

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

MARCH 31, 2024

LUPIN DIAGNOSTICS LIMITED

(Formerly known as Lupin Healthcare Limited)

**Kalpataru Inspire, 3rd Floor, Off Western Express Highway,
Santacruz (East), Mumbai - 400 055.**

Independent Auditor's Report

To the Members of Lupin Diagnostics Limited (Formerly Known as Lupin Healthcare Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lupin Diagnostics Limited (Formerly Known as Lupin Healthcare Limited) (the "Company") which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and auditor's reports thereon.

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

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

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, loss and other comprehensive loss, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes

Registered Office:

Independent Auditor's Report (Continued)

Lupin Diagnostics Limited (Formerly Known as Lupin Healthcare Limited)

maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other

Independent Auditor's Report (Continued)

Lupin Diagnostics Limited (Formerly Known as Lupin Healthcare Limited)

matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the certain matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 01 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 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 financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company does not have any pending litigations which would impact its financial position.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 52F to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 52F to the financial statements, 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 directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf

Independent Auditor's Report (Continued)

Lupin Diagnostics Limited (Formerly Known as Lupin Healthcare Limited)

of the Ultimate Beneficiaries.

- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Company has neither declared nor paid any dividend during the year.
- f. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting software for maintaining its books of account, which have 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:
- i. The feature of recording audit trail (edit log) was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the books of account.
- ii. In the absence of sufficient and appropriate reporting on compliance with the audit trail requirements in the independent auditor's report of a service organization for an accounting software used for lease transactions, we are unable to comment whether audit trail feature for the said software was enabled and operated throughout the year for all relevant transactions recorded in the software.
- iii. The feature of recording audit trail (edit log) facility was not enabled for the front-end accounting software used for maintaining the books of account relating to purchases, inventory, and revenue processes

Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of the audit trail feature being tampered with during the course of the audit.

- A. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Chartered Accountants

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

Siddharth Pandya

Partner

Place: Mumbai

Membership No.: 135037

Date: 04 May 2024

ICAI UDIN:24135037BKDBES6449

Annexure A to the Independent Auditor's Report on the Financial Statements of Lupin Diagnostics Limited (Formerly Known as Lupin Healthcare Limited) for the year ended 31 March 2024

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, property plant and equipment are physically verified once every three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, of the entity has been physically verified by the management during the year. There are no stock lying with third parties at year end. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investment, provided any guarantee or security or granted any loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The company has not given advances in the nature of loans to companies, firms and limited liability partnerships during the year. The company has given advances in the nature of loans to other parties during the year.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans or advances in the nature of loans, to the employees as below:

Annexure A to the Independent Auditor's Report on the Financial Statements of Lupin Diagnostics Limited (Formerly Known as Lupin Healthcare Limited) for the year ended 31 March 2024 (Continued)

(Rupees in Millions)

Particulars	Advances in nature of loans
Aggregate amount during the year	
Others	1.1
Balance outstanding as at balance sheet date	
Others	0.6

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the grant of advances in the nature of loans provided during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in case of advance in the nature of loan of Rs 1.1 million given to the employees, the schedule of repayment of principal and payment of interest has not been stipulated and accordingly we are unable to comment on whether the repayments or receipts are regular
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in case of advance in the nature of loans of Rs. 1.1 million given to the employees, the schedule for repayment of principal and payment of interest have not been stipulated and accordingly we are unable to comment on the amount overdue for more than ninety days.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in case of advance in the nature of loans of Rs. 1.1 million given to the employees, the schedule for repayment of principal and payment of interest have not been stipulated and accordingly we are unable to comment on the renewal or extension of such advances in the nature of loans.
- (f) 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 given advances in the nature of loans without specifying either any terms or period of repayment.

(Rupees in Millions)

	All Parties	Promoters	Related Parties
Aggregate of advances in nature of loan	-	-	-
- Repayable on demand (A)			
- No specified terms or period of Repayment (B)	1.1	-	-
Total (A+B)	1.1	-	-

Annexure A to the Independent Auditor's Report on the Financial Statements of Lupin Diagnostics Limited (Formerly Known as Lupin Healthcare Limited) for the year ended 31 March 2024 (Continued)

	All Parties	Promoters	Related Parties
Percentage of advances in nature of loan to the total loans	100%	-	-

- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues have been subsumed into GST.'

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 amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanation given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Funds, Employees State Insurance, Income Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been

Annexure A to the Independent Auditor's Report on the Financial Statements of Lupin Diagnostics Limited (Formerly Known as Lupin Healthcare Limited) for the year ended 31 March 2024 (Continued)

used for long-term purposes by the Company.

- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
(b) In our opinion in respect of private placement on preferential basis of preference shares made during the year, the company has duly complied with the requirements of Section 42 and Section 62 of the Act. The proceeds from issue of preference shares have been used for the purposes for which the funds were raised.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, Section 177 of the Act is not applicable to the Company and transaction with the related parties are in compliance with Section 188 of the Act wherever applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
(b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than

Annexure A to the Independent Auditor's Report on the Financial Statements of Lupin Diagnostics Limited (Formerly Known as Lupin Healthcare Limited) for the year ended 31 March 2024 (Continued)

one CIC.

- (xvii) The Company has incurred cash losses of Rs 755.1 in the current financial year and Rs 548.71 million in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- (a) In our opinion and according to the information and explanations given to us, the provisions of Section 135 of the Act are not applicable to the Company. Accordingly, clause 3(xx)(b) of the Order is not applicable.

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

Chartered Accountants

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

Siddharth Pandya

Partner

Place: Mumbai

Membership No.: 135037

Date: 04 May 2024

ICAI UDIN:24135037BKDBES6449

Annexure B to the Independent Auditor's Report on the financial statements of Lupin Diagnostics Limited (Formerly Known as Lupin Healthcare Limited) for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Lupin Diagnostics Limited (Formerly Known as Lupin Healthcare Limited) ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to

Annexure B to the Independent Auditor's Report on the financial statements of Lupin Diagnostics Limited (Formerly Known as Lupin Healthcare Limited) for the year ended 31 March 2024 (Continued)

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Chartered Accountants

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

Siddharth Pandya

Partner

Place: Mumbai

Membership No.: 135037

Date: 04 May 2024

ICAI UDIN:24135037BKDBES6449

LUPIN DIAGNOSTICS LIMITED (formerly known as Lupin Healthcare Limited)
BALANCE SHEET AS AT MARCH 31, 2024

	Note	As at 31.03.2024 ₹ in million	As at 31.03.2023 ₹ in million
ASSETS			
Non-Current Assets			
a. Property, Plant and Equipment	2	488.8	479.5
b. Capital Work-in-Progress	3	1.5	53.1
c. Intangible Assets	4	16.7	4.3
d. Right-of-use Assets	5	261.7	367.6
e. Intangible Assets Under Development	6	-	4.8
		768.7	909.3
f. Financial Assets			
-Other Non-Current Financial Assets	7	102.5	56.1
g. Deferred Tax Assets (Net)		-	9.1
h. Non-Current Tax Assets (Net)		14.5	6.2
I. Other Non-Current Assets	8	27.8	23.8
		913.5	1,004.5
Current Assets			
a. Inventories	9	90.1	58.8
b. Financial Assets			
(i) Current Investments	10	116.1	-
(i) Trade Receivables	11	91.2	28.8
(ii) Cash and Cash Equivalents	12	52.3	52.3
(iii) Other Bank Balances	13	1.9	78.0
(iv) Current Loans	14	0.6	0.3
(vi) Other Current Financial Assets	15	16.0	1.9
c. Other Current Assets	16	25.1	16.0
		393.3	236.1
d. Assets included in disposal group held for sale		98.1	-
		491.4	236.1
TOTAL		1,404.9	1,240.6
EQUITY AND LIABILITIES			
Equity			
a. Equity Share Capital	17	526.2	26.2
b. Other Equity		(1,531.0)	(749.0)
		(1,004.8)	(722.8)
Liabilities			
Non-Current Liabilities			
a. Financial Liabilities			
(i) Non-Current Borrowings	18	1,541.1	1,247.5
(ii) Lease Liabilities	36	218.4	315.9
(iii) Other Non-Current Financial Liabilities	19	321.1	154.3
b. Non-Current Provisions	20	18.3	16.4
		2,098.9	1,734.1
Current Liabilities			
a. Financial Liabilities			
(i) Lease Liabilities	36	70.3	72.4
(ii) Trade Payables			
- Total outstanding dues of Micro Enterprises and Small Enterprises	21	22.9	25.4
- Total outstanding dues of other than Micro Enterprises and Small Enterprises	21	152.8	76.1
(iii) Other Current Financial Liabilities	22	30.0	38.2
b. Other Current Liabilities	23	26.0	14.6
c. Current Provisions	24	4.9	2.6
		306.9	229.3
d. Liabilities included in disposal group held for sale		3.9	-
		310.8	229.3
TOTAL		1,404.9	1,240.6

See accompanying notes forming part of the financial statements

LUPIN DIAGNOSTICS LIMITED (formerly known as Lupin Healthcare Limited)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

	Note	Year ended 31.03.2024 ₹ in million	Year ended 31.03.2023 ₹ in million
INCOME:			
Revenue from Operations	25	666.9	254.5
Other Income	26	27.7	12.4
Total Income		694.6	266.9
EXPENSES:			
Cost of Materials Consumed	27	339.9	201.9
Employee Benefits Expense	28	397.9	248.5
Finance Costs	29	202.2	128.1
Depreciation and Amortization	2,4 & 5	194.5	135.7
Other Expenses	30	538.9	290.7
Net (gain) / loss on Foreign Currency Transactions		-	0.4
Total Expenses		1,673.4	1,005.3
(Loss) before Tax		(978.8)	(738.4)
Tax Expense			
- Current Tax (Net)		-	-
- Deferred Tax (Net)		9.1	(7.6)
Total Tax Expense		9.1	(7.6)
(Loss) for the year		(987.9)	(730.8)
Other Comprehensive Loss			
(A) (i) Items that will not be reclassified subsequently to profit or loss:			
-Remeasurements of Defined Benefit Liability		(0.6)	(3.6)
(ii) Income tax relating to items that will not be reclassified to profit or loss:		0.1	0.9
Other Comprehensive Loss for the year, net of tax		(0.5)	(2.7)
Total Comprehensive Loss for the year		(988.4)	(733.5)
Earnings per equity share (in ₹)			
Basic		(377.55)	(279.29)
Diluted		(377.55)	(279.29)
Face Value of Equity Share (in ₹)		10.00	10.00

