other regions	44.10	28.30
	<b>550.50</b>	<b>446.80</b>

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (Continued)

for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

### 36 Financial instruments - Fair values and risk management (Continued)

#### C. Financial risk management (continued)

Expected credit loss (ECL) assessment for individual customers as at 30 June 2021 and as at 31 March 2021

As per simplified approach the Group makes provision of expected credit losses on trade receivable using a provision matrix to mitigate the risk of default payment and make appropriate provision at each reporting date.

At 30 June 2021 and at 31 March 2021, the ageing of trade receivables net of provision for doubtful debts was as follows.

	Service providers and projects		Government		Others	
	30 June 2021	31 March 2021	30 June 2021	31 March 2021	30 June 2021	31 March 2021
0-30 days past due	87.30	35.60	217.70	324.70	35.80	20.60
31-60 days past due	35.10	28.60	23.30	1.60	8.30	-
61-90 days past due	20.10	9.60	22.40	4.00	-	-
91-180 days past due	23.40	9.30	63.20	3.20	1.10	9.60
More than 180 days past due	10.80	-	2.00	-	-	-
	<b>176.70</b>	83.10	<b>328.60</b>	333.50	<b>45.20</b>	30.20

Management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behavior and extensive analysis of customer credit risk.

#### iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Exposure to liquidity risk

The following are remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

	Carrying amount as on	Total	upto 1 year	more than 1 year
	30 June 2021 31 March 2021			
<b>Non-derivative financial liabilities</b>				
Trade payables	194.60	194.60	194.60	-
	250.10	250.10	250.10	-
Lease Liabilities	239.80	239.80	23.40	216.40
	84.90	84.90	30.40	54.50
Other financial liabilities	217.60	217.60	217.60	-
	234.30	234.30	234.30	-

#### iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and the functional currency of Group. The functional currency for large number of transactions of the Group is INR and majority of the customers the Group dealt with operate from India only. The Group receives more than 98% of its revenue from the domestic operations only.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management is as follows.

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (Continued)

for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

### 36 Financial instruments - Fair values and risk management (Continued)

#### C. Financial risk management (continued)

	INR	USD
Trade receivables	44.10 \$	0.60
	57.90 \$	0.80
Trade payables	21.20 \$	0.30
	9.30 \$	0.10
<b>Net exposure in respect of recognized assets and liabilities</b>	<b>22.90 \$</b>	<b>0.30</b>
	48.60	0.70

#### Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR or US dollar at 31 March would have affected the measurement of financial instruments denominated in foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss	
	Strengthening	Weakening
<b>30 June 2021</b>		
31 March 2021		
INR (10% movement)	2.29	-2.29
	4.86	-4.86

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (Continued)

for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

### 37 Contingent liabilities and commitments (to the extent not provided for)

	30 June 2021	31 March 2021
<b>Contingent liabilities</b>		
<i>Claims against the Company not acknowledged as debts</i>		
a. Income tax demands - TDS matter	492.30	492.20
b. Other income tax matters	6.60	10.90
c. Employees provident fund matter	5.20	5.20

Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgments/ decisions pending with various forums/ authorities.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

	30 June 2021	31 March 2021
<b>Commitments</b>		
a Commitments relating to long term arrangement with vendors ( <i>see note (i)</i> )	1,025.70	789.80

i The Group has entered into Reagent Rental Arrangements for periods ranging from 2 years to 6 years with some of its major reagent suppliers. As per the terms of the agreement, these reagent suppliers have placed the analysers / diagnostic equipments at no cost in the processing laboratory. The analysers / diagnostic equipments are programmed by the manufacturers to be used only against the reagent supplier's brand of reagent kits. The commitments as per these arrangements are either purchase commitments or rate commitments based on the workloads. The value of purchase commitments for the remaining number of years are INR 1025.70 million (31 March 2021 : INR 789.80 million) of which annual commitment for next financial year is INR 313.20 million (31 March 2021 : INR 367.80 million) crore as per the terms of these arrangements.



# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (Continued)

for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

### 38 Related parties

Description of relationship	Names of related parties
Associates	Equinox Labs Private Limited (From 28 March 2018) Thyrocare International Holding Company Limited, Mauritius (liquidated during the year ended 31 March 2020)
Enterprise over which directors and their relatives exercise control or influence, where transactions have taken place during the year	Thyrocare Gulf Laboratories WLL Sumathi Healthcare Private Limited (Previously known as Sumathi Construction Private Limited) Pavilion Commercial Private Limited Sumathi Infra Project LLP Mahima Advertising LLP Thyrocare Publications LLP Thyrocare Properties & Infrastructure Private Limited Sumathi Memorial Trust
Key Management Personnel (KMP)	Dr A Velumani, Managing Director A Sundararaju, Director Anand Velumani, Director Amruta Velumani, Director
Relatives of KMP	Dr A Velumani HUF (HUF in which Dr A Velumani is Karta) A Sundararaju HUF (HUF in which A Sundararaju is Karta) S Susila (sister of Dr A Velumani)

#### B. Transactions with key management personnel

##### i. Key management personnel compensation

	Period ended	Year ended	Balance outstanding	
	30 June 2021	31 March 2021	30 June 2021	31 March 2021
Dr A Velumani	0.00*	0.00*	-	0.00*
A Sundararaju	1.50	5.50	0.40	-
	<b>1.50</b>	<b>5.50</b>	<b>0.40</b>	<b>-</b>

\* Amount less than Rs. 1 lakh

As the liabilities for defined benefit plans are provided on actuarial basis for the Company as a whole, the amount pertaining to key managerial personnel are not included.

