

## Independent Auditor's Report

### To the Members of Indegene Private Limited

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

#### Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and in the context of the scheme of arrangement for transfer of the Commercial Software Business to OT Services Private Limited, give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

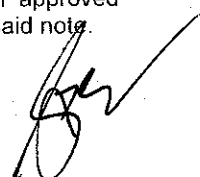
We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent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

#### Emphasis of Matter(s)

We draw attention to Note 29 to the standalone financial statements which describes the overall accounting for and in particular basis for restatement of the comparatives for the year ended 31 March 2021 by the Company's management consequent to the Scheme of arrangement ("Scheme") for transfer of the Demerged Business to OT Services Private Limited ("Resulting Company"), a company incorporated under the laws of India. The Scheme has been approved by the National Company Law Tribunal ('NCLT') with the appointed date of 01 October 2020. Approved order has been received by the Company on 17 December 2021 and a certified copy has been filed by the Company with the Registrar of Companies, Karnataka on 30 December 2021.

We further draw attention to the fact that in accordance with the scheme approved by NCLT, the Company has given effect to the Scheme from the retrospective appointed date specified therein i.e. 01 October 2020 which overrides the relevant requirement of accounting principles generally accepted in India (according to which the demerger would have been accounted for from the date when NCLT approved the scheme). The financial impact of the aforesaid treatment has been disclosed in the aforesaid note.

Our opinion is not modified in respect of this matter.



## Independent Auditor's Report (Continued)

### Indegene Private Limited

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

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 standalone financial statements and our auditor's report thereon.

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

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

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

In preparing the standalone financial statements, the Management 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 Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible

## Independent Auditor's Report (Continued)

### Indegene Private Limited

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.

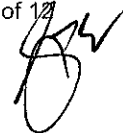
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act and in the context of the Scheme of arrangement for transfer of Commercial Software Business to OT Services Private Limited as approved by the National Company Law Tribunal ("NCLT").
  - e. On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of



**Independent Auditor's Report (Continued)**

**Indegene Private Limited**

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 has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 28 to the standalone financial statements.
- 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 36 to the standalone 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 persons or entities, 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 36 to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
  - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or
  - provide any guarantee, security or the like on behalf 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) above contain any material misstatement.
- e. The Company has neither declared nor paid any dividend during the year.



**Independent Auditor's Report (Continued)**

**Indegene Private Limited**


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

In our opinion and according to the information and explanations given to us, the Company is not a public company. Accordingly, the provisions of Section 197 of the Act are not applicable to the Company.

**For BSR & Co. LLP**

*Chartered Accountants*

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



**Siddhartha Sharma**

*Partner*

Place: Bengaluru

Date: 28 July 2022

Membership No.: 118756

ICAI UDIN:22118756ANTZAE8234

**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Indegene Private Limited for the year ended 31 March 2022**

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

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

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

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No 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.

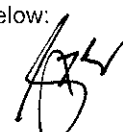
(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company is a service company, primarily rendering analytics, technology and commercial, medical, regulatory and safety services to life science and healthcare organizations. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of 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 provided any guarantee or security to companies, firms, limited liability partnership or any other parties during the year. The Company has granted loan to a subsidiary company and other parties (employees) in respect of which the requisite information are given below. The Company has not made any investments in firm, limited liability partnership or any other parties. The Company has not granted any loans, secured or unsecured, to firms and limited liability partnership 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 to its subsidiary and other parties as below:



**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Indegene Private Limited for the year ended 31 March 2022 (Continued)**

Particulars	Amount (Rs. in million)
Aggregate amount during the year	
Subsidiary*	1,330
Others (employees)	0.45
Balance outstanding as at balance sheet date	
Subsidiaries*	1,394
Others (employees)	0.3

\*As per the Companies Act, 2013

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided, security given during the year and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees 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 the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayment of principal for loan to ILSL Holdings Inc (subsidiary) is not yet due. The payment of interest and principal have been regular except for the following:

Name of the entity	Amount (Rs. in million)	Due Date	Extent of delay (range in months)	Remarks, if any
ILSL Holdings Inc (Interest amount)	32	23-Jan-22	2 months	The payment of interest is received on 25-Mar-22.
Indegene Lifesystems Consulting (Shanghai) Co. Ltd., China (Interest amount)	2	Dec 2018 to March 2022	3 months to 39 months	During the earlier years, based on the adverse business performance of the China subsidiary company, the Company has fully provided the loan. Hence, the management is not accruing the interest on loan.

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party 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 is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

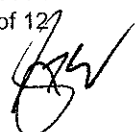
**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Indegene Private Limited for the year ended 31 March 2022  
(Continued)**

- (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 not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) 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 given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (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 has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been delays in deposit of provident fund dues ranging from 1 to 227 days for 10 months. As explained to us, the Company did not have any dues on account of duty of customs.

According to the information and explanations 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 Fund, Employees State Insurance, Income-Tax or Cess or other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

- (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, 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 Standalone Financial Statements of Indegene Private Limited for the year ended 31 March 2022  
(Continued)**

used for long-term purposes by the Company.

- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.
- (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 (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) 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 private placement of shares or fully or partly convertible debentures during the year. In our opinion, in respect of preferential allotment of equity 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 equity 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, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone 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) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause

**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Indegene Private Limited for the year ended 31 March 2022  
(Continued)**

- 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and 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 standalone 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) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.
- (b) In respect of ongoing projects, the Company has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with Section 135(6) of the said Act.

For B S R & Co. LLP

Chartered Accountants

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



Siddhartha Sharma

Partner

Place: Bengaluru

Date: 28 July 2022

Membership No.: 118756

ICAI UDIN: 22118756ANTZAE8234

**Annexure B to the Independent Auditor's Report on the standalone financial statements of Indegene Private Limited for the year ended 31 March 2022**

**Report on the internal financial controls with reference to the aforesaid standalone 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 Indegene Private Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

**Management's 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**

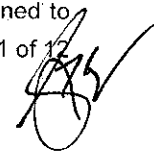
Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable 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 standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to 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 standalone financial statements of Indegene Private Limited for the year ended 31 March 2022  
(Continued)**

provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

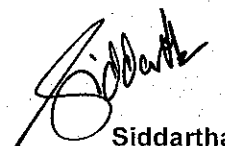
**Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

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



**Siddhartha Sharma**

*Partner*

Place: Bengaluru

Date: 28 July 2022

Membership No.: 118756

ICAI UDIN: 22118756ANTZAE8234

## Indegene Private Limited

## Standalone balance sheet

(All amounts in ₹ millions, except share data and where otherwise stated)

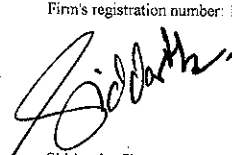
	Note	As at 31 March 2022	As at 31 March 2021*
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment	4	288	202
Right-of-use assets	7	432	204
<b>Financial assets</b>			
Investments	5	834	834
Loan	9	1,370	9
Other financial assets	10	81	89
Deferred tax assets, net	25	106	183
Non-current tax assets		44	25
Other non-current assets	11	1	1
		<u>3,156</u>	<u>1,547</u>
<b>Current assets</b>			
<b>Financial assets</b>			
Investments	6	1,199	-
Trade receivables	8		
Billed		3,418	1,664
Unbilled		77	87
Cash and cash equivalents	12	278	116
Bank balances other than above	12	110	66
Other financial assets	10	28	78
Other current assets	11	235	168
		<u>5,345</u>	<u>2,179</u>
<b>TOTAL</b>		<u><b>8,501</b></u>	<u><b>3,726</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	13	4	3
Share pending issuance	13b	-	-
Other equity	13a	6,496	2,536
<b>Total Equity</b>		<u><b>6,500</b></u>	<u><b>2,539</b></u>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Lease liabilities	7	329	122
Long-term provisions	15	265	132
		<u><b>594</b></u>	<u><b>254</b></u>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	14	-	-
Trade payables	17	-	-
(i) Total outstanding dues of micro enterprises and small enterprises		10	17
(ii) Total outstanding dues of other than (i) above		248	411
Lease liabilities	7	109	108
Other financial liabilities	14a	472	-
Other current liabilities	16	334	225
Short-term provisions	15	234	120
Current tax liabilities	15	-	52
		<u><b>1,407</b></u>	<u><b>933</b></u>
<b>TOTAL</b>		<u><b>8,501</b></u>	<u><b>3,726</b></u>


\*Refer note 29

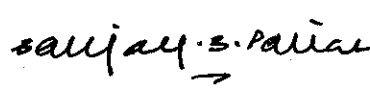
The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached  
for **B S R & Co. LLP**  
Chartered Accountants  
Firm's registration number: 101248W/W-100022

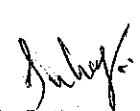
for and on behalf of the Board of Directors of  
**Indegene Private Limited**


  
**Siddhartha Sharma**  
Partner  
Membership number: 118756  
Place: Bengaluru  
Date: 28 July 2022

  
**Manish Gupta**  
Chief Executive Officer and Director  
DIN: 00219273  
Place: Bengaluru  
Date: 28 July 2022

  
**Dr. Sanjay Parikh**

**Dr. Sanjay Parikh**  
Director  
DIN: 00219278  
Place: Bengaluru  
Date: 28 July 2022

  
**Sukas Prabhu**  
Senior Vice President  
Place: Bengaluru  
Date: 28 July 2022

  
**Srishti Kaushtik**  
Company Secretary  
Place: Bengaluru  
Date: 28 July 2022

**Indegene Private Limited**  
**Standalone statement of profit and loss**  
(All amounts in ₹ millions, except share data and where otherwise stated)

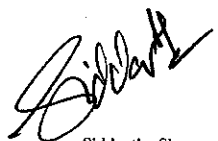
	Note	For the year ended 31 March 2022	For the year ended 31 March 2021*
<b>INCOME</b>			
Revenue from operations	18	8,367	5,110
Other income	18A	278	241
<b>Total income</b>		<b>8,645</b>	<b>5,351</b>
<b>EXPENSES</b>			
Employee benefits expense	19	5,260	2,730
Finance costs	20	30	35
Depreciation and amortisation	4	236	176
Other expenses	21	1,420	876
<b>Total expenses</b>		<b>6,946</b>	<b>3,817</b>
<b>Profit before exceptional items and tax</b>		<b>1,699</b>	<b>1,534</b>
Exceptional items	33	-	30
<b>Profit from continuing operation before tax</b>		<b>1,699</b>	<b>1,564</b>
<b>Tax expense</b>			
Current tax expense		288	286
Deferred tax (credit)		84	(17)
		<b>372</b>	<b>269</b>
<b>Profit from continuing operations after tax</b>		<b>1,327</b>	<b>1,295</b>
<b>Discontinued operation</b>			
Profit from discontinued operations before tax	29	-	35
Tax expense of discontinued operation		-	(6)
<b>Profit from discontinued operation after tax</b>		<b>-</b>	<b>29</b>
<b>Profit for the year</b>		<b>1,327</b>	<b>1,324</b>
<b>Other comprehensive income (OCI)</b>			
<i>Items that will not be reclassified subsequently to the statement of profit or loss:</i>			
Remeasurement losses on defined benefit liability/ asset		(35)	(13)
Income tax impact		7	2
<b>Total other comprehensive income for the year, net of taxes</b>		<b>(28)</b>	<b>(11)</b>
<b>Total comprehensive income for the year</b>		<b>1,299</b>	<b>1,313</b>
<b>Earning per equity share (EPS)</b>	26		
(Equity shares of par value ₹ 2 each)			
Earnings per equity share - continuing and discontinued operations			
Basic		6.05	6.70
Diluted		6.01	6.19
Earnings per equity share - discontinued operations			
Basic		-	0.15
Diluted		-	0.14
Earnings per equity share - continuing operations			
Basic		6.05	6.55
Diluted		6.01	6.05

\*Refer note 29

The accompanying notes form an integral part of these standalone financial statements

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for **BSR & Co. LLP**  
Chartered Accountants  
Firm's registration number: 101248W/W-100022

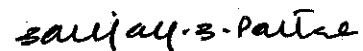
for and on behalf of the Board of Directors of  
**Indegene Private Limited**



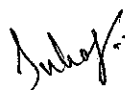
**Siddhartha Sharma**  
Partner  
Membership number: 118756  
Place: Bengaluru  
Date: 28 July 2022