See accompanying notes forming part of the financial statements

In terms of our report attached

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 101248W/W - 100022

For and on behalf of the Board of Directors of

Lupin Diagnostics Limited (formerly known as Lupin Healthcare Limited)

Siddharth Pandya

Partner

Membership No. 135037

Nilesh D. Gupta

Managing Director

DIN: 01734642

Sunil Makharia

Director & CFO

DIN: 00064399

R. V. Satam

Company Secretary

ACS - 11973

Place : Mumbai

Dated : May 4, 2024

Place : Mumbai

Dated : May 4, 2024

In terms of our report attached

For B S R & Co. LLP

Chartered Accountants

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Place : Mumbai

Dated : May 4, 2024

Place : Mumbai

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LUPIN DIAGNOSTICS LIMITED (formerly known as Lupin Healthcare Limited)
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

	Year ended 31.03.2024 ₹ in million	Year ended 31.03.2023 ₹ in million
A. Cash Flow from Operating Activities		
Profit / (Loss) before Tax	(978.8)	(738.4)
Adjustments for :		
Depreciation and Amortisation	194.5	135.7
Loss / (Profit) on Sale / Write-off of Property, Plant and Equipment / Intangible Assets (net)	(10.5)	0.5
Interest on Income Tax Refund	(0.3)	(0.1)
Finance Costs	202.2	128.1
Interest on Deposits with Banks and Others	(9.9)	(12.3)
Unrealised Gain on Mutual Fund Investments (net)	(1.3)	-
Net Gain on sale of Mutual Fund Investments	(5.7)	-
Share Based Payments Expense	-	1.0
Bad Trade Receivables / Advances written off	-	(0.3)
Doubtful Trade Receivables / Advances provided (net)	6.5	(1.9)
Operating Cash Flows before Working Capital Changes	(603.3)	(487.7)
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(31.3)	4.7
Trade Receivables	(68.8)	(13.1)
Other Non-Current Financial Assets	(46.4)	(29.4)
Other Non-Current Assets	(6.8)	(7.5)
Current Loans	(0.3)	(0.2)
Other Current Financial Assets	(14.1)	(1.9)
Other Current Assets	(9.1)	0.6
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payables	74.2	(5.8)
Other Current Liabilities	12.8	5.6
Non-Current Provision	0.5	11.9
Current Provision	3.9	(1.8)
Other Non-Current Financial Liabilities	0.3	-
Other Current Financial Liabilities	6.3	10.5
Cash Generated from Operations	(682.1)	(514.1)
Net Income tax paid	(8.7)	(4.8)
Net Cash Flow generated / (used in) from Operating Activities	(690.8)	(509.3)
B. Cash Flow from Investing Activities		
Capital expenditure on Property, Plant and Equipment/Intangibles including capital advances	(177.4)	(322.7)
Purchase of Current Investments	(109.0)	-
Bank balances not considered as Cash and Cash Equivalents (net)	76.1	76.6
Interest on Deposits with Banks and Others	9.9	9.7
Net Cash Flow generated / (used in) from Investing Activities	(200.4)	(236.4)
C. Cash Flow from Financing Activities		
Proceeds from issuance of Optionally Convertible Non-Cumulative Redeemable Preference Shares	500.0	500.0
Proceeds from issuance of Unsecured Optionally Convertible Debentures	500.0	-
Payment of Lease Liabilities (net off Interest)	(74.3)	(47.3)
Finance Cost	(34.4)	(29.7)
Net Cash Flow generated / (used in) from Financing Activities	891.3	423.0
Net Increase / (Decrease) in Cash and Cash Equivalents	0.1	(322.7)
Cash and Cash equivalents at the beginning of the year	52.3	375.0
Cash and Cash Equivalents as at end of the reporting year (Refer note 11)	52.4	52.3
Reconciliation of Cash and Cash Equivalents with the Balance Sheet		
Cash and Cash Equivalents as per Balance Sheet (Refer note 11)	52.4	52.3
(₹ 0.1 Mn is included in Assets included in disposal group held for sale)		
Cash and Cash Equivalents as at the end of the year	52.4	52.3

Note :

- The cash flow statement has been prepared under the "indirect method" as set out in the Indian Accounting Standard 7 (Ind AS-7) "Statement of Cash Flows".
- Cash and cash equivalents comprises cash on hand, cash at bank and short term deposits with an original maturity of three months or less, that are readily convertible into known amounts of cash and subject to insignificant risk of changes in value.
Refer note 57 for Non Cash Changes in Cash Flows from Financing Activities.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1A. OVERVIEW:

Lupin Diagnostics Limited ('the Company') was incorporated under the Companies Act, 1956, on March 17, 2011 having CIN U24100MH2011PLC214885. The Company is a Wholly Owned Subsidiary of Lupin Limited.

The Operations for the Company had commenced from October 2021. The Company is engaged in the business of running laboratories for carrying out pathological investigations of various branches of bio-chemistry, hematology, histopathology, microbiology, electrophoresis, immuno-chemistry, immunology, virology, cytology, and other pathological and radiological investigations. These Financial Statements were authorized for issue by the Company's Board of Directors on May 03, 2024.

The Company is a public limited company incorporated and domiciled in India. The address of its registered office is Kalpataru Inspire, 3rd floor, Western Express Highway, Santacruz (East), Mumbai 400055.

1B. MATERIAL ACCOUNTING POLICIES:

a) Basis of accounting and preparation of Financial Statements:

Basis of preparation

- i) These Financial Statements of the Company have been prepared and presented in all material aspects in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under section 133 of the Companies Act, 2013 ('the Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and accounting principles generally accepted in India.

Going Concern

- ii) As at March 31, 2024, the Company's paid up share capital is ₹ 526.2 million and the Company has incurred a loss of ₹ 988.4 million during the year and has net current assets of ₹ 86.3 million as at 31 March 2024. The company has negative operating cash flow during the year amounting to ₹ 603.3 million.

The above events/conditions cast doubt on entity's ability to continue as a going concern. However, these events/conditions are mitigated as follows:

Company has an unconditional financial support from the holding company in order to meet all its liabilities as and when they fall due for payment, for a period of not less than 12 months from the approval of these financial statements.

Based on the above mitigating factors, material uncertainty relating to events/conditions that cast doubt on entity's ability to continue as going concern does not exist. Accordingly, the financial statements have been prepared on a going concern basis.

Functional and Presentation Currency

- iii) The financial statements are presented in Indian Rupees rounded off to the nearest millions, except where mentioned otherwise. The amount in zero represents amount less than Rupee one million.

Basis of measurement

- iv) These Financial Statements are prepared under the historical cost convention unless otherwise indicated.

Use of Significant Estimates and Judgments

- v) The preparation of the Financial Statements in conformity with Ind AS requires Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialised. Estimates and underlying assumptions are reviewed on an ongoing basis.

Information about critical judgments made in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following accounting policies.

- Measurement and likelihood of occurrence of provisions and contingencies (Refer note m)
- Provision for Income taxes (refer note g)

b) Property, Plant and Equipment & Depreciation:

I. Recognition and Measurement:

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Company incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.
- income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in Statement of Profit and Loss. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

The cost of an item of property, plant and equipment shall be recognized as an asset if, and only if, it is probable that future economic benefits associated with the expenditure/item will flow to the company, and the cost of the item can be measured reliably.

Freehold land is carried at historical cost.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

II. Subsequent Expenditure:

The subsequent cost of an item of property, plant and equipment shall be recognized as an asset if, and only if, it is probable that future economic benefits associated with the expenditure/item will flow to the company and the cost of the item can be measured reliably.

III. Depreciation:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on property, plant and equipment of the Company has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Act, except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on management's evaluation thereof, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Particulars	Estimated Useful Life
Improvements on Leased Premises	Over the period of lease
Plant and Equipment	10 years
Office Equipment (Desktop and Laptop)	4 years
Furniture & Fixtures	5 to 10 years

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

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

IV. Derecognition:

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognized in Consolidated Statement of Profit and Loss.

c) Intangible assets:

I. Recognition and Measurement:

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises of its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use.

II. Subsequent Expenditure

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

III. Amortisation

Intangible assets are amortised over their estimated useful life on Straight Line Method as follows:

Particulars	Estimated Useful Life
Computer Software	5 years

The estimated useful lives of intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern, if any.

d) Impairment of non-financial assets:

The carrying values of Property, Plant and Equipment and Intangible assets at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the Property, Plant and Equipment and Intangible assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the asset's fair value less cost of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

e) Foreign Currency Transactions:

- i) Transactions denominated in foreign currency are recorded at exchange rates prevailing at the date of transaction or at rates that closely approximate the rate at the date of the transaction.
- ii) Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate of the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.
- iii) Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous year. Financial Statements are recognized in the Statement of Profit and Loss in the period in which they arise.

f) Financial Instruments:

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

I. Financial Assets

Classification

On initial recognition the Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets except Trade receivables (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus, 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.

Financial assets at amortised cost

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- i) the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- ii) contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Financial assets included within the fair value through profit and loss (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 are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of such investments.

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:
 - i) the Company has transferred substantially all the risks and rewards of the asset, or
 - ii) 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.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- i) trade receivables
- ii) Financial assets measured at amortised cost (other than trade receivable)

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

Financial assets classified as amortised cost (listed as ii above), subsequent to initial recognition, are assessed for evidence of impairment at end of each reporting period basis monitoring of whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

ECL allowance recognised (or reversed) during the period is recognised as expense (or income) in the Consolidated statement of profit and loss under the head 'Other expenses'.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

II. Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities measured at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value with changes in fair value being recognised in the Statement of Profit and Loss.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, at amortised cost (loans, borrowings and payables) or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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 and the liability component of compound financial instrument-0.01% Optionally Convertible Non-cumulative Redeemable Preference shares. Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind As 32 criteria for fixed to fixed classification. The carrying amount of the conversion option is not remeasured in subsequent years.

Subsequent Measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- i) Financial liabilities at fair value through profit or loss
- ii) Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised.

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 interest-bearing loans and 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 and Loss.

