Strand Life Sciences Private Limited

Financial Statements
2023-24

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF STRAND LIFE SCIENCES PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **STRAND LIFE SCIENCES PRIVATE LIMITED** ('the Company'), which comprise the Balance sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in equity and Statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Information other than the Standalone Financial Statements and Auditor's Report thereon

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

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

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

Management's Responsibility for the Standalone Financial Statements

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

In preparing the standalone financial statements, the management of the Company is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management of the Company either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standard 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, based on our audit we report that:

   a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account;

   d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended;

   e) on the basis of the written representations received from the directors as on March 31, 2024 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

   f) with respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and

   g) with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its managerial personnel during the year is in accordance with the provisions of section 197 of the Act.

   (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and as represented by the management:

      i. the Company has disclosed the impact of pending litigations on its financial position to the extent quantifiable in its standalone financial statements – Refer Note No. 34 to the standalone financial statements;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The management has represented to us that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented to us that, to the best of it's knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on our audit procedures conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our notice that cause us to believe that the representation given by the management as mentioned above under clause (a) & (b) contain any material misstatement.

v. the Company has neither declared nor paid any dividend during the year.

vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

for CHATURVEDI & SHAH LLP
Chartered Accountants
Firm Registration Number : 101720W / W100355

Lalit R Mhalsekar
Partner
Membership Number: 103418
UDIN : 24103418BKCRPL4424

Place: Mumbai
Date: April 19, 2024

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

In terms of the Annexure referred to in our report to the members of **STRAND LIFE SCIENCES PRIVATE LIMITED** ('the Company') on the standalone financial statements for the year ended March 31, 2024, we report that:

i) a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

b) According to the information and explanation given to us, Property, Plant and Equipment have been physically verified by the Management during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company does not own any freehold immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) and the Company does not have any lease/sublease deed on leasehold land registered in the name of the company.

d) According to information and explanations given to us and books of accounts and records examined by us, Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

e) According to information, explanations and representation given to us by the management, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

ii) a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, in our opinion, physical verification of the inventories have been conducted at reasonable intervals by the management having regard to the size and nature of business of the Company and nature of its inventory, the coverage and procedures of such verification by the management is appropriate. As explained to us and on the basis of the records examined by us, the value of the discrepancies noticed on physical verification by management did not exceed 10% or more in aggregate of each class of inventory.

b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions on the basis of security of current assets and hence reporting under Paragraph 3 (ii) (b) of the Order is not applicable.

iii) As per the information and explanation given to us and on the basis of our examination of the records of the Company, during the year the Company has not made investments in, provided any guarantee or security or granted any loan or advances in the nature of loans secured or unsecured to companies, firms, limited liability partnerships or any other parties other than unsecured loan given to employees.

(a) As per the information and explanation given to us and on the basis of our examination of the records of the Company, we state that the:

(A) The Company has not provided loans or advances in the nature of loans, guarantees or security to subsidiaries, joint ventures, and associates

(B) Details of loans granted to parties other than subsidiaries, joint ventures and associates:

Nature of parties	**Aggregate amount of loans granted during the year**	**Balance outstanding as at balance sheet date in respect of loans granted**
Employees	Rs 18.52 Lakhs	Rs 10.69 Lakhs

The Company has not provided guarantees or security to parties other than subsidiaries, joint ventures, and associates.

(b) In our opinion and according to the information and explanation given to us and on the basis of our examination of the records of the Company, the terms and conditions of grant of loans, during the year are, prima facie, not prejudicial to the company's interest.

(c) In our opinion and according to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has granted loans during the year to employees where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.

(d) In our opinion and according to the information and explanation given to us and on the basis of our examination of the records of the Company, there is no overdue amount remaining outstanding at the year-end for more than ninety days.

(e) In our opinion and according to the information and explanation given to us and on the basis of our examination of the records of the Company, there were no loans which had fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

(f) In our opinion and according to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment, hence requirement of paragraph 3 (iii) (f) is not applicable.

iv) As per the information and explanations given to us, the Company has not given any loans, made investment, guarantees and security to the parties covered under section 185 and 186 of the Act. Consequently requirement of paragraph 3(iv) of the Order is not applicable to the Company.

v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits and amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). There are no orders from Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal. Accordingly, the provision of paragraph 3(v) of the Order is not applicable to the Company.

vi) We have broadly reviewed the books of account maintained by the company, pursuant to the Rules made by the Central Government of India, the maintenance of cost records as prescribed under sub-section (1) of section 148 of the Act and we are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year the Company is regular in depositing the undisputed statutory dues including goods and services tax, provident fund, employee state insurance, income-tax, duty of customs, professional tax, cess and other material statutory dues applicable to it with the appropriate authorities.

b) According to the information and explanations given to us, no undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they becomes payable.

c) According to the information and explanation given to us and records of the Company, there are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute except the following :-

Name of Statute	**Nature of Dues**	**Amount (In lakhs)**	**Period to which it pertains**	**Forum where dispute is pending**
The Custom Duty Act, 1962	Custom Duty	22.08	July 2017 to December 2018	Customs, Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	24.62	Financial year 2009-10 to 2011-12	Deputy Commissioner of Central Tax
Income Tax Act, 1961	Income Tax	209.85*	Financial Year 2015-16	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1286.90**	Financial Year 2016-17	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	502.88	Financial Year 2021-22	In the process of filing appeal before Commissioner of Income Tax (Appeals)

* after setting off demand paid under protest / adjusted of Rs. 52.50 Lakhs
** after setting off demand paid under protest / adjusted of Rs. 227.70 Lakhs

viii) According to the information, explanations and representation given to us by the management, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

ix) a) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, The Company has not taken any loans or other borrowings from any lender. Hence reporting under paragraph 3(ix)(a) of the Order is not applicable.

b) In our opinion, and according to the information, explanations and representation given to us, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

c) The Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year and hence requirement of paragraph 3(ix)(c) of the Order is not applicable to the Company.

d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, and on the basis of our examination of the records of the Company, company has not raised any short term funds during the year hence requirement of paragraph 3(ix)(d) of the Order is not applicable to the Company.

e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures hence requirement of paragraph 3(ix)(e) of the Order is not applicable to the Company.

f) According to the information and explanations given to us and on the basis of our examination of the records of the company, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x) a) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not raised money by way of initial public offer or further public offer (including debt instruments), hence the requirement of paragraph 3(x)(a) of the Order is not applicable to the company.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year, hence requirement of paragraph 3(x)(b) of the order is not applicable to the company.

xi) a) Based on the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.

b) According to the information and explanations given to us, no report under sub-section 12 of section 143 of the Act has been filed by cost auditors or secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of paragraph 3(xii) (a) to (c) of the Order are not applicable.

xiii) In our opinion and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv) a) In our opinion and according to the information and explanations given to us, the Company has adequate internal audit system commensurate with the size and nature of its business.

b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

xv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

xvi) a) To the best of our knowledge and as explained, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

b) In our opinion, and according to the information and explanations provided to us and on the basis of our examination of the records of the Company, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year as per the Reserve bank of India Act 1934.

c) In our opinion, and according to the information and explanations provided to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

d) As represented by the management, the Group does not have any Core Investment Company (CIC) as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016 and accordingly the reporting under clause (xvi)(d) of the Order is not applicable.

xvii) In our opinion, and according to the information and explanations provided to us, Company has incurred cash losses of Rs. 103.61 Lakhs during the current financial year and has not incurred any cash loss in the immediately preceding financial year.

xviii) There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable.

xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our review of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx) The company is not liable to spend on Corporate Social responsibility for the year under audit in terms of the section 135 of the Act, hence reporting requirement under Paragraph 3 (xx) (a) and (b) of the Order are not applicable to the Company.

xxi) In our opinion, Company is not required to prepare the consolidated financial statement under sub section 3 of section 129 of the Act. Therefore, reporting requirement under Paragraph 3 (xxi) of the Order is not applicable to the Company.

for CHATURVEDI & SHAH LLP
Chartered Accountants
Firm Registration Number : 101720W / W100355

Lalit R Mhalsekar
Partner
Membership Number: 103418
UDIN : 24103418BKCRPL4424

Place: Mumbai
Date: April 19, 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls with reference to standalone financial statements of **STRAND LIFE SCIENCES PRIVATE LIMITED** ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to Standalone financial statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for CHATURVEDI & SHAH LLP
Chartered Accountants
Firm Registration Number : 101720W / W100355

Lalit R Mhalsekar
Partner
Membership Number: 103418
UDIN : 24103418BKCRPL4424

Place: Mumbai
Date: April 19, 2024

Strand Life Sciences Private Limited

Balance sheet as at 31st March 2024 **(INR in lakhs)**

	Note No.	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,401.25	441.59
Capital work-in-progress	3(a)	181.34	2.75
Other intangible assets	4	141.84	0.52
Intangible assets under development	4(a)	2,221.87	289.32
Financial assets			
Investment	5	-	-
Other financial assets	7	96.54	20.59
Deferred tax assets (net)	8(a)	1,011.21	890.33
Income tax assets (net)	8(b)	544.62	921.08
Other non-current assets	9	901.18	732.21
Total non-current assets		**7,499.85**	**3,298.39**
Current assets			
Inventories	10	555.24	252.72
Financial assets			
Investments	5	2,418.56	6,185.99
Loans	6	10.69	22.47
Trade receivables	11	1,730.92	1,329.06
Cash and cash equivalents	12(a)	460.03	630.57
Bank balances other than above	12(b)	0.18	-
Other financial assets	7	424.11	344.12
Other current assets	9	315.64	74.63
Total current assets		**5,915.37**	**8,839.56**
TOTAL ASSETS		**13,415.22**	**12,137.95**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	2,346.77	2,346.77
Other equity	14	7,978.46	8,132.80
Total equity		**10,325.23**	**10,479.57**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	36	1,005.09	85.62
Other non-current liabilities	18	-	1.29
Provisions	15	467.48	366.03
Total non-current liabilities		**1,472.57**	**452.94**
Current liabilities			
Financial liabilities			
Lease liabilities	36	135.70	43.18
Trade payables	16		
Total outstanding dues of micro enterprises and small enterprises		23.95	4.86
Total outstanding dues of creditors other than micro enterprises and small enterprises		412.49	434.20
Other financial liabilities	17	225.57	103.67
Current tax liabilities (net of advance tax)	8(b)	10.00	16.26
Other current liabilities	18	376.49	245.44
Provisions	15	433.22	357.83
Total current liabilities		**1,617.42**	**1,205.44**
TOTAL LIABILITIES		**3,089.99**	**1,658.38**
TOTAL EQUITY AND LIABILITIES		**13,415.22**	**12,137.95**

The accompanying notes are an integral part of these financial statements. 1-44

Strand Life Sciences Private Limited

As per our Report of even date

For Chaturvedi & Shah LLP
Firm Registration Number : 101720W / W100355
Chartered Accountants

Lalit R Mhalsekar
Partner
Membership No.: 103418

Date: 19 April 2024

For and on behalf of the Board

Dr. Vijaya Chandru
Director
DIN: 00914988

Dr. Ramesh Hariharan
Director & CEO
DIN: 05103194

Nilesh Pramodkumar Modi
Director
DIN: 09460046

Nikhil Chakrapani Suryanarayana Kavipurapu
Director
DIN: 03585055

Siddharth Achuthan
Director
DIN: 00016278

Rahul Yogendra Dutt
Director
DIN: 08872616

Anand Janakiraman
Chief Financial Officer

Wazda Tarannum
Company Secretary

Strand Life Sciences Private Limited

Statement of profit and loss for the year ended 31st March 2024 **(INR in lakhs)**