**Manish Gupta**  
Chief Executive Officer and Director  
DIN: 00219273  
Place: Bengaluru  
Date: 28 July 2022



**Dr. Sanjay Parikh**  
Director  
DIN: 00219278  
Place: Bengaluru  
Date: 28 July 2022



**Sahas Prabhu**  
Senior Vice President  
Place: Bengaluru  
Date: 28 July 2022



**Shishti Kaushik**  
Company Secretary  
Place: Bengaluru  
Date: 28 July 2022

**Indegene Private Limited**
**Standalone statement of changes in equity**

(All amounts in ₹ millions, except share data and where otherwise stated)

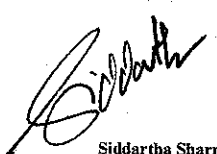
Equity share capital	31 March 2022	31 March 2021
Opening balance	3	3
Changes in equity share capital due to prior period errors	-	-
Issue of shares	^	^
<b>Closing balance</b>	<b>4</b>	<b>3</b>


Particulars	Other Equity				Total other equity
	Securities premium reserve	Share based payment reserve	Retained earnings	Other comprehensive income	
<b>Balance as at 31 March 2020</b>	<b>167</b>	<b>48</b>	<b>(240)</b>	<b>(9)</b>	<b>(34)</b>
Profit for the year	-	-	1,324	-	1,324
Other comprehensive income for the year	-	-	-	(11)	(11)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>1,324</b>	<b>(11)</b>	<b>1,313</b>
Discontinued adjustment (refer note 29)	-	-	(1,857)	-	(1,857)
Issue of equity shares on exercise of options	11	(11)	-	-	-
Share based payment to employee	-	7	-	-	7
Purchase of treasury shares	(16)	-	-	-	(16)
Conversion of preference share to equity (refer note 33)	-	-	3,123	-	3,123
	(5)	(4)	2,590	(11)	2,570
<b>Balance as at 31 March 2021*</b>	<b>162</b>	<b>44</b>	<b>2,350</b>	<b>(20)</b>	<b>2,536</b>
Profit for the year	-	-	1,327	-	1,327
Other comprehensive income	-	-	-	(28)	(28)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>1,327</b>	<b>(28)</b>	<b>1,299</b>
Issue of equity shares on exercise of options	62	(53)	-	-	9
Issue of new shares	2,620	-	-	-	2,620
Transaction cost on issue of shares	(25)	-	-	-	(25)
Purchase of treasury shares	(10)	-	-	-	(10)
Compensation cost related to employee share based payment	-	67	-	-	67
	2,647	14	1,327	(28)	3,960
<b>Balance as at 31 March 2022</b>	<b>2,809</b>	<b>58</b>	<b>3,677</b>	<b>(48)</b>	<b>6,496</b>

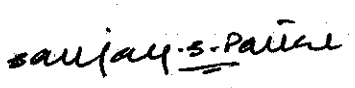
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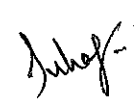
As per our report of even date attached  
for **BSR & Co. LLP**  
Chartered Accountants  
Firm's registration number: 101248W/W-100022


for and on behalf of the Board of Directors of  
**Indegene Private Limited**

  
**Siddhartha Sharma**  
Partner  
Membership number: 118756  
Place: Bengaluru  
Date: 28 July 2022

  
**Manish Gupta**  
Chief Executive Officer and Director  
DIN: 00219273  
Place: Bengaluru  
Date: 28 July 2022

  
**Dr. Sanjay Parikh**  
Director  
DIN: 00219278  
Place: Bengaluru  
Date: 28 July 2022

  
**Suhas Prabhu**  
Senior Vice President  
Place: Bengaluru  
Date: 28 July 2022

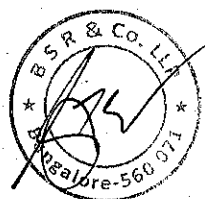
  
**Srishti Kaushik**  
Company Secretary  
Place: Bengaluru  
Date: 28 July 2022

**Indegene Private Limited**
**Standalone statement of cash flow**

(All amounts in ₹ millions, except share data and where otherwise stated)

	Note	For the year ended 31 March 2022	For the year ended 31 March 2021*
<b>A. Cash flows from operating activities</b>			
Profit before tax from continuing operations		1,699	1,564
Profit before tax from discontinued operation		-	35
Adjustments for:			
Depreciation and amortisation		236	176
Interest expense		30	35
Exceptional items		-	(30)
Net gain on disposal / fair valuation of investments		(50)	-
Interest income		(63)	(10)
ESOP expense		38	15
Dividend received		(6)	-
Provision for doubtful debts		-	(4)
Provision for diminution in value of non-current investments, loans and advances		-	22
Effect of exchange differences on restatement of monetary assets and liabilities		(30)	(91)
		<b>1,854</b>	<b>1,712</b>
<b>Movement in working capital:</b>			
Trade receivables		(1,710)	(1,125)
Other financial assets, other current and non current assets		(22)	(72)
Other financial liabilities, other current and non current liabilities and trade payable		619	274
<b>Cash generated from operations activity</b>		<b>741</b>	<b>789</b>
Income tax paid (net of refund)		(359)	(256)
<b>Net cash from operating activities [A]</b>		<b>382</b>	<b>533</b>
<b>Cash flow from investing activities</b>			
Purchase of plant and equipment		(210)	(184)
Investment in subsidiaries		-	(153)
Loan to subsidiaries		(1,330)	-
Repayment of loan by subsidiaries		3	5
Sale of investments in Mutual Fund		2,598	-
Purchase of investments in Mutual fund		(3,747)	-
Interest received		57	1
Investment in fixed deposit		(110)	-
Redemption / maturity of fixed deposit		66	(1)
Dividend received		6	-
<b>Net cash used in investing activities [B]</b>		<b>(2,667)</b>	<b>(332)</b>
<b>Cash flow from financing activities</b>			
Proceeds from issue of shares		2,629	-
Purchase of treasury shares		(10)	(16)
Transaction cost on issue of shares		(25)	-
Share application money received, pending allotment		-	-
Finance cost		(13)	(15)
Payment of lease liability		(132)	(126)
Repayment of loans		-	(214)
<b>Net cash used in financing activities [C]</b>		<b>2,449</b>	<b>(371)</b>
<b>Net (decrease)/increase in cash and cash equivalents during the year [A+B+C]</b>		<b>164</b>	<b>(170)</b>
Cash and cash equivalents as at the beginning of the year		116	295
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(2)	6
Cash and cash equivalents transferred pursuant to demerger	29	-	(15)
<b>Cash and cash equivalents at the end of the year</b>	<b>12</b>	<b>278</b>	<b>116</b>

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**Indegene Private Limited****Standalone statement of cash flow**

(All amounts in ₹ millions, except share data and where otherwise stated)

**Reconciliation of movements of liabilities to cash flows arising from financing activities for the year ended 31 March 2022**

Particulars	Short-term borrowings	Long-term borrowings	Total
Opening Balance as on 01 April 2021	-	-	-
Add: During the year	446	-	-
Less: Repayment during the year	(446)	-	-
Closing Balance as on 31 March 2022	-	-	-

**Reconciliation of movements of liabilities to cash flows arising from financing activities for the year ended 31 March 2021**

Particulars	Short-term borrowings	Long-term borrowings	Total
Opening Balance as on 01 April 2020	214	3,153	3,367
Less: Repayment during the year	(214)	-	(214)
Less: Non - cash movement related to liability component of OCCPS (refer note 33)	-	(3,153)	(3,153)
Closing Balance as on 31 March 2021	-	-	-

\*Refer note 29

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached  
for BSR & Co. LLP

Chartered Accountants

Firm's registration number: 101248W/W-100022

for and on behalf of the Board of Directors of  
**Indegene Private Limited**

**Siddhartha Sharma**

Partner

Membership number: 118756

Place: Bengaluru

Date: 28 July 2022

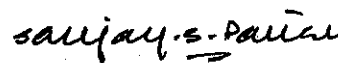

**Manish Gupta**

Chief Executive Officer and Director

DIN: 00219273

Place: Bengaluru

Date: 28 July 2022

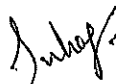

**Dr. Sanjay Parikh**

Director

DIN: 00219278

Place: Bengaluru

Date: 28 July 2022


**Suhas Prabhu**

Senior Vice President

Place: Bengaluru

Date: 28 July 2022


**Srishti Kaushik**

Company Secretary

Place: Bengaluru

Date: 28 July 2022

**1 Background**

Indegene Private Limited ('the Company' or 'Indegene') was incorporated and domiciled in India in the year 1998. The Company is a global provider of solutions consisting of analytics, technology and commercial, medical, regulatory and safety services to life science and healthcare organizations. The address of its registered office is at Aspen Block G4, 3rd Floor Manyata Embassy Business Park, Nagawara, Bengaluru, India - 560045.

The Board of Directors approved the standalone financial statements for the year ended 31 March 2022.

**2 Basis of preparation of standalone financial statements**

**(i) Statement of compliance and basis of preparation**

The standalone financial statements are prepared in accordance with Indian Accounting Standards ("Ind AS"), the provisions of the Companies Act, 2013 ("the Companies Act"). The Ind AS are prescribed under Section 133 of the Companies Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been applied consistently to all periods presented in these standalone financial statements.

All amounts included in the standalone financial statements are reported in Indian rupees (in millions) except share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures. "∧" in the financials denote amounts less than ₹ 0.50 million.

**(ii) Basis of measurement**

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

- a) Derivative financial instruments;
- b) Financial instruments classified as fair value through other comprehensive income or fair value through profit or loss;

**(iii) Use of estimates or judgement**

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the effect on the amounts recognised in the standalone financial statements is included in the following notes:

**a) Revenue recognition**

The Company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product and services are combined and accounted as a single performance obligation. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables. Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The Company also exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company uses the percentage of completion method using the input method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Further, the Company also considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risk and rewards to the customer, acceptance of delivery by the customer, etc.

Revenue from subsidiaries and related companies is recognized as the services are rendered in line with the terms of the contract with them.

**b) Income tax**

The major tax jurisdiction for the Company is India. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. The tax assessments can be lengthy and complex issues and could take inordinate amount of time before they are resolved. The Company considers all these complexities while estimating income taxes, however, there could be an unfavourable resolution of such issues.

**c) Deferred Tax**

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax assets and projected future taxable income in making this assessment. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

**d) Lease**

IND AS 116 defines a lease term as the noncancelable period for which the lessee has the right to use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Company considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term is included in the lease term, if it is reasonably certain that the lessee would exercise the option. The Company reassesses the option when significant events or changes in circumstances occur that are within the control of the lessee.

**e) Other estimates:**

The share-based compensation expense is determined based on the Company estimate of equity instruments that will eventually vest. Information about other estimation and assumptions related uncertainties that could have a significant risk of material adjustment are:

- (a) Impairment test – Key assumptions underlying recoverable amounts including, the recoverability of assets in a Cash generating unit (CGU).
- (b) Recognition and measurement of provisions: key assumptions about the likelihood and magnitude of an outflow of resources.



**3 Significant accounting policies**

**(a) Foreign currency transactions**

These standalone financial statements are presented in Indian rupees(₹), which is the functional currency of the Company.

*Transactions and balances*

All transactions in foreign currencies are translated to the functional currency using the prevailing exchange rates on the date of such transactions. All monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. All non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. All foreign currency differences are generally recognised in the statement of profit and loss, except for non-monetary items denominated in foreign currency and measured based on historical cost, as they are not translated.

**(b) Plant and equipment**

*Recognition and measurement*

Items of plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where significant parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" in the statement of profit and loss.

Deposits and advances paid towards the acquisition of plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not available for use before such date are disclosed under capital advance.

*Subsequent costs*

The Company recognises the carrying amount of an item of plant and equipment, the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Company and the cost of the item can be measured reliably. All other costs are recognised in the statement of profit and loss as an expense as incurred. Ongoing repairs and maintenance are expensed as incurred.

*Depreciation*

Depreciation is charged to the statement of profit and loss on a straight-line basis over the estimated useful lives of items of plant and equipment. The estimated useful lives are as follows:

Asset classification	Useful life as per Companies Act, 2013	Estimated useful life
Computers and accessories	3 years	3 years
Furniture and fittings	10 years	3-5 years
Office equipment	5 years	3-5 years
Vehicle	8 years	5 years

Leasehold improvements are depreciated over the lease period or over the useful lives of assets, whichever is lower. The depreciation method, useful life and residual value are reviewed at each reporting date and adjusted if appropriate. The useful lives estimated by management are as per schedule II to Companies Act, 2013.

**(c) Intangible assets and amortisation**

Intangible assets that are acquired by the Company and having finite useful life are measured initially at cost. After initial recognition, these are carried at cost less any accumulated amortization and any accumulated impairment loss.