III. Measurement

The Company determines the fair value of its financial instruments on the basis of the following hierarchy:

- (a) Level 1: The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date.
- (b) Level 2: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.
- (c) Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

g) Income tax:

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

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- i) has a legally enforceable right to set off the recognised amounts; and
- ii) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred taxes are recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred taxes are measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred taxes reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

h) Inventories:

Inventories comprise of reagents, chemicals, diagnostic kits, medicines and consumables. Inventories are valued at cost after providing for obsolescence and other losses, where considered necessary. Cost comprises the cost of purchase and all other costs attributed to bring the goods to that particular condition and location.

i) Revenue Recognition:

Service income

Revenue primarily comprises charges for diagnostic services. Charges for diagnostic services consist of fees received for various tests conducted in the field of pathological investigation.

Revenue from diagnostic services is recognized on amount billed net of discounts/concessions, if any. No element of financing is deemed present as the sales made are either on cash and carry basis or for institutional/organizational customers, a credit period consistent with market practice is given.

The Company recognises revenue when the amount of revenue can be reliably measured, and it is probable that economic benefits will flow to the entity.

Revenue contracts are on principal-to-principal basis and the Company is primarily responsible for fulfilling the performance obligation. 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, net of discounts, if any, when the test report is generated i.e., when the performance obligation is satisfied.

Diagnostic service is the only principal activity and reportable segment from which the Company generates its revenue.

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

Interest income

Interest income is recognised with reference to the Effective Interest Rate method.

j) Employee Benefits:

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided and the Company will have no legal or constructive obligation to pay further amounts. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. If the contribution payable to the scheme for service received before the reporting date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid.

Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed periodically by an independent qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (asset) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other Benefit Plans

Accumulated leave, which is expected to be utilized within the next 12 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 recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

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 reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

k) Share-based payment transactions:

Employees Stock Options Plans ("ESOPs"):

The grant date fair value of options granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in Other Equity under "Employee Stock Options Outstanding Reserve". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest.

Cash-settled Transactions:

The cost of cash-settled transactions is measured initially at fair value at the grant date using a Binomial Option Pricing Model. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is re-measured to fair value at each reporting date up to, and including the settlement date, with changes in fair value recognised in employee benefits expense. The approach used to account for vesting conditions when measuring equity-settled transactions also applies to cash-settled transactions.

l) Leases:

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in Ind AS 116.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

i) Right of Use Assets

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 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 assets is subsequently measured at cost less any 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 statement of profit and loss.

ii) Lease Liabilities

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate cannot be readily determined, the Company uses incremental borrowing rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. 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 re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. 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 re-measurement in statement of profit and loss.

iii) Short-term lease and leases of low value assets

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

m) Provisions and Contingent Liabilities:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. If effect of the time value of money is material, provisions are discounted using an appropriate discount 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.

Contingent liabilities are disclosed in the Notes to the Financial Statements. Contingent liabilities are disclosed for:

- i) possible obligations which will be confirmed only by future events not wholly within the control of the Company, or
- ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

n) Cash and Cash equivalents:

Cash comprises cash on hand, current accounts and deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), current investments that are convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

o) Borrowing costs:

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate (EIR) applicable to the respective borrowing. Borrowing costs include interest costs measured at EIR and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, allocated to qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset up to the date of capitalisation of such asset or upto the date the assets are ready for its intended use are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

All other borrowing costs are recognised as an expense in the period which they are incurred.

p) Earnings per share:

Basic earnings per share is computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

q) Insurance Claims:

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect the ultimate collection.

r) Operating Segments:

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM') as defined in Ind AS 108 'Operating Segments' for allocating resources and assigning performance. The Company operates in one reportable business segment i.e. diagnostics.

s) Current vs Non Current:

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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.

t) Discontinued Operations:

A discontinued operation is a component of the Group's business, the operations and cash flow of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations.
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale

When an operation is classified as a discontinued operation, the comparative statement of profit or Loss and OCI, is re-presented as if the operation had been discontinued from the start of the comparative year

u) Business Combinations:

The company accounts for business combination by applying the acquisition method. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

The Company measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount of the identifiable assets acquired and liabilities assumed (including contingent liabilities in case such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably). When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognized as capital reserve.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to settlement of pre-existing relationships.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise subsequent changes in the fair value of the contingent consideration are recognized in the Statement of Profit and Loss.

Transaction costs that the Company incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

On an acquisition-by-acquisition basis, the Company recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

v) Non-current assets held for sale:

Assets are classified as held for sale and stated at the lower of carrying amount and fair value less costs to sell if the asset is available for immediate sale and its sale is highly probable. Such assets or group of assets are presented separately in the Balance Sheet as "Assets Classified as Held for Sale". Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

1C) RECENT ACCOUNTING PRONOUNCEMENTS:

Ministry of Corporate Affairs ("MCA") has not notified any new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time which are applicable effective 1st April 2024.

LUPIN DIAGNOSTICS LIMITED (formerly known as Lupin Healthcare Limited)
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

A. Equity Share Capital [Refer note 17]

	As at 31.03.2024		As at 31.03.2023	
	No. of Shares	₹ in million	No. of Shares	₹ in million
Balance at the beginning of the reporting year	2,616,677	26.2	2,616,677	26.2
Changes in Equity share capital	-	-	-	-
Balance at the beginning of the current reporting year	2,616,677	26.2	2,616,677	26.2
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting year	2,616,677	26.2	2,616,677	26.2

B. Instruments entirely Equity in nature [Refer note 17]

0.01% Unsecured Optionally Convertible Debentures

	As at 31.03.2024		As at 31.03.2023	
	No. of Shares	₹ in million	No. of Shares	₹ in million
Balance at the beginning of the current reporting year	-	-	-	-
Changes in Unsecured Optionally Convertible Debentures during the period	50,000,000	500.0	-	-
Balance at the end of the reporting year	50,000,000	500.0	-	-

B. Other Equity

Particulars	Reserves and Surplus				Total Other Equity
	Securities Premium	Retained Earnings	0.01% Optionally Convertible Non-Cumulative Redeemable Preference Share Classified as Equity	Employees Stock Options Outstanding	
Balance as at 31.03.2022	55.5	(323.7)	77.0	-	(191.2)
Profit / (Loss) for the year	-	(730.8)	-	-	(730.8)
Remeasurements of defined benefit plans (net of tax)	-	(2.7)	-	-	(2.7)
Total comprehensive income / (Loss) for the year	-	(733.5)	-	-	(733.5)
Amortised during the year	-	-	-	0.2	0.2
0.01% Optionally Convertible Non-Cumulative Redeemable Preference Share Classified as Equity	-	-	175.5	-	175.5
Balance as at 31.03.2023	55.5	(1,057.2)	252.5	0.2	(749.0)
Profit / (Loss) for the year	-	(987.9)	-	-	(987.9)
Remeasurements of defined benefit plans (net of tax)	-	(0.5)	-	-	(0.5)
Total comprehensive income / (Loss) for the year	-	(988.4)	-	-	(988.4)
Amortised during the year	-	-	-	0.2	0.2
0.01% Optionally Convertible Non-Cumulative Redeemable Preference Share Classified as Equity	-	-	206.4	-	206.4
Balance as at 31.03.2024	55.5	(2,045.6)	458.9	0.4	(1,531.0)

Nature of Reserves

(i) Securities Premium

Securities premium account comprises of premium on issue of shares. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013.

(ii) 0.01% Optionally Convertible Non-Cumulative Redeemable Preference Shares

During the year, the Company had issued 50 million (previous year 50 million) 0.01% Optionally Convertible Non-Cumulative Redeemable Preference Shares of ₹ 10/- each aggregating ₹ 500 million (previous year ₹ 500 million) by way of private placement /preferential offer. The holder has option to convert the Optionally Convertible Non-Cumulative Redeemable Preference Shares into equity shares any time from the expiry of five years from the date of issue till the end of 10 years from the date of issue in the ratio of one equity share for 3 Optionally Convertible Non-Cumulative Redeemable Preference Shares. The Company has option to convert the Optionally Convertible Non-Cumulative Redeemable Preference Shares into equity shares from the date of issue till the expiry of 10 years from the date of issue in the ratio of 1 equity share for 3 Optionally Convertible Non-Cumulative Redeemable Preference Shares. These can be redeemed anytime at the option of the Company, from the date of issue till the expiry of 10 years from the date of issue and redemption premium of 8% p.a. shall accrue from the date of issue till the date of exercising redemption option.

(iii) 0.01% Unsecured Optionally Convertible Debentures

During the year, the Company had issued 50 million (previous year NIL) 0.01% Unsecured Optionally Convertible Debentures of ₹ 10/- each aggregating ₹ 500 million (previous year NIL) by way of private placement /preferential offer. The holder and the issuer has option to convert the Unsecured Optionally Convertible Debentures into equity shares from the date of issue till the end of 10 years from the date of issue in the ratio of 1 equity share for 8 Unsecured Optionally Convertible Debentures. The Unsecured Optionally Convertible Debentures can be redeemed anytime at the option of the issuer, from the date of issue till the expiry of 10 years from the date of issue. In case the option to redeem is chosen by the issuer, the redemption amount, in addition to the principal amount, shall include redemption premium of 15% p.a from the date of issue till the date of exercising redemption option.

(iv) Retained Earnings

This reserve represents undistributed accumulated earnings of the Company as on the balance sheet date

(v) Employees Stock Options Outstanding

The Company has employee stock option schemes under which the option to subscribe for the Company's shares have been granted to certain employees and directors. This is used to recognize the value of equity-settled share-based payments provided to the employees as part of their remuneration.

2. PROPERTY, PLANT AND EQUIPMENT

(₹ in million)

Particulars	Improvements on Leased Premises	Plant and Equipment	Furniture and Fixtures	Office Equipment	Total
At cost or deemed cost					
As at 01.04.2022	90.0	135.8	12.2	36.4	274.4
Additions	98.6	126.1	14.5	38.2	277.4
Disposals	0.8	-	-	-	0.8
As at 31.03.2023	187.8	261.9	26.7	74.6	551.0
Additions	78.1	75.9	5.0	48.5	207.6
Disposals	-	-	-	-	-
Reclassification to assets held for sale	42.1	67.6	3.9	2.8	116.4
As at 31.03.2024	223.8	270.2	27.9	120.2	642.1
Accumulated depreciation					
As at 01.04.2022	6.0	2.9	0.2	1.8	10.9
Depreciation charge for the year	29.3	18.0	1.9	11.5	60.7
Disposals	0.2	-	-	-	0.2
As at 31.03.2023	35.1	20.9	2.1	13.3	71.5
Depreciation charge for the year	45.6	31.3	3.0	21.4	101.3
Disposals	-	-	-	-	-
Reclassification to assets held for sale	11.6	6.9	0.4	0.4	19.4
As at 31.03.2024	69.1	45.2	4.7	34.3	153.3
Net block					
As at 31.03.2024	154.6	225.0	23.2	85.9	488.8
As at 31.03.2023	152.6	241.0	24.6	61.3	479.5

a) The Company has not revalued any of its Property Plant and Equipment.