	Note No.	For the year ended 31 March 2024	For the year ended 31 March 2023
Income			
Revenue from operations	19	9,169.69	8,241.04
Other income	20	544.07	530.60
Total income		**9,713.76**	**8,771.64**
Expenses			
Cost of materials consumed	21	1,276.15	809.59
Employee benefits expenses	22	6,861.40	5,448.15
Depreciation and amortisation expenses	23	290.24	113.99
Finance costs	24	37.94	24.28
Other expenses	25	1,731.58	1,739.53
Total expenses		**10,197.31**	**8,135.54**
(Loss) / profit before tax		**(483.55)**	**636.10**
Tax expense			
Current tax expense	8(b)	10.00	16.26
MAT credit (entitlement) / reversal	8(a)	-	174.96
Deferred tax expense / (credit)	8(a)	(112.76)	(353.92)
Taxes for earlier years	8(a)	(9.98)	(569.62)
Total tax expense		**(112.74)**	**(732.32)**
(Loss) / profit for the year		**(370.81)**	**1,368.42**
Other comprehensive income ("OCI")			
Items that will not be reclassified subsequently to profit or loss			
- Remeasurements of defined benefit plan	29	(32.25)	(104.92)
- Income tax effect	8(a)	8.12	26.41
Other comprehensive income for the year, net of income tax		**(24.13)**	**(78.51)**
Total comprehensive income / (loss) for the year		**(394.94)**	**1,289.91**
Earnings per equity share in INR			
Basic	26	(1.58)	5.83
Diluted	26	(1.58)	5.46

The accompanying notes are an integral part of these financial statements. 1-44

Strand Life Sciences Private Limited

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Strand Life Sciences Private Limited

Statement of changes in equity for the year ended 31 March 2024

a) Equity share capital **(INR in lakhs)**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Balance at the beginning of the year	**2,346.77**	**2,346.77**
Changes in equity share capital during the year	-	-
Balance at the end of the year	**2,346.77**	**2,346.77**

b) Other equity **(INR in lakhs)**

	Reserves and surplus							
	Securities premium	**Retained earnings**	**Share based payments reserve (refer note 29)**	**Capital redemption reserve**	**General reserve**	**Capital reserve**	**Remeasurement of defined benefit plans ("OCI")**	**Total**
Balance as at 31 March 2022	**15,634.23**	**(11,763.15)**	**1,938.64**	**68.08**	**620.73**	**56.70**	**117.67**	**6,672.90**
(Loss) / profit for the year	-	1,368.42	-	-	-	-	-	**1,368.42**
Items of other comprehensive income	-	-	-	-	-	-	(78.51)	**(78.51)**
Total comprehensive income	**-**	**1,368.42**	**-**	**-**	**-**	**-**	**(78.51)**	**1,289.91**
Share based payment expenses	-	-	309.99	-	-	-	-	**309.99**
Contribution to Equityholder	-	(140.00)	-	-	-	-	-	**(140.00)**
Balance as at 31 March 2023	**15,634.23**	**(10,534.73)**	**2,248.63**	**68.08**	**620.73**	**56.70**	**39.16**	**8,132.80**
(Loss) / profit for the year	-	(370.81)	-	-	-	-	-	**(370.81)**
Items of other comprehensive income	-	-	-	-	-	-	(24.13)	**(24.13)**
Total comprehensive income	**-**	**(370.81)**	**-**	**-**	**-**	**-**	**(24.13)**	**(394.94)**
Share based payment expenses	-	-	240.60	-	-	-	-	**240.60**
Balance as at 31 March 2024	**15,634.23**	**(10,905.54)**	**2,489.23**	**68.08**	**620.73**	**56.70**	**15.03**	**7,978.46**

Securities premium
This is used to record the premium on issue of equity shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013.

Retained earnings
Retained earnings represent the amount of accumulated profits / (losses) of the Company.

Share based payment reserve
The Company has employee stock option plans for eligible employees of the Company.

Capital redemption reserve
Capital redemption reserve to be used as per the provisions of the Companies Act, 2013. Also refer note 13(ix).

General reserve
The general reserve is used from time to time to transfer profit from retained earnings for appropriate purpose.

Capital reserve
Capital reserve is created on buy back of shares at discount. Refer note 13(ix). The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

Strand Life Sciences Private Limited

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Strand Life Sciences Private Limited

Statement of cash flows for the year ended 31 March 2024 **(INR in lakhs)**

	Note No.	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Cash flows from operating activities			
(Loss) / profit before tax		(483.55)	636.10
Adjustments for:			
Depreciation and amortisation expenses	23	290.24	113.99
Share based payment expenses	22	240.60	309.99
Finance costs	24	37.94	24.28
Interest income	20	(3.24)	(1.37)
Allowance for doubtful trade receivables	25	24.92	-
Sundry balances written off	25	-	7.54
(Gain) / Loss on sale / discarding of fixed assets (net)	25	(1.94)	12.33
Gain on modification of finance lease	20	(16.25)	-
Unrealised foreign exchange loss / (gain) (net)	20	0.42	(4.35)
Income on investments carried at fair value through profit or loss (Including gain on fair valuation of investment)	20	(310.27)	(351.24)
Provisions / liabilities written back (net)	20	(118.54)	(52.65)
		(339.67)	**694.62**
Movement in working capital:			
Changes in trade receivables		(426.77)	(9.43)
Changes in inventories		(302.52)	(20.31)
Changes in loans and other financial assets		(191.35)	(271.36)
Changes in other assets		(465.64)	(225.52)
Changes in trade payable		104.12	(276.08)
Changes in other financial liabilities		50.70	33.94
Changes in other liabilities		141.13	(97.07)
Changes in provisions		144.59	30.54
Cash generated from / (used in) operations		**(1,285.41)**	**(140.67)**
Income taxes paid		370.18	(73.89)
Net cash generated from / (used in) operating activities (A)		**(915.23)**	**(214.56)**
Cash flows from investing activities			
Acquisition of PPE and Intangible assets including CWIP and IAUD		(3,277.96)	(584.98)
Proceeds from sale of property, plant and equipment and Intangible assets		2.22	6.12
Investment in mutual funds		-	(1,300.00)
Proceeds from sale of investments in mutual funds		4,077.69	2,534.89
Contribution to Equityholder		-	(140.00)
Proceeds from redemption of other bank balances		-	0.06
Investment in other bank balance		(0.18)	-
Interest income		0.19	0.45
Net cash generated from / (used in) investing activities (B)		**801.96**	**516.54**
Cash flows from financing activities			
Finance cost payment		(1.04)	(6.59)
Repayment of lease liability		(56.22)	(53.54)
Net cash generated from / (used in) financing activities (C)		**(57.26)**	**(60.13)**
Net increase / (decrease) in cash and cash equivalents		**(170.53)**	**241.85**
Cash and cash equivalents at the beginning of the year	12(a)	630.57	391.20
Effect of exchange differences on cash and cash equivalents held in foreign currency		(0.01)	(2.48)
Cash and cash equivalents at the end of the year	12(a)	**460.03**	**630.57**

Strand Life Sciences Private Limited

Statement of cash flows for the year ended 31 March 2024 **(INR in lakhs)**

	Note No.	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Components of cash and cash equivalents:	12(a)		
Cash on hand		-	-
Balances with banks			
- In current accounts		327.82	203.86
- In exchange earners foreign currency account		132.21	426.71
		460.03	**630.57**

Notes :

01. The above statement of cash flows has been prepared under the 'Indirect Method' as set out in the Ind AS-7 on Statement of Cash Flows as referred to in Section 133 of the Companies Act, 2013.

02. The previous year figures have been regrouped and rearranged wherever necessary.

Change in liability arising from financing activities **(INR in lakhs)**

Particulars	Balance at the beginning of the year	Additions	Non Cash / fair value changes	Cash flows	Balance at the end of the year
For the year ended 31 March 2024					
Lease Liabilities	128.80	1,102.07	(33.86)	(56.22)	1,140.79
Total	**128.80**	**1,102.07**	**(33.86)**	**(56.22)**	**1,140.79**
For the year ended 31 March 2023					
Lease Liabilities	164.65	-	17.69	(53.54)	128.80
Total	**164.65**	**-**	**17.69**	**(53.54)**	**128.80**

The accompanying notes are an integral part of these financial statements. 1-44

Strand Life Sciences Private Limited

As per our Report of even date

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Company Secretary

1. Corporate information

Strand Life Sciences Private Limited ("the Company") was incorporated on 6 October 2000 under the provisions of Companies Act, 1956. The registered office of the Company is located at UAS Convention Centre, Alumni Association Building, Veterinary College Campus, Bengaluru, Karnataka - 560 024. The Company is engaged in the business of genomics-based research, sale, development and maintenance of software, system integration tools and provisions of services in the field of bioinformatics, clinical and diagnostic services.

The Company incorporated a wholly owned subsidiary Strand Genomics Inc. ("SGI")[Formerly known as Strand Scientific Intelligence Inc, USA] in Delaware, USA on 24 May 2010. The Company had appointed SGI as a non-exclusive value added reseller for reselling the Licensed Software and exclusive subcontractor for providing related software services. The Company rendered services to SGI for the contracts entered into by SGI with its customers.

On 20 April 2016, the Board of Directors of SGI passed a resolution to close down the operations of SGI with effect from 20 April 2016 and also filed requisite application to the Court of Delaware ("the Court") for appointing the Receiver. Pursuant to filing of such application, the Court vide order dated 5 July 2016, appointed a Receiver for the purpose of taking charge of the SGI property and to do all other acts necessary for the liquidation of SGI. The liquidation of SGI was concluded vide order dated 28 April 2021 relieving the receiver w.e.f. 31 May 2021.

2. Material accounting policies

2.1 Basis of preparation:

(a) Statement of compliance

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

(b) Functional Currency

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

(c) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement
Certain financial assets and liabilities	Fair value
Net defined benefit (asset) / liability	Fair value of plan assets less

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities including contingent liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised prospectively.

2.2 Summary of material accounting policies:

(a) Current versus non-current classification

Assets and liabilities in the balance sheet have been classified as either current or non–current based upon the requirements of Schedule III notified under the Companies Act, 2013.

An asset has been classified as current if

(a) it is expected to be realized in, or is intended for sale or consumption in, the Company’s normal operating cycle; or

(b) it is held primarily for the purpose of being traded; or

(c) it is expected to be realized within twelve months after the reporting date; or

(d) 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 have been classified as non–current.

A liability has been classified as current when

(a) it is expected to be settled in the Company’s normal operating cycle; or

(b) it is held primarily for the purpose of being traded; or

(c) it is due to be settled within twelve months after the reporting date; or

(d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other liabilities have been classified as non–current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

2. Material accounting policies

2.2 Summary of material accounting policies:

(b) Measurement of fair values
The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as
– Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
– Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e.as prices) or indirectly (i.e. derived from prices); and

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

(c) Business combinations
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value. Any goodwill that arises is tested annually for impairment. Any gain on bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exist clear evidence of the underlying reserves for classifying the business combination as a resulting in a bargain purchase, otherwise the gain is recognised directly in equity as capital reserve. Acquisition related costs are expensed as incurred.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109: Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS.

(d) Foreign currency translation
Transactions in foreign currencies are initially recorded by the Company using spot rates on the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average 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 exchange rates at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss.
Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Income and expense items in foreign currency are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transaction are used.

(e) Revenue recognition
The company recognised revenue as per Ind AS 115 - Revenue from Contracts with Customers.

Revenue from sale of software products and licenses and Bioinformatics and other technical support services
i. Revenue from time and material contracts is recognized as the related services are performed.
ii. Revenue from license transaction is recognised upfront at the point in time when the license is delivered to the customer, simultaneously with transfer of control.
Revenue from sale of services is measured based on the transaction price, which is the consideration, adjusted for discounts and pricing incentives, if any, as specified in the contract with the customer. Goods and Services Tax ("GST") is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity / service rendered by the seller on behalf of the Government. Accordingly, it is excluded from revenues.

2. Material accounting policies

2.2 Summary of material accounting policies:

(e) Revenue recognition (continued)

Revenue from diagnostic services
Revenue is measured based on the consideration specified in a contract with a customer. Revenue is recognised at a point in time when the Company satisfies performance obligations by transferring the promised services to its customers. Generally, each test represents a separate performance obligation for which revenue is recognised when the test report is generated i.e. when the performance obligation is satisfied.

The company has assessed that it is primarily responsible for fulfilling the performance obligation and has no agency relationships. Accordingly, the revenue has been recognised at the gross amount and fees to collection centers / channel partners has been recognised as an expense.

Disaggregation of revenue
The Company disaggregates revenue from contracts with customers by segment and services rendered. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of the Company's revenue and cash flows are affected by industry, market and other economic factors.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) and trade receivable when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Other contract assets have been disclosed as contract assets within other assets.