Intangible assets are amortized in the statement of profit and loss and other comprehensive income on a straight-line basis over their estimated useful lives, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Amortization methods and the estimated useful life of assets are reviewed, and where appropriate are adjusted, annually.

**(d) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments in the form of financial assets and financial liabilities are generally presented separately. Financial instruments are recognized on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Upon initial recognition, financial instruments are measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognized in determining the carrying amount, if it is not classified as at fair value through profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

*Financial assets*

Financial assets are classified into following categories:

- Financial assets carried at amortised cost
- Financial assets fair valued through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL),

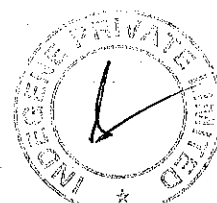
Financial assets primarily comprise of trade receivables, loan and receivables, cash and bank balances and marketable securities and investments.

The subsequent measurement of financial assets depends on their classification as follows:

*Financial assets carried at amortised cost*

A financial asset is subsequently measured at amortised cost if it meets both the following criteria:

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



**Indegene Private Limited****Notes forming part of the standalone financial statements**

(All amounts in ₹ millions, except share data and where otherwise stated)

**Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is subsequently measured at fair value through other comprehensive income if it meets both the following criteria:

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

Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income. For equity investments elected to be measured at FVTOCI, all fair value changes in the instruments excluding dividends, are recognised in OCI and is never recycled to statement of profit and loss, even on sale of the instrument. Interest income earned on FVTOCI instruments are recognised in the statement of profit and loss.

**Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which does not meet the amortised cost or FVTOCI criteria is measured as FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses on re-measurement recognised in statement of profit or loss. The gain or loss on disposal is recognised in the statement of profit and loss. Interest income earned on FVTPL instruments are recognised in the statement of profit and loss.

**Financial liabilities**

Financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities. Financial liabilities primarily include trade payables, liabilities to banks, derivative financial liabilities and other liabilities.

**Financial liabilities measured at amortized cost**

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest method, except for contingent considerations recognized in a business combination which is subsequently measured at FVTPL. For trade and other payables, the carrying amounts approximate fair value due to the short-term maturity of these instruments.

**Compound financial instruments**

Compound financial instruments have both a financial liability and an equity component from the issuer's perspective. The components are defined based on the terms of the financial instrument and presented and measured separately according to their substance. At initial recognition of a compound financial instrument, the financial liability component is recognised at fair value and the residual amount is allocated to equity.

**Derivative financial instruments**

All derivatives are recognized initially at fair value on the date a derivative contract is entered into and subsequently re-measured at fair value. Embedded derivatives are separated from the host contract and accounted for separately if they are not closely related to the host contract. The Company measures all derivative financial instruments based on fair values derived from market prices of the instruments or from option pricing models, as appropriate. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognized immediately in the statement of profit and loss, except for derivatives that are highly effective and qualify for cash flow or net investment hedge accounting.

**Non-financial underlying variable**

The definition of a derivative excludes instruments with a non-financial underlying variable that is specific to a party to the contract. The Company has considered the accounting policy choice of considering EBITDA, profit, sales volume, revenue or the cash flows of one counterparty to be a non-financial underlying variable that are specific to a party to the contract.

**De-recognition of financial assets and liabilities**

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a borrowing for the proceeds received.

A financial liability (or a part of financial liability) is derecognised from the Company's balance sheet when obligation specified in the contract is discharged or cancelled or expires.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset with the net amount reported in the balance sheet only if there is a current enforceable legal right to offset the recognised amounts and an intent to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

**(e) Impairment****(a) Financial assets**

Ind AS 109 requires the Company to record expected credit losses on all of its financial assets which are debt securities, loans and receivables, either on a 12-month or life time expected credit losses. The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivable with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, ECL are measured at an amount equal to 12-month ECL, unless there is a significant increase in the credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in statement of profit and loss.

**(b) Non-financial assets**

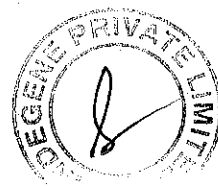
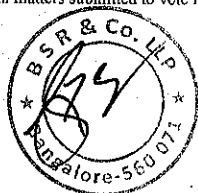
The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill and intangible assets with indefinite economic lives are tested for impairment annually and at other times when such indicators exist. The recoverable amounts of cash generating units have been determined based on value-in-use calculations.

Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

**(f) Share capital****(i) Ordinary shares, preference shares and share premium**

The authorized share capital of the Company as of 31 March, 2022 and 31 March, 2021 ₹ 800 is divided into 2,500,000 equity shares of ₹ 2 each and 7,950,000 8% optionally convertible cumulative preference shares of ₹100 each. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as share premium.

Every holder of the equity shares, as reflected in the records of the Company as of the date of the shareholder meeting shall have one vote in respect of each share held for all matters submitted to vote in the shareholder meeting.



**(ii) Retained earnings**

Retained earnings comprises of Company's undistributed earnings after taxes.

**(iii) Share based payment reserve**

The Share options outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in share options outstanding account are transferred to securities premium upon exercise of stock options and restricted stock unit options by employees.

**(iv) Shares held by Controlled Trust (Treasury shares)**

The Company's equity shares held by the controlled trust, which is consolidated as a part of the Group are classified as Treasury shares. The Company has 2,958 and 2,558 treasury shares as of 31 March 2022 and 31 March 2021 respectively. Treasury shares are recorded at acquisition cost.

**(v) Others**

Changes in the fair value of financial instruments measured at fair value through other comprehensive income and actuarial gains and losses on remeasurements of the defined benefit plans are recognised in other comprehensive income, net of taxes and presented within equity in other reserves.

**(g) Employee benefits**

**(a) Post-employment benefits**

*Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in statement of profit and loss and other comprehensive income in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that is due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

*Defined benefit plans*

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service cost and the fair value of any plan assets are deducted. The calculation of the Company's obligation is performed annually by a qualified actuary using the projected unit credit method. The Company recognizes all actuarial gains and losses arising from defined benefit plans immediately in other comprehensive income, net of taxes. Net interest expense and other expenses related to defined benefit plans are recognized in employee benefit expense in the statement of profit and loss. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognized in statement of profit and loss on a straight-line basis over the average period until the benefits become vested. The Company recognizes gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

*Compensated absences*

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Since the Company does not have rights to defer the leave availment by the employees, the entire obligation has been classified as 'current liabilities' under 'short-term provisions'.

*Termination benefits*

Termination benefits are recognised as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

**(b) Other long term benefits**

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and future periods. That benefit is discounted to determine its present value. Re-measurements are recognised in statement of profit and loss in the period in

**(c) Short-term employee benefits**

Employee benefits payable wholly within twelve months of receiving employee services are classified as short term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by employee.

**(d) Share-based payment transactions**

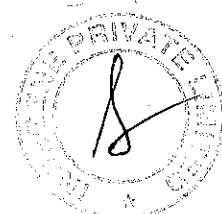
The cost of equity settled transactions with employees is measured by reference to the fair value of the date on which the share options are granted. In cases, where equity instruments are granted, at a nominal exercise price, the value on the date of grant approximates the fair value. The expense is recognised in the statement of profit and loss with a corresponding increase to the share options outstanding account, a component of equity.

The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions on the date of grant. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date. At each reporting date, the Company reviews its estimates of the number of options that are expected to become exercisable on vesting date. The Company recognises the impact of the revision of original estimates, if any, in the statement of profit and loss, and a corresponding adjustment to equity over the vesting period.

**(h) Provisions**

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.



**(i) Revenue**

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognize revenues, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied.

At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgement to determine whether each product or service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised products or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method. Stand-alone selling prices are determined based on sale prices for the components when it is regularly sold separately, in cases where the Company is unable to determine the stand-alone selling price the Company uses third-party prices for similar deliverables or the Company uses expected cost-plus margin approach in estimating the stand-alone selling price.

For performance obligations where control is transferred over time, revenues are recognized by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the promised products or services to be provided.

The method for recognizing revenues and costs depends on the nature of the services rendered:

**A. Time and materials contracts**

Revenues and costs relating to time and materials are recognized as the related services are rendered.

**B. Fixed-price contracts**

Revenues related to fixed-price contracts viz. maintenance and testing and business process services are recognized based on our right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. When services are performed through an indefinite number of repetitive acts over a specified period, revenue is recognized on a straight-line basis over the specified period unless some other method better represents the stage of completion.

In certain projects, a fixed quantum of service or output units is agreed at a fixed price for a fixed term. Revenue is recognized based on the achievement of the output. Any residual service unutilized by the customer is recognized as revenue on completion of the term.

Revenue from other fixed price contracts is recognized using the percentage-of-completion method, calculated as the proportion of the cost of effort incurred up to the reporting date to estimated cost of total effort.

A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets primarily relate to unbilled amounts on fixed-price development contracts and are classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

Unbilled revenues on other than fixed price development contracts are classified as a financial asset where the right to consideration is unconditional upon passage of time.

**Volume based contracts**

Revenues and costs are recognized as the related services are rendered.

**C. Others**

Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the stand-alone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the stand-alone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the stand-alone selling price.

The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which the Company may be entitled.

Revenues are shown net of allowances/ returns, sales tax, value added tax, goods and services tax and applicable discounts and allowances.

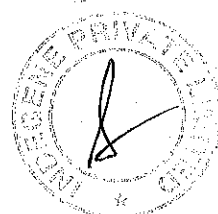
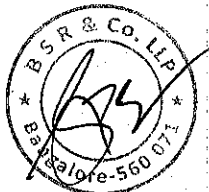
The Company accrues the estimated cost of warranties at the time when the revenue is recognized. The accruals are based on the Company's historical experience of material usage and service delivery costs.

Incremental costs that relate directly to a contract and incurred in securing a contract with a customer are recognized as an asset when the Company expects to recover these costs and amortized over the contract term.

The Company recognizes contract fulfilment cost as an asset if those costs specifically relate to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognized is amortized on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates.

The Company assesses the timing of the transfer of goods or services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.

The Company may enter into arrangements with third party suppliers to resell products or services. In such cases, the Company evaluates whether the Company is the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, the Company first evaluates whether the Company controls the good or service before it is transferred to the customer. If the Company controls the good or service before it is transferred to the customer, the Company is the principal; if not, the Company is the agent.



**Indegene Private Limited****Notes forming part of the standalone financial statements**

(All amounts in ₹ millions, except share data and where otherwise stated)

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

During the year ended 31 March 2022 and 31 March 2021, ₹ 82 and ₹ 111 of unbilled revenue pertaining to fixed price and fixed time frame contracts as of 1 April 2021 and 1 April 2020, respectively has been reclassified to Trade receivables upon billing to customers on completion of milestones.

During the year ended 31 March 2022 and 31 March 2021, the Company recognized revenue of ₹ 119 and ₹ 68 arising from opening unearned revenue as of 1 April 2021 and 1 April 2020, respectively

The below table represents disaggregated services revenue from contract with customers by contract type for each of geographies for the year ended 31 March 2022 and 31 March 2021:

Year ended 31 March 2022	North America	Europe	Rest of the world	Total
Fixed price and volume based	122	717	430	1,269
Time and Material	7,011	46	41	7,098
	<b>7,133</b>	<b>763</b>	<b>471</b>	<b>8,367</b>
Year ended 31 March 2021	North America	Europe	Rest of the world	Total
Fixed price and volume based	109	1,341	411	1,861
Time and Material	3,101	120	28	3,249
	<b>3,210</b>	<b>1,461</b>	<b>439</b>	<b>5,110</b>

**D. Financial and other Income**

Other income comprises interest income of deposits and gains/ (losses) on disposal of investments. Interest income is recognised using the effective interest method and the dividend income from subsidiaries.

**(j) Leases**

The Company's lease asset classes primarily consist of leases for office premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

**(k) Financing cost**

Finance costs comprise of interest expenses including interest on tax, dividend on preference shares issued which are classified as financial liabilities, foreign currency loss on financial assets and liabilities arising due to financing activities and discounting charges of trade receivable.

**(l) Income tax**

Tax expense comprises current and deferred tax. Current tax and deferred tax expense is recognised in the statement of profit and loss and other comprehensive income except to the extent that it relates to items recognised directly in equity.

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

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

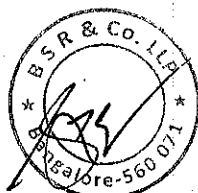
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of an asset or liability, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

A deferred tax asset is recognised for unused tax losses, 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 utilised. 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.



**Indegene Private Limited**

**Notes forming part of the standalone financial statements**

(All amounts in ₹ millions, except share data and where otherwise stated)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

**(m) Determination of fair values**

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Depending on the inputs used for determining fair value, financial instruments valued at fair value has been categorized into a three-level hierarchy as presented below:

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 asset or liability that are not based on observable market data (unobservable inputs).