3. Capital Work-in-Progress (CWIP)

(₹ in million)

Particulars	As at 31.03.2024	As at 31.03.2023
Opening Balance	53.1	38.6
Additions during the year	156.0	291.9
Less: Capitalised during the year	207.6	277.4
Closing Balance	1.5	53.1

Refer note no 49 for CWIP ageing.

4. INTANGIBLE ASSETS

(₹ in million)

Particulars	Computer Software	Total
At cost or deemed cost		
As at 01.04.2022	1.9	1.9
Additions	3.4	3.4
Disposals	-	-
As at 31.03.2023	5.3	5.3
Additions	15.5	15.5
Disposals	-	-
Reclassification to assets held for sale	0.9	0.9
As at 31.03.2024	19.9	19.9
Accumulated amortisation		
As at 01.04.2022	0.2	0.2
Amortisation charge for the year	0.8	0.8
Disposals	-	-
As at 31.03.2023	1.0	1.0
Amortisation charge for the year	2.3	2.3
Disposals	-	-
Reclassification to assets held for sale	0.1	0.1
As at 31.03.2024	3.2	3.2
Net block		
As at 31.03.2024	16.7	16.7
As at 31.03.2023	4.3	4.3

a) The Company has not revalued any of its Intangible Assets.

5. Right-of-use Assets (ROU)

Particulars	Buildings	Vehicles	Total
At cost or deemed cost			
As at 01.04.2022	217.6	3.5	221.1
Additions	241.6	7.2	248.8
Disposals	2.3	1.7	4.0
As at 31.03.2023	456.9	9.0	465.9
Additions	57.5	0.9	58.4
Disposals	114.7	-	114.7
As at 31.03.2024	399.7	9.8	409.6
Accumulated depreciation :			
As at 01.04.2022	24.7	0.8	25.5
Depreciation charge for the year	71.9	2.3	74.2
Disposals	0.7	0.7	1.4
As at 31.03.2023	95.9	2.4	98.3
Depreciation charge for the year	88.0	2.8	90.9
Disposals	41.2	-	41.2
As at 31.03.2024	142.7	5.2	148.0
Net block			
As at 31.03.2024	257.0	4.6	261.7
As at 31.03.2023	361.0	6.6	367.6

- a) Refer note no 36 for lease disclosure
b) The Company has not revalued any of its Right of Use assets.

6. Intangible Assets under Development (IAUD)

(₹ in million)

Particulars	As at 31.03.2024	As at 31.03.2023
Opening Balance	4.8	-
Additions during the year	-	4.8
Capitalised during the year	4.8	-
Impairment during the year	-	-
Closing Balance	-	4.8

- a) Refer note no 50 for IAUD ageing.

17. EQUITY SHARE CAPITAL

a) Equity Share Capital

Particulars	As at 31.03.2024		As at 31.03.2023	
	No. of Shares	₹ in million	No. of Shares	₹ in million
Authorised				
Equity Shares of ₹ 10 each	3,000,000	30.0	3,000,000	30.0
Preference Shares of ₹ 10 each	200,000,000	2,000.0	200,000,000	2,000.0
Instruments entirely Equity in nature				
0.01% Unsecured Optionally Convertible Debentures of ₹ 10 each fully paid	50,000,000	500.0	-	-
Issued, Subscribed and Paid up				
Equity Shares of ₹ 10 each fully paid	2,616,677	26.2	2,616,677	26.2
Instruments entirely Equity in nature				
0.01% Unsecured Optionally Convertible Debentures of ₹ 10 each fully paid	50,000,000	500.0	-	-
Total	52,616,677.0	526.2	2,616,677	26.2

b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

i) Equity Shares

Particulars	As at 31.03.2024		As at 31.03.2023	
	No. of Shares	₹ in million	No. of Shares	₹ in million
Equity Shares outstanding at the beginning of the year	2,616,677	26.2	2,616,677	26.2
Equity Shares outstanding at the end of the year	2,616,677	26.2	2,616,677	26.2

(ii) Instruments entirely Equity in nature - 0.01% Unsecured Optionally Convertible Debentures

Particulars	As at 31.03.2024		As at 31.03.2023	
	No. of Shares	₹ in million	No. of Shares	₹ in million
Balance at the beginning of the year	-	-	-	-
Changes in Unsecured Optionally Convertible Debentures during the period	50,000,000	500.0	-	-
Equity Shares outstanding at the end of the year	50,000,000	500.0	-	-

c) Rights attached to Equity Shares

The Company has only one class of equity shares with voting rights having a par value of ₹ 10 per share. Each holder of Equity share is entitled to one vote per share. In the event of liquidation of the Company, the shareholders 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.

d) Terms/rights attached to Instruments entirely Equity in nature

The Company has only one class of equity shares with voting rights having a par value of ₹ 10 per share. Each holder of Equity share is entitled to one vote per share. In the event of liquidation of the Company, the shareholders 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.

e) Details of shares held by each shareholder holding more than 5% equity shares

Name of Shareholder	As at 31.03.2024		As at 31.03.2023	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Lupin Limited & its nominees	2,616,677	100	2,616,677	100

f) Shares held by promoters at the end of the year

Promoter Name	As at 31.03.2024		As at 31.03.2023	
	No. of Shares	% of total	No. of Shares	% of total
Lupin Limited & its nominees	2,616,677	100	2,616,677	100

g) **Shares reserved for issuance under Stock Option Plans of the Company**

Promoter Name	As at 31.03.2024		As at 31.03.2023	
	No. of Shares	₹ in million	No. of Shares	₹ in million
Lupin Diagnostics Limited Employees Stock Option Plan 2022	167,211	1.7	161,872	1.6

h) **0.01% Optionally Convertible Non-Cumulative Redeemable Preference Shares**

During the year, the Company had issued 50 million (previous year 50 million) 0.01% Optionally Convertible Non-Cumulative Redeemable Preference Shares of ₹ 10/- each aggregating ₹ 500 million (previous year ₹ 500 million) by way of private placement /preferential offer. The holder has option to convert the Optionally Convertible Non-Cumulative Redeemable Preference Shares into equity shares any time from the expiry of five years from the date of issue till the end of 10 years from the date of issue in the ratio of one equity share for 3 Optionally Convertible Non-Cumulative Redeemable Preference Shares. The Company has option to convert the Optionally Convertible Non-Cumulative Redeemable Preference Shares into equity shares from the date of issue till the expiry of 10 years from the date of issue in the ratio of 1 equity share for 3 Optionally Convertible Non-Cumulative Redeemable Preference Shares. These can be redeemed anytime at the option of the Company, from the date of issue till the expiry of 10 years from the date of issue and redemption premium of 8% p.a. shall accrue from the date of issue till the date of exercising redemption option.

i) **0.01% Unsecured Optionally Convertible Debentures**

During the year, the Company had issued 50 million (previous year NIL). 0.01% Unsecured Optionally Convertible Debentures of ₹ 10/- each aggregating ₹ 500 million (previous year NIL) by way of private placement /preferential offer. The holder and the issuer has option to convert the Unsecured Optionally Convertible Debentures into equity shares from the date of issue till the end of 10 years from the date of issue in the ratio of 1 equity share for 8 Unsecured Optionally Convertible Debentures. The Unsecured Optionally Convertible Debentures can be redeemed anytime at the option of the issuer, from the date of issue till the expiry of 10 years from the date of issue. In case the option to redeem is chosen by the issuer, the redemption amount, in addition to the principal amount, shall include redemption premium of 15% p.a from the date of issue till the date of exercising redemption option.

j) **Aggregate number of shares issued during pursuant to Stock Option Plans of the Company since incorporation**

Equity shares issued under ESOP plan of the Company - 7,745 (Previous Year - 98,128)

k) **No shares have been allotted without payment being received in cash or by way of bonus shares since inception.**

	As at 31.03.2024 ₹ in million	As at 31.03.2023 ₹ in million
7. OTHER NON-CURRENT FINANCIAL ASSETS		
Bank Deposits with original maturity of more than 12 months	0.7	-
Security Deposit With Other than Related Parties	101.8	56.1
Total	102.5	56.1
8. OTHER NON-CURRENT ASSETS		
Capital Advances	7.7	10.5
Prepaid Expenses	20.1	13.3
Total	27.8	23.8
9. INVENTORIES		
Reagents, Chemicals, Surgicals and laboratory supplies	90.1	58.8
Total	90.1	58.8
During the year, the Company recorded inventory write-downs of ₹ 0.2 million (previous year ₹4.7 million). These adjustments were included in cost of material consumed.		
10. CURRENT INVESTMENTS		
- Measured at Fair Value through Profit or Loss		
Unquoted		
In Mutual Funds	116.1	-
Total	116.1	-
a) Aggregate amount of quoted investments and market value thereof		
Book value	-	-
Market value	-	-
b) Aggregate amount of Unquoted Investments	116.1	-
c) Unrealised Loss on Mutual Fund Investments (net) as adjusted above	-	-
11. TRADE RECEIVABLES		
Unsecured		
- Considered Good	91.2	30.7
- Credit Impaired	8.3	-
	99.5	30.7
Less : Allowances for credit losses	8.3	1.9
Total	91.2	28.8
Refer note no 47 for Trade Receivable ageing. [There are no other trade receivables which have significant increase in credit risk. Refer note 43 (C) (i) for information about credit risk and market risk of trade receivables]		
12. CASH AND CASH EQUIVALENTS		
Bank Balances		
- In Current Accounts	48.6	52.0
- Bank Deposits with original maturity of less than 3 months	2.4	-
Cash on hand	1.3	0.3
Total	52.3	52.3
13. OTHER BANK BALANCES		
Earmarked Balances with Banks		
- Deposits against guarantees and other commitments	-	0.7
Bank Deposits with original maturity of more than 3 months but less than 12 months from the balance sheet date	1.9	77.3
Total	1.9	78.0
14. CURRENT LOANS		
Unsecured, considered good		
Other Loans (includes Loans to employees, etc.)	0.6	0.3
Total	0.6	0.3
[There are no current loans which have significant increase in credit risk.]		
15. OTHER CURRENT FINANCIAL ASSETS		
Security Deposits	2.4	1.9
Others	13.6	-
Total	16.0	1.9