##### ii. Transactions with key management personnel including directors

	Period ended	Year ended	Balance outstanding	
	30 June 2021	31 March 2021	30 June 2021	31 March 2021
<b>Dividend paid</b>				
Dr A Velumani	222.30	148.20	-	-
A Sundararaju	3.70	2.50	-	-
Amruta Velumani	11.30	7.50	-	-

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (Continued)

for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

### 38 Related parties (Continued)

#### C. Related party transaction other than those with key management personnel

	Period ended 30 June 2021	Year ended 31 March 2021	Balance outstanding	
			30 June 2021	31 March 2021
<b>Material sale</b>				
Sumathi Healthcare Private Limited	0.40	1.60	-	-
<b>Payment of lease liabilities</b>				
Sumathi Healthcare Private Limited	1.60	4.10	-	3.50
<b>Revenue from operations</b>				
Thyrocare Gulf Laboratories WLL	0.70	8.30	-	10.10
Sumathi Memorial Trust (refer note)	-	3.20	0.80	1.80
<b>Loan Repaid</b>				
Pavilion Commercial Private Limited	-	25.00	-	-
<b>Interest paid</b>				
Pavilion Commercial Private Limited	-	1.40	-	-
<b>Testing charges paid/ payable</b>				
Equinox Labs Private Limited	-	0.00*	-	0.30
Sumathi Healthcare Private Limited	7.60	15.10	0.50	-
<b>Provision for doubtful trade receivables</b>				
Thyrocare Gulf Laboratories WLL	-	-	6.50	22.70
<b>Reimbursement of expenses paid</b>				
Thyrocare Gulf Laboratories WLL	-	0.10	-	-
Sumathi Healthcare Private Limited	0.80	3.40	10.60	-
<b>Reimbursement of expenses received</b>				
Thyrocare Gulf Laboratories WLL	0.10	-	-	-
Sumathi Healthcare Private Limited	-	2.90	-	0.80
<b>Technical assistance fees income</b>				
Thyrocare Gulf Laboratories WLL	7.60	21.70	30.50	26.00
<b>Sale of property, plant and equipment, addition to capital work-in-progress</b>				
Thyrocare Gulf Laboratories WLL	3.00	1.80	3.00	-
<b>Dividend paid</b>				
Anand Velumani	9.50	6.30	-	-
Dr A Velumani HUF	22.50	14.90	-	-
A Sundararaju HUF	36.20	24.20	-	-
Sumathi Infra Project LLP	23.60	15.80	-	-
Mahima Advertising LLP	18.90	12.60	-	-
Thyrocare Properties & Infrastructure Private Limited	78.40	52.20	-	-
Thyrocare Publications LLP	98.00	65.30	-	-
Pavilion Commercial Private Limited	0.20	0.10	-	-
<b>Advances received towards sale of property</b>				
Sumathi Healthcare Private Limited	47.00	-	297.00	250.00
<b>Investment in equity instruments (At historical cost)</b>				
Equinox Labs Private Limited	-	-	200.00	200.00
<b>Security deposits given/ (repaid)</b>				
Sumathi Healthcare Private Limited	-	-	1.40	1.40

#### Notes :

- The key management personnel, or their related parties, hold position in other entities that result in them having control or significant influence over these entities. These entities transacted with the Company during the reporting period. The terms and conditions of the transactions with key management personnel and their related parties were at arm's length and in the normal course of the business.
- Sumathi Memorial Trust, a charitable trust managed by the promoters of the Company as trustees, in tie up with other NGO subsidised the cost of PETCT scans for the cancer patients who can not afford the cost of the PETCT scan, by direct payment to the Company towards PETCT scans of such cancer patients.

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (Continued)

for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

### 39 Additional information to the Special Purpose Interim Ind AS consolidated financial statements

#### a. Due to Micro and Small Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro and Small enterprises. On the basis of the information and records available with the Management, the outstanding dues to the Micro and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 are set out in following disclosure. This has been relied upon by the auditors.

	30 June 2021	31 March 2021
(i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	15.60	5.30
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(iii) 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 Micro, Small and Medium Enterprises Development Act, 2006	-	-
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(v) 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 Micro, Small and Medium Enterprises Development Act, 2006.	-	-

b. The Group's international transactions and domestic transactions with related parties are at arm's length as per the independent accountants report for the year ended 31 March 2020. Management believes that the Group's international transactions and domestic transactions with related parties post 31 March 2020 continue to be at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision for taxation.