Unearned and deferred revenue ("contract liability") is recognised when there are billings in excess of revenues. The billing schedules agreed with customers could include periodic performance-based payments and/or milestone-based progress payments. Invoices are payable within contractually agreed credit period. Advances received for services are reported as liabilities until all conditions for revenue recognition are met.

Interest income
For all financial instruments measured at amortised cost, interest income is recorded using the Effective Interest Rate ("EIR"). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

(f) Government grants
Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. The revenue grant is accounted at gross with corresponding expenditure in the profit and loss account as and when incurred. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

2. Material accounting policies

2.2 Summary of material accounting policies:

(g) Income tax

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in which the Company operates and generates taxable income.

Current income tax relating to items recognized outside profit or loss is recognized either in other comprehensive income or in equity, in correlation to the underlying transaction. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised on temporary differences between the tax bases of assets and liabilities and their carrying amounts of asset and liabilities in the financial statements at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax

Deferred tax relating to items recognized outside profit or loss is recognized either in other comprehensive income or in equity, in correlation to the underlying transaction.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI / capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

(h) Property, plant and equipment

Capital-work-in progress and property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes cost of replacing part of plant and equipment and borrowing costs for long-term projects if the recognition criteria are met. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Property, plant and equipment which are significant to the total cost of that item of property, plant and equipment and having different useful life are accounted separately.

2. Material accounting policies

2.2 Summary of material accounting policies:

(h) Property, plant and equipment (continued)

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management:

Assets	Useful life used by the management (in years)	Useful life as per Schedule II of the Companies Act, 2013 (in years)
Computers	3	3
Servers	6	6
Furniture and fixtures	5 - 10	10
Office equipment	5	5
Lab, research and development equipment	5 - 10	10
Vehicles	5	8

Leasehold Improvements are depreciated over the primary period of the lease, or useful life, whichever is lower, on a straight line basis.

In respect of assets acquired which have been previously used by another party, depreciation is provided over the remaining useful lives of such assets determined within their overall useful lives as stated above.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of lab equipment and furniture & fixtures over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

(i) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. Revenue expenditure pertaining to research is charged to the statement of profit and loss as and when incurred. Development costs are capitalised as an asset if it can be demonstrated that the project is expected to generate future economic benefits, it is probable that those future economic benefits will flow to the entity and the costs of the asset can be measured reliably, else it is charged to the statement of profit and loss.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

2. Material accounting policies

2.2 Summary of material accounting policies:

(i) Intangible assets (continued)

Research and development costs
Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Company can demonstrate all the following:

The expenditure can be measured reliably, the product or process is technically and accurately feasible.
- Future economic benefits are probable; and
- The availability of adequate resources to complete the development and to use or sell the asset;

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised on a straight line method (SLM) basis over the period of expected future benefit from the related project i.e., the estimated useful life. Amortisation is recognised in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

A summary of amortisation policies applied to the Company's intangible assets is as below:

Assets	**Rates on SLM basis**
Capitalised software products	1 - 6 years
Purchased software	Over the license period
Trademarks and patents	3 years

Others
Other intangible asset including those acquired by the company under business combination initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Goodwill
Goodwill on acquisitions of business is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of a business include the carrying amount of goodwill relating to the business sold.

Transition to Ind AS
On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

(j) Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing cost eligible of capitalisation.

(k) Inventories
Inventories are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on First-In-First- Out ("FIFO") basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. The provision for inventory obsolescence is assessed on a periodic basis and is provided as considered necessary.

2. Material accounting policies

2.2 Summary of material accounting policies:

(l) Impairment

Non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets other than goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Financial assets (other than at fair value)

The Company assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 – Financial Instruments requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

(m) Provisions and contingent liabilities

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Onerous contracts

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

2. Material accounting policies

2.2 Summary of material accounting policies:

(n) Retirement and other employee benefits

Defined contribution schemes

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund, employee state insurance. With respect to employees employed outside India, the company expenses out contribution to defined contribution plans as applicable. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

Defined benefit Plans

The Company operates a defined benefit gratuity plan in India. Payment to defined contribution retirement benefit plans are recognised as an expenses when employees have rendered service entitled to their contribution.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in the statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment; and
- The date that the Company recognizes related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an employee benefits expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non- routine settlements; and
- Interest expense and income.

Compensated absences

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gain / loss are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

(o) Share based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The cost is recognized, together with a corresponding increase in share based payments reserve under 'other equity', over the period in which the performance and / or service conditions are fulfilled in employee benefit expenses. The cumulative expense recognized for equity settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company’s best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

2. Material accounting policies

2.2 Summary of material accounting policies:

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

Financial assets:

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

Subsequent measurement:
For purposes of subsequent measurement, financial assets are classified in four categories:
· Debt instruments at amortised cost
· Debt instruments at fair value through other comprehensive income (FVTOCI)
· Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
· Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at FVTOCI
A ‘debt instrument’ is classified as at the FVTOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
b) The asset’s contractual cash flows represent solely payments of principal and interest (SPPI).
Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss (P&L). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instruments at amortised cost
A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.
This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTPL
FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as ‘accounting mismatch’). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

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

2. Material accounting policies

2.2 Summary of material accounting policies:

(p) Financial instruments (continued)
If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition:
A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:
· The rights to receive cash flows from the asset have expired; or
· The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement:
Financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost fair value through profit or loss.
All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement:
The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings
This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

Derecognition:
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments:
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2. Material accounting policies

2.2 Summary of material accounting policies:

(q) Earnings per share
Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(r) Cash and cash equivalents
Cash and cash equivalents includes cash in hands, demand deposits with bank and other short term highly liquid investment with original maturities of three month or less. Cash and cash equivalents for purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(s) Treasury shares
The Company has created an Employee Benefit Trust ("EBT") for providing share-based payment to its employees. The Company uses EBT as a vehicle for distributing shares to employees under the employee remuneration schemes. The Company treats EBT as its extension and shares held by EBT are treated as treasury shares. Share options exercised during the reporting period are satisfied with treasury shares.

(t) Statement of cash flows
Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregate. Bank overdrafts and investments in liquid mutual funds are classified as cash and cash equivalents for the purpose of cash flow statement, as they form an integral part of entity’s cash management.

(u) Segment reporting
An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The Board of Directors of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the CODM. The CODM evaluates the Company’s performance and allocates resources on overall basis.

(v) Leases
Company as a lessee:
A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

• the contract involves the use of an identified asset;
• the Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and

• the Company has the right to direct the use of the asset. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use asset is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the standalone statement of profit and loss.

2. Material accounting policies

2.2 Summary of material accounting policies:

(v) Leases (Continued)

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 incremental borrowing rate applicable to the entity within the Company.
Generally, the Company uses its incremental borrowing rate as the discount rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the remeasurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the remeasurement in statement of profit and loss.

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

2.3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty:
The preparation of the Company's Financial Statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years.

(a) Property Plant and Equipment / Intangible Assets
Estimates are involved in determining the cost attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management. Property, Plant and Equipment/Intangible Assets are depreciated/ amortised over their estimated useful life, after taking into account estimated residual value. Management reviews the estimated useful life and residual values of the assets annually in order to determine the amount of depreciation/ amortisation to be recorded during any reporting period. The useful life and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/amortisation for future periods is revised if there are significant changes from previous estimates.

(b) Recoverability of Trade Receivables
Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment and the provision matrix based on the past experience of the Company.

(c) Recognition of Deferred Tax Assets and Liabilities
Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Company uses judgement to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

(d) Impairment of Non-Financial Assets
The company assesses at each reporting period whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

2. Material accounting policies

2.3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty:

(e) Impairment of Financial Assets
The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

(f) Provisions
Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

(g) Fair value measurement of financial instruments
When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow ('DCF') model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 32A and 32B.

(h) Defined benefit plans (gratuity benefits)
The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at the interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates in India, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(i) Intangible assets under development
Revenue expenditure pertaining to research is charged to the statement of profit and loss as and when incurred. Development costs are capitalised as an asset if it can be demonstrated that the project is expected to generate future economic benefits, it is probable that those future economic benefits will flow to the entity and the costs of the asset can be measured reliably, else it is charged to the statement of profit and loss. The determination of future economic benefit of the asset, allocation of cost between research and development phase, ability to measure the total cost and timeline to complete the projects is based on fair degree of estimate and judgement. Any changes in the estimate and judgement is expected to have impact on the value of Intangible assets under development.

Strand Life Sciences Private Limited
Notes to financial statements for the period ended 31 March 2024

Note 3: Property, plant and equipment (INR in lakhs)

Description of assets	Leasehold improvements	Lab, research and development equipment	Office equipment	Furniture and fittings	Computers	Vehicles	Total
OWNED ASSETS:							
Gross block							
Balance as at 31 March 2022	**16.65**	**498.12**	**18.89**	**10.52**	**167.35**	**7.68**	**719.21**
Additions for the year	2.92	124.55	4.16	3.84	118.94	-	254.41
Disposals / Adjustments	(16.52)	(7.60)	(2.83)	(1.13)	(23.92)	(7.68)	(59.68)
Balance as at 31 March 2023	**3.05**	**615.07**	**20.22**	**13.23**	**262.37**	**-**	**913.94**
Additions for the year	-	958.21	2.97	-	187.53	-	1,148.71
Disposals / Adjustments	-	-	-	-	(11.80)	-	(11.80)
Balance as at 31 March 2024	**3.05**	**1,573.28**	**23.19**	**13.23**	**438.10**	**-**	**2,050.85**
Accumulated depreciation							
Balance as at 31 March 2022	**4.49**	**433.69**	**16.79**	**9.39**	**86.81**	**7.68**	**558.85**
Depreciation charge for the year	3.70	13.21	1.27	0.38	50.46	-	69.02
Disposals / Adjustments	(7.70)	(6.88)	(2.54)	(1.11)	(22.23)	(7.68)	(48.14)
Balance as at 31 March 2023	**0.49**	**440.02**	**15.52**	**8.66**	**115.04**	**-**	**579.73**
Depreciation charge for the year	0.54	83.06	1.80	0.50	111.99	-	197.89
Disposals / Adjustments	-	-	-	-	(11.52)	-	(11.52)
Balance as at 31 March 2024	**1.03**	**523.08**	**17.32**	**9.16**	**215.51**	**-**	**766.10**
Net block							
Net block as at 31 March 2023	**2.56**	**175.05**	**4.70**	**4.57**	**147.33**	**-**	**334.21**
Net block as at 31 March 2024	**2.02**	**1,050.20**	**5.87**	**4.07**	**222.59**	**-**	**1,284.75**

Strand Life Sciences Private Limited
Notes to financial statements for the period ended 31 March 2024

Note 3: Property, plant and equipment (continued)

	(INR in lakhs)
Description of assets	**Buildings**
RIGHT-OF-USE ASSETS:	
Gross block	
Balance as at 31 March 2022	**201.45**
Additions for the year	-
Disposals	-
Balance as at 31 March 2023	**201.45**
Additions for the year	1,153.68
Impact on modification of lease	(54.76)
Disposals	-
Balance as at 31 March 2024	**1,300.37**
Accumulated depreciation	
Balance as at 31 March 2022	**52.50**
Depreciation charge for the year	41.57
Disposals	-
Balance as at 31 March 2023	**94.07**
Depreciation charge for the year	89.80
Disposals	**-**
Balance as at 31 March 2024	**183.87**
Net block	
Net block as at 31 March 2023	**107.38**
Net block as at 31 March 2024	**1,116.50**

Note 3(a): Capital work-in-progress	**(INR in lakhs)**
Particulars	**Amount**
Balance as at 31 March 2022	**-**
Additions during the year	2.75
Capitalized during the year	-
Balance as at 31 March 2023	**2.75**
Additions during the year	178.59
Capitalized during the year	-
Balance as at 31 March 2024	**181.34**

Refer Note 4(b)(i)

Strand Life Sciences Private Limited
Notes to financial statements for the period ended 31 March 2024

Note 4: Other intangible assets (INR in lakhs)