	As at 31.03.2024 ₹ in million	As at 31.03.2023 ₹ in million
16. OTHER CURRENT ASSETS		
Prepaid Expenses	8.1	4.6
Advances to Employees	2.1	2.9
Advances to Vendors		
- Considered Good	7.4	4.4
	<u>17.6</u>	<u>11.9</u>
Balances with Government Authorities (GST Input)	7.5	4.1
Total	<u>25.1</u>	<u>16.0</u>
18. NON- CURRENT BORROWINGS		
Liability Component of Compound Financial Instrument	1,541.1	1,247.5
0.01% Optionally Convertible Non-Cumulative Redeemable Preference Shares [Refer Note 17 (g)]		
Total	<u>1,541.1</u>	<u>1,247.5</u>
19. OTHER NON-CURRENT FINANCIAL LIABILITIES		
Employee Benefits Payables	0.4	0.1
Other Payables	320.7	154.2
Total	<u>321.1</u>	<u>154.3</u>
20. NON - CURRENT PROVISIONS		
Provisions for Employee Benefits [Refer note 24]		
Gratuity	6.1	8.4
Compensated Absences	12.2	8.0
Total	<u>18.3</u>	<u>16.4</u>
21. TRADE PAYABLES		
- Total outstanding dues of Micro and Small Enterprises	22.9	25.4
- Total outstanding dues of other than Micro Enterprises and Small Enterprises	152.8	76.1
Total	<u>175.7</u>	<u>101.5</u>
[Refer note no 48 for Trade Payable ageing.]		
22. OTHER CURRENT FINANCIAL LIABILITIES		
Payable for Capital Expenditure	5.8	19.9
Employee Benefits Payables	24.2	18.3
Total	<u>30.0</u>	<u>38.2</u>
23. OTHER CURRENT LIABILITIES		
Statutory Dues Payables (includes GST, Provident Fund, Withholding Taxes etc.)	13.3	8.1
Advances from customers	12.7	6.5
Total	<u>26.0</u>	<u>14.6</u>
24. CURRENT PROVISIONS		
Provisions for Employee Benefits [Refer note 20]		
Gratuity	-	0.2
Compensated Absences	4.9	2.4
Total	<u>4.9</u>	<u>2.6</u>

	Year ended 31.03.2024 ₹ in million	Year ended 31.03.2023 ₹ in million
25. REVENUE FROM OPERATIONS		
Service Income [Refer Note 33]	666.9	254.5
	666.9	254.5
Total	666.9	254.5
26. OTHER INCOME		
Income on Financial Assets carried at amortised cost		
Interest on Deposits with Banks	6.1	9.7
Other Interest	3.8	2.6
Income on Financial Assets carried at fair value through profit or loss	1.3	-
Net gain on Sale of Mutual Fund Investments	5.7	-
Gain on Sale / Write-off of Property, Plant and Equipment / Intangible Assets (net)	10.5	-
Miscellaneous Income (including interest on income tax refund)	0.3	0.1
Total	27.7	12.4
27. COST OF MATERIALS CONSUMED		
Inventories of Reagents, Chemicals, Surgicals and laboratory supplies at the beginning of the year	58.8	63.5
Add: Purchases	371.2	197.2
Less: Inventories of Reagents, Chemicals, Surgicals and laboratory supplies at the year end of the year	(90.1)	(58.8)
Total	339.9	201.9
28. EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	362.8	225.7
Contribution to Provident and Other Funds	26.6	16.0
Gratuity / Retirement Benefits Expenses	1.2	-
Share Based Payments Expense [Refer Note 38]	2.5	1.0
Staff Welfare Expenses	4.8	5.8
Total	397.9	248.5
29. FINANCE COSTS		
Interest on Financial Liabilities - borrowing carried at amortised cost	166.5	98.0
Net Interest on net defined benefit liability [Refer note 38]	1.4	0.4
Interest cost on Finance lease obligation [Refer note 36]	30.5	27.3
Other Borrowing Costs (includes bank charges, etc.)	3.8	2.4
Total	202.2	128.1
30. OTHER EXPENSES		
Repairs and Maintenance:		
- Plant and Machinery	5.3	3.4
- Others	23.3	17.2
Rent and Other Hire Charges	20.5	11.3
Rates and Taxes	3.0	3.4
Insurance	13.5	9.1
Power and Fuel	36.8	20.8
Contract Labour Charges	50.7	19.4
Selling and Promotion Expenses	58.4	46.9
Commission and Brokerage	1.1	0.1
Freight and Forwarding	73.1	44.1
Postage, Printing and Stationary Expenses	14.7	8.7
Travelling and Conveyance	39.2	27.6
Legal and Professional Charges	116.9	52.6
Audit Fees [Refer Note 41]	3.2	2.5
Clinical and Analytical Charges	24.3	8.2
Loss on Sale / Write-off of Property, Plant and Equipment / Intangible Assets (net)	-	0.5
Bad Trade Receivables / Advances written off	-	0.3
Impairment Allowances for Doubtful Trade Receivables / Advances (net)	6.5	1.9
Directors Sitting Fees	0.0	0.1
Miscellaneous Expenses	48.4	12.6
Total	538.9	290.7

31 Commitments:

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances, ₹ 98.1 million (previous year ₹ 100 million).
- b) Other commitments – Non-cancellable short-term leases is Nil (previous year Nil). Low value leases is Nil (previous year ₹ Nil).
- c) The Company has entered into reagent agreement for a period ranging from 5 to 10 years with some of its major consumables suppliers to purchase agreed value of consumables. The value of purchase commitments for the remaining number of years are ₹ 994.7 million (previous year ₹ 716.1 million) as per the terms of these arrangements.

32 Contingent Liabilities:

During the year, the Company does not have any contingent liability (previous year ₹ Nil)

33 Revenue (Ind AS 115) :

- a) The operations of the Company are limited to only one reportable segment viz. diagnostic business of India. 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 of collection centers/channel partners. Accordingly, the revenue has been recognised based on the services rendered to collection centers/channel partners.

Revenues in excess of invoicing are classified as contract assets (referred to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (referred to as “unearned revenue”).

- b) Disaggregation of revenue:

Nature of segment	(₹ in million)	
	Year Ended 31.03.2024	Year Ended 31.03.2023
A. Service line:		
- Service Fees	666.9	254.5
Total revenue from contracts with customers	666.9	254.5
B. Primary geographical market:		
- India	666.9	254.5
Total revenue from contracts with customers	666.9	254.5
C. Timing of the revenue recognition:		
- Services transferred at point in time	666.9	254.5
Total revenue from contracts with customers	666.9	254.5

- c) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

Particulars	(₹ in million)	
	Year Ended 31.03.2024	Year Ended 31.03.2023
Revenue as per contracted price	668.6	261.8
Adjusted for:		
- Discounts	-	5.3
- Others	1.7	2.0
Total revenue from contracts with customers	666.9	254.5

- d) Reconciliation of revenue recognised from Contract liability

Particulars	(₹ in million)	
	Year Ended 31.03.2024	Year Ended 31.03.2023
Balance in contract liability at the beginning of the year that was not recognized as revenue	6.5	3.8
Add: Increases due to cash received during the year excluding amounts recognized as revenue during the year	4.5	6.5
Less: Revenue recognized that was included in the contract liability balance at the beginning of the year	6.5	3.8
Balance in contract liability at the end of the year that is not recognized as revenue	4.5	6.5

34 Segment Reporting:

The Company operates only in one reportable segment viz. Diagnostics services in India.

35 Basic and Diluted Earnings per Share is calculated as under:

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Profit/(Loss) attributable to equity shareholders (₹ in million)	(987.9)	(730.8)
Weighted average number of Equity Shares:		
- Basic	2,616,677	2,616,677
Add : Effect of dilution upon issue of Optionally Convertible Non-Cumulative Redeemable Preference Share during the year and ESOPs	14,257,066	4,579,174
- Diluted	16,873,743	7,195,851
Earnings per Share (in ₹)		
- Basic	(377.5)	(279.3)
- Diluted (Restricted to Basic EPS as it is Anti Dilutive)	(377.5)	(279.3)

36 Leases :

The Company leases building and vehicles. The leases typically run for the period between 12 months to 108 months with an option to renew the lease after that date.

Information about leases for which the Company is lessee is presented below :

i) Lease liabilities

(₹ in million)

Particulars	Vehicles	Buildings	Total
Balance at 01.04.2023	6.7	381.6	388.3
Addition	0.9	60.7	61.6
Accreditation of interest (refer note 29)	0.4	30.1	30.5
Payments	(3.2)	(104.8)	(108.0)
Adjustments for Disposals	-	(83.7)	(83.7)
Balance at 31.03.2024	4.8	283.9	288.7
Current	3.0	67.3	70.3
Non-current	1.8	216.6	218.4

(₹ in million)

Particulars	Vehicles	Buildings	Total
Balance at 01.04.2022	2.8	196.8	199.6
Addition	6.1	229.9	236.0
Accreditation of interest (refer note 29)	0.4	26.9	27.3
Payments	(2.6)	(72.0)	(74.6)
Adjustments for Disposals	0.0	0.0	-
Balance at 31.03.2023	6.7	381.6	388.3
Current	2.6	69.8	72.4
Non-current	4.1	311.8	315.9

The maturity analysis of the lease liability is included in Note no.iii - Financial risk management objectives and policies under maturities of financial liabilities.

ii) Amounts recognised in Profit and Loss

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Depreciation expense of right-of-use assets (Refer Note No. 5)	90.9	74.2
Interest expense on lease liabilities (Refer Note No. 29)	30.5	27.3
Total	121.4	101.5

iii) Financial risk management**Maturities of financial liabilities**

The table below analyze the Company's financial liabilities into relevant maturity analysis based on their contractual maturities for all financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows:

(₹ in million)

Contractual maturities of financial liabilities	Less than 1 Year	1 to 5 Year	More than 5 Year	Total
As at 31.03.2024				
Lease liabilities	90.0	223.7	26.7	340.4
As at 31.03.2023				
Lease liabilities	99.7	327.0	39.9	466.6

iv) Commitments and contingencies

The Company has not entered into lease contracts that have not yet commenced as at March 31,2024.