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

**n) Earnings per share**

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, using the treasury stock method for options and warrants, except where the results would be anti-dilutive.

**o) Cash flow statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash from operating, investing and financing activities of the Company are segregated.

**p) Recent accounting developments**

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

**Ind AS 16 – Proceeds before intended use**

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

**Ind AS 37 – Onerous Contracts – Costs of Fulfilling a Contract**

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

**Ind AS 109 – Annual Improvements to Ind AS (2021)**

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

**q) Borrowing cost**

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**r) Contingent liability and Asset**

A disclosure for contingent liabilities is made where there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

**s) Non Current assets or disposal groups held for distribution**

Non-Current assets, or disposal groups comprising assets and liabilities are classified as held for distribution if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups are generally measured at the lower of their carrying amount and fair value less costs to sell.

Once classified as held-for-distribution, intangible assets, plant and equipment and investment properties are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

**t) Discontinued Operations**

A discontinued operation is a component of the Company's business that represents a separate line of business that has been disposed off or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon 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 and loss is re-presented as if the operation had been discontinued from the start of the comparative period.

**u) Investment in subsidiaries and joint ventures:**

**(i) Initial recognition**

The acquired investment in subsidiaries and joint ventures are measured at acquisitions date fair value

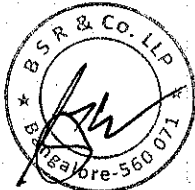
**(ii) Subsequent measurement**

Investment in equity shares of subsidiaries and joint ventures are accounted either;

(a) at cost, or

(b) in accordance with IND AS 109, financial instruments

The Company has elected to account its subsidiaries and joint ventures at cost less accumulated impairment losses, if any.





**Indegene Private Limited**

**Notes forming part of the standalone financial statements**

(All amounts in ₹ millions, except share data and where otherwise stated)

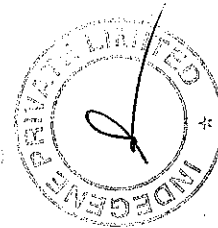
**4. Plant and equipment**

	Computer and accessories	Office equipment	Furniture and fittings	Leasehold Improvements	Software*	Total
<b>Gross carrying value</b>						
As at 31 March 2020	242	39	13	86	32	412
Additions	158	10	1	16	^	185
Demerger adjustment (refer note 29)	(1)	-	-	-	-	(1)
As at 31 March 2021	399	49	14	102	32	596
Additions	198	10	5	-	-	213
Disposals	(50)	-	-	-	-	(50)
As at 31 March 2022	547	59	19	102	32	759
<b>Accumulated depreciation/ impairment:</b>						
As at 31 March 2020	181	35	11	64	31	322
Depreciation	56	2	1	12	1	72
Demerger adjustment (refer note 29)	-	^	-	-	^	^
As at 31 March 2021	237	37	12	76	32	394
Depreciation	115	5	1	6	^	127
Disposals	(50)	-	-	-	-	(50)
As at 31 March 2022	302	42	13	82	32	471
<b>Net book value</b>						
As at 31 March 2021	162	12	2	26	^	202
As at 31 March 2022	245	17	6	20	^	288

\*Represents software purchase as a part of computers and laptops and hence classified under Plant and Equipment.  
Plant and Equipment have been offered as security against the working capital facilities provided by the bank (refer note 14).  
Depreciation amount includes ₹127 of Plant and Equipment and ₹109 lease amortisation.



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**Indegene Private Limited**
**Notes forming part of the standalone financial statements**

(All amounts in ₹ millions, except share data and where otherwise stated)

**5. Investments**

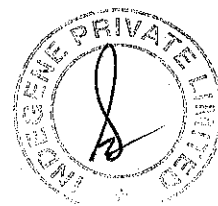
Particulars	As at 31 March 2022	As at 31 March 2021
<b>Unquoted equity and preference instruments (measures at cost less impairment) of subsidiaries:</b>		
<i>(i) Investment in equity shares (unquoted) (fully paid up)</i>		
ILSL Holdings, Inc., USA 1,000,000 (2021: 1,000,000) equity shares of USD 0.0001 each	^	^
Indegene Fareast Pte Ltd., Singapore 150,000 (2021: 150,000) equity shares of SGD 1 each	4	4
Indegene Lifesystems Consulting (Shanghai) Co. Ltd., China*	282	282
Indegene Europe LLC, Switzerland 50 (2021: 50) equity shares of CHF 1000 each	3	3
Indegene Japan LLC*	94	94
	383	383
Less: Provision for diminution in value of investments	(181)	(181)
	202	202
<i>(ii) Investment in preference shares (unquoted) (fully paid up)</i>		
ILSL Holdings, Inc., USA - 8% preference shares 1,356,851 (2021: 1,356,851) preference shares of USD 0.0001 each	632	632
Indegene Fareast Pte Ltd, Singapore - 8% preference shares 13,830 (2021: 13,830) preference shares SGD 100 each	43	43
Less: Provision for diminution in value of investments	(43)	(43)
	632	632
<b>Total</b>	<b>834</b>	<b>834</b>
<b>Aggregate amount of quoted investments and market value thereof:</b>	-	-
<b>Aggregate amount of unquoted investments</b>	1,058	1,058
<b>Aggregate amount of Impairment in value of investments</b>	(224)	(224)

Indegene Healthcare Mexico S DE RL DE CV(1) has been incorporated on 02 December 2021 and investment in subsidiary is nil.

\*As per local of laws of the subsidiary domicile, there is no concept of share certificate. Hence, the investment by the Company is in the form of equity contribution.

**6. Current Investments**

Particulars	Number of units		Carrying value	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Investment carried at fair value through profit or loss:				
Current				
Aditya Birla Sun Life Liquid Fund	264,819	-	91	-
Axis Liquid Fund	38,860	-	92	-
HDFC Liquid Fund	18,626	-	78	-
IDFC Cash Fund	28,725	-	74	-
HDFC Money Market Fund	19,212	-	89	-
ICICI Prudential Money Market Fund	320,355	-	98	-
IDFC Ultra Short Term Fund	11,998,016	-	148	-
L&T Ultra Short Term Fund	4,236,290	-	154	-
DSP Low Duration Fund	4,698,894	-	77	-
IDFC Low Duration Fund	2,099,753	-	67	-
Tata Treasury Advantage Fund	23,796	-	77	-
HDFC Ultra Short Term Fund	6,214,989	-	77	-
SBI Magnum Ultra Short	15,752	-	77	-
<b>Mutual Fund units (Quoted)</b>			<b>1,199</b>	-
<b>Aggregate amount of quoted investments and aggregate market value thereof</b>			<b>1,199</b>	-



7. Right-of-use assets

	Total - Buildings
As at 31 March 2020	313
Additions	85
As at 31 March 2021	398
Additions	337
As at 31 March 2022	735
Accumulated amortisation:	
As at 31 March 2020	90
Amortisation	104
As at 31 March 2021	194
Amortisation	109
As at 31 March 2022	303
Net book value	
As at 31 March 2021	204
As at 31 March 2022	432

Lease contracts entered into by the Company pertains to buildings taken on lease to conduct its business in the ordinary course.

During the year ended 31 March 2022, the Company incurred expenses amounting to ₹32 (2021 : ₹31) towards short-term leases and leases of low-value assets.

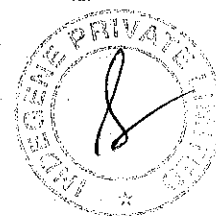
	Year ended 31 March 2022	Year ended 31 March 2021
Amortisation	109	104
Interest on lease liabilities	17	20
	126	124

The movement in lease liabilities during the years ended 31 March 2022 and 31 March 2021 is as follows:

	Year ended 31 March 2022	Year ended 31 March 2021
Balance at the beginning	230	255
Additions	323	81
Finance cost accrued during the period	17	20
Payment of lease liabilities	(132)	(126)
Balance at the end	438	230
	As at 31 March 2022	As at 31 March 2021
Current lease liabilities	109	108
Non-current lease liabilities	329	122
	438	230

The details of the contractual maturities of lease liabilities as at 31 March 2022 and 31 March 2021 on an undiscounted basis are as follows:

	As at 31 March 2022	As at 31 March 2021
Less than one year	135	121
One to five years	364	133
More than five years	12	-
Total	511	254



**8. Trade receivables**

Particulars	As at 31 March 2022	As at 31 March 2021
<i>Billed</i>		
Unsecured, considered good	381	327
Unsecured, considered good, intercompany receivables (refer note 27)	3,037	1,337
Unsecured, credit impaired	4	4
	<u>3,422</u>	<u>1,668</u>
Less : Impairment allowance	(4)	(4)
	<u>3,418</u>	<u>1,664</u>

Ageing for trade receivables outstanding as at 31 March, 2022 is as follows:

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 Years	1-2 Years	2-3 years	More than 3 years	
i) Undisputed trade receivable - considered good	799	2,618	1	-	-	-	3418
ii) Undisputed trade receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed trade receivable - Credit impaired	-	-	2	2	^	^	4
iv) Disputed trade receivable - considered good	-	-	-	-	-	-	-
v) Disputed trade receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed trade receivable - Credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>799</b>	<b>2,618</b>	<b>2</b>	<b>2</b>	<b>^</b>	<b>^</b>	<b>3422</b>

Less : Allowance for doubtful trade receivables

(4)

3,418

Trade receivables - Unbilled

77

3,495

Ageing for trade receivables outstanding as at 31 March, 2021 is as follows:

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 Years	1-2 Years	2-3 years	More than 3 years	
i) Undisputed trade receivable - considered good	645	816	203	-	-	-	1664
ii) Undisputed trade receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed trade receivable - Credit impaired	-	0	1	2	1	-	4
iv) Disputed trade receivable - considered good	-	-	-	-	-	-	-
increase in credit risk	-	-	-	-	-	-	-
vi) Disputed trade receivable - Credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>645</b>	<b>816</b>	<b>204</b>	<b>2</b>	<b>1</b>	<b>-</b>	<b>1668</b>

Less : Allowance for doubtful trade receivables

(4)

1,664

Trade receivables - Unbilled

87

1,751

Trade receivables have been offered as security against the working capital facilities provided by the bank (refer note 14).

**9. Loan**

Particulars	As at 31 March 2022	As at 31 March 2021
<i>Non-current</i>		
Unsecured, considered good* (refer note 27)	1,366	37
Unsecured, credit impaired	28	-
Employee advances	4	-
Less: Loss allowance	(28)	(28)
	<u>1,370</u>	<u>9</u>

\*Loan given to related party ILSL Holdings Inc carries interest @ 90 days average SOFR (Secured overnight financing rate) + 5.80%.

\*Loan given to related party Indegene Lifesystems Consulting (Shanghai) Co. Ltd carries interest @ 8% per annum (compounded annually).

The loans has been given to this subsidiary in the normal course of business for its operations.



**10. Other financial assets**

Particulars	As at 31 March 2022	As at 31 March 2021
<i>Non-current</i>		
Security deposits	81	89
	<u>81</u>	<u>89</u>
<i>Current</i>		
Security deposits	^	^
Advance to employees	-	6
Interest earned but not due	5	4
Fair value of foreign exchange derivative asset	9	39
Receivable from related parties (refer note 27)	19	34
Less: Provision for doubtful receivables from related party	(5)	(5)
	<u>28</u>	<u>78</u>

**11. Other assets**

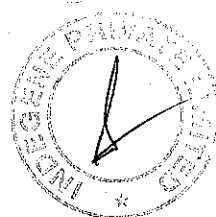
Particulars	As at 31 March 2022	As at 31 March 2021
<i>Non-current</i>		
Prepaid expenses	1	1
	<u>1</u>	<u>1</u>
<i>Current</i>		
Prepaid expenses	229	138
Advance to suppliers	2	-
Balance with government authorities	4	30
	<u>235</u>	<u>168</u>
	<u>236</u>	<u>169</u>

**12. Cash and bank balances**

Particulars	As at 31 March 2022	As at 31 March 2021
<i>Cash and cash equivalents</i>		
Cash in hand	^	^
In current accounts	278	116
	<u>278</u>	<u>116</u>
Other balances with banks		
In deposit accounts*	110	66
	<u>110</u>	<u>66</u>
	<u>388</u>	<u>182</u>

\*The deposits are held as lien against borrowing from banks and bank guarantees given to Software Technology Park of India.