Particulars	Other intangible assets		
	Capitalised intangible assets	Capitalised software products	Total
Gross block			
Balance as at 31 March 2022	**-**	**137.99**	**137.99**
Additions for the year	-	0.18	**0.18**
Disposals / Adjustments	-	(137.51)	**(137.51)**
Balance as at 31 March 2023	**-**	**0.66**	**0.66**
Additions for the year	143.87	-	**143.87**
Disposals / Adjustments	-	-	**-**
Balance as at 31 March 2024	**143.87**	**0.66**	**144.53**
Accumulated amortisation			
Balance as at 31 March 2022	**-**	**127.34**	**127.34**
Amortisation charge for the year	-	3.40	**3.40**
Disposals / Adjustments	-	(130.60)	**(130.60)**
Balance as at 31 March 2023	**-**	**0.14**	**0.14**
Amortisation charge for the year	2.44	0.11	**2.55**
Disposals / Adjustments	-	-	**-**
Balance as at 31 March 2024	**2.44**	**0.25**	**2.69**
Net block			
Net block as at 31 March 2023	**-**	**0.52**	**0.52**
Net block as at 31 March 2024	**141.43**	**0.41**	**141.84**

Note 4(a): Intangible assets under development (INR in lakhs)

Particulars	Amount
Balance as at 31 March 2022	**-**
Additions during the year	289.32
Capitalized during the year	-
Balance as at 31 March 2023	**289.32**
Additions during the year	2,076.42
Capitalized during the year	(143.87)
Balance as at 31 March 2024	**2,221.87**

Refer Note 4(b)(ii)

Strand Life Sciences Private Limited
Notes to financial statements for the period ended 31 March 2024

Note 4(b)(i): Capital work-in-progress

Ageing as at 31 March 2024: **(INR in lakhs)**

	Amount in CWIP for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	178.59	2.75	-	-	181.34
Projects temporarily suspended	-	-	-	-	-
Total	**178.59**	**2.75**	**-**	**-**	**181.34**

Ageing as at 31 March 2023: **(INR in lakhs)**

	Amount in CWIP for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	2.75	-	-	-	2.75
Projects temporarily suspended	-	-	-	-	-
Total	**2.75**	**-**	**-**	**-**	**2.75**

Note 4(b)(ii): Intangible Assets Under Development ("IAUD"):

Ageing as at 31 March 2024: **(INR in lakhs)**

	Amount in IAUD for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	1,932.55	289.32	-	-	2,221.87
Projects temporarily suspended	-	-	-	-	-
Total	**1,932.55**	**289.32**	**-**	**-**	**2,221.87**

Ageing as at 31 March 2023: **(INR in lakhs)**

	Amount in IAUD for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	289.32	-	-	-	289.32
Projects temporarily suspended	-	-	-	-	-
Total	**289.32**	**-**	**-**	**-**	**289.32**

The Company does not have any Capital-work-in progress or intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

Strand Life Sciences Private Limited
Notes to financial statements for the period ended 31 March 2024

Note 5: Investments		**(INR in lakhs)**
Particulars	**As at 31 March 2024**	**As at 31 March 2023**
Non-current		
Unquoted equity shares at amortised cost, fully paid up		
Strand Genomics, Inc. ("SGI") (Formerly known as Strand Scientific Intelligence Inc., USA) (refer note 37)		
1,070 (31 March 2023: 1,070) equity shares of USD 1/- each fully paid-up	1,236.31	1,236.31
Less: Provision for other than temporary diminution in the value of non-current investments [refer note (i) below]	(1,236.31)	(1,236.31)
Total	**-**	**-**

(i) SGI a former subsidiary, is liquidated on 31 May 2021. Consequent to uncertainty on recoverability of the above investment, a provision for diminution in value of investment was made during the year ended 31 March 2016. Further, loans given to the subsidiary, interest receivable and unbilled revenue have also been provided for as doubtful receivables. Pending statutory approvals for writing-off the balances, these are retained in the books along with consequent provisions (refer note 6, note 7 and note 37).

Current				**(INR in lakhs)**
Particulars	**As at 31 March 2024**		**As at 31 March 2023**	
In mutual funds - Quoted	**Units (Nos.)**	**Amount**	**Units (Nos.)**	**Amount**
Investments carried at fair value through profit or loss				
Mutual fund units (quoted) :				
Nippon India liquid fund - Direct growth plan	2,040.87	120.59	15,125.96	832.98
Nippon India low duration fund - Direct growth plan	63,910.89	2,297.97	155,854.79	5,206.03
Nippon India overnight fund - Direct growth plan	-	-	122,109.27	146.98
Total		**2,418.56**		**6,185.99**
Aggregate amount of quoted investments		2,418.56		6,185.99
Market value of quoted investments		2,418.56		6,185.99

Note 6: Loans				**(INR in lakhs)**
Particulars	**As at 31 March 2024**		**As at 31 March 2023**	
	Non-current	**Current**	**Non-current**	**Current**
Loans considered good - Unsecured				
Loan to employees	-	10.69	-	22.47
Loans - Credit impaired				
-Loans and advances to a subsidiary [refer note 5(i)]	-	1,302.38	-	1,302.40
Total	**-**	**1,313.07**	**-**	**1,324.87**
Less: Allowance for doubtful balances [refer note 5(i)]	-	(1,302.38)	-	(1,302.40)
Total loans	**-**	**10.69**	**-**	**22.47**

Note 7: Other financial assets				**(INR in lakhs)**
Particulars	**As at 31 March 2024**		**As at 31 March 2023**	
	Non-current	**Current**	**Non-current**	**Current**
Considered good				
(a) Advances to employees	-	2.44	-	7.99
(b) Security deposit	96.54	26.86	20.59	-
(c) Unbilled revenue	-	394.81	-	335.71
(d) Accrued interest on employee loan	-	-	-	0.42
Considered doubtful				
(a) Unbilled revenue	-	7.78	-	7.80
(b) Interest accrued on loan to a subsidiary [refer note 5(i)]	-	10.59	-	10.60
Less: Allowance for doubtful balances [refer note 5(i)]	-	(18.37)	-	(18.40)
Total	**96.54**	**424.11**	**20.59**	**344.12**

Strand Life Sciences Private Limited
Notes to financial statements for the period ended 31 March 2024

Note 8(a): Deferred tax assets (net)
The movement of the deferred tax assets are as follows: **(INR in lakhs)**

Particulars	**As at 31 March 2024**	**As at 31 March 2023**
Opening balance	890.33	684.96
Charge / (credit) to the statement of profit and loss		
-MAT credit entitlement / (reversed)	-	(174.96)
-Deferred tax (expense) / credit	112.76	353.92
Credit / (Charge) to other comprehensive income	8.12	26.41
Closing balance	**1,011.21**	**890.33**

Major components of deferred tax assets and liabilities for the year ended March 31, 2024 and March 31, 2023:

(INR in lakhs)

Particulars	**As at 1 April 2022**	**For the year ended 31 March 2023**	**As at 31 March 2023**	**For the year ended 31 March 2024**	**As at 31 March 2024**
Deferred tax liability					
Fair value of Investments	20.29	64.79	85.08	(12.74)	72.34
Total (a)	**20.29**	**64.79**	**85.08**	**(12.74)**	**72.34**
Deferred tax asset					
Excess of Income tax block over companies act for PPE, Goodwill and Other intangible assets including CWIP and IAUD	243.76	(7.89)	235.87	(64.04)	171.83
Other financial assets	0.82	1.62	2.44	16.02	18.46
Loss allowance on trade receivables	89.69	(56.53)	33.16	6.27	39.43
Right of use assets / lease liabilities (Net)	4.58	0.81	5.39	0.72	6.11
Provisions	171.35	10.57	181.92	44.77	226.69
Other financial liabilities	-	17.63	17.63	11.80	29.43
Other liabilities	-	0.58	0.58	(0.58)	-
Unabsorbed tax depreciation	-	482.06	482.06	103.16	585.22
Unabsorbed business loss	-	-	-	6.38	6.38
Disallowances u/s 40(a)(ia) of Income Tax Act,	20.09	(3.73)	16.36	(16.36)	-
MAT credit entitlement	174.96	(174.96)	-	-	-
Total (b)	**705.25**	**270.16**	**975.41**	**108.14**	**1,083.55**
Net deferred tax (assets) / liability (c)=(a-b)	**(684.96)**	**(205.37)**	**(890.33)**	**(120.88)**	**(1,011.21)**

Nature of loss	**31 March 2024**		**31 March 2023**	
	Amount in lakhs	**Expiry period**	**Amount in lakhs**	**Expiry period**
Unused Business loss	25.33	1 to 8 years	-	1 to 8 years
Unabsorbed depreciation allowances available for future taxable profit for unlimited period	2,325.24	Indefinite	1,927.20	Indefinite

Note 8(b): Income tax assets / liabilities **(INR in lakhs)**

Particulars	**As at 31 March 2024**	**As at 31 March 2023**
Opening balance	904.82	277.57
Current tax charge for the year	(10.00)	(16.26)
Taxes for earlier years	9.98	569.62
Amount paid / (refund received) (net)	(370.18)	73.89
Closing balance	**534.62**	**904.82**
	-	-
Breakup		
Income tax assets (net)	544.62	921.08
Current tax liabilities (net of advance tax)	(10.00)	(16.26)
Total	**534.62**	**904.82**

Note 8(c): Reconciliation of tax expense and the accounting profit multiplied by India’s domestic tax rate for 31 March 2024 and 31 March 2023:

(INR in lakhs)

Particulars		**As at 31 March 2024**	**As at 31 March 2023**
Profit / (loss) before tax		**(483.55)**	**636.10**
Applicable tax rate		25.17%	25.17%
Tax effect on income	**(a)**	**(121.70)**	**160.09**
Tax effect of:			
Income tax for the earlier years		(9.98)	(569.62)
Income tax payable in the USA		10.00	16.26
Income tax on non-deductible expenses		0.21	8.85
Deferred tax effect of earlier year recognised in current year		8.73	(417.12)
Impact of change in tax rate		-	69.22
	(b)	**8.96**	**(892.41)**
Tax expense / (credit) to statement of profit and loss	**(c)=(a+b)**	**(112.74)**	**(732.32)**
Deferred tax on OCI	**(d)**	(8.12)	(26.41)
Tax expense / (credit) to total comprehensive income	**(e)=(c+d)**	**(120.86)**	**(758.73)**
Effective tax rate	**(e)/PBT**	**24.99%**	**(119.28%)**

Strand Life Sciences Private Limited
Notes to financial statements for the period ended 31 March 2024

Note 9: Other assets (INR in lakhs)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
Considered good				
(a) Prepaid expenses	-	55.63	-	30.77
(b) Advance to suppliers for goods and services	-	177.94	-	19.28
(c) Balances with statutory / government authorities	901.18	82.07	677.65	24.58
(d) Capital advances	-	-	54.56	-
Total	**901.18**	**315.64**	**732.21**	**74.63**

Note 10: Inventories (lower of cost and net realisable value) (INR in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Lab consumables	555.24	252.72
Total	**555.24**	**252.72**

Note 11: Trade receivables (INR in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Trade receivables (*)	1,730.92	1,329.06
Total	**1,730.92**	**1,329.06**

(*) Net of expected credit loss allowance

Notes :
(i) Trade receivables ageing as at 31 March 2024: (INR in lakhs)

Particulars	Outstanding for following periods from						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	1,376.62	319.26	35.04				**1,730.92**
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	**-**
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	**-**
Disputed Trade Receivables - considered good	-	-	-	-	-	-	**-**
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	**-**
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	**-**
Total	**1,376.62**	**319.26**	**35.04**	**-**	**-**	**-**	**1,730.92**

Strand Life Sciences Private Limited
Notes to financial statements for the period ended 31 March 2024

Note 11: Trade receivables (continued)
Trade receivables ageing as at 31 March 2023: **(INR in lakhs)**

Particulars	Outstanding for following periods from						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	1,142.91	170.89	15.26	-	-	-	**1,329.06**
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	**1,142.91**	**170.89**	**15.26**	**-**	**-**	**-**	**1,329.06**

(ii) There are no trade or other receivables that are due from directors or other officers of the Company either severally or jointly with any other person. There are no trade or other receivable due from firms or private companies respectively in which any director is a partner, a director or a member except those disclosed in Note No. 32.