#### c. Details of interests in subsidiaries and associates

##### Subsidiaries

The details of the Company's subsidiaries at 30 June 2021 and at 31 March 2021 is set below.  
The country of incorporation is also the principal place of business.

Name of entity	Country of Incorporation	Shareholding	Shareholding %
		% As on 30 June 2021	As on 31 March 2021
Nuclear Healthcare Limited	India	100%	100%

##### Associates

The details of the Company's associates at 30 June 2021 is set below.  
The country of incorporation is also the principal place of business.

Name of entity	Country of Incorporation	Shareholding	Shareholding %
		% As on 30 June 2021	As on 31 March 2021
Equinox Labs Private Limited	India	30%	30%

Thyrocare International Holding Company was liquidated during the current year and the Company has received the liquidation proceeds during the current year.

d. Additional information as required under para 2 of General Instruction for the preparation of Consolidated Financial Statements of Schedule III to the Companies Act, 2013.

Name of the enterprises	Net assets i.e total assets minus total liabilities		Share in profit or loss	
	As (%) of consolidated net assets	Amount	As (%) of consolidated profit and loss	Amount
<b>Parent group</b>				
Thyrocare Technologies Limited	102.74%	4,148.10	87.04%	483.70
<b>Subsidiary</b>				
Nuclear Healthcare Limited	12.67%	511.50	13.82%	76.80
Eliminations	-15.41%	(622.30)	-0.86%	(4.80)
	<b>100.00%</b>	<b>4,037.30</b>	<b>100.00%</b>	<b>555.70</b>

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (Continued)

for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

### 39 Additional information to the Special Purpose Interim Ind AS consolidated financial statements (continued)

- e. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

f. <i>Financial Ratios</i>	Period Ended 30 June 2021	Year Ended 31 March 2021	Remarks
(i) Current Ratio	2.14	2.50	Current Assets / Current liabilities
(ii) Debt-Equity Ratio	1.34	1.28	Total liabilities/ Total shareholder's equity
(iii) Debt Service Coverage Ratio	NA	NA	
(iv) Return on Equity Ratio	0.14	0.26	Profit after tax/ Shareholder's equity
(v) Inventory Turnover Ratio	42	28	(Average inventory/ COGS)*No of days
(vi) Trade Receivables Turnover Ratio	30	33	(Trade receivables/ Revenue from
(vii) Trade Payables Turnover Ratio	22	34	(Trade payables/ COGS plus other expenses)*No of days
(viii) Net Capital Turnover Ratio	0.41	1.16	Total sales/ Shareholder's equity
(ix) Net Profit Ratio	0.34	0.23	Net profit after tax/ Revenue from operations
(x) Return On Capital Employed	0.18	0.36	EBIT/ Capital employed
(xi) Return on Investment	0.14	0.06	Returns from current investment/ cost of investment

As per our report of even date attached

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

For and on behalf of the Board of Directors of  
**Thyrocare Technologies Limited**  
CIN - L85110MH2000PLC123882

**Vaijayantimala Belsare**  
Partner  
Membership No: 049902

**Hardik Dedhia**  
Director  
DIN - 06660799

**Dharmil Sheth**  
Director  
DIN - 06999772

Mumbai, 27 October 2021

**Ramjee D**  
Company Secretary  
Membership No - F2966  
Navi Mumbai, 27 October 2021

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements for the period ended 30 June 2021

### 1. Reporting entity

Thyrocare Technologies Limited (the “Company”) alongwith its subsidiaries Nueclear Healthcare Limited and Thyrocare Employees Stock Option Trust [collectively referred to as the "Group"], is one of India's leading healthcare services providers in diagnostic segment. The consolidated financial statements include financial statements of the Company, its Subsidiaries and its associate, Equinox Labs Private Limited. The Group has a centralised fully automated diagnostic testing laboratory, regional processing laboratories, a medical cyclotron facility and PET-CT facilities across the country. The Company has been incorporated under the provisions of the Companies Act in India and its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The Company’s subsidiaries and associate are also domiciled in India.

### 2. Basis of preparation

#### A. Statement of compliance

Docon Technologies Private Limited [CIN : U72900KA2016PTC126436], a private limited company incorporated under the laws of India and having their registered office at #77/A, Industrial Layout, Kormangala, Bangalore, Karnataka – 560034, India, (hereinafter referred to as the “Purchaser”) has entered into a share purchase agreement dated 25 June 2021 with the promoters and promoter group shareholders (the “Share Purchase Agreement” or “SPA”), pursuant to which the Purchaser has agreed to acquire from these shareholder 3,49,72,999 Equity Shares of the Target Company representing 66.11% of the expanded voting share capital, completion of which is subject to the satisfaction of certain conditions precedent under the Share Purchase Agreement. The sale of such Equity Shares under the Share Purchase Agreement is proposed to be executed at a price of ₹ 1,300.00/- per Equity Share (the “SPA Price”) as an off-market trade. The Share Purchase Agreement also sets forth the terms and conditions agreed between the Purchaser and these Shareholders, and their respective rights and obligations.