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### 13. Share capital

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Authorised</b>		
2,500,000 (2021: 2,500,000) equity shares of par value ₹ 2 each	5	5
7,950,000 (2021: 7,950,000) optionally convertible preference shares of par value of ₹ 100 each	795	795
	<b>800</b>	<b>800</b>
<b>Issued, subscribed and fully paid up</b>		
1,754,085 (2021: 1,566,965) equity shares of ₹ 2 each (refer note 37)	4	3
	<b>4</b>	<b>3</b>

#### A) Reconciliation of equity shares outstanding

Particulars	Number of shares	Amount
Shares outstanding as at 31 March 2020	1,566,978	3
Shares issued during the year	2,545	^
Purchase of treasury shares	(2,558)	^
<b>Shares outstanding as at 31 March 2021</b>	<b>1,566,965</b>	<b>3</b>
Shares issued during the year	187,520	^
Purchase of treasury shares	(400)	^
<b>Shares outstanding as at 31 March 2022</b>	<b>1,754,085</b>	<b>4</b>

#### Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 each. Each holder of equity shares is entitled to one vote per share. The holder of the equity shares shall be entitled to dividend as and when declared by the Company in proportion to the number of shares held.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### B) Reconciliation of preference shares outstanding

Particulars	Number of shares	Amount
Shares outstanding as at 31 March 2020	-	-
Financial liability reinstated back (refer note 33)	7,856,000	786
OCCPS converted to equity, owing to commitment by the shareholders (refer note 33)	(7,856,000)	(786)
<b>Shares outstanding as at 31 March 2021</b>	<b>-</b>	<b>-</b>
<b>Shares outstanding as at 31 March 2022</b>	<b>-</b>	<b>-</b>

#### Rights attached to preference shares:

The Company has only one class of 8% optionally convertible cumulative redeemable preference shares (OCCPS) having a par value of ₹ 100 each.

The OCCPS holders has option to convert the OCCPS into equity shares or redeem as per the terms of the Shareholders Agreement which has been amended/renewed in the previous years. During March 2021 the Company has converted all the OCCPS into equity and as a consequence there are no OCCPS outstanding.

#### C) Details of shareholders having more than 5% equity interest in the Company

Name of shareholder	As at 31 March 2022		As at 31 March 2021	
	Number of shares	% holding	Number of shares	% holding
<i>Equity shares</i>				
Dr. Rajesh B. Nair	172,269	9.80%	275,890	17.58%
Mr. Manish Gupta	179,172	10.20%	208,345	13.27%
Sanjay S Parikh	95,172	5.42%	144,938	9.23%
Nadathur Fareast Pte. Ltd	472,856	26.91%	752,986	47.98%
CA Dawn Investments	365,625	20.81%	-	-
BPC Genesis Fund I SPV, Ltd.	142,022	8.08%	-	-
BPC Genesis Fund I-A SPV, Ltd.	73,666	4.19%	-	-

#### D) Shareholding of Promoters : NIL



**Indegene Private Limited****Notes forming part of the standalone financial statements**

(All amounts in ₹ millions, except share data and where otherwise stated)

E) The Company has not issued any bonus shares, issued any shares for consideration other than cash and bought back shares during the period of 5 years immediately preceding the reporting date.

**F) Employee share-based compensation**

Employees covered under Employee Stock Option Plans and Restricted Stock Unit (RSU) Option Plans (collectively "stock option plans") are granted an option to purchase shares of the Company at the respective exercise prices, subject to requirements of vesting conditions. These options generally vest in tranches over a period of three to five years from the date of grant. Upon vesting, the employees can acquire one equity share for every option.

The stock compensation cost is computed under the Fair value method and amortized on accelerated vesting period. The value on the date of grant approximates the fair value. For the year ended 31 March 2022, the Company has recorded stock compensation expense of ₹ 38 (2021 : ₹ 15)

The compensation committee of the board evaluates the performance and other criteria of employees and approves the grant of options. These options vest with employees over a specified period subject to fulfillment of certain conditions. Upon vesting, employees are eligible to apply and secure allotment of Company's shares at a price determined on the date of grant of options. The particulars of options granted under various plans are tabulated below.

A summary of the general terms of grants under stock option plans and restricted stock unit option plans are as follows:

Name of the plan	Authorised shares	Range of exercise price
Employee Stock Option Scheme 2007 (ESOP 2007)	75,000	₹ 50
Employee Restricted Stock Unit Plan 2015 (RSU 2015)	46,302	₹ 50
Employee Restricted Stock Unit Plan 2020 (RSU 2020)	58,582	₹ 2
Employee Stock Option Plan 2020 (ESOP 2020)	10,000	FMV as on date of grant

The following is the summary of the movement in Employee Stock Option Scheme 2007 (ESOP 2007) during the year:

The Company instituted the Employee Stock Option (ESOP 2007) Plan on September 2007, which provided for the issue of maximum 75,000 equity shares to employees. The following grants have been made pursuant to the ESOP 2007 Plan at an exercise price of ₹ 50 per share plus tax.

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding at the beginning of the year	1,800	50.00	2,050	50.00
Options granted during the year (ESOP)	-	50.00	-	50.00
Options exercised during the year	(1,800)	50.00	(250)	50.00
Options forfeited during the year	-	50.00	-	50.00
<b>Options outstanding at the end of year</b>	-	-	<b>1,800</b>	<b>50.00</b>
Options exercisable	-	-	1,800	50.00

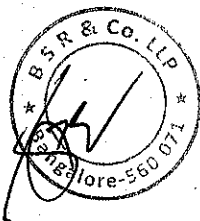
The following is the summary of the movement in Employee Restricted Stock Unit Plan 2015 (RSU 2015) during the year:

The Company instituted the employee Restricted Stock Unit (RSU 2015) Plan, 2015 on 4 June 2015, which provided for the issue of maximum 46,302 equity shares to employees. The Company does not propose any further issue under the RSU 2015 plan and the following grants have been made pursuant to the RSU 2015 Plan at an exercise price of ₹ 50 per share plus tax.

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding at the beginning of the year	5,802	50.00	14,248	50.00
Options granted during the year (RSU)	-	50.00	-	50.00
Options exercised during the year	(3,602)	50.00	(2,294)	50.00
Options forfeited during the year	(205)	50.00	(6,152)	50.00
<b>Options outstanding at the end of year</b>	<b>1,995</b>	<b>50.00</b>	<b>5,802</b>	<b>50.00</b>
Options exercisable	1,015	50.00	2,779	50.00

The following is the summary of the movement in Employee Restricted Stock Unit Plan 2020 (RSU 2020) during the year:

The Company instituted the employee Restricted Stock Unit Plan 2020 ("RSU 2020") on 13 November 2020 which was amended on 28 December 2020, which provides for the issue of maximum 58,582 equity shares to employees at an exercise price of ₹ 2 per share plus tax.



Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding at the beginning of the year	16,582	2.00	-	2.00
Options granted during the year(RSU)	3,092	2.00	16,582	2.00
Options exercised during the year	(5,991)	2.00	-	2.00
Options forfeited during the year	(818)	2.00	-	2.00
<b>Options outstanding at the end of year</b>	<b>12,865</b>	<b>2.00</b>	<b>16,582</b>	<b>2.00</b>
Options exercisable	50	2.00	6,208	2.00

The following is the summary of the movement in Employee Stock Option Plan 2020 (ESOP 2020) during the year:

The Company instituted the Employee Stock Option Plan 2020\* ("ESOP 2020") plan on 13 November 2020 which was amended on 28 December 2020, which provides for the issue of maximum 10,000 equity shares to employees at an exercise price equivalent to the fair market value of the shares of the Company as on date of the grant of the options plus tax.

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding at the beginning of the year	811	18,332.59	-	18,332.59
Options granted during the year(ESOP)	3,060	20,935.18	811	18,332.59
Options exercised during the year	-	20,935.18	-	18,332.59
Options forfeited during the year	(226)	20,935.18	-	18,332.59
<b>Options outstanding at the end of year</b>	<b>3,645</b>	<b>20,935.18</b>	<b>811</b>	<b>18,332.59</b>
Options exercisable	203	20,935.18	203	18,332.59

Effective from 2014, Indegene allocates the subsidiaries for the employee stock option plan cost pertaining to the employees of the subsidiaries.

Information on outstanding options is set out below.

Particulars	As at 31 March 2022	As at 31 March 2021
<i>Options outstanding at the end of the year</i>		
Number of options outstanding	18,505	24,995
Weighted average remaining contractual life in years	2.23	1.00
Weighted average remaining contractual life in years (ESOP 2020)	11.47	-
Weighted average exercise price (in ₹)	50.00	50.00

### 13(a). Other equity

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Reserves and surplus</b>		
Securities premium reserve	2,809	162
Share based payment reserve	58	44
Retained earnings	3,677	2,350
<b>Other equity</b>		
Share application money pending allotment	-	-
Other comprehensive income	(48)	(20)
	<b>6,496</b>	<b>2,536</b>

### Nature and purpose of other equity

#### Securities premium reserve

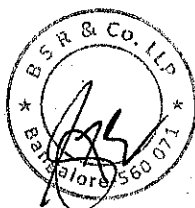
Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

#### Share based payment reserve

Share based payment reserve is used to recognise the grant date fair value of options issued to employees under various ESOP and RSU plans.

### 13(b). Shares pending issuance

The Company on 29 January 2021 entered into Share Subscription Agreement ('SSA') with CA Dawn Investments, BPC Genesis Fund I SPV, Ltd and BPC Genesis Fund I-A SPV, Ltd (collectively referred as 'Investors') in respect of raising funds. The condition precedent to the SSA was completed on 15 April 2021, upon which the Company issued 72,927 equity shares to investors. As at 31 March 2021 these shares were shown as shares pending issuance in standalone financials.





**Indegene Private Limited**  
**Notes forming part of the standalone financial statements**  
(All amounts in ₹ millions, except share data and where otherwise stated)

**14. Borrowings**

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Current</b>		
Cash credit facility (secured)		
Kotak Mahindra Bank Ltd,	-	-
The Hongkong and Shanghai Banking Corporation Limited,	-	-
Citibank N.A.,	-	-
<b>Total Current</b>	-	-
<b>Total Borrowings</b>	-	-

Cash credit facility availed from Kotak Mahindra Bank Ltd, The Hongkong and Shanghai Banking Corporation Limited and Citibank N.A with the repayment term of 90 days to 120 days at an interest rate of 6 months LIBOR + 1.25% p.a, which are secured against charge created on all current and movable assets of the Company and lien on fixed deposit maintained with the bank at treasury rates prevailing on date of disbursement.

Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

**14a. Other financial liabilities**

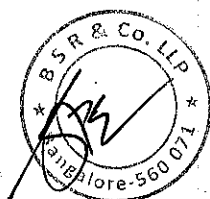
Particulars	As at 31 March 2022	As at 31 March 2021
<b>Current</b>		
Accrued compensation to employees	408	-
Capital creditors	4	-
Intercompany payable (refer note 27)	48	-
Others	12	-
<b>Total</b>	<b>472</b>	<b>-</b>

**15. Provisions**

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Non-current</b>		
Provision for gratuity (refer note 24)	265	132
	<b>265</b>	<b>132</b>
<b>Current</b>		
Provision for gratuity (refer note 24)	23	1
Provision for employee compensated absences	211	119
Provision for income tax	-	52
	<b>234</b>	<b>172</b>
<b>Total</b>	<b>499</b>	<b>304</b>

**16. Other liabilities**

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Current</b>		
Unearned revenue	164	132
Advance from customers	5	3
Payable to related party (refer note 27)	-	27
Others	12	-
Statutory payables	153	63
	<b>334</b>	<b>225</b>



**Indegene Private Limited**  
**Notes forming part of the standalone financial statements**  
(All amounts in ₹ millions, except share data and where otherwise stated)

**17. Trade payables**

Particulars	As at	As at
	31 March 2022	31 March 2021
Total outstanding dues of micro enterprises and small enterprises ('MSME')	10	17
Total outstanding dues of creditors other than micro enterprises and small enterprises	248	411
<b>Total</b>	<b>258</b>	<b>428</b>

Ageing for trade payables outstanding as at 31 March, 2022 is as follows:

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
i MSME	10	-	-	-	-	10
ii Others	8	1	-	-	-	9
iii. Disputed dues-MSME	-	-	-	-	-	-
iv. Disputed dues-Others	-	-	-	-	-	-
<b>Total</b>	<b>18</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19</b>
Accrued expenses						239
						<b>258</b>

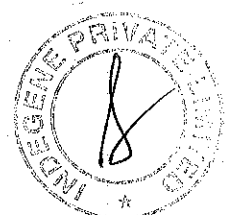
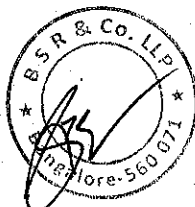
Ageing for trade payables outstanding as at 31 March, 2021 is as follows:

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
i MSME	17	-	-	-	-	17
ii Others	41	-	-	-	-	41
iii. Disputed dues-MSME	-	-	-	-	-	-
iv. Disputed dues-Others	-	-	-	-	-	-
<b>Total</b>	<b>58</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58</b>
Accrued expenses						370
						<b>428</b>

**17a. Dues to "Micro Small and Medium Enterprises"**

The Ministry of Micro, Small and Medium Enterprises has issued an Official Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprise as at 31 March 2022 and 31 March 2021, has been made in the financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006").