37 Disposal group held for sale

During the year, the Company entered into an agreement to sell its rehabilitation business to its Holding Company, Lupin Limited following a strategic decision to place greater focus on the company's key competency i.e. Diagnostic business which includes transfer of all the tangible and intangible assets, contracts, permission, consents, rights, registrations, employees, other assets and liabilities on a slump sale basis with effect from 1st April 2024.

Further as at 31st March 2024, the Company has reclassified assets and liabilities, directly attributable to such business unit, to held for sale in the Balance Sheet as per Ind AS 105 "Non-current assets held for sale and discontinued operations".

Assets and Liabilities of disposal group held for sale

(₹ in million)	
Particulars	As at 31st March 2024
Assets included in disposal group held for sale	
Property, Plant and Equipment	97.0
Intangible assets	0.8
Cash and Bank balances	0.1
Total Assets held for Sale	97.9
Liabilities included in disposal group held for Sale	
Employee Benefits payable	0.3
Trade Payables	0.5
Payable for Purchase of Fixed Assets	0.2
Short Term Provisions	1.6
Others	1.4
Total Liabilities held for Sale	4.0

38 Share-based payment arrangements :

(i) Employee stock options – Equity settled

The Company implemented “Lupin Diagnostics Limited Employees Stock Option Plan 2022” (LDL ESOP 2022) during the year as approved by the Board of Directors.

The Company determines which eligible employees will receive options, the number of options to be granted, the vesting period and the exercise period. The options are granted at an exercise price of ₹ 10 each, which is at par with face value of share. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ₹ 10 each. The options issued under the above schemes vest in a phased manner after completion of the minimum period of two years with an exercise period of ten years from the respective grant dates.

Par Value Options (comprising of options granted under LDL ESOP 2022)

Particular	Year ended 31-03-2024			
	Shares arising out of options (Nos.)	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Yrs)
Options outstanding at the beginning of the year	98,128	10.0	10.0	3.3
Add: Options granted during the year	7,745	10.0	10.0	5.0
Less: Options lapsed during the year	-	-	-	-
Less: Options exercised during the year	-	-	-	-
Options outstanding at the year end	105,873	10.0	10.0	2.0
Exercisable at the end of the year	-	-	-	-

The weighted average grant date fair value of the options granted during the year ended March 31, 2024 was ₹ 33.7 per option.

Particular	Year ended 31-03-2023			
	Shares arising out of options	Range of exercise prices (₹)	Weighted average exercise	Weighted average remaining
Options outstanding at the beginning of the year	-	-	-	-
Add: Options granted during the year	98,128.0	10.0	10.0	5.0
Less: Options lapsed during the year	-	-	-	-
Less: Options exercised during the year	-	-	-	-
Options outstanding at the year end	98,128.0	10.0	10.0	3.3
Exercisable at the end of the year	-	-	-	-

The weighted average grant date fair value of the options granted during the year ended March 31, 2023 was ₹ 8.7 per option.

Valuation of stock options

The fair value of stock options granted during the period has been measured using the Black–Scholes option pricing model at the date of the grant. The Black-Scholes and merton option pricing model includes assumptions regarding dividend yields, expected volatility, expected terms and risk free interest rates. The key inputs and assumptions used are as follows:

Share price: The fair value of equity shares of the Company is considered at ₹ 40.2 per share for valuation of ESOP. The fair value of equity shares is derived considering Discounted Cash Flow (DCF) Method under the income approach of valuation considering the going concern projections for the period FY 2023 to FY 2028.

Exercise Price: The Exercise Price is the price payable by the employee for exercising the ESOP granted in pursuance of the terms of the Plan. As per the ESOP terms provided by the Company, the exercise price is INR 10.0 per share for all the grants.

Expected Volatility: Expected Volatility is calculated on the annualized standard deviation for the historical period corresponding to the expected life of the option.

Expected Option Life: Expected Life of option is the period for which the Company expects the options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the options cannot be exercised.

Expected dividends: Expected dividend yield has been considered as zero.

Risk free interest rate: The risk free interest rate on the date of grant considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero coupon yield curve for Government Securities.

These assumptions reflect management’s best estimates, but these assumptions involve inherent market uncertainties based on market conditions generally outside of the Company’s control. As a result, if other assumptions had been used in the current period, stock-based compensation expense could have been materially impacted. Further, if management uses different assumptions in future periods, stock based compensation expense could be materially impacted in future years. The estimated fair value of stock options is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was, in-substance, multiple awards.

The weighted average inputs used in computing the fair value of options granted were as follows:

Weighted average information – Year ended 31.03.2024

Grant date	Exercise price	Risk free rate (%)	Expected life (years)	Expected Volatility (%)	Dividend yield (%)	Weighted average share price	Weighted Option Fair Value
05-Feb-24	10	6.8	6	35.9	NA	40.2	33.7
Weighted Average Option Fair Value						Weighted Average Share Price	
33.7						40.2	

Weighted average information – Year ended 31.03.2023

Grant date	Exercise price	Risk free rate (%)	Expected life (years)	Expected Volatility (%)	Dividend yield (%)	Weighted average share price	Weighted Option Fair Value
01-Aug-22	10	6.9	6	35.2	NA	14.2	8.7
Weighted Average Option Fair Value						Weighted Average Share Price	
8.7						14.2	

(ii) Employee stock options – Cash settled

The cost of cash-settled transactions is measured initially at fair value at the grant date using a Binomial Option Pricing Model. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is re-measured to fair value at each reporting date up to, and including the settlement date, with changes in fair value recognised in employee benefits expense.

Employee benefit expense includes cash settled employee stock options issued to certain employees of the Company by the Holding Company amounting to ₹ 1.8 million (previous year ₹ 0.6 million).

Particular	(₹ in million)	
	As at 31.03.2024	As at 31.03.2023
Other non-current financial liabilities	0.4	0.1
Other current financial liabilities	0.6	-
Total carrying amount of liabilities	1.0	0.1

Effect of share based payment transactions on the of Profit and Loss

Particular	(₹ in million)	
	Year ended 31.03.2024	Year ended 31.03.2023
Equity settled share based payments	0.7	0.4
Cash settled share based payments	1.8	0.6
Total expense on share based payments	2.5	1.0

39 Post-Employment Benefits:

(i) Defined Contribution Plans:

The Company makes contributions towards provident and pension fund and superannuation fund to a defined contribution retirement benefit plan for qualifying employees.

The Company recognised ₹ 20.5 million (previous year ₹ 12.8 million) for provident and pension fund contributions in the statement of Profit and Loss.

(ii) Defined Benefit Plan:

A) The Company's current gratuity plan is funded as well as unfunded and the liability is determined based on actuarial valuation. The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31.03.2024. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at the Balance Sheet date.

Sr. No.	Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
		As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
I)	Change in present value of obligation ('PVO') - defined benefit obligation:				
	PVO at the beginning of the year	6.3	1.3	2.3	0.3
	Current service cost	4.4	2.5	1.0	0.7
	Past service cost	-	-	-	-
	Interest cost	0.5	0.1	0.2	0.0
	Actuarial loss / (gain)				
	- Due to demographic assumption	-	-	-	-
	- Due to finance assumption	0.5	(0)	0.3	0.1
	- Due to experience adjustment	0.1	2.5	0.1	1.1
	Benefits paid	-	-	-	-
	PVO at the end of the year	11.8	6.3	3.9	2.3
II)	Change in fair value of plan assets:				
	Fair value of plan assets at the beginning of the year	-	-	-	-
	Expected return on plan assets	0.4	-	-	-
	Interest Income	-	-	-	-
	Contributions by the employer	8.6	-	-	-
	Benefits paid	-	-	-	-
	Fair value of plan assets at the end of the year	9.0	-	-	-
III)	Reconciliation of PVO and fair value of plan assets:				
	PVO at the end of the year	11.8	6.3	3.9	2.3
	Fair Value of plan assets at the end of the year	9.0	-	-	-
	Funded status	(2.8)	(6.3)	(3.9)	(2.3)
	Unrecognised actuarial loss/(gain)	-	-	-	-
	Net liability recognised in the Balance Sheet	(2.8)	(6.3)	(3.9)	(2.3)
IV)	Expense recognised in the Statement of Profit and Loss:				
	Current service cost	4.4	2.5	1.0	0.7
	Past service cost	-	-	-	-
	Interest cost	0.5	0.1	0.2	-
	Total expense recognised in the Statement of Profit and Loss	4.9	2.6	1.2	0.7
V)	Other Comprehensive Income				
	Actuarial loss / (gain)				
	- Due to demographic assumption	-	-	-	-
	- Due to finance assumption	0.5	(0.1)	0.3	0.1
	- Due to experience adjustment	0.1	2.5	0.1	1.1
	Return on plan assets excluding net interest	(0.4)	-	0.0	-
	Total amount recognised in OCI	0.2	2.4	0.4	1.2
VI)	Category of assets as at the end of the year:				
	Insurer Managed Funds (100%) (Fund is Managed by ICICI as per IRDA guidelines category-wise composition of the plan assets is not available)	9.0	NA	NA	NA
VII)	Actual return on the plan assets:	0.4	NA	NA	NA
VIII)	Assumptions used in accounting for the gratuity plan:				
	Mortality (%)	Rates stipulated in Indian Assured Lives Mortality 2012-14 from 01.04.2019 onwards			
	Discount rate (%)	7.2%	7.4%	7.2%	7.4%
	Salary escalation rate (%)	9% for first three years and 6% thereafter	9% for first three years and 6% thereafter	9% for first three years and 6% thereafter	9% for first three years and 6% thereafter
	Average Remaining Service (years)	26.2	26.3	26.2	26.3
	Employee Attrition Rate (%) up to 5 years above 5 years	15% 5%	15% 5%	15% 5%	15% 5%

IX) Expected future benefit payments

Particulars	₹ in million	
	As at 31.03.2024	As at 31.03.2023
1 year	0.3	0.2
2 to 5 years	5.6	1.7
6 to 10 years	5.0	4.9
More than 10 years	31.7	15.4

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

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions holding other assumptions constant would have affected the defined benefit obligation by the amounts shown below:

Gratuity	₹ in million			
	31.03.2024		31.03.2023	
	Increase	Decrease	Increase	Decrease
Discount Rate (1% movement)	(14.0)	17.5	(7.7)	9.6
Future salary growth (1% movement)	17.5	(14.0)	9.6	(7.7)
Attrition rate (- / + 50% of attrition rates)	(13.7)	17.9	(7.5)	9.8

40 Income taxes:

- a) Tax expense/(benefits) recognised in statement of profit and loss:

Particulars	(₹ in million)	
	Year ended 31.03.2024	Year ended 31.03.2023
Current Tax Expense for the year	-	-
Tax expense of prior years	-	-
Net Current Tax Expense	-	-
Deferred income tax liability/(asset), net	9.1	-
Origination and reversal of temporary differences	-	(7.6)
Tax expense for the year	9.1	(7.6)

- b) Tax expense/(benefit) recognised in other comprehensive income:

Particulars	(₹ in million)	
	Year ended 31.03.2024	Year ended 31.03.2023
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	-	(0.9)
The effective portion of gains and loss on hedging instruments in a cash flow hedge	-	-
Total	-	(0.9)

Management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets. During the year no deferred income tax assets is recognised (previous year ₹ 7.6 million) as it is not probable that taxable profit will be available against which the unused tax losses can be utilised. Also, we have unrecognized DTA on Brought forward losses to the tune of ₹ 196 millions of Assessment Year 2022-23 and ₹.597 millions of Assessment Year 2023-24.