Since the Purchaser has entered into an agreement to acquire voting rights in excess of 25.00% of the equity share capital and control over the Company, the Purchaser alongwith API Holdings Private Limited [CIN : U60100MH2019PTC323444], a private limited company incorporated under the laws of India and having their registered office at Gala No. 220, 2nd Floor, Andheri Universal Premises Cooperative Society Limited, J.P. Road, Andheri (West), Mumbai, Maharashtra – 400058, India, (hereinafter referred to as the “PAC”) have mad an Open Offer under Regulation 3(1) and Regulation 4 of the SEBI (SAST) Regulations. Pursuant to the Open Offer and consummation of the transaction contemplated under the Share Purchase Agreement, the Purchaser will have control over the Company and the Purchaser shall become the promoter of the Company including in accordance with the provisions of the SEBI (LODR) Regulations.

These Special Purpose Interim Ind AS consolidated financial statements (hereinafter referred to as 'special purpose consolidated financial statements') have been prepared by the management and approved by the Board of Directors for the purpose to enable API Holdings Private Limited to include them in its Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus (the “Offer Documents”) to be filed with Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited, as relevant, in connection with the proposed IPO and to compile Pro Forma Financial Information in the Offer Documents for the financial year ended March 31, 2021 and for the period ended June 30, 2021.

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements for the period ended 30 June 2021

The consolidated financial statements were authorized for issue by the Company's Board of Directors on 27 October 2021.

The details of the accounting policies are included in Note 3.

### **B. Functional and presentation currency**

These consolidated financial statements are prepared in India Rupees (INR), which is also the Group's functional currency. All amounts have been rounded-off to the nearest crore, unless otherwise indicated.

### **C. Basis of measurement**

The consolidated financial statements are prepared on the historical cost basis except for the following items:

<b>Items</b>	<b>Measurement basis</b>
Investment	Fair value
Employee shared-based payments at grant date	Fair value
Net defined benefit (asset) / liability	Fair Value of plan assets less present value of defined benefit obligations

### **D. Use of estimates and judgments**

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

### *Judgements*

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

Note 3 E - Impairment testing for goodwill generated on consolidation

Note 3 K – Revenue recognition at a point in time

Note 3 N – Leases: whether an arrangement contains a lease and lease classification

### *Assumptions and estimation uncertainties*

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment are included in the following notes:

Note 3 E - Impairment testing for goodwill generated on consolidation

Note 3 I - Impairment of financial and non-financial assets

Note 3 J – Assets held for sale – to determine fair value less cost to sell

Note 4 and 5 - determining an asset's expected useful life and the expected residual value at the end of its life

Note 9 - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used

Note 33 – measurement of defined benefit obligations: key actuarial assumptions and

Note 37 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

### **E. Measurement of fair values**

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company, in case of assets held for sale, makes use of valuation certificates obtained from third party professionals for determining significant fair value measurement for cases covered under Level 3.

The group regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as statements of asset management companies managing the mutual fund schemes, is used to measure fair values, then the group assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues, if any, are reported to the company's audit committee.

Fair value is categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities (includes mutual funds that have quoted price/ declared NAV).

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes :

- Note 4C – investment property;
- Note 34 – share-based payment arrangements; and
- Note 35 – financial instruments.

### **F. Principles of consolidation and equity accounting**

#### ***(i) Business combinations***

As part of its transition to Ind AS, the Group has elected to apply the relevant Ind AS, viz. Ind AS 103, Business Combinations, to only those business combinations that occurred on or after 1 April 2016.

In respect of business combinations, goodwill represents the amount recognised under the Group's previously accounting framework under Indian GAAP.

#### ***(ii) Subsidiaries***

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used for business combination by the group.

The Group assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member in the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.



# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

*Consolidation procedure :*

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group.

### *(iii) Non-controlling interests (NCI)*

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

### *(iv) Loss of control*

Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

### *(v) Equity accounted investees*

The Group's interests in equity accounted investees comprise interests in an associate.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associate is accounted for using the equity method. This is initially recognized at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity-accounted investees until the date on which significant influence ceases.

### *(vi) Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

## **3. Significant accounting policies**

### **A. Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) as defined in Ind AS-108 'Operating Segments' for allocating resources and assessing performance. The Group operates in three reportable business segment.

Refer note 33 in the financial statements for additional disclosures on segment reporting.

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

### **B. Current/ non-current classification**

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current.

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

#### *Assets*

An asset is classified as current when it satisfies any of the following criteria :

- (i) it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
- (ii) it is expected to be realised within twelve months from the reporting date;
- (iii) it is held primarily for the purposes of being traded; or
- (iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

#### *Liabilities*

A liability is classified as current when it satisfies any of the following criteria :

- (i) it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
- (ii) it is due to be settled within twelve months from the reporting date;
- (iii) it is held primarily for the purposes of being traded; or
- (iv) the group does not have an unconditional right to defer settlement of liability for atleast twelve months from the reporting date.