(iii) Expected Credit Loss (ECL) :
Allowances, if any, for doubtful debts are recognized against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counter party and analysis of the counter party's current financial position. The Company provides loss allowance on receivables which do not contain a significant financing component based on expected credit loss model which is measured following the "simplified approach" at an amount equal to the lifetime expected credit loss at each reporting date. In case of trade receivables containing a financing component, the Company measures the loss allowance at an amount equal to the life time expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition otherwise at twelve month expected credit losses if the credit risk has not increased.

(iv) Credit Concentration:
The trade receivables constitute receivable from domestic as well as foreign country customers against sale of software products and licenses, bioinformatics and other technical support services, diagnostic services and clinical trial services.

(v) The Company has assessed the credit risk of the trade receivables amounting to INR 1,887.59 lakhs (31 March 2023: INR 1,460.81 lakhs) on an individual basis and is of the view that there are no trade receivables which are credit impaired or have a significant increase in credit risk other than disclosed above.

Note 12(a): Cash and cash equivalents **(INR in lakhs)**

Particulars	As at 31 March 2024	As at 31 March 2023
(a) Cash on hand	-	-
(b) Balances with banks		
- In current accounts	327.82	203.86
- In exchange earners foreign currency account	132.21	426.71
Total	**460.03**	**630.57**

Note 12(b): Other bank balances **(INR in lakhs)**

Particulars	As at 31 March 2024	As at 31 March 2023
Fixed deposit with bank	0.18	-
Total	**0.18**	**-**

Note 13: Share capital

(i) Authorised share capital

Particulars	No. of shares	Amount in lakhs
As at 01 April 2022	**25,600,000**	**2,560.00**
Increase during the year	-	-
As at 31 March 2023	**25,600,000**	**2,560.00**
Increase during the year	-	-
As at 31 March 2024	**25,600,000**	**2,560.00**

Compulsorily Convertible Preference Share ("CCPS") of INR 10 each

Particulars	No. of shares	Amount in lakhs
As at 01 April 2022	**2,500,000**	**250.00**
Increase during the year	-	-
As at 31 March 2023	**2,500,000**	**250.00**
Increase during the year	-	-
As at 31 March 2024	**2,500,000**	**250.00**

Reconciliation of the equity shares and CCPS outstanding at the beginning of the year and at the end of the year:

(ii) Issued, subscribed and paid up share capital

Particulars	No. of shares	Amount in lakhs
Equity shares of INR 10 each		
As at 01 April 2022	**23,467,690**	**2,346.77**
Issued during the year	-	-
As at 31 March 2023	**23,467,690**	**2,346.77**
Issued during the year	-	-
As at 31 March 2024	**23,467,690**	**2,346.77**

Classification of equity share capital

Particulars	As at 31 March 2024		As at 31 March 2023	
	Numbers	Amount in lakhs	Numbers	Amount in lakhs
Equity	23,467,690	2,346.77	23,467,690	2,346.77
	23,467,690	**2,346.77**	**23,467,690**	**2,346.77**

(iii) Rights, preferences and restriction attached to the various classes of shares

Equity shares

The Company has equity shares having par value of INR 10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iv) Details of shareholders holding more than 5% shares of each class of shares in the Company:

Name of the shareholders	As at 31 March 2024		As at 31 March 2023	
	No. of shares	% holding (*)	No. of shares	% holding (*)
Equity shares of INR 10 each fully paid				
Reliance Digital Health Limited ("RDHL")	21,893,585	90.86%	21,404,492	88.83%

(*) % of holding calculated by including shared held by Strand Employees Welfare Trust.

(v) Shares held by holding / ultimate holding company and subsidiary / associates of holding / ultimate holding company:

Name of the shareholders	As at 31 March 2024		As at 31 March 2023	
	No. of shares	% holding (*)	No. of shares	% holding (*)
Equity shares of INR 10 each fully paid				
Reliance Digital Health Limited ("RDHL")	21,893,585	90.86%	21,404,492	88.83%

(*) % of holding calculated by including shared held by Strand Employees Welfare Trust.

(vi) Number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Shares Bought back from Strand Employees Welfare Trust	-	-	-	630,000	-

Note 13: Share capital (continued)

(vii) Shares allotted to Strand Employees Welfare Trust ("Trust") - Treasury shares

During the year ended 31 March 2014, the Company allotted 386,830 equity shares of INR 10 each, for consideration other than cash (in the form of Deferred Stock Option Cost) to Trust under section 81(1A) of the Companies Act,1956 for implementation of the Company's employee stock option plan. Further 1,160,490 shares were allotted to trust as part of bonus shares out of which the Trust had issued 289,574 shares to the employees during earlier years. The company during the year ended 31 March 2020 had bought back 630,000 shares from Trust. The Company treats the Trust as extension of its operations and shares held by Trust are treated as treasury shares. Since shares were allotted to the Trust free of cost, the cost for purchase of the treasury shares is considered as nil. Accordingly, the paid up capital has been adjusted for the shares held by the Trust.

(viii) Shares reserved for issue under options

For details of shares reserved for issue under the share based payment plan of the Company, refer note 30.

(ix) Buy back of shares:

During the year ended 31 March 2020, the Company has completed the buyback of 630,000 fully paid-up equity shares of face value INR 10 each (“equity shares”), representing 2.71% of the total paid-up equity share capital of the Company, at a price of INR 1 per equity share for an aggregate consideration of INR 6.3 lakhs. The buyback was approved by the Board of Directors on 19 December 2019. An amount of INR 56.7 lakhs has been credited to the capital reserve. The shares accepted under the buyback were extinguished during January 2020 and the paid-up equity share capital of the Company has been reduced to that extent. Subsequent to completion of the buyback, the Company has transferred INR 63.0 lakhs to the Capital Redemption Reserve representing the face value of equity shares bought back. The shares were bought back from the Trust. The shares bought back, being treasury shares which was earlier adjusted from the paid up share capital, does not impact the paid up share capital presented. [Refer note (vii) above].

(x) Shareholding of promoters

As at 31 March 2024

Fully paid up equity shares of INR 10 each	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares*	% change during the year
Reliance Digital Health Limited ("RDHL")	21,404,492	489,093	21,893,585	90.86%	2.29%

As at 31 March 2023

Fully paid up equity shares of INR 10 each	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares*	% change during the year
Reliance Strategic Business Ventures Limited ("RSBVL")	19,708,554	(19,708,554)	-	0.00%	(100.00%)
Reliance Digital Health Limited ("RDHL")	-	21,404,492	21,404,492	88.83%	100.00%

Note 14: Other equity (INR in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Securities premium	15,634.23	15,634.23
Retained earnings	(10,905.54)	(10,534.73)
Share based payments reserve	2,489.23	2,248.63
Capital redemption reserve	68.08	68.08
General reserve	620.73	620.73
Other comprehensive income	15.03	39.16
Capital reserve	56.70	56.70
Total	**7,978.46**	**8,132.80**

14.1 Securities premium (INR in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	15,634.23	15,634.23
Balance at the end of the year	**15,634.23**	**15,634.23**

14.2 Retained earnings (INR in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	(10,534.73)	(11,763.15)
Profit for the year	(370.81)	1,368.42
Contribution to Equityholder (*)	-	(140.00)
Balance at the end of the year	**(10,905.54)**	**(10,534.73)**

(*) During the previous year, the Company had paid an amount of INR 140 lakhs as an insurance premium towards warranty and indemnity insurance for equity shareholder.

14.3 Share based payment reserve

(INR in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	2,248.63	1,938.64
Share based payment expense (refer note 22)	240.60	309.99
Balance at the end of the year	**2,489.23**	**2,248.63**

14.4 Capital redemption reserve

(INR in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	68.08	68.08
Balance at the end of the year	**68.08**	**68.08**

14.5 General reserve

(INR in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	620.73	620.73
Balance at the end of the year	**620.73**	**620.73**

14.6 Other comprehensive income

(INR in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	39.16	117.67
Remeasurements of defined benefit plan	(24.13)	(78.51)
Balance at the end of the year	**15.03**	**39.16**

14.7 Capital reserve

(INR in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	56.70	56.70
Balance at the end of the year	**56.70**	**56.70**

Strand Life Sciences Private Limited
Notes to financial statements for the period ended 31 March 2024

Note 15: Provisions

(INR in lakhs)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
Employee benefits				
Provision for gratuity (refer note 28)	467.48	103.29	366.03	86.13
Provision for compensated absence	-	295.03	-	230.34
Provisions for contingencies (refer note below)	-	34.90	-	41.36
Total	**467.48**	**433.22**	**366.03**	**357.83**

Note:-
Movement in provisions for contingencies (INR in lakhs)

Description	Non-current	Current	Non-current	Current
Opening Balance	-	41.36	-	-
Add: Provision made during the year	-	-	-	41.36
Less: Utilized / reversed during the year	-	(6.46)	-	-
Closing Balance	**-**	**34.90**	**-**	**41.36**

Note 16: Trade payables

(INR in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Current		
Total outstanding dues of micro enterprises and small enterprises (refer note 27)	23.95	4.86
Total outstanding dues of creditors other than micro enterprises and small enterprises (*)	412.49	434.20
Total	**436.44**	**439.06**

(*) For details relating to payable to related parties - refer note 32

Trade payables ageing as at 31 March 2024: (INR in lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Not due	< 1 year	1-2 years	2-3 years	> 3 years	Total
(i) MSME	23.95					23.95
(ii) Others	118.02	156.12	35.63	46.85	-	356.62
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-	-
Accrued expenses						55.87
Total						**436.44**

Trade payables ageing as at 31 March 2023: (INR in lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Not due	< 1 year	1-2 years	2-3 years	> 3 years	Total
(i) MSME	4.86	-	-	-	-	4.86
(ii) Others	125.38	90.71	5.32	6.66	84.96	313.03
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-	-
Accrued expenses						121.17
Total						**439.06**

Note 17: Other financial liabilities (INR in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Current		
Employee benefits payables	119.30	73.83
Employee reimbursement payables	13.49	7.86
Payable towards capital goods - MSME	0.10	-
Payable towards capital goods other than MSME	86.84	15.74
Others	5.84	6.24
Total	**225.57**	**103.67**

Note 18: Other liabilities (INR in lakhs)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
Unearned revenue	-	175.02	-	119.26
Deferred income from government grant	-	-	1.29	1.00
Statutory dues payable	-	104.56	-	90.75
Advances from customers	-	96.91	-	34.43
Total	**-**	**376.49**	**1.29**	**245.44**

Note 19: Revenue from operations (INR in lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue from contracts with customers		
Sale of Products		
Sale of software products and licenses	159.93	219.71
Sale of Services		
Bioinformatics and other technical support services	7,225.96	6,863.06
Diagnostic services	1,276.06	838.40
	8,502.02	**7,701.46**
Other operating income		
Income from government grants	383.30	194.86
Others (*)	124.44	125.01
Total	**9,169.69**	**8,241.04**

(*) Income from Service Export from India Scheme and other exclusivity income.
Refer note 39

Note 20: Other income (INR in lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest income (refer note below)	36.45	1.37
Provisions / liabilities written back (net)	118.54	52.65
GST credit availed (net)	32.86	28.64
Foreign exchange gain (net)	24.41	80.42
Income on investments carried at fair value through profit or loss (Including gain on fair valuation of investment)	310.27	351.24
Income from disposal of fixed assets	1.94	-
Gain on modification of finance lease	16.25	-
Miscellaneous income	3.35	16.28
Total	**544.07**	**530.60**

Note: Interest income (INR in lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Unwinding interest on fair valuation of security deposits	3.05	0.92
Interest on fixed deposits (31 March 2024: INR 859) (31 March 2023: INR 2,917)	0.01	0.03
Interest income on loan to employees	0.12	0.42
Interest on income tax refund	33.21	-
Others	0.06	-
Total	**36.45**	**1.37**

Note 21: Cost of materials consumed (INR in lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Inventories at the beginning of the year	252.72	232.41
Add: Purchases	2,067.23	931.10
Less: Transferred to intangible assets under development during the year [refer note 4(a)]	(488.56)	(101.20)
Less: Inventories at the end of the year	(555.24)	(252.72)
Cost of materials consumed	**1,276.15**	**809.59**