- c) Reconciliation of tax expense/(benefit) and the accounting profit multiplied by India's domestic tax rate:

Particulars	(₹ in million)	
	Year ended 31.03.2024	Year ended 31.03.2023
Profit/(Loss) before tax	(978.8)	(738.4)
Tax using the Company's domestic tax rate (March 31, 2024: 25.17%, March 31, 2023: 25.17%)	(246.3)	(185.8)
Tax effect of:		
Expenses not deductible for tax purposes	45.4	28.6
Unrecognised Deferred Tax Assets / (recognition of previously unrecognized deferred tax assets), net	210.0	149.6
Change in tax base due to indexation	-	-
Total tax expense	9.0	(7.6)

- d) Movement in deferred tax balances:

Particulars	As at 01.04.2023	Recognised in/under		As at 31.03.2024	As at 31.03.2024	
		Profit or Loss	Retained Earnings / OCI		Net balance	Deferred Tax Asset
Deferred Tax Assets/(Liabilities)	Net balance			Net balance		
Property, Plant and Equipment	(3.8)	3.8	-	-	-	-
Employee Benefits	4.6	(4.6)	-	-	-	-
Others	8.3	(8.3)	-	-	-	-
Net Deferred tax assets / (liabilities)	9.1	(9.1)	-	-	-	-

Particulars	As at 01.04.2022	Recognised in/under		As at 31.03.2023	As at 31.03.2023	
		Profit or Loss	Retained earnings / OCI		Net balance	Deferred Tax Asset
Deferred Tax Assets/(Liabilities)	Net balance			Net balance		
Property, plant and equipment	(2.4)	(1.4)	-	(3.8)	-	(3.8)
Employee Benefits	1.3	2.4	0.9	4.6	4.6	-
Others	1.7	6.6	-	8.3	8.3	-
Net Deferred tax assets / (liabilities)	0.6	7.6	0.9	9.1	12.9	(3.8)

Reflected in the balance sheet as follows:

Particulars	(₹ in million)	
	As at 31.03.2024	As at 31.03.2023
Deferred Tax Asset	-	12.9
Deferred Tax Liability	-	(3.8)
Deferred Tax Asset/(Liabilities)(net)	-	9.1

41 Auditors' Remuneration:

Particulars	(₹ in million)	
	Year ended 31.03.2024	Year ended 31.03.2023
Payment to Auditors*:		
a) As Auditors	2.6	2.0
b) for other services including Taxation matters and certifications		-
c) Reimbursement of out-of-pocket expenses	0.1	0.1
Total	2.7	2.1

* Excluding GST of ₹ 0.5 million (previous year ₹ 0.4 million)

42 Micro, Small and Medium Enterprises (MSME):

The information regarding Micro, Small and Medium Enterprises (MSME) has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Particulars	(₹ in million)	
	As at 31.03.2024	As at 31.03.2023
i. The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	22.9 (interest ₹ nil)	25.4 (interest ₹ nil)
ii. The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iii. The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
iv. The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

43 Financial Instruments :

Financial instruments – Fair values and risk management:

A. Accounting classification and fair values:

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

(₹ in million)

As at 31.03.2024	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Other Non-Current Financial Assets								
- Security Deposit	-	-	-	-	-	-	-	-
Current Investment	116.1			116.1				
Trade Receivables	-	-	91.2	91.2	-	-	-	-
Cash and Cash Equivalents	-	-	52.3	52.3	-	-	-	-
Other Bank Balances including earmarked balances with banks	-	-	1.9	1.9	-	-	-	-
Other Current Financial Assets	-	-	16.0	16.0	-	-	-	-
Current Loans	-	-	0.6	0.6	-	-	-	-
	-	-	162.0	278.0	-	-	-	-
Financial liabilities								
Non-Current Borrowings	-	-	1,541.1	1,541.1	-	-	-	-
Lease Liability (Non Current)	-	-	218.3	218.3	-	-	-	-
Other Non-Current Financial Liabilities								
- Others	-	-	321.1	321.1	-	-	-	-
Lease Liability (Current)	-	-	218.3	218.3	-	-	-	-
Trade Payables	-	-	175.7	175.7	-	-	-	-
Other Current Financial Liabilities								
- Others	-	-	29.9	29.9	-	-	-	-
	-	-	2,504.4	2,504.4	-	-	-	-

(₹ in million)

As at 31.03.2023	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Other Non-Current Financial Assets								
- Security Deposit	-	-	56.1	56.1	-	-	-	-
Trade Receivables	-	-	78.0	78.0	-	-	-	-
Cash and Cash Equivalents	-	-	1.9	1.9	-	-	-	-
Other Bank Balances including earmarked balances with banks	-	-	0.3	0.3	-	-	-	-
Current Loans	-	-	0.1	0.1	-	-	-	-
	-	-	217.5	217.5	-	-	-	-
Financial liabilities								
Non-Current Borrowings	-	-	1247.5	1247.5	-	-	-	-
Lease Liability (Non Current)	-	-	315.9	315.9	-	-	-	-
Other Non-Current Financial Liabilities								
- Others	-	-	154.3	154.3	-	-	-	-
Lease Liability (Current)	-	-	72.4	72.4	-	-	-	-
Trade Payables	-	-	101.5	101.5	-	-	-	-
Other Current Financial Liabilities								
- Others	-	-	38.2	38.2	-	-	-	-
	-	-	1929.8	1929.8	-	-	-	-

B. Measurement of fair values:

Valuation techniques and significant unobservable inputs: Not Applicable

C. Financial risk management:

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

- Credit risk ;
- Liquidity risk; and
- Market risk

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Company, through its training, standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

i 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, and arises principally from the Company's receivables from customers and investment securities. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

As at March 31, 2024, the carrying amount of the Company's largest customer HLM Shobha Diagnostics was ₹ 1.3 million (Previous year ₹ 2.1 million).

Particulars	(₹ in million)	
	As at 31.03.2024	As at 31.03.2023
Not past due but impaired	-	-
Neither past due not impaired	55.7	7.0
Past due not impaired		
- 1-180 days	32.8	21.7
- 181- 365 days	2.7	1.5
- more than 365 days	(0.0)	0.5
Past due impaired		
- 1-180 days	2.7	-
- 181- 365 days	2.7	-
- more than 365 days	2.9	-
Total	99.5	30.7

Expected credit loss assessment

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available press information etc.) and applying experienced credit judgement.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

Particulars	(₹ in million)	
	2023-2024	2022-2023
Balance as at the beginning of the year	-	-
Impairment loss recognised (net)	-	-
Amounts written off	-	-
Exchange differences	-	-
Balance as at the year end	-	-

The impairment loss at 31.03.2024 related to several customers that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

Cash and cash equivalents

As at the year end, the Company held cash and cash equivalents of ₹ 49.9 million (previous year ₹ 52.3 million). The cash and cash equivalents are held with banks.

Other Bank Balances

Other bank balances are held with banks.

Investment in mutual funds, Non-Convertible debentures and Commercial papers

The Company limits its exposure to credit risk by generally investing in liquid securities.

Other financial assets

Other financial assets are neither past due nor impaired.

ii Liquidity risk:

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

The Group has obtained fund and non-fund based working capital lines from various banks. The Group invests its surplus funds in bank fixed deposit and liquid and liquid plus schemes of mutual funds which carry no/low mark to market risks. The Group monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Exposure to liquidity risk

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

(₹ in million)						
As at 31.03.2024	Carrying Amount	Contractual Cash flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities :						
Non-Current Borrowings	1,541.1	1,541.1				1,541.1
Lease Liabilities - Non Current	218.3	250.3		92.4	131.3	26.7
Other Non-Current Financial Liabilities	321.1	321.1				321.1
Lease Liabilities – Current	218.3	90.0	90.0			
Trade Payables Current	175.7	175.7	175.7			
Other Current Financial Liabilities		29.9	29.9			
Total	2,474.5	2,408.1	295.7	92.4	131.3	1,888.8

(₹ in million)						
As at 31.03.2023	Carrying Amount	Contractual Cash flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities :						
Non-Current Borrowings	1247.5	1247.5	-	-	-	1,247.5
Lease Liabilities - Non Current	315.9	366.9	-	103.3	223.7	39.9
Other Non-Current Financial Liabilities	154.3	154.3	-	0.1	-	154.2
Lease Liabilities – Current	72.4	99.7	99.7	-	-	-
Trade Payables Current	101.5	101.8	101.8	-	-	-
Other Current Financial Liabilities	38.2	38.2	38.2	-	-	-
Total	1,929.8	2,008.4	239.7	103.4	223.7	1,441.6

ii Market risk:

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk.

Currency risk

The Company is exposed to currency risk on account of its operations in other countries. The functional currency of the Company is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate in the future.

Exposure to Currency risk

Following is the currency risk exposure of non-derivative financial assets and financial liabilities:

There are no non derivative financial assets and financial liabilities as on 31.03.2024.

There are no non derivative financial assets and financial liabilities as on 31.03.2023.