All other liabilities are classified as non-current.

#### ***Operating Cycle***

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current - non-current classifications of assets and liabilities.

### **C. Foreign currency**

#### ***Foreign currency transactions***

Transactions in foreign currencies are translated into the functional currency of the Group at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities are translated at the rate at the date of the transaction. Exchange differences are recognised in statement of profit or loss.

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

### D. Financial instruments

#### (i) *Recognition and initial measurement*

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus except for receivables / contract assets under Ind AS 115 which are measured at transaction price, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

#### (ii) *Classification and subsequent measurement*

##### *Financial assets*

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income (FVTOCI); or
- Fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI — equity investment). This election is made on an investment- by- investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

##### *Financial assets: Business model assessment*

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

*Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

*Financial assets: Subsequent measurement and gains and losses*

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective at amortised interest method. The amortised cost is reduced by impairment losses. Interest cost / income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value, Dividends are recognised as income in profit of loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

*Financial liabilities: Classification, subsequent measurement and gains and losses*

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

### **(iii) Derecognition**

*Financial assets*

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

*Financial liabilities*

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements

*(continued)*

*for the period ended 30 June 2021*

### *(iv) Offsetting*

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

### **E. Impairment of Goodwill**

Goodwill acquired in business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination.

The Group's goodwill on consolidation are tested for impairment annually or more frequently if there are indications that goodwill might be impaired.

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

#### *Discount rates*

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

#### *Growth rates*

The growth rates are based on industry growth forecasts and Management's best estimates of the expected future growth. Management determines the forecasted growth rates based on past performance and its expectations of market development.

### **F. Property, plant and equipment**

#### *(i) Recognition and measurement*

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

#### *(ii) Transition to Ind AS*

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

### *(iii) Subsequent expenditure*

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

### *(iii) Depreciation*

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the written down value method, and is generally recognised in the statement of profit and loss. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment prescribed as per Schedule II are as follows:

Assets	Useful life as per Schedule II
Buildings	60 Years
Plant and equipment (diagnostic equipment)	13 Years
Plant and equipment (others)	15 Years
Office equipment	5 Years
Furniture and fittings	10 years
Computers	3-6 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

### *(iv) Reclassification to investment property*

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

## **G. Other Intangible assets**

Before transition to Ind AS, other intangible assets including those acquired by the Group are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. The intangible assets acquired by the Group, after transition to Ind AS are measured at fair value.

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

The estimated useful lives are as follows:

- Softwares - 5 years
- Trademark – 5 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

### H. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

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

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

### I. Impairment

#### (i) *Impairment of financial assets*

The Group recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost; and

At each reporting date, the Group assesses whether financial assets carried at amortised cost. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit- impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 90 days or more;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or - the disappearance of an active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses.



# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements

*(continued)*

*for the period ended 30 June 2021*

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward- looking information.

### *Impairment of investments in associates*

Determining whether the investments in associates are impaired requires an estimate in the value in use of investments. The Group reviews its carrying value of investments carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss. In considering the value in use, the Board of Directors have anticipated the future market conditions and other parameters that affect the operations of these entities.

### *Write-off*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

### *(ii) Impairment of non-financial assets*

The Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

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

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

The Group's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

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

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

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### **J. Non-current assets, or disposal groups held for sale**

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Non-current assets classified as held for sale are presented separately from the other assets in the Consolidated Balance Sheet. The liabilities classified as held for sale are presented separately from other liabilities in the Consolidated Balance Sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the Consolidated Statement of Profit and Loss.

The post-tax profit or loss of discontinued operations and the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets constituting the discontinued operation shall be disclosed separately as a single amount in the Consolidated Statement of Profit and Loss.

An analysis of the single amount into the revenue, expenses and pre-tax profit or loss of discontinued operations, the related income tax expense as required by Ind AS 12 and the gain or loss recognised on

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

the measurement to fair value less costs to sell or on the disposal of the assets constituting the discontinued operation along with the related income tax expense thereon as required by Ind AS 12 may be presented in the notes or in the Consolidated Statement of Profit and Loss.

### **K. Employee benefits**

#### *(i) Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

#### *(ii) Share-based payment transactions*

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

#### *(iii) Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

#### *(iv) Defined benefit plans*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Group determines the net interest expense (income) on the net defined

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

### (v) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

### (vi) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

## L. Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

## M. Revenue from operations

Revenue includes only the gross inflows of economic benefits. It is measured based on the consideration specified in the contracts with customers. Amounts collected on behalf of third parties such as goods and services taxes are not economic benefits which flow to the entity and do not result in increases in equity. Therefore, they are excluded from revenue.

Ind AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. Under Ind AS 115, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time requires judgement.