Particulars	31 March 2022	31 March 2021
The amounts remaining unpaid to micro and small suppliers as at the end of the accounting year		
– Principal	10	17
– Interest	-	-
The amount of interest paid by the buyer as per the MSMED Act, 2006	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	14	^
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	^	^
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductibles expenditure under the MSMED Act, 2006.	^	^



**18. Revenue from operations**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from rendering of services*	8,367	5,110
	<b>8,367</b>	<b>5,110</b>

\* Includes revenue from related parties ₹ 7,043 (31 March 2021 : ₹ 3,118).

**18A. Other income**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income	63	10
Foreign exchange gain, net	157	88
Net gain on disposal / fair valuation of investments carried through profit or loss	50	-
Miscellaneous income	2	3
Export Incentive income	-	140
Dividend income	6	-
	<b>278</b>	<b>241</b>

**19. Employee benefits**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and bonus	4,677	2,524
Contribution to provident fund and other funds	241	100
Gratuity and other defined plans	239	80
Staff welfare	65	11
Share-based compensation	38	15
	<b>5,260</b>	<b>2,730</b>

**20. Finance costs**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest expense	10	32
Interest expense - IND AS 116 impact	17	-
Bank and other incidental charges	3	3
	<b>30</b>	<b>35</b>

**21. Other expenses**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Sub-contracting / technical fees	762	495
Travelling and conveyance	24	4
Rent	32	31
Repairs and maintenance		
Computer consumables	142	88
Office maintenance	42	35
Others	37	7
Legal and professional charges	106	74
Recruitment charges	76	32
Communication charges	17	10
Subscription and periodicals	81	26
Insurance	8	6
Provision/(reversals) for doubtful debts and advance	-	(4)
Electricity and water	11	10
Rates and taxes	24	1
Corporate social responsibility expenses (refer note 30)	21	-
Provision for diminution in value of investments	-	22
Miscellaneous	37	27
	<b>1,420</b>	<b>876</b>

**21A. Auditors' remuneration (included in Legal and professional charges, excluding applicable taxes)**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Audit fees	2	2
Tax audit fees	^	^
Attestation services	^	^
	<b>2</b>	<b>2</b>



## 22. Financial instruments

### Financial instruments by category

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Financial assets</b>		
<b>FVTPL</b>		
Derivative financial assets	9	39
Investment (other than in subsidiary)	1,199	-
	<b>1,208</b>	<b>39</b>
<b>Amortised cost</b>		
Trade receivables	3,418	1,664
Cash and bank balances	278	116
Bank balances other than above	110	66
Security deposits	81	90
Loan	1,370	9
Other financial assets	19	38
	<b>5,276</b>	<b>1,983</b>
<b>Total financial assets</b>	<b>6,483</b>	<b>2,022</b>
<b>Financial liabilities</b>		
<b>Amortised cost</b>		
Borrowings	-	-
Lease liabilities	438	230
Trade payables	258	428
Other financial liabilities	472	-
	<b>1,168</b>	<b>658</b>
	<b>1,168</b>	<b>658</b>

The fair value of cash and cash equivalents, trade receivables, unbilled receivables, borrowings, trade payables, other current financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments.

The fair value of derivative financial instruments is determined based on observable market inputs including currency spot and forward rates, yield curves, currency volatility etc.

### Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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).

### As at 31 March 2022

Particulars	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Derivative instruments	-	9	-	9
Investment (other than in subsidiary)	1,199	-	-	1,199

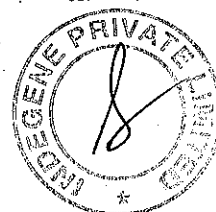
### As at 31 March 2021

Particulars	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Derivative instruments	-	39	-	39
Investment (other than in subsidiary)	-	-	-	-

The Company enters into derivative financial instruments with various counter-parties, primarily banks with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps and foreign exchange forward contracts. The most frequently applied valuation techniques include forward pricing, swap models and Black Scholes models (for option valuation), using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves of the underlying. As at 31 March 2022, the changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognized at fair value.

### Financial risk management

The Company has exposure to the credit, liquidity and market risks from its use of financial instruments. This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included in these standalone financial statements.



### **Risk management framework**

The Board of Directors have the overall responsibility for the establishment and oversight of the Company's risk management framework. 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 regularly to reflect changes in market conditions and the Company's activities. The Company through its training and management standards and procedures aims to develop a disciplined and constructive control environment in which all employees understand their rules and obligations.

### **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. The carrying amount of financial assets represents the maximum credit exposure.

#### *Trade receivables*

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The majority of the revenue of the Company is derived from customers located in North America and European Union. The Company derives significant portion of its revenue from a limited number of customers. The following table gives details in respect of percentage of revenue generated from top customer and top five customers excluding related party.

	Revenue from top customer	%	Revenue from top five customers	%
As at 31 March 2022	319	26.76	842	70.62
As at 31 March 2021	574	29.07	1553	78.66

The Company has established a credit policy under which each new customer is analysed individually for credit worthiness before the Company's standard payment and deliver terms and conditions are offered. The Company's review includes external ratings, when available, and in some cases bank references. The Company analyses trade receivables periodically and allowances for doubtful receivables are created on a customer specific basis if required.

#### *Financial assets that are neither past due nor impaired*

Cash and cash equivalents are neither past due nor impaired. Cash and cash equivalents with banks which have high credit-ratings assigned by domestic credit-rating agencies.

#### *Financial assets that are past due but not impaired*

The Company's credit period is generally 75 to 90 days. The ageing analysis of the trade receivables has been considered from the date the invoice falls due. The age wise break up of receivables, net of allowances that are past due, is given below:

Particulars	As at	As at
	31 March 2022	31 March 2021
Past due 0-30 days	824	681
Past due 31-90 days	1,360	773
Past due 91-365 days	1,234	210
More than 1 year	^	^
	<b>3,418</b>	<b>1,664</b>

The Company believes that the unimpaired amount that are past due are still collectible in full, based on historic payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings.

### **Liquidity risk**

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

Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows. As of 31 March 2022, cash and cash equivalents are held with major banks and financial institutions.

The table below provides details regarding the remaining contractual maturities of significant financial liabilities, including the estimated interest payments, at the reporting date.

As at 31 March 2022					
Contractual cash flows	Carrying value	6 months or less	6 months to 1 year	More than one year	Total
Trade payables	248	248	-	-	248
Lease liabilities	455	67	77	310	455
Other financial liabilities	472	472	-	-	472



As at 31 March 2021

Contractual cash flows	Carrying value	6 months or less	6 months to 1 year	More than one year	Total
Trade payables	411	411	-	-	411
Lease liabilities	250	230	20	-	250
Other financial liabilities	-	-	-	-	-

Except for these financial liabilities, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Foreign currency risk

The Company operates internationally and a major portion of its business is transacted in several currencies. Consequently, the Company is exposed to foreign exchange risk through receiving payment for sales and services in the India and elsewhere, and making purchases from overseas suppliers in various foreign currencies. The exchange rate risk primarily arises from foreign exchange revenue, receivables, cash balances, forecasted cash flows and payables. A significant portion of the Company's revenue is in the U.S. Dollar and the Euro, while a large portion of costs are in Indian rupees. The exchange rate between the rupee and these currencies has fluctuated significantly in recent years and may continue to fluctuate in the future. Appreciation of the rupee against these currencies can adversely affect the Company's results of operations.

The Company evaluates exchange rate exposure arising from these transactions and enters into foreign currency derivative instruments to mitigate such exposure. The Company follows established risk management policies, including the use of derivatives like foreign exchange forward/option contracts to hedge forecasted cash flows denominated in foreign currency.

The below table presents foreign currency risk from non-derivative financial instruments as of 31 March 2022 and 31 March 2021 :

As at 31 March 2022

Particulars	USD	EURO	Others*
Trade payables	6	5	3
Trade receivables	3,202	46	59
Cash and Bank balances	116	7	10
Other financial liabilities	48	33	^
Other financial assets	1,481	^	6
	<b>4,853</b>	<b>91</b>	<b>78</b>

As at 31 March 2021

Particulars	USD	EURO	Others*
Trade payables	39	7	14
Trade receivables	1,601	78	39
Cash and Bank balances	106	^	6
Other financial liabilities	101	24	17
Other financial assets	184	16	24
	<b>2,031</b>	<b>125</b>	<b>100</b>

Others\* includes GBP, CAD, CHF, JPY, RSD, TWD, SGD, RMB

As at 31 March 2022 and 31 March 2021, respectively, every 1% increase/decrease of the USD and EURO currencies compared to functional currency of the Company would impact results by approximately ₹ 6 and ₹ 7 respectively.

Interest rate risk

Interest rate risk primarily arises from floating rate borrowing, including various revolving and other lines of credit. Certain borrowings are also transacted at fixed interest rates. If interest rates were to increase by 75 bps from 31 March 2022, additional net annual interest expense on floating rate borrowing would amount to approximately Nil (2021: Nil).

23. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The capital is managed to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through an optimum mix of debt and equity within the overall capital structure.

Particulars	As at 31 March 2022	As at 31 March 2021
Total equity attributable to the share holders of the Company (A)	6,500	2,539
Borrowings (B)	-	-
Total capital C (A+B)	<b>6,500</b>	<b>2,539</b>
Total borrowings as a percentage of capital (B / C)	0%	0%
Total equity as a percentage of total capital (A / C)	100%	100%



**Indegene Private Limited and its subsidiaries****Notes forming part of the standalone financial statements**

(All amounts in ₹ millions, except share data and where otherwise stated)

**24. Employee benefits :**

The Company has classified various benefits provided to employees as under :

**Defined contribution plans**

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund, employee state insurance and labour welfare fund which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss. The amount recognised as an expense towards contribution to provident fund, employee state insurance and labour welfare fund for the year aggregated to ₹ 241 (2021: ₹ 100).

**Defined benefit plan**

The Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the company. Under the Company's gratuity scheme every employee who has completed 5 years or more of service, is eligible for gratuity on separation, worked out at 15 days salary (last drawn salary) for each completed year of service.

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

**Reconciliation of opening and closing balances of the present value of the defined benefit obligation**

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Defined benefit obligation at the beginning of the year</b>	133	96
Current service cost	74	31
Interest cost on obligation	9	6
Benefits paid	(16)	(6)
Demerger adjustments	-	(7)
Past service cost	52	-
Remeasurement loss /(gains)		
- Actuarial loss /(gain) arising from financial assumptions	(17)	3
- Actuarial loss /(gain) arising from demographic assumptions	(2)	-
- Actuarial loss /(gain) arising from experience assumptions	54	10
<b>Defined benefit obligation at the end of the year</b>	<b>287</b>	<b>133</b>

**Reconciliation of present value of the obligation and the fair value of the plan assets:**

Particulars	As at 31 March 2022	As at 31 March 2021
Fair value of plan assets at the end of the year	-	-
Present value of the defined benefit obligations at the end of the year	287	133
<b>Liability recognized in balance sheet</b>	<b>287</b>	<b>133</b>
Current	22	9
Non-current	265	124

**Amount recognized in the statement of profit and loss in respect of defined benefit plans:**

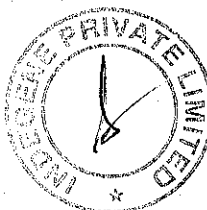
Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current service cost	74	31
Past service cost	52	-
Net Interest cost on defined benefit obligation	9	6
<b>Total expenses included in employee benefits and finance cost</b>	<b>135</b>	<b>37</b>

**Amount recognized in the Other Comprehensive Income in respect of defined benefit plans:**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Remeasurement loss /(gains)		
- Actuarial loss /(gain) arising from financial assumptions	(17)	3
- Actuarial loss /(gain) arising from demographic assumptions	(2)	-
- Actuarial loss /(gain) arising from experience assumptions	54	10
	<b>35</b>	<b>13</b>

**The principal assumptions used in determining benefit obligation are as shown below :**

Particulars	As at 31 March 2022	As at 31 March 2021
Discount rate (p.a)	7.00%	6.50%
Salary growth rate (p.a)	7.00%	7.00%



**Sensitivity for significant actuarial assumptions is computed to show the movement in defined benefit obligation by 1 percentage.**

Particulars	As at 31 March 2022	As at 31 March 2021
Projected benefit obligation on Current assumption	287	133
Impact of change in discount rate by +1%	(29)	(8)
Impact of change in discount rate by -1%	35	27
Impact of change in salary rate by +1%	34	24
Impact of change in salary rate by -1%	(30)	(6)
Impact of change in attrition rate by +50%	(11)	3
Impact of change in attrition rate by -50%	12	14
Impact of change in mortality rate by +1%	^	8
Impact of change in mortality rate by -1%	^	8

Sensitivity to significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant. In practice, this is not probable, and changes in some of the assumptions may be correlated.