Note 22: Employee benefits expense (INR in lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries and wages	6,086.64	4,787.98
Share based payment expense (refer note 29)	240.60	309.99
Gratuity expense (refer note 28)	97.91	61.61
Contribution to provident fund and other funds	264.81	191.33
Staff welfare expenses	171.44	97.24
Total	**6,861.40**	**5,448.15**

Note 23: Depreciation and amortisation expense (INR in lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation of property, plant and equipment (refer note 3)	197.89	69.02
Depreciation on right-of-use assets (refer note 3)	89.80	41.57
Amortisation of intangible assets (refer note 4)	2.55	3.40
Total depreciation and amortisation expense	**290.24**	**113.99**

Note 24: Finance costs (INR in lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest on loans		
- on lease liability	36.90	17.69
Other interest (*)	1.04	6.59
Total	**37.94**	**24.28**

(*) Includes provision for contingencies

Note 25: Other expenses (INR in lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Legal and professional expenses	300.26	818.98
Clinical research and outsourced diagnostic charges	754.95	213.81
Rent (refer note 36)	12.24	11.83
Travelling and conveyance	436.42	237.84
Allowance for doubtful trade receivables [refer note 31B(B)(i)]	24.92	-
Communication costs	24.34	19.43
Water, electricity, power and fuel charges	30.11	24.95
Advertisement, sales promotion and marketing expenses	258.60	101.60
Rates and taxes (*)	8.08	57.61
Sundry balances written-off	-	7.54
Printing and stationery	17.36	16.81
Payments to auditors (refer note below)	24.42	19.28
Insurance	9.73	5.10
Repairs and maintenance		
- of buildings	5.07	1.27
- of plant & machinery	47.56	37.21
- others	47.53	38.85
Bank charges	11.82	11.54
Transportation expenses	98.61	43.99
Loss on sale / discarding of fixed assets (net)	-	12.33
Software subscription	249.59	80.01
Training expenses	4.80	-
Miscellaneous expenses	36.45	37.03
Total	**2,402.86**	**1,797.01**
Transferred to intangible assets under development during the year [refer note 4(a)]	(671.28)	(57.48)
Total	**1,731.58**	**1,739.53**

(*) Includes provision for contingencies

Note: Payments to the auditors (INR in lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
(a) Statutory audit fees	20.00	16.00
(b) Tax audit fees	3.75	3.00
(c) Reimbursement of expenses	0.67	0.28
Total	**24.42**	**19.28**

Note 26: Earnings per share

Basic Earning per share ("EPS") amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year. The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic earnings and diluted earnings per share calculations are as follows:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
(a) Nominal value of equity shares (in INR)	10	10
(b) Weighted average number of shares used as denominator for calculating Basic EPS	23,467,690	23,467,690
(c) Total Weighted Average Potential Equity Shares (*)	-	1,597,577
(d) Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS (b)+(c)	23,467,690	25,065,267
(e) (Loss) / profit after tax (In lakhs)	(370.81)	1,368.42
(f) Basic earnings per share (INR) (e/b)	**(1.58)**	**5.83**
(g) Diluted earnings per share (INR) (e/d)	**(1.58)**	**5.46**

(*) For the financial year ended March 31, 2024, the potential equity shares are anti dilutive in nature and hence Diluted EPS and Basis EPS are same.

Note 27: Due to Micro, Small and Medium Enterprises ("MSME")

The MSME has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2024 and 31 March 2023 has been made in the financial statements based on information received and available with the Company. Further, in the view of the management, the impact of interest, if any, that maybe payable in accordance with the provision of the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") is not expected to be material. The Company has not received any claim for interest from any supplier.

(INR in lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
The amounts remaining unpaid to micro and small suppliers as at the end of the		
- Principal amount	24.05	4.86
- Interest due thereon	-	-
The amount of interest paid by the buyer under MSMED Act	-	-
The amount of payments made to micro and small suppliers beyond the appointed day during the accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act	-	-

All trade payables are 'current'. The Company’s exposure to currency and liquidity risks related to trade payable is disclosed in note 31B(C).

Note 28: Employee benefit plans:

(i) Defined Contribution plans

The Company has defined contribution plan in the form of provident fund, employee state insurance scheme, labour welfare fund and national pension scheme for qualifying employees. Under the schemes, the company is required to contribute a specified percentage of the payroll costs to fund the benefits.

(INR in lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Contribution to provident fund (*)	163.72	129.13
Contribution to national pension scheme	16.34	15.62
Contribution for employee benefit in the United States of America (USA)	84.37	46.20
Contribution to labour welfare fund	0.18	0.12
Contribution to employee state insurance scheme	0.20	0.26
Total	**264.81**	**191.33**

(*) excluding contribution to provident fund of of INR 2.25 lakhs (31 March 2023: INR 3.5 lakhs) transferred to intangible assets under development.

(ii) Defined benefit plans

Gratuity

The Company offers gratuity plan for its qualified employees which is payable as per the requirements of The Payment of Gratuity Act, 1972. The benefit vests upon completion of 5 years of continuous service and once vest it is payable to employees on retirement and termination of employment. The scheme is unfunded.

The following table summarise the components of net benefit expense recognised in the statement of profit and loss and amounts recognised in the balance sheet.

Amount as on the date of balance sheet:

(INR in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Defined benefit plan	570.77	452.20
Total	**570.77**	**452.20**

(INR in lakhs)

Non-current	467.48	366.03
Current	103.29	86.13

Amount recognised in the statement of profit and loss in respect of this defined benefit obligation is as follows:

(INR in lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current service cost	69.12	44.69
Interest cost	30.07	16.99
Net benefit expense	**99.19**	**61.68**

Remeasurement (gains) / losses in OCI (INR in lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Actuarial (gains) / losses due to change in financial assumptions	5.92	13.72
Actuarial (gains) / losses due to changes in demographic assumptions	-	2.64
Actuarial (gains) / losses due to change in experience adjustment	26.33	88.56
Remeasurement of net defined benefit plan to be recognised in OCI	**32.25**	**104.92**

Changes in the present value of the defined benefit obligation are as follows: (INR in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Benefit obligation at the beginning of the year	452.20	314.37
Current service cost	69.12	44.69
Interest cost	30.07	16.99
Benefits paid	(12.87)	(28.77)
Actuarial gain / (loss) on obligation	32.25	104.92
Defined Benefit obligation at the end of the year	**570.77**	**452.20**

Note 28: Employee benefit plans (continued):

The principal assumptions used in determining gratuity for the Company's plans are shown below:

Particulars	As at 31 March 2024	As at 31 March 2023
Discount rate	7.35%	7.35%
Salary escalation rate	10.00%	10.00%
Attrition rate	20%	20%
Retirement age (years)	69	69
Mortality tables	Indian Assured Lives (2012-14)	Indian Assured Lives (2012-14)

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

A quantitative sensitivity analysis for significant assumption as at 31 March 2024 and 31 March 2023 are as shown below:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5%) (In %)	(2.55%)	2.68%	(2.49%)	2.61%
Discount rate (0.5%) (In million)	(14.57)	15.31	(11.25)	11.82
Salary escalation rate (0.5%) (in %)	2.60%	(2.50%)	2.54%	(2.44%)
Salary escalation rate (0.5%) (in million)	14.84	(14.27)	11.43	(11.08)

Maturity profile of defined benefit obligation

The following payments are expected contributions to the defined benefit plan is future years:

(INR in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Within the next 12 months (next annual reporting period)	103.29	86.13
Between 2 and 5 years	315.77	253.69
Between 6 and 9 years	206.59	161.09
For year 10 and above	270.45	211.69

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 5.23 years (31 March 2023: 5.10 years)

(iii) Liability towards leave encashment based on actuarial valuation amounts to INR 295.03 lakhs as at 31 March 2024 (31 March 2023: INR 230.34 lakhs).

(iv) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Note 30: Share based payments

Strand ESOP 2003 (Plan 1) (*)
The Company had introduced the Strand Employee Stock Option Plan 2003. The plan covers all employees of the Company including its subsidiary and directors. Under the Scheme, 87,771 options have been authorized for grant. Nomination and Remuneration Committee or Compensation Committee determines the terms of each issue under this scheme.

The scheme had expired on 31 March 2013. On 9 April 2013, the Board of directors have passed a resolution extending the scheme for a further period of 10 years to enable the employees to exercise their vested options.

Strand ESOP 2013 (Plan 2) (*)
The Company had introduced the Strand Employee Stock Option Plan 2013. The plan covers all employees of the Company including its subsidiary and directors. Under the Scheme, 1,295,612 options have been authorized for grant. Nomination and Remuneration Committee or Compensation Committee determines the terms of each issue under this scheme.

Strand ESOP 2019 (Plan 3)
The Company had introduced the Strand Employee Stock Option Plan 2019. The plan covers all employees and whole time directors of the Company including its holding and subsidiary Company. Under the Scheme, 28,17,801 options have been authorized for grant. Nomination and Remuneration Committee or Compensation Committee determines the terms of each issue under this scheme.

(*) The options under the above schemes vest over a period of 1 to 4 years and are exercisable at any time by the employee after the vesting period but only during the tenure of employment with the Company. Employees can also exercise the options within three months of the date of resignation. However, during the year ended 31 March 2017, the Company had passed a resolution in the EGM held on 28 October 2016 allowing the employees to exercise the vested options within 120 months from the date of resignation or severance of employees by reason of his resignation or severance of his employment due to restructuring of the business / operations of the Company by way of asset sale, slump sale etc.

Strand Employee Welfare Trust
On 24 September 2013, Strand Employee Welfare Trust ("Trust") was formed for welfare and benefit of the employees and directors of the Company. On the same date, the Company issued 386,830 (before adjustment for bonus shares) equity shares to the Trust for consideration other than cash.

The details of activity under Plan 1 have been summarized below:

Particulars	31 March 2024 No. of options	31 March 2023 No. of options
a) At the beginning of the year	166,508	166,508
b) Granted during the year	-	-
c) Forfeited during the year	-	-
d) Exercised during the year	-	-
e) Outstanding at the end of the year (a+b-c-d)	166,508	166,508
f) Exercisable at the end of the year	166,508	166,508
Weighted average remaining life (in years)	NIL	NIL

The exercise price for above options is INR 10 to INR 25 per option.

The details of activity under Plan 2 have been summarized below:

Particulars	31 March 2024 No. of options	31 March 2023 No. of options
a) At the beginning of the year	461,238	445,266
b) Granted during the year	-	15,972
c) Forfeited during the year	-	-
d) Exercised during the year	-	-
e) Outstanding at the end of the year (a+b-c-d)	461,238	461,238
f) Exercisable at the end of the year	461,238	412,957
g) Weighted average remaining life (in years)		
'- Exercisable at the end of the year	NIL	NIL
'- Other than exercisable options	-	1.49

The exercise price for above options is INR 25 per option.

Note 30: Share based payments (continued):

The details of activity under Plan 3 have been summarized below:

Particulars	31 March 2024 No. of options	31 March 2023 No. of options
a) At the beginning of the year	1,565,944	1,565,944
b) Granted during the year	-	-
c) Forfeited during the year	(33,876)	-
d) Exercised during the year	-	-
e) Outstanding at the end of the year	1,532,068	1,565,944
f) Exercisable at the end of the year	994,940	994,940
Weighted average remaining life (in months)		
'- Exercisable at the end of the year	NIL	NIL
'- Other than exercisable options	1.59	2.59

The exercise price for above options is INR 25 per option.

Note 30: Segment information

The Company has identified the Board of Directors of the Company as the Chief Operating Decision Maker ("CODM") as defined under Ind AS 108 "Operating Segments". The CODM evaluates and reviews the Company's performance and allocates the resources based on analysis of various performance indicators. The Company's business activity primarily falls within a single operating segment relating to "Bioinformatics and Genome sequencing" based on the nature of activity involved and business risks attached having regard to the internal organisation and management structure. The CODM reviews the Company's performance as a single operating segment and not at any other disaggregated level. Hence there is no separate reportable segment under Indian Accounting Standard on Ind AS 108, 'Operating Segment'.