Revenue stream	Nature and timing of satisfying performance obligations, including significant payment terms	Revenue recognition under Ind AS 115
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# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

Sale of services	Customers obtain control of the service at the time of receipt of relevant test reports. Customers generally pay upfront before availing diagnostic services or before undergoing scans and in case of tie-up customers, the credit period offered generally ranged from 15 days to 30 days. The Group generally does not have refund/warranty obligations.	Revenue from sale of testing and imaging services is recognized at a point in time once the testing samples are processed for requisitioned diagnostic tests.
Sale of goods and consumables	Customer obtains control of goods and consumables when the goods are delivered to the customer's premise or other agreed upon delivery point where the customer takes control of the goods. The credit period offered to customers generally ranged from 30 days to 90 days. The Group does not have refund/warranty obligations.	Revenue is recognized at a point in time when the goods and consumables are delivered at the agreed point of delivery which generally is the premises of the customer.

Income from technical assistance and trade mark assignment is recognised once the Group's right to receive the revenue is established by the reporting date. Income from technical assistance and trademark is recognised as an agreed percentage of the turnover of the respective entities, as per the terms of the respective agreements.

### Contract liabilities

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.

### N. Leases

The Group has applied *Ind AS 116 Leases*, using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under *Ind AS 17*. The details of accounting policies under *Ind AS 17* are disclosed separately if they are different from those under *Ind AS 116* and the impact of changes is disclosed separately in this note.

#### *Policy applicable from 1 April 2019*

At inception of a contract, the Group assesses whether a contract is, or contains, a lease, 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:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either, throughout the period of use:
  - o the Group has the right to operate the asset; or
  - o the Group designed the asset in a way that predetermines how and for what purpose it will be used.

An inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

### (i) *As a lessee*

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised.

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

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease,

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

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

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

The Group presents right-of-use assets that do not meet the definition of investment property, separately, in *Note 5B 'Right of use long term leases (net of net investment in sub-leases)'* and lease liabilities in *Note 21A 'Other financial liabilities - Non-current'* and *Note 21B 'Other financial liabilities - Current'*, in the statement of financial position.

However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a singly lease component.

### *Short-term leases and leases of low-value assets*

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

### **(ii) As a lessor**

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As a part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use assets arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease otherwise it is classified as finance lease.

In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

The accounting policies applicable to the Group as a lessor in the comparative period were not different from Ind AS 116. However, when the Group was an intermediate lessor the sub-leases were classified with reference to the underlying asset

In case of sublease, finance lease receivable is netted off from the value of Right of Use asset.in Note 5B.

### Maturity Analysis of Lease liabilities as at 30 June 2021 on an undiscounted basis:

Particulars	As at 30 June 2021 (in million)	As at 31 March 2021 (in million)
Less than one year	23.40	30.40
One to five years	172.00	53.70
More than five years	44.40	0.80
<b>Total</b>	<b>239.80</b>	<b>84.90</b>

### Lease liabilities recorded in the Balance sheet as at 30 June 2021

Particulars	As at 30 June 2021 (in million)	As at 31 March 2021 (in million)
Non-current portion	216.40	54.50
Current portion	23.40	30.40
<b>Total</b>	<b>239.80</b>	<b>84.90</b>

### Amounts recognized in the statement of profit and loss

Particulars	As at 30 June 2021 (in million)	As at 31 March 2021 (in million)
Interest expense on leases (recorded under Finance Cost in the statement of profit and loss)	6.20	6.90
Depreciation on right-of-use assets for the year (refer note 5B for further details)	14.30	50.60
Expenses relating to short term leases recorded in Note 30 under Rent	2.40	12.30

### Amount recognized in the statement of cash flows:

Particulars	As at 30 June 2021 (in million)	As at 31 March 2021 (in million)
Total cash outflow on account of leases	17.20	61.00



# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

### (iii) Other leases

The Group entered into lease with the landlord for land at central processing laboratory premises about 10 years ago. The lease premium paid on transfer of lease rights in favor of the Group, is capitalised in the books and amortised over the period of the lease.

### Equipment placement arrangements

The Group uses testing equipment (analysers) under a number of reagent rental arrangements. Some of these arrangements provide the Group with option to purchase the equipment at the end of lease term at mutually negotiated price as well as an obligation to purchase the equipment at stipulated price in the event of premature termination.

Some of these arrangements are not in the legal form of lease, but a portion of the cost paid to the vendors for is considered to contain a lease element due to the nature of the contractual terms.

### Change in accounting policies

Except for the changes below, the Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements.

The Group applied *Ind AS 116* with a date of initial application of 1 April 2019. As a result, the Group has changed its accounting policy for lease contracts as detailed below.

The Group applied *Ind AS 116* using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1 April 2019. The details of the changes in accounting policies are disclosed below.

#### A. Definition of a lease

Previously, the Group determined at contract inception whether an arrangement is or contains a lease. Under *Ind AS 116*, the Group assesses whether a contract is or contains a lease based on the definition of a lease, as explained earlier in this Note K.