**The maturity profile of defined benefit obligation is as follows:**

Particulars	As at 31 March 2022	As at 31 March 2021
1 year	23	9
2 to 5 years	72	33
6 to 10 years	100	44
More than 10 years	549	277

## 25. Income tax

**Income tax expense consists of the following:**

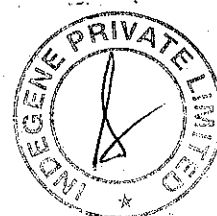
Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current taxes	288	286
	288	286
Deferred taxes	(58)	(17)
MAT credit written off / (utilisation)	142	-
Total deferred taxes	84	(17)
<b>Total income taxes</b>	<b>372</b>	<b>269</b>

The reconciliation between the provision of income tax and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit from continuing operation before tax	1,699	1,564
Profit from discontinued operations before tax	-	35
Profit before taxes	1,699	1,564
Enacted income tax rate in India	29.12%	29.12%
Computed expected tax expense	495	455
Effect of:		
Income exempt from tax	(245)	(205)
MAT credit written off	142	-
Others, net	(20)	19
<b>Total income taxes expenses</b>	<b>372</b>	<b>269</b>

**Movement in deferred tax balance:**

For the year ended 31 March 2022	Opening balance	Recognised in P&L	Amount in OCI	Closing balance
Deferred tax liabilities	-	-	-	-
Plant and Equipment	(9)	3	-	(6)
Deferred tax assets	-	-	-	-
MAT credit entitlement	142	(142)	-	-
Employee related accruals and Provisions	42	77	7	126
Others	8	(22)	-	(14)
<b>Net tax assets/(liabilities)</b>	<b>183</b>	<b>(84)</b>	<b>7</b>	<b>106</b>





**Indegene Private Limited and its subsidiaries**  
**Notes forming part of the standalone financial statements**  
(All amounts in ₹ millions, except share data and where otherwise stated)

For the year ended 31 March 2021	Opening balance	Recognised in P&L	Amount in OCI	Closing balance
Deferred tax liabilities	-	-	-	-
Plant & Equipment	(8)	(1)	-	(9)
MAT credit entitlement	145	(3)	-	142
Employee related accruals & Provisions	28	12	2	42
Others	5	6	-	11
Demerger adjustment	-	-	-	(3)
<b>Net tax assets/(liabilities)</b>	<b>170</b>	<b>14</b>	<b>2</b>	<b>183</b>

In assessing the realizability of deferred tax assets, the Company considers the extent to which it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on this, the Company believes that it is probable that the Company will realize the benefits of these deductible differences. The amount of deferred tax asset considered realizable, however, could be reduced in the near term if the estimates of future taxable income during the carry-forward period are reduced.

"The Company elected to move to new tax regime in financial year 2022-2023 as per Section 115 BAA of Income Tax Act, 1961 hence the available MAT credit balance is written off".

## 26. Earnings per share

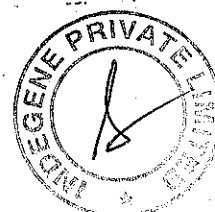
Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year, excluding equity shares purchased by the Company and held as treasury shares.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares, except where the results would be anti-dilutive. Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date.

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit for the year	1,327	1,324
Weighted average number of equity shares outstanding <sup>(1)</sup>	219,534,458	197,604,245
<b>Basic earnings per share - continuing and discontinued operations</b>	<b>6.05</b>	<b>6.70</b>
Basic earnings per share - continuing operations	6.05	6.55
Basic earnings per share - discontinued operations	-	0.15

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit for the year	1,327	1,324
Less : Net gain on extinguishment of financial liability (refer note 33)	-	(30)
	<b>1,327</b>	<b>1,294</b>
Weighted average number of equity shares outstanding	219,534,458	197,604,245
OCCPS <sup>(1)</sup>	-	9,012,553
Effect of dilutive equivalent share options <sup>(1)</sup>	1,164,061	2,306,375
<b>Diluted earnings per share - continuing and discontinued operations</b>	<b>6.01</b>	<b>6.19</b>
Diluted earnings per share - continuing operations	6.01	6.05
Diluted earnings per share - discontinued operations	-	0.14

<sup>(1)</sup> Pursuant to resolution passed by the shareholders of the Company on 06 July 2022, the Company has allotted 217,792,121 equity shares of face value of Rs 2 each by way of bonus issue to its shareholders bonus shares in the ratio of 1:125 effective 06 July 2022. Accordingly, basic and diluted earning per share for the current year and for earlier year have been calculated / restated after considering the above bonus issue and appropriate adjustments on bonus shares to the outstanding options granted to the employees under the ESOP scheme and OCCPS in terms of Ind AS-33 "Earnings Per Share" (refer note 37).



**Indegene Private Limited and its subsidiaries**
**Notes forming part of the standalone financial statements**

(All amounts in ₹ millions, except share data and where otherwise stated)

**27. Related party relationships and transactions**

List of subsidiaries and step subsidiaries as at 31 March 2022, are provided in the table below:

List of subsidiaries	Country of Incorporation	Percentage of holding (%)
ILSL Holdings Inc.	USA	100
Indegene Fareast Pte Ltd.	Singapore	100
Indegene Europe LLC	Switzerland	100
Indegene Lifesystems Consulting (Shanghai) Co. Ltd.	China	100
Indegene Japan, GK <sup>(1)</sup>	Japan	100
Indegene Healthcare Mexico S DE RL DE CV <sup>(2)</sup>	Mexico	100

<sup>(1)</sup>The company has been registered w.e.f June 15, 2020.

<sup>(2)</sup>Incorporated on December 02, 2021

Step subsidiaries	Country of Incorporation	Percentage of holding (%)
<b>Subsidiaries of ILSL Holdings Inc</b>		
Indegene Inc	USA	100
Medcases LLC	USA	100
Indegene Healthcare LLC	USA	100
Services Indegene Aptilon Inc	Canada	100
Indegene Wincore Inc*	USA	100
Indegene Ireland Limited	Ireland	100
DT Associates Research and Consulting Services Ltd	England and Wales	60
Medical Marketing Economics, LLC (27 August 2021 upto 31 December 2021**)	USA	NA

\*Merged with Indegene Inc. on 01 July 2021

\*\*Acquired as on 27 August 2021 and merged with Indegene Inc. on 01 January 2022

**The list of controlled trusts are:**

Name of the entity	Country of Incorporation
Indegene Employee Welfare Trust	India

**Key Managerial Personnel:**

Mr. Manish Gupta - Chief Executive Officer and Director

Dr. Sanjay S Parikh - Director

The transactions entered into with related parties during the year ended 31 March 2022 and 31 March 2021, are set out below:

Description of transactions	Related Party	31 March 2022	31 March 2021
	Mr. Manish Gupta	33	26
Remuneration to key managerial personnel	Dr. Sanjay S Parikh	24	22

\*The remuneration does not include gratuity, employee stock compensation costs, leave encashment as the same cannot be specifically identified.

Name of the other related parties	Nature
OT Services Private Limited, India *	Entity with common shareholders with significant influence

\* Refer note 29

Balances outstanding at the year end	Entity with common shareholders having significant influence	
	31 March 2022	31 March 2021
Other payables	5	35

**Transactions with the above related parties during the year:**

Nature of transactions	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from operations	7,043	3,118
Expenses paid on behalf of subsidiaries	2	34
Expenses of consultancy	37	19
Expenses paid by subsidiaries on behalf of the Company	25	8
Investment in subsidiary	-	153
Loan to subsidiaries	1,330	-
Repayment of loan from subsidiaries	3	5
Interest income during the year	55	3
Dividend received	6	-



**Indegene Private Limited and its subsidiaries**  
**Notes forming part of the standalone financial statements**  
(All amounts in ₹ millions, except share data and where otherwise stated)

**Balances receivable/payable from / to related parties are as follows:**

Nature of transaction	As at 31 March 2022	As at 31 March 2021
Trade receivables	3,037	1,337
Loan receivables	1,366	37
Receivables*	23	38
Payables	48	27

\* Includes the balances being in the nature of interest accrued towards loans given to subsidiaries of the company, reimb, where applicable and inter-corporate deposits with subsidiary.

The Following are the significant related party transactions during the year ended 31 March, 2022 and 2021:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Revenue from operations</b>		
Indegene Fareast Pte Ltd., Singapore	2	4
Indegene, Inc.	6,990	3,058
Indegene Healthcare LLC	-	19
Indegene Lifesystems Consulting (Shanghai) Co. Ltd., China	34	21
Others	17	16
<b>Expenses paid by subsidiaries on behalf of Indegene</b>		
Indegene, Inc.	25	8
<b>Expenses of consultancy</b>		
DT Consulting	32	16
Indegene Fareast Pte Ltd., Singapore	6	3
<b>Expenses paid on behalf of subsidiaries</b>		
Indegene, Inc.	0	23
DT Consulting	1	1
Indegene Lifesystems Consulting (Shanghai) Co. Ltd., China	1	2
Services Indegene Aptilon Inc	1	-
Indegene Japan LLC	-	7
<b>Investment in subsidiary</b>		
Indegene Lifesystems Consulting (Shanghai) Co. Ltd., China	-	59
Indegene Japan LLC	-	94
<b>Loan to subsidiaries</b>		
ILSL Holdings, Inc., USA	1,330	-
<b>Repayment of loan by subsidiaries</b>		
Indegene Lifesystems Consulting (Shanghai) Co. Ltd., China	3	5
<b>Interest income during the year</b>		
ILSL Holdings, Inc., USA	52	-
Indegene Lifesystems Consulting (Shanghai) Co. Ltd., China	4	3
<b>Dividend received</b>		
Indegene Fareast Pte Ltd., Singapore	6	-
<b>Key Managerial Personnel</b>		
Remuneration to key managerial personnel	58	48

\* The remuneration does not include gratuity, employee stock compensation costs, leave encashment as the same cannot be specifically identified.

**28. Commitments and Contingencies**

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

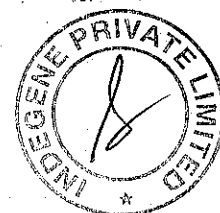
Particulars	As at 31 March 2022	As at 31 March 2021
Bank guarantee issued by the bank in favour of government	^	^
Income tax matters	5	5
	<u>5</u>	<u>5</u>

Additionally, the company believes that other disputes, lawsuits and claims, including commercial matters, which arise from time to time in the ordinary course of business will not have any material adverse effect on its standalone financial statements in any given financial year.

**Income tax matters**

The company has received tax demand orders for various assessment years the company has filed appeals against such orders at various levels of income tax jurisdiction. The final order against the appeals made are yet to be received.

The management is of the view that these will not have any material adverse effect on the company's financial position or results of operations.



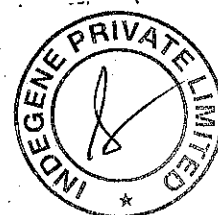
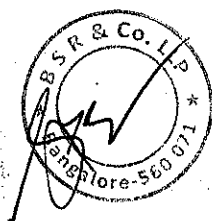
**29. Demerger of commercial software business (held for distribution)**

During the year, the Company has demerged its the Commercial Software Business ('Demerged Business') pursuant to a scheme of arrangement ("Scheme") for transfer of the Demerged Business to OT Services Private Limited ("Resulting Company"), a company incorporated under the laws of India. The Resulting Company, issued either its equity or redeemable preference shares in consideration of the Demerger to each shareholder of the Company on a proportionate basis. The Scheme has been approved by the National Company Law Tribunal ('NCLT') with the appointed date of 01 October 2020. Approved order has been received by the Company on 17 December 2021 and a certified copy has been filed by the Company with the Registrar of Companies, Karnataka on 30 December, 2021.