Geographical segments

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

Year ended 31 March 2024 **(INR in lakhs)**

Particulars	India	Outside India
Revenue from operations	1,711.52	7,458.17
Assets (*)	8,268.33	5.86

(*) Assets exclude financial assets

Year ended 31 March 2023 **(INR in lakhs)**

Particulars	India	Outside India
Revenue from operations	988.27	7,252.77
Assets (*)	3,601.31	3.84

(*) Assets exclude financial assets

Year ended 31 March 2024
The segment wise details of the transactions with external customers amounting to 10% or more of the company revenue as follows :-

Number of external customers	4
Amount of revenue (INR lakhs)	5,708.65
% of total revenue	62.26%

Year ended 31 March 2023
The segment wise details of the transactions with external customers amounting to 10% or more of the company revenue as follows :-

Number of external customers	4
Amount of revenue (INR lakhs)	6,157.63
% of total revenue	74.72%

Note 31A: Financial instruments

Set out below, is a comparison by class of the carrying amount and fair value of the Company's financial instruments other than those with carrying amount that are reasonable approximations of fair values:

As at 31 March 2024 **(INR in lakhs)**

Particulars	Note No.	Amortised cost	Financial assets / liabilities		Total carrying value	Fair value			
			Fair value through profit and loss	Fair value through OCI		Level 1	Level 2	Level 3	Total
ASSETS									
Financial assets									
Investments	5	-	2,418.56	-	2,418.56	2,418.56	-	-	2,418.56
Loans	6	10.69	-	-	10.69	-	-	-	-
Other financial assets	7	520.65	-	-	520.65	-	-	-	-
Trade receivables	11	1,730.92	-	-	1,730.92	-	-	-	-
Cash and cash equivalents	12(a)	460.03	-	-	460.03	-	-	-	-
Other bank balances	12(b)	0.18	-	-	0.18	-	-	-	-
Total financial assets		**2,722.47**	**2,418.56**	**-**	**5,141.03**	**2,418.56**	**-**	**-**	**2,418.56**
LIABILITIES									
Financial liabilities									
Trade payables	16	436.44	-	-	436.44	-	-	-	-
Lease liabilities	36	1,140.79	-	-	1,140.79	-	-	-	-
Other financial liabilities	17	225.57	-	-	225.57	-	-	-	-
Total financial liabilities		**1,802.80**	**-**	**-**	**1,802.80**	**-**	**-**	**-**	**-**
As at 31 March 2023									
ASSETS									
Financial assets									
Investments	5	-	6,185.99	-	6,185.99	6,185.99	-	-	6,185.99
Loans	6	22.47	-	-	22.47	-	-	-	-
Other financial assets	7	364.71	-	-	364.71	-	-	-	-
Trade receivables	11	1,329.06	-	-	1,329.06	-	-	-	-
Cash and cash equivalents	12(a)	630.57	-	-	630.57	-	-	-	-
Total financial assets		**2,346.81**	**6,185.99**	**-**	**8,532.80**	**6,185.99**	**-**	**-**	**6,185.99**
LIABILITIES									
Financial liabilities									
Trade payables	16	439.06	-	-	439.06	-	-	-	-
Lease liabilities	36	128.80	-	-	128.80	-	-	-	-
Other financial liabilities	17	103.67	-	-	103.67	-	-	-	-
Total financial liabilities		**671.53**	**-**	**-**	**671.53**	**-**	**-**	**-**	**-**

Notes:
The carrying value of all the items in the table above have been classified as amortised cost. Amortised cost is deemed to be the carrying value.

Fair value hierarchy:
During the year ended 31 March 2024 and 31 March 2023 there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

Note 31B: Financial risk management
The Company's principal financial liabilities comprise lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide support its operations. The Company's principal financial assets include investments, loans, trade and other receivables and cash and cash equivalents that derive directly from its operations.
The Company's activities exposes it to market risk, credit risk and liquidity risk.

Risk management
The Company's risk management is carried out by the management under the policies approved by the Board of Directors that help in identification, measurement, mitigation and reporting all risks associated with the activities of the Company. These risks are identified on a continuous basis and assessed for the impact on the financial performance. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(A) MARKET RISK
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, trade receivables, trade payables, deposits and investments.

(i) Foreign currency risk
The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the amount payable to vendors / foreign employees for services or purchase of goods which are used in business of the company and amount receivable from customers for sale of product licence, Bioinformatics and other technical support services. Company's balance payable to vendors and receivable from customers are paid at spot rate applicable on the date of transaction. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not Company's functional currency (INR).

Foreign currency sensitivity
The Company is mainly exposed to changes in USD and EURO. The below table demonstrates the sensitivity to a 5% increase or decrease in the USD and EURO against INR, with all other variables held constant. The sensitivity analysis is prepared on the unhedged exposure of the Company as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

Unhedged foreign currency exposure

Currency	As at 31 March 2024 (*)				As at 31 March 2023 (*)			
	In foreign currency lakhs	INR lakhs	5% increase	5% decrease	In foreign currency lakhs	INR lakhs	5% increase	5% decrease
Trade receivables (including unbilled revenue)								
USD	20.68	1,723.35	86.17	(86.17)	19.75	1,622.42	81.12	(81.12)
EURO	0.05	4.72	0.24	(0.24)	0.11	10.24	0.51	(0.51)
Trade payables								
USD	(1.00)	(83.15)	(4.16)	4.16	(0.42)	(34.73)	(1.74)	1.74
NPR	(0.12)	(0.08)	(0.00)	0.00	-	-	-	-
Net exposure	**19.61**	**1,644.84**	**82.25**	**(82.25)**	**19.44**	**1,597.93**	**79.89**	**(79.89)**

Positive / (negative) refers to the increase / (decrease) in profit of the Company.

The above sensitivity analysis is based on a reasonably possible change in the underlying foreign currency against the Indian rupee computed from historical data and is representative of the foreign exchange currency risk inherent in financial assets and financial liabilities reported at the reporting date.
The currency exposure is not material to the Company, hence the effect of reasonable change in the exchange rate does not result into material gain / loss to the Company.
(*) does not include amount recoverable from subsidiary company in the USA since it has been liquidated.

(ii) Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any exposure to the risk of changes in market interest rates.

(B) CREDIT RISK:
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to the credit risk from its trade receivables, unbilled revenue, investments, cash and cash equivalents and loans. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. No significant credit limits were exceeded during the reporting period other than those already identified and provided in the books.

Note 31B: Financial risk management (continued)

(i) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a credit evaluation before entering into an arrangement. Outstanding customer receivables are regularly monitored.

Movement in the expected credit loss allowance : **(INR in lakhs)**

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	131.75	308.02
Additional provision for the year	24.92	-
Reversal of provision / revenue	-	(15.35)
Provision written off as bad debts	-	(160.92)
Balance at the end of the year	**156.67**	**131.75**

(ii) Financial instrument

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.

(C) LIQUIDITY RISK:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Company had unutilized credit limits with banks which has been closed during financial year ended 31 March, 2022. Further company had obtained loans from directors and vendor financing with major customers which has been closed / repaid during the year ended 31 March 2022. The Company’s corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2024 and 31 March 2023:

(INR in lakhs)

Particulars	Less than 1 year	1 to 5 Years	More than 5 years	Total
31 March 2024				
Lease liabilities	231.67	1,185.01	-	1,416.68
Trade payables	436.44	-	-	436.44
Other financial liabilities	225.57	-	-	225.57
Total	**893.68**	**1,185.01**	**-**	**2,078.69**

(INR in lakhs)

Particulars	Less than 1 year	1 to 5 Years	More than 5 years	Total
31 March 2023				
Lease liabilities	56.22	94.45	-	150.67
Trade payables	439.06	-	-	439.06
Other financial liabilities	103.67	-	-	103.67
Total	**598.95**	**94.45**	**-**	**693.40**

Excessive risk concentration:

Concentration indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

The Company's risk management policies and procedures consists of diversification into different business portfolios to manage business concentration credit risk. Identified concentrations of credit risks are controlled and managed accordingly.

Note 32: Related party disclosures

(i) Name of the related parties where control exist irrespective of whether transactions have occurred or not:

Description of relationship	Names of related parties
(a) Ultimate parent company	Reliance Industries Limited
(b) Holding company	Reliance Digital Health Limited (*)
	Reliance Strategic Business Ventures Limited (**)
(c) Wholly owned subsidiary	Strand Genomics, Inc. ('SGI') (Formerly known as Strand Scientific Intelligence Inc., the USA) (Liquidated on 31 May 2021)
(d) Share based payment trust	Strand Employee Welfare Trust
(e) Fellow Subsidiaries	RIL USA, Inc.
	Reliance Jio Infocomm Limited
	Reliance Retail Limited
(g) Key management personnel	
Director	Dr. Ramesh Hariharan
Director	Dr. Vijaya Chandru
Independent Director	Mr. Siddharth Achuthan
Director	Mr. Nikhil Chakrapani Suryanarayana Kavipurapu
Independent Director	Mr. Rahul Yogendra Dutt
Director	Mr. Nilesh Pramodkumar Modi
Chief Financial Officer	Mr. Anand Janakiraman (w.e.f. 20 July 2022)

(ii) Transactions with related parties **(INR in lakhs)**

Name of the related party	Nature of transaction	31 March 2024	31 March 2023
Dr. Vijaya Chandru	Legal and professional expenses	48.00	48.00
Dr. Ramesh Hariharan	Employee benefits expense (***)	153.97	142.50
Mr. Anand Janakiraman	Employee benefits expense (***)	134.51	88.96
RIL USA, Inc.	Rental expenses	6.44	1.60
Mr. Siddharth Achuthan	Director Sitting fees	3.90	3.60
Mr. Rahul Yogendra Dutt	Director Sitting fees	3.60	3.00
Reliance Jio Infocomm Limited	Communication expenses	4.24	1.46
Reliance Retail Limited	Other expenses	0.23	-

b) Balance outstanding as at the year end **(INR in lakhs)**

Name of the related party	Nature of transaction	31 March 2024	31 March 2023
Strand Genomics, Inc.	Investment in subsidiary	1,236.31	1,236.31
	Unbilled revenue	7.78	7.80
	Interest accrued on loan given	10.59	10.60
	Loan given	1,302.38	1,302.40
	Provision for diminution in the value of Investment in subsidiary	(1,236.31)	(1,236.31)
	Allowance for doubtful balances - Loans	(1,302.38)	(1,302.40)
	Allowance for doubtful balances - Unbilled	(7.78)	(7.80)
	Allowance for doubtful balances - Interest on loan	(10.59)	(10.60)
Dr. Vijaya Chandru	Trade Payable	2.95	4.42
RIL USA, Inc.	Rental Expenses	0.54	-

Note :- Reimbursement of expenses not considered for disclosure given above.

c) The compensation of directors and other member of Key Managerial Personnel during the year was as follows:

(INR in lakhs)

	31 March 2024	31 March 2023
Short-term employee benefits	255.55	220.12
Long-term employee benefits	32.93	11.34
Post employment benefits (***)	-	-

(*) with effect from 28 February 2023.
(**) upto 27 February 2023.
(***) Excludes provision for leave encashment and gratuity determined on actuarial basis for the Company as a whole.

Note 33: Capital commitments

(INR in lakhs)

Particulars	31 March 2024	31 March 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for	3.29	215.29
	3.29	**215.29**

Note 34: Contingent liabilities

(INR in lakhs)

Particulars	31 March 2024	31 March 2023
(a) Bank guarantees given	-	-
(b) Other money for which the company is contingently liable		
Customs duty (*)	22.08	22.08
Service tax (**)	24.62	24.62
Income tax (***)	1,776.95	1,649.89
	1,823.65	**1,696.59**

(*) During the financial year ended 31 March 2019, the Company had received a Show Cause Notice ('SCN') related to the period from July 2017 to December 2018 from the Office of the Principal Commissioner of Customs, for an amount of INR 77.23 lakhs in relation to short payment of duty in respect of "Laboratory Reagents". The notice determined short payments on account of differential customs duty:
(i) IGST paid at 12% as opposed to 18% due to incorrect serial no. and schedule; and
(ii) basic customs duty paid at 10% as opposed to 20% due to incorrect Customs Tariff Heading used.
During the year ended 31 March 2020, the principal commissioner upon adjudication of SCN issued has dropped demand with respect to differential IGST paid at 12% as opposed to 18% due to incorrect serial no. and schedule. However, demand of INR 21.88 lakhs related to differential BCD paid at 10% as opposed to 20% due to incorrect Custom Tariff Heading used has been sustained and penalty of INR 0.20 lakhs has been imposed. The Company has further filled an appeal before the CESTAT and the status remains the same. The Management of the Company is of the view that the Company will receive a favourable order from the appellate authority and hence no further adjustment required to be made in the financial statements of the Company.