On transition to *Ind AS 116*, the Group elected to apply the practical expedient to grandfather the assessment of which transaction are leases. It applied *Ind AS 116* only to contracts that were previously identified as leases. Contracts that were not identified as leases under *Ind AS 17* were not reassessed for whether there is a lease. Therefore, the definition of a lease under *Ind AS 116* was applied only to contracts entered into or changed on or after 1 April 2019.

#### B. As a lessee

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under *Ind AS 116*, the Group recognizes right-of-use assets and lease liabilities for most leases – i.e. these leases are on balance sheet.

The Group decided to apply recognition exemption to short-term leases of machinery and lease of IT equipment.

#### (i) Leases classified as operating leases under *Ind AS 17*

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 April 2019. Right-of-use assets are measured at either :

- their carrying amount as if *Ind AS 116* had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application – the Group applied this approach to its largest property leases; or
- an amount equal to lease liability, adjusted by the amount of any prepaid or accrued lease payments – the Group applied this approach for all other leases.

The Group used the following practical expedients when applying *Ind AS 116* to leases previously classified as operating leases under *Ind AS 17*.

- applied a single discount rate to a portfolio of leases with similar characteristics.
- applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term.
- excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

### C. As a lessor

The Group is not required to make any adjustments on transition to *Ind AS 116* for leases in which it acts as a lessor, except for a sub-lease. The Group accounted for its leases in accordance with *Ind AS 116* from the date of initial application.

Under *Ind AS 116*, the Group is required to assess the classification of a sub-lease with reference to the right-of-use asset, not the underlying asset. On transition, the Group reassessed the classification of a sub-lease contract previously classified as an operating lease under *Ind AS 17*. The Group concluded that the sub-lease is a finance lease under *Ind AS 116*.

The Group applied *Ind AS 115 Revenue from contracts with customers* to allocate consideration in the contract to each lease and non-lease component.

### O. Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to :

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

### P. Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

### (i) *Current tax*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

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

### (ii) *Deferred tax*

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

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

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets — unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

## **Q. Discontinued operations**

A discontinued operation is a component of the Group's business, the operation and cash flows of which can be clearly distinguished from those of the rest of the Group and which represents a separate major line of business and is part of a single co-ordinated plan to dispose of a separate major line of business. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

When an operation is classified as a discontinued operation, the comparative statement of profit and loss is re-presented as if the operation had been discontinued from the start of the comparative period.

### R. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

### S. Subsequent events

Docon Technologies Private Limited [CIN : U72900KA2016PTC126436], a private limited company incorporated under the laws of India and having their registered office at #77/A, Industrial Layout, Kormangala, Bangalore, Karnataka – 560034, India, (hereinafter referred to as the “Purchaser”) has entered into a share purchase agreement dated 25 June 2021 with the promoters and promoter group shareholders (the “Share Purchase Agreement” or “SPA”), pursuant to which the Purchaser has agreed to acquire from these shareholder 3,49,72,999 Equity Shares of the Target Company representing 66.11% of the expanded voting share capital, completion of which is subject to the satisfaction of certain conditions precedent under the Share Purchase Agreement. The sale of such Equity Shares under the Share Purchase Agreement is proposed to be executed at a price of ₹ 1,300.00/- per Equity Share (the “SPA Price”) as an off-market trade. The Share Purchase Agreement also sets forth the terms and conditions agreed between the Purchaser and these Shareholders, and their respective rights and obligations.

Since the Purchaser has entered into an agreement to acquire voting rights in excess of 25.00% of the equity share capital and control over the Company, the Purchaser alongwith API Holdings Private Limited [CIN : U60100MH2019PTC323444], a private limited company incorporated under the laws of India and having their registered office at Gala No. 220, 2nd Floor, Andheri Universal Premises Cooperative Society Limited, J.P. Road, Andheri (West), Mumbai, Maharashtra – 400058, India, (hereinafter referred to as the “PAC”) have mad an Open Offer under Regulation 3(1) and Regulation 4 of the SEBI (SAST) Regulations. Pursuant to the Open Offer and consummation of the transaction contemplated under the Share Purchase Agreement, the Purchaser will have control over the Company and the Purchaser shall become the promoter of the Company including in accordance with the provisions of the SEBI (LODR) Regulations.

### T. Social Security Code

Based on the Supreme Court Judgement dated February 28, 2019, the Company was required to reassess the components to be included in the basic salary for the purposes of deduction of Provident Fund. However, the Company believes that there will be no impact and hence has not provided for any additional liability as on 30 June 2021 in the books of account. In the opinion of the management all transactions with its related parties are made on basis arm length and/or at comparatives/benefits assessment basis. The report of the accountant u/s 92E (Transfer Pricing) of the Income Tax Act 1961 and related records will be submitted along with Income Tax Return. The Company does not expect any material liability on this account in view of fair assessment of mark ups, charges and other costs. 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

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements

*(continued)*

*for the period ended 30 June 2021*

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.