The Company has given effect to the Scheme from the retrospective appointed date specified therein i.e. 01 October 2020 which overrides the relevant requirement of accounting principles generally accepted in India (according to which the demerger would have been accounted for from the date when NCLT approved the scheme) and has restated the comparatives to exclude the transactions of the Demerged Business w.e.f. 01 October 2020. The transactions of the Demerged Business for the period 01 April 2020 to 30 September 2020 and costs relating to demerger is presented as discontinued operations in the statement of profit and loss.

The financial impact of the aforesaid deviation is as below:

	For the year ended 31 March 2022	For the period 01 April 2020 to 30 September 2020
<b>(a) Results of discontinued operation:</b>		
<b>Income</b>		
Revenue from operations	-	140
Other income	-	-
<b>Total income</b>	-	140
<b>EXPENSES</b>		
Employee benefits expense	-	98
Finance costs	-	-
Depreciation and amortisation	-	-
Other expenses	-	7
<b>Total expenses</b>	-	105
<b>Profit before tax</b>	-	35
Tax expense	-	(6)
<b>Profit after tax</b>	-	29
<b>(b) Cash flows from (used in) discontinued operation:</b>		
	For the year ended 31 March 2022	For the period 01 April 2020 to 30 September 2020
Net cash from operating activities	-	45
Net cash used in investing activities	-	(30)
Net cash from/(used in) financing activities	-	-
	-	15
<b>(c) Effect of disposal on the financial position of the Company</b>		
	As at 31 March 2022	As at 30 September 2020
<b>Non-current assets</b>		
Plant and equipment	-	1
Deferred tax assets, net	-	4
Investments	-	1,811
Other financial assets	-	2
Other non-current assets	-	0
	-	1,818
<b>Current assets</b>		
Trade receivables	-	49
Cash and bank balances	-	15
Other current assets	-	-
	-	64
<b>Total Asset (A)</b>	-	1,882
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	-	1,857
Other equity	-	-
<b>Total Equity</b>	-	1,857
<b>Current liabilities</b>		
(ii) total outstanding dues of other than (i) above	-	12
Other financial liabilities	-	-
Other current liabilities	-	-
Short-term provisions	-	13
	-	25
<b>TOTAL</b>	-	1,882



## Indegene Private Limited and its subsidiaries

## Notes forming part of the standalone financial statements

(All amounts in ₹ millions, except share data and where otherwise stated)

Restated of the comparatives to exclude the transactions of the Demerged Business w.e.f. 01 October 2020

**Balance sheet**

Particulars	As at 31 March 2021	Demerger Effect	As at 31 March 2021 (restated)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment	202	-	202
Right-of-use assets	204	-	204
Financial assets			
Investments	834	-	834
Loan	98	-	98
Other financial assets	-	-	-
Deferred tax assets, net	183	-	183
Non-current tax assets	25	-	25
Other non-current assets	1	-	1
	<b>1,547</b>	<b>-</b>	<b>1,547</b>
<b>Current assets</b>			
Financial assets			
Trade receivables	1,664	-	1,664
Cash and cash equivalents	116	-	116
Bank balances other than above	66	-	66
Other financial assets	165	-	165
Other current assets	168	-	168
	<b>2,179</b>	<b>-</b>	<b>2,179</b>
Assets classified as held for distribution	1,904	(1,904)	-
<b>TOTAL</b>	<b>5,630</b>	<b>(1,904)</b>	<b>3,726</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	3	-	3
Share pending issuance	-	-	-
Other equity	4,403	(1,867)	2,536
<b>Total Equity</b>	<b>4,406</b>	<b>(1,867)</b>	<b>2,539</b>
<b>Non-current liabilities</b>			
Financial liabilities			
Lease liabilities	122	-	122
Long-term provisions	132	-	132
	<b>254</b>	<b>-</b>	<b>254</b>
<b>Current liabilities</b>			
Financial liabilities			
Short-term borrowings	-	-	-
Trade payables	-	-	-
(i) Total outstanding dues of micro enterprises and small enterprises	17	-	17
(ii) Total outstanding dues of other than (i) above	411	-	411
Lease liabilities	108	-	108
Other financial liabilities	-	-	-
Short-term provisions	120	-	120
Income tax liabilities	55	(3)	52
Other current liabilities	225	-	225
	<b>936</b>	<b>(3)</b>	<b>933</b>
Liabilities directly associated with held for distribution	34	(34)	-
<b>TOTAL</b>	<b>5,630</b>	<b>(1,904)</b>	<b>3,726</b>

**Statement of profit and loss**

Particulars	For the year ended 31 March 2021	Demerger Effect	For the year ended 31 March 2021 (restated)
<b>INCOME</b>			
Revenue from operations	5,110	-	5,110
Other income	241	-	241
<b>Total income</b>	<b>5,351</b>	<b>-</b>	<b>5,351</b>
<b>EXPENSES</b>			
Employee benefits expense	2,730	-	2,730
Finance costs	35	-	35
Depreciation and amortisation	176	-	176
Other expenses	876	-	876
<b>Total expenses</b>	<b>3,817</b>	<b>-</b>	<b>3,817</b>
<b>Profit before exceptional items and tax</b>	<b>1,534</b>	<b>-</b>	<b>1,534</b>
Exceptional items	30	-	30
<b>Profit from continuing operation before tax</b>	<b>1,564</b>	<b>-</b>	<b>1,564</b>
<b>Tax expense</b>			
Current tax expense	286	-	286
Deferred tax (credit)	(14)	(3)	(17)
	<b>272</b>	<b>(3)</b>	<b>269</b>
<b>Profit from continuing operations after tax</b>	<b>1,292</b>	<b>3</b>	<b>1,295</b>
<b>Discontinued operation</b>			
Profit from discontinued operations before tax	51	(16)	35
Tax expense of discontinued operation	(9)	3	(6)
<b>Profit from discontinued operation after tax</b>	<b>42</b>	<b>(13)</b>	<b>29</b>
<b>Profit for the year</b>	<b>1,334</b>	<b>(10)</b>	<b>1,324</b>



**30. Corporate Social Responsibility ('CSR')**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
a. Amount required to be spent by the company during the year	21	12
b. Amount of expenditure incurred,	21	12
c. Shortfall at the end of the year	-	-
d. Total of previous years shortfall	-	-
e. Reason for shortfall,	NA	NA
f. Nature of CSR activities,	Education, Health, Technology	
g. Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	-	-
h. where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	-	-

**31. Uncertainties due to COVID-19 global health pandemic**

The company, in light of the COVID-19 pandemic outbreak has taken measures to protect the health of its employees and ensure business continuity with minimal disruption. The company has considered internal and external information while assessing various estimates in relation to its standalone financial statement captions. The impact of COVID-19 remains uncertain and may be different from what we have estimated as of the date of approval of these standalone financial statements and the company will continue to closely monitor any material changes to future economic conditions.

**32. Segment information**

The Company publishes this standalone financial statement along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

**33. Exceptional items**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Gain on extinguishment of financial liability	-	366
Interest expense on convertible preference shares	-	(336)
	-	30

**OCCPS and reclassification to equity**

The Optionally Convertible Cumulative Preference shares ('OCCPS') represent 7,169,000 Series A and 687,000 Series B fully paid preference shares. Based on the terms, these have been classified as financial instrument in the nature of financial liability, initially recognised at fair value. The liability is subsequently recognised on an amortised cost basis using effective interest method in relation to the redemption rate agreed with the holders of the OCCPS, until extinguished on conversion or redemption.

On 25 March 2021, the holders of the Preference Shares have entered into a commitment for exercising the conversion option and therefore the carrying value of the OCCPS, on the date of commitment, represented as financial liability has been classified as equity owing to the commitment by the holders. The said shares have been converted to equity shares on 16 April 2021.

During the previous year, adjustment was done to OCCPS for the shares related to commercial software business (note 29), pursuant to agreement with the holders and the net adjusted value was considered for the computation of equity conversion.

The Financial liability was accounted as below:

Particulars	Amount
Financial liability as at 31 March 2020	3,153
Interest accrued for the year	336
Reclassified as equity owing to the commitment by the holders	(3,123)
Gain on extinguishment of financial liability	(366)
Financial liability as at 31 March 2021	

**34. Note on "Code on Social Security 2020"**

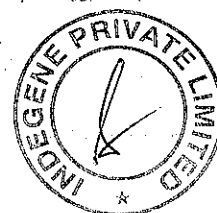
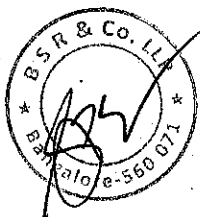
The Code on Social Security, 2020 ("the Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified.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

**35. Additional regulatory information**

**a) Analytical ratio**

The following are analytical ratios for the year ended 31 March 2022 and 31 March 2021

Ratio	Numerator	Denominator	Current year	Previous year	Variance %
Current Ratio (in times)*	Current assets	Current liabilities	3.80	2.33	63%
Debt - Equity ratio (in times)	Total Debt (borrowings + lease liabilities)	Total equity	0.07	0.09	-26%
Debt service coverage ratio (in times)	Earnings for debt service= Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments debt	Debt Service (Interest and lease payments + Principal repayments)	NA	NA	NA
Return on equity ratio (in %)**	Net profit after taxes	Average Shareholder's Equity	29%	106%	-72%
Trade receivables turnover ratio (in times)**	Revenue from operations	Average Trade Receivable	3.29	4.52	-27%
Trade payables turnover ratio (in times)^	Other expenses in statement of profit and loss	Average Trade Payables	4.14	2.60	59%
Net capital turnover ratio (in times)^	Revenue from operations	Working Capital (current assets - current liabilities)	2.12	4.10	-48%
Net profit ratio (in %)^	Profit for the year	Revenue from operations	16%	26%	-39%
Return on capital employed (in %)**	Earning before interest and taxes	Capital Employed	25%	57%	-56%
Return on investment (in %)	Income generated from invested funds	Average invested funds in treasury investments	4%	NA	NA



- \* Investment in mutual fund resulted in improvement in ratio.  
\*\* Variance is on account of increase in equity compared to previous year ratio.  
\*\*\* Variance is on account of conversion of debt to equity in the previous year leading to significant improvement in previous year ratio.  
^Improvement in trade payable turn over ratio is due to better vendor payment cycle  
^^ Variance due to investment resulted in decrease in ratio.  
^^^Increase in cost resulted in decrease in ratio.

- b) The title deeds of the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- c) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- d) The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.
- e) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- f) The Company is not declared as wilful defaulter by any bank or financial institution or government or any government authority.
- g) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- h) The Company does not have any investment property during the financial year.
- i) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), during the financial year which are repayable on demand or without specifying any terms or period of repayment.
- j) The Company doesn't have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as search or survey.

36. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). Further, 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.

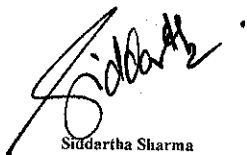
#### 37. Subsequent events


The Company has evaluated all events or transactions that occurred after 31 March 2022 up through 28 July 2022, the date the standalone financial statements were authorised for issue by the Board of Directors. Pursuant to resolution passed by the shareholders of the Company on 6 July 2022 the Company has allotted by way of bonus issue to its shareholders shares in the ratio of 1:125 on 06 July 2022.

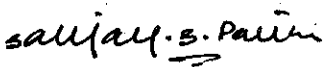
38. Previous year's figures have been regrouped / reclassified pertaining to security deposit ₹ 89 from loan to other financial assets and unbilled ₹ 87 from other financials asset to trade receivable to conform with amendment in Schedule III to the Companies Act' 2013, issued by Ministry of Corporate Affairs vide notification dated 24 March 2021.

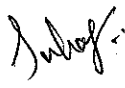
As per our report of even date attached  
for **B S R & Co. LLP**  
Chartered Accountants  
Firm's registration number: 116231W/W-100024


for and on behalf of the Board of Directors of  
**Indegene Private Limited**

  
**Sudartha Sharma**  
Partner  
Membership number: 118756  
Place: Bengaluru  
Date: 28 July 2022

  
**Manish Gupta**  
Chief Executive Officer and Director  
DIN: 00219273  
Place: Bengaluru  
Date: 28 July 2022

  
**Dr. Sanjay Parikh**  
Director  
DIN: 00219278  
Place: Bengaluru  
Date: 28 July 2022

  
**Suhas Prabhu**  
Senior Vice President - Finance  
Place: Bengaluru  
Date: 28 July 2022

  
**Srishiti Kulkarni**  
Company Secretary  
Place: Bengaluru  
Date: 28 July 2022