(**) During the year ended 31 March 2019, the Company had received an order demanding service tax including penalty amounting to INR 24.62 lakhs stating that certain services received from overseas entities are subject to service tax payment under the applicable regulations. The Company has preferred an appeal before the Commissioner of Central Tax (Appeals).
During the financial year ended March 31, 2020, the Commissioner of Central Tax (Appeals) had remanded the matter back to adjudicating authority to pass an appropriate order by appreciating the documents submitted by the Company. The same is pending before the adjudicating authority for disposal. The Management of the Company is of the view that the Company will receive favourable

(***) In the assessment order passed u/s 143(3) dated 26/12/2019, the income arising from capital gains which was reduced from Income under the head Business or Profession and separately offered to tax under the head Capital gains is added back to Business or Profession resulting into double taxation. The appeal is pending before CIT(A).

In the assessment order passed u/s 143(3) dated 26/12/2019, the following adjustments are made:
i. Income arising from capital gains which was reduced from Income under the head Business or Profession and separately offered to tax under the head Capital gains is added back to Business or Profession resulting into double taxation - INR 1,134.55 lakhs
ii. Disallowance u/s 40(a)(ia) - INR 39.05 lakhs
iii. Disallowance u/s 40A(7) - INR 120.38 lakhs
iv. Disallowance u/s 43B - INR 146.08 lakhs
v. Addition u/s 69C for treating imports as unexplained investment - INR 731.45 lakhs
The appeal is pending before CIT(A)

The Income Tax Assessments of the Company have been completed for AY 2022-23. There is an outstanding demand arising out of the said assessment on account of additions made in the assessment order passed u/s 143(3). However, the Company is in the process of filing an appeal before CIT(A) against this addition. Based on the decisions of the Appellate authorities in similar other cases and the relevant provisions of the Income-tax Act 1961, the management of the Company is of the view that the demand raised is likely to be deleted or substantially reduced.

Note 35: Capital management

For the purpose of the Company’s capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Company’s capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

(INR in lakhs)

Particulars	31 March 2024	31 March 2023
Borrowings (Including interest)	-	-
Capital Component		
Equity Share Capital	2,346.77	2,346.77
Reserve & Surplus	7,978.46	8,132.80
Total Capital	**10,325.23**	**10,479.57**
Capital and Debt	**10,325.23**	**10,479.57**
Gearing ratio	**0.00%**	**0.00%**

In order to achieve this overall objective, the Company’s capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2024.

Note 36: Lease liabilities

The following is the break-up of current and non-current lease liabilities:

(INR in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Current lease liabilities	135.70	43.18
Non-current liabilities	1,005.09	85.62
Total	**1,140.79**	**128.80**

The table below provides details regarding the contractual maturities of lease liabilities: (INR in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Less than one year	135.70	43.18
One to five years	1,005.09	85.62
More than five years	-	-

The Company does not expect any liquidity risk with regard to its lease liabilities and these obligations would be met as and when they fall due.

Amount recognised in the statement of profit and loss: (INR in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Depreciation of right-of-use assets	89.80	41.57
Interest on lease liabilities	36.90	17.69
Gain on modification of finance lease	(16.25)	-

Amounts recognised in the statement of cash flows: (INR in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Repayment of lease liability	56.22	53.54

The Company has paid a lease rental of INR 12.24 lakhs (31 March 2023: INR 11.83 lakhs) against short-term leases and has accounted as "Rent" under "Other expenses" (refer note 25).

Note 37: Winding up of Strand Genomics Inc.
In accordance with the requirements of FED Master Direction No. 15/2015-16 dated 1 January 2016 on Direct Investment by Residents in Joint Venture (JV) / Wholly Owned Subsidiary (WOS) Abroad ('the Regulation'), the Company had filed a delayed application with its Authorised Dealer ("AD") seeking an approval from the Reserve Bank of India ("RBI") in connection with the disinvestment of its wholly owned subsidiary i.e. SGI and also seeking approvals to write-off the equity and debt investment made in SGI. Consequently, the AD had intimated the RBI on the same.

The Company received a response from the RBI to reconcile the investment made in SGI and report online the unreported remittances. The Company, through its AD, has filed a response before RBI confirming the reconciliation of investment made by the Company. The Company had filed the requisite forms with the Foreign Exchange Department of the RBI seeking permission for writing-off of equity and debt investment. The approval from the authority is awaited as at 31 March 2024. The Investments in equity, debt given to the subsidiary along with interest receivable and unbilled revenue has already been provided in the books pending final approval from the RBI to write-off the same.

Note 38: Consolidated financial statements
On 20 April 2016, the Board of Directors of SGI passed a resolution to close down the operations of SGI with effect from 20 April 2016 and also filed requisite application to the Court of Delware for appointing Receiver. Considering the Court of Delware had appointed a receiver / liquidator to take the control in connection with the dissolution process of SGI and the liquidation process has been completed on 31 May 2021, the accounts of SGI are not available with the Company. Accordingly, the Company has not prepared the consolidated financial statements for the year ended 31 March 2016 and thereafter. On 28 December 2017, the Company had intimated the same to the Registrar of Companies, Karnataka at the time of filing of the form AOC-4 for the year ended 31 March 2017. The liquidation of SGI was concluded vide order dated 28 April 2021 relieving the receiver w.e.f. 31 May 2021.

Note 39: Ind AS 115 - Revenue from contracts with customers and assets / liabilities
(i) Revenue from operations for the year ended 31 March 2024 and 31 March 2023 are as follows:

(INR in lakhs)

Particulars	**For the year ended 31 March 2024**	**For the year ended 31 March 2023**
Revenue from contracts with customers :		
Sale of Products	159.93	219.71
Sale of Services	8,502.02	7,701.46
Other operating income	507.74	319.87
Total	**9,169.69**	**8,241.04**

Disaggregate revenue information:
The Company has presented disaggregated revenue from contracts with customers for the year ended March 31, 2024 and March 31, 2023 by product line and is of the opinion that, this disaggregation best depicts the nature, amount, timing of revenues and cash flows that are affected by the industry markets and other economic factors:

(INR in lakhs)

Particulars	**For the year ended 31 March 2024**	**For the year ended 31 March 2023**
Revenue from contracts with customers :		
Sale of Products		
Sale of software products and licenses	159.93	219.71
Sale of Services		
Bioinformatics and other technical support services	7,225.96	6,863.06
Diagnostic services	1,276.06	838.40
Other operating income	507.74	319.87
Total	**9,169.69**	**8,241.04**

(ii) Contract balances
The contract liabilities primarily relate to advance consideration received from customers for which revenue is recognized when the performance obligation is over / services are delivered.

Advance collections are recognized when payment is received before the related performance obligation is satisfied. This includes unearned revenue towards provision of Bioinformatics and other technical support services, diagnostic services and sale of software products and licenses and advances received from the customers. Revenue is recognized once the performance obligation is met. Unbilled revenue is related to services which has been provided but invoice is yet to be raised by the company.

Note 39: Ind AS 115 - Revenue from contracts with customers and Assets/ liabilities (continued)
(ii) Contract balances

(INR in lakhs)

Particulars	**As at 31 March 2024**	**As at 31 March 2023**
(a) Receivables		
(i) Trade receivables (Net of credit losses) - refer note 11	1,730.92	1,329.06
(b) Contract assets		
(i) Unbilled revenues - (Net of credit losses) - refer note 7	394.81	335.71
(c) The contract liability amount from contract with customers is given as below:		
(i) Advance from customers - refer note 18	96.91	34.43
(ii) Unearned revenue - refer note 18	175.02	119.26

Considering the nature of business of the Company, the above contract liabilities are generally materialized as revenue within the same operating cycle.

Revenue recognised in the reporting period that was included in the contract liability	153.69	242.33

Note 42: Ratio analysis

Particulars	Numerator	Denominator	31 March 2024	31 March 2023	% of variance	Reason for variance
Current ratio (in times)	Total Current Assets	Total Current Liabilities	3.66	7.33	50%	Current assets have reduced due to redemption of mutual funds to meet the cashflow requirements. Further, there have been increase in other operational balances due to increase in volume.
Debt-equity ratio (in times)	Total Debt including lease liabilities	Total Equity	0.11	0.01	799%	Total debt has increased due to new premises taken on lease. It has partially been offset by decrease in total equity due to the loss for the year.
Debt service coverage ratio (in times)	Net Profit after taxes + Non-cash operating expenses + Interest expenses + other non cash adjustments+ Exceptional Items	Interest expense + principal repayments and lease liabilities payment made during the year	(2.76)	17.36	116%	The decrease in ratio is on account of the loss for the year.
Return on equity ratio (in times)	Profit after tax (Attributable to Owners)	Average net worth	(0.04)	0.14	125%	The return on equity has decreased due to loss for the year.
Inventory turnover ratio (in times)	Cost of materials consumed	Average inventories	3.16	3.34	5%	Not applicable.
Trade receivables turnover ratio (in times)	Revenue from operations	Average Trade receivables	5.99	6.27	4%	Not applicable.
Trade payables turnover ratio (in times)	Purchases + Other expense+ Staff welfare expenses	Average Trade payables	9.07	4.70	93%	Increase is due to higher inventory maintained and higher expenses which is in line with the volume for the year.
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities	1.54	1.09	41%	Revenue from operations have increased due to addition of more products in the portfolio and expansion of business.
Net profit ratio (in %)	Profit after tax	Revenue from operations	-4.04%	16.60%	124%	Net profit has decreased due to change in the revenue mix. The Company has derived higher revenue from diagnostic business.
Return on capital employed	Net Profit before interest and taxes	Capital employed = Net worth + Lease liabilities	-3.89%	6.23%	162%	Net profit has decreased due to change in the revenue mix. The Company has derived higher revenue from diagnostic business.
Return on investment (in %)	Other income (only interest income on fixed deposit and Gain on fair valuation of investments)	Average of Cash and Cash Equivalents + Average of other bank balance+ Average of Other Marketable Securities	6.40%	4.92%	30%	Other income has increased due to higher returns on surplus funds invested in the mutual funds and write back of certain liabilities.

Note 41: Other statutory information

(i) There are no balance outstanding on account of any transaction with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

(ii) The Company does not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(iii) The Company do not have any capital-work-in progress or intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

(iv) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(v) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 42: Details of Research and Development Expenditure

(INR in lakhs)

Particulars	**For the year ended 31 March 2024**	**For the year ended 31 March 2023**
(a) Capital	-	-
(b) Revenue (*)	2,163.55	581.20
Total	**2,163.55**	**581.20**

(*) includes expenditure of Rs 2,076.42 lakhs (31 March 2023 : INR 289.32 lakhs) towards development phase of intangible assets under development. (Refer note 4(a)).

Note 43: Previous year figures wherever necessary, have been regrouped and re-arranged to confirm with those of the current year.

Note 44: The financial statement for the year ended 31 March 2024 were approved by Board of Directors on 19 April 2024.

Strand Life Sciences Private Limited

As per our Report of even date

For Chaturvedi & Shah LLP
Firm Registration Number : 101720W / W100355
Chartered Accountants

Lalit R Mhalsekar
Partner
Membership No.: 103418

Date: 19 April 2024

For and on behalf of the Board

Dr. Vijaya Chandru
Director
DIN: 00914988

Dr. Ramesh Hariharan
Director & CEO
DIN: 05103194

Nilesh Pramodkumar Modi
Director
DIN: 09460046

Nikhil Chakrapani Suryanarayana Kavipurapu
Director
DIN: 03585055

Siddharth Achuthan
Director
DIN: 00016278

Rahul Yogendra Dutt
Director
DIN: 08872616

Anand Janakiraman
Chief Financial Officer

Wazda Tarannum
Company Secretary