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Board of Directors of Thyrocare Technologies Limited Report on the Audit of the Special Purpose Interim Ind AS Consolidated Financial Statements**

#### **Opinion**

We have audited the attached Special Purpose Interim Ind AS Consolidated Financial Statements of Thyrocare Technologies Limited (the "Holding Company") and its subsidiaries (together referred to as the "Group"), which comprises the Consolidated Balance Sheet as at June 30, 2021, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the three months period ended June 30, 2021 and the summary of the significant accounting policies and other explanatory information (collectively referred to as the "Special Purpose Interim Ind AS Consolidated Financial Statements"). The Special Purpose Interim Ind AS Consolidated Financial Statements have been prepared by the management of the Holding Company in accordance with Indian Accounting Standard 34 Interim Financial Reporting (Ind AS 34) specified under Section 133 of the Companies Act, 2013 ("the Act").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Interim Ind AS Consolidated Financial Statements prepared in accordance with Ind AS 34, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at June 30, 2021, and its loss, changes in equity and its cash flows for the three months period ended on that date.

#### **Basis of 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 Special Purpose Interim Ind AS 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 Special Purpose Interim Ind AS 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.

#### **Management's Responsibility for the Special Purpose Interim Ind AS Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Special Purpose Interim Ind AS Consolidated Financial Statements in accordance with Indian Accounting Standard 34 'Interim Financial Reporting' 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 Special Purpose Interim Ind AS Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making

judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Interim Ind AS 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.

### **Auditor's Responsibility**

Our objectives are to obtain reasonable assurance about whether the Special Purpose Interim Ind AS 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 Special Purpose Interim Ind AS Consolidated Financial Statements.

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

- Identify and assess the risks of material misstatement of the Special Purpose Interim Ind AS 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, but not for expressing our opinion on whether the Group has internal financial controls with reference to the Special Purpose Interim Ind AS Consolidated 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 Group'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 Special Purpose Interim Ind AS 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Special Purpose Interim Ind AS 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 Special Purpose Interim Ind AS Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Special Purpose Interim Ind AS 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 regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

#### **Other matter**

- a. The Special Purpose Interim Ind AS Consolidated Financial Statements also includes the Group's share of net loss after tax of Rs. (0.29) crores and total comprehensive income Rs. (0.29) crores for the quarter ended June 30, 2021 and for the period from April 1, 2021 to June 30, 2021, as considered in the Special Purpose Interim Ind AS Consolidated Financial Statements, in respect of one associate, whose unaudited interim standalone financial results have not been reviewed by us. These unaudited interim standalone financial results have been reviewed by other auditor whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this, associate, is based solely on the reports of the other auditor and the procedures performed by us as stated in paragraph above.
- b. We did not audit the financial statements of one subsidiary included in the Special Purpose Interim Ind AS Consolidated Financial Statements, the subsidiary, the financial statements of which have not been audited by their auditor, whose financial results reflect total assets of Rs. 0.004 million as at June 30, 2021 and total revenue of Rs. Nil, total net profit after tax of Rs. Nil and total comprehensive income of Rs. Nil for the quarter ended June 30, 2021 and for the period from April 01, 2021 to June 30, 2021, as considered in the Special Purpose Interim Ind AS Consolidated Financial Statements, based on their financial results which have not been audited by their auditor. According to the information and explanations given to us by the Management, these financial results are not material to the Group.
- c. The comparative financial information for the year ended March 31, 2021 of Special Purpose Interim Ind AS Consolidated Financial Statements is audited by the predecessor auditors and who have expressed an unmodified opinion on those consolidated financial statements, vide their audit report dated May 8, 2021.
- d. On account of our appointment as auditor subsequent to June 30, 2021, it was impracticable for us to attend the physical verification of inventory carried out by management. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence – Specific Considerations for Selected Items", which includes inspection of supporting documentation relating to purchases, results of cyclical count performed by the Management through the period and such other third party evidences where applicable, and have obtained sufficient appropriate audit evidence over the existence of inventory amounting to Rs. 269.10 millions as on June 30, 2021.



Our opinion on the Special Purpose Interim Ind AS Consolidated Financial Statements is not modified in respect of above matters.

**Restriction on Distribution and use**

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describes the basis of preparation. The Special Purpose Interim Ind AS Consolidated Financial Statements have been prepared by Management of the Holding Company and approved by the Board of Directors for the purpose to enable API Holdings Private Limited to include and compile Pro Forma Financial Information in their Draft Red Herring Prospectus as of and for the period ended June 30, 2021. As a result, the financial information may not be suitable for any other purpose.

Our report is intended solely for the use of Management of the Holding Company and should not be distributed to or used by other parties. MSKA & Associates shall not be liable to the Group or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

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

Vaijayantimala Belsare  
Partner  
Membership No. 049902  
UDIN:

Place: Mumbai  
Date : October 27, 2021

**Annexure A**

Table 1 – As of and for the period ended June 30, 2021

<b>Sr No.</b>	<b>Name of the Entity</b>	<b>Relationship</b>
1	Nuclear Healthcare Limited	Subsidiary
2	Thyrocare Employees Stock Option Trust	Subsidiary
3	Equivnox Labs Private Limited	Associate