Sensitivity analysis

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

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

The Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest-bearing borrowings is as follows:

(₹ in million)		
Particulars	As at 31.03.2024	As at 31.03.2023
Non-Current Borrowings		
Fixed rate borrowings	1,541.1	1,247.5
Variable rate borrowings	-	-
	1,541.1	1,247.5
Current Borrowings		
Fixed rate borrowings	-	-
Variable rate borrowings	-	-
	-	-
Total	1,541.1	1,247.5

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate borrowings at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

44 Capital Management:

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less cash and cash equivalents, other bank balances and current investments.

The Company's adjusted net debt to total equity ratio at 31.03.2024 was as follows:

Particulars	(₹ in million)	
	As at 31.03.2024	As at 31.03.2023
Total borrowings	1,541.1	1,247.5
Less : Cash and cash equivalent	52.3	52.3
Less : Other Bank Balances	1.9	78.0
Less : Current Investments	116.1	-
Adjusted net debt	1,370.8	1117.2
Total equity	(1,004.8)	(722.8)
Adjusted net debt to total equity ratio	(1.4)	(1.5)

45 Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

A. Relationships -

Category I: Company whose control exist:

Lupin Limited (Holding Company)

Category II: Fellow Subsidiary:

Lupin Digital Health Limited., India (w.e.f. 21.05.2021)

Category III: Key Management Personnel (KMP) :

Mrs. Manju D. Gupta	Director
Mr. Nilesh D. Gupta	Managing Director
Mr. Sunil Makharia	Director & CFO
Mr. Ramesh Swaminathan (w.e.f. 28.11.23)	Director
Mr. Rajeev Sibal	Director
Mr. R.V. Satam	Company Secretary

B. Transactions with the related parties:

		(₹ in million)	
Sr. No.	Transactions	For the year ended 31.03.2024	For the year ended 31.03.2023
1	Expenses incurred on our behalf & other Reimbursements Lupin Limited	21.7	11.7
2	Expenses incurred on our behalf recovered Lupin Limited	-	2.3
3	Service income Lupin Limited	15.0	6.0
	Lupin Digital Health Limited	0.2	0.0
4	Services Received (Expenses) Lupin Limited	8.5	12.6
5	0.01% Optionally Convertible Non-Cumulative Redeemable Preference Shares issued Lupin Limited	500.0	500.0
6	0.01% Unsecured Optionally Convertible Debentures issued Lupin Limited	500.0	500.0
7	Intercompany loan taken Lupin Digital Health Limited	-	50.0
8	Repayment of Intercompany loan Lupin Digital Health Limited	-	50.0
9	Interest on Intercompany Loan Lupin Digital Health Limited	-	0.2
10	Interest on Unsecured Convertible Debentures issued Lupin Limited	0.0	0.2
11	Director sitting fees Key Management Personnel (ESOP)	0.0	0.1

Terms and conditions of transactions with related parties:

All related party transactions entered during the year were in ordinary course of business, on arm's length basis. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash.

C. Balances due from/to the related parties:

		(₹ in million)	
Sr. No.	Balances	As at 31.03.2024	As at 31.03.2023
1	Payable towards issuance of 0.01% Optionally Convertible Non-Cumulative Redeemable Preference Shares Lupin Limited	2,000.0	1,500.0
2	Payable towards issuance of 0.01% Unsecured Optionally Convertible Debentures issued Lupin Limited	500.0	-
3	Trade Payables Lupin Limited	12.6	7.3
4	Trade Receivables Lupin Limited	10.9	1.1
	Lupin Digital Health Limited	0.0	0.0

46 The main object of the Company is to carry out the diagnostic business and other related activities. During the year, the Board of Directors of the Company in its meeting dated May, 2023 passed the resolution to arrange funding by way of issuance of 0.01% Optionally Convertible Non-Cumulative Redeemable Preference Shares amounting to ₹ 500 million and meeting dated November 9, 2023 passed the resolution to arrange funding by way of issuance of 0.01% Unsecured Optionally Convertible Debentures issued amounting to ₹ 500 million which were fully subscribed by Lupin Limited for the purpose of expanding diagnostics business.

47 Trade receivable ageing

(₹ in million)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total as at 31.03.2024
(i) Undisputed Trade receivables – considered good	55.7	35.4	5.4	2.9	0.1	-	99.5
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	55.7	35.4	5.4	2.9	0.1	-	99.5
Allowance for credit loss							8.3
Total							91.2

(₹ in million)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total as at 31.03.2023
(i) Undisputed Trade receivables – considered good	7.0	21.7	1.5	0.5	-	-	30.7
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	7.0	21.7	1.5	0.5	-	-	30.7
Allowance for credit loss							1.9
Total							28.8

48 Trade payable ageing

(₹ in million)

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total as at 31.03.2024
Outstanding dues of Micro and Small Enterprises	22.9	-	-	-	-	22.9
Outstanding dues of other than Micro and Small Enterprises	11.4	59.2	0.9	-	-	71.5
Disputed - Outstanding dues of Micro and Small Enterprises	-	-	-	-	-	-
Disputed - Outstanding dues of other than Micro and Small Enterprises	-	-	-	-	-	-
	34.4	59.2	0.9	-	-	94.4
Accrued Expenses						81.7
Less : Related to discontinuing/restructuring operations (Refer Note 37)						(0.5)
Total						175.7

(₹ in million)

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total as at 31.03.2023
Outstanding dues of Micro and Small Enterprises	21.8	3.6	-	-	-	25.4
Outstanding dues of other than Micro and Small Enterprises	8.7	33.3	1.3	-	-	43.3
Disputed - Outstanding dues of Micro and Small Enterprises	-	-	-	-	-	-
Disputed - Outstanding dues of other than Micro and Small Enterprises	-	-	-	-	-	-
	30.5	36.9	1.3	-	-	68.7
Accrued Expenses						32.8
Total						101.5

49 Capital Work-In-Progress (CWIP)

(a) Capital Work-In-Progress (CWIP) ageing

(₹ in million)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total as at 31.03.2024
Projects in progress	1.5	-	-	-	1.5
Total	1.5	-	-	-	1.5

(₹ in million)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total as at 31.03.2023
Projects in progress	38.6	-	-	-	38.6
Total	38.6	-	-	-	38.6

(b) There are no CWIP where completion is overdue or cost has exceeded as compared to it's original plans as on 31.03.2024 & 31.03.2023.

50 Intangible assets under development (IAUD)

(a) Intangible assets under development (IAUD) ageing

(₹ in million)

Particulars	Amount in IAUD for a period of				
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total as at 31.03.2024
Projects in progress	-	-	-	-	-
Projects temporarily suspended					-
Total	-	-	-	-	-

(₹ in million)

Particulars	Amount in IAUD for a period of				
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total as at 31.03.2023
Projects in progress	4.8	-	-	-	4.8
Projects temporarily suspended					-
Total	4.8	-	-	-	4.8

51 Financial Ratios

Ratios	Numerator	Denominator	31.03.2024	31.03.2023	% of variances	Reason for Variances
Current Ratio	Total Current Asset	Total Current Liabilities	1.3	1.07	19.6	NA
Debt-Equity Ratio	Total Debt= Non Current Borrowings+ Current Borrowings + Current Portion of NC Borrowings	Total Equity Attributable to owners	(1.5)	(1.7)	(11.0)	NA
Debt service coverage ratio	Earnings available for Debt Service = Net Profit after taxes before OCI + Non-cash operating expenses like depreciation and other amortizations - Unrealised gain + Interest + loss on sale of Fixed assets	Debt service (Debt service =Interest & Lease Payments + Principal Repayments)	(2.2)	(2.7)	(18.9)	NA

Return on equity ratio (ROE)	Net profits after taxes	Average Shareholder's Equity	1.1	1.7	(30.9)	The expenses incurred are more than the income generated since the company is in the initial phase of operations/expansion.
Trade receivables turnover ratio	Total sales	closing Trade receivable	7.3	8.8	(17.2)	This is due to increased operations in current year as compared to previous year.
Trade payables turnover ratio	Total Purchases	Closing Trade Payables	2.1	1.9	8.8	This is due to increased operations in current year as compared to previous year.
Net capital turnover ratio	Net sales	Working Capital = current assets minus current liabilities	7.6	16.3	(53.2)	This is due to increased operations in current year as compared to previous year.
Net profit ratio	Net Profit after Tax	Revenue from Operations	(1.5)	(2.9)	(48.4)	This is due to increased operations in current year as compared to previous year.
Return on capital employed (ROCE)	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability (net)	(1.5)	(1.2)	28.4	The expenses incurred are more than the income generated since the company is in the initial phase of operations/expansion.

52 Other Statutory Information

- (A) The Company has not entered into any transactions with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 for the year ended 31.03.2024
- (B) The Company has not traded or invested in Crypto currency or Virtual Currency.
- (C) The Company does not have any transaction not recorded in the books of account that has been surrendered or not disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 for the year ended 31.03.2024 and 31.03.2023.
- (D) The provision of Section 135 to Companies Act, 2013 on Corporate Social responsibility (CSR) are not applicable to the Company.
- (E) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (F) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds), other than in the ordinary course of business by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (G) There is no charge or satisfaction of charge which is yet to be registered with ROC beyond the statutory period.
- (H) The Company has complied with number of layers prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

53 Non Cash Changes in Cash Flows from Financial Activities

Particulars	01.04.2023	Cash flows	Non-Cash Changes			31.03.2024
			Interest Expense	Foreign Exchange Movement	Fair Value Changes	
Lease liabilities (Refer Note 35)	388.3	(130.0)	30.5	-	-	288.7
Total Liabilities from financing activities	388.3	(130.0)	30.5	-	-	288.7

Particulars	01.04.2022	Cash flows	Non-Cash Changes			31.03.2023
			Interest Expense	Foreign Exchange Movement	Fair Value Changes	
Lease liabilities (Refer Note 35)	199.6	161.4	27.3	-	-	388.3
Total Liabilities from financing activities	199.6	161.4	27.3	-	-	388.3

Signature to note 1 to 53

In terms of our report attached

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 101248W/W - 100022

For and on behalf of the Board of Directors of

Lupin Diagnostics Limited (formerly known as Lupin Healthcare Limited)

Siddharth Pandya

Partner

Membership No. 135037

Nilesh D. Gupta

Managing Director

DIN: 01734642

Sunil Makharia

Director & CFO

DIN: 00064399

R. V. Satam

Company Secretary

ACS - 11973

Place : Mumbai

Dated : May 04, 2024

Place : Mumbai

Dated : May 04, 2024