B S R & Co. LLP
Chartered Accountants

Building No.10,12th Floor, Tower-C,
DLF Cyber City, Phase-II,
Gurugram – 122 002, India

Telephone: +91 124 719 1000
Fax: +91 124 235 8613

Independent Auditor's Report

To the Members of Hiranandani Healthcare Private Limited

Report on the Audit of the Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 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 Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Emphasis of Matter

a. We draw attention to Note 28 (c) of the financial statements, which describes in detail the matter relating to the termination of hospital lease agreement by Navi Mumbai Municipal Corporation vide order dated 18 January 2017. The Company has filed a Writ Petition before the Hon'ble Supreme Court of India challenging the Termination Order, which is pending hearing and disposal. Based on the opinion obtained from the legal counsel, the management is confident that the Company will be able to successfully defend the termination order. However, due to uncertainties involved, the ultimate outcome will be ascertained on disposal of the said petition.

   Our opinion is not modified in respect of this matter.

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If,

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

Registered Office
14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other 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 balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e. The matter described in the "Emphasis of Matter" paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

f. 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.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements - Refer Note 28 to the 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 it's knowledge and belief, as disclosed in the Note 37 (iii) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other 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 it's knowledge and belief, as disclosed in the Note 37 (iv) to the 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.

C. With respect to the matter to be included in the Auditors' Report under section 197(16):

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

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

Chartered Accountants

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

Rajesh Arora

Partner

Membership No.: 076124

ICAI UDIN:22076124ANFIJU2223

Place: Gurugram

Date: 19 July 2022

Annexure A to the Independent Auditor's Report on the Financial Statements of Hiranandani Healthcare 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 the period of three years. In accordance with this programme, all 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 material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company. Also refer to the matter described in the "Emphasis of matter" section.

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

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

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from bank or financial institution on the basis of security of current assets. 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 requirement to file any quarterly returns or statements with such bank or financial institution.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

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

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(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 been regularly deposited by the Company with the appropriate authorities.

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, Duty of Customs 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.

(vii) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rupees in lacs)	Amount Paid under Protest (Rupees in lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax and Interest thereon	831.90	117.23	AY 2012-13	Commissionerof Income Tax (Appeals) New Delhi
Income Tax Act, 1961	Income Tax and Interest thereon	62.17	-	AY 2013-14	Commissioner of Income-tax (Appeals), New Delhi
Income Tax Act, 1961	Income Tax and Interest thereon	91.40	-	AY 2014-15	Commissioner of Income-tax (Appeals), New Delhi
Income Tax Act, 1961	Income Tax and Interest thereon	277.12	-	AY 2015-16	Commissionerof Income-tax (Appeals), New Delhi

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

(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) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not used funds raised on short-term basis for long-term purposes.

(e) According to the information and explanations given to us and procedures performed by us, the Company does not have any subsidiaries, joint ventures or associate companies (as defined under the Act). Accordingly, clause 3(ix)(e) of the Order is not applicable

(f) According to the information and explanations given to us and procedures performed by us, the Company does not have any subsidiaries, joint ventures or associate companies (as defined under the Act). Accordingly, Clause 3(ix)(f) of the Order is not applicable.

(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 preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with related parties are in compliance with Section 188 of the Act, where applicable, and the details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards. According to the information and explanations given to us, the provisions of Section 177 of the Act are not applicable to the Company.

(xiv) An our opinion and based on the information and explanations provided to us, the Company does not have an internal audit system and is not required
to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv)(a) and clause 3(xiv)(b) of the Order is not applicable.

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

(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) According to the information and explanations provided to us, there is no core investment company within the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016). Accordingly, clause 3(xvi)(d) of the Order is not applicable. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

(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 financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Rajesh Arora
Partner
Membership No.: 076124
ICAI UDIN:22076124ANFIJU2223

Place: Gurugram
Date: 19 July 2022

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

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

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

Opinion

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

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 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 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 provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

Annexure B to the Independent Auditor's Report on the financial statements of Hiranandani Healthcare Private Limited for the year ended 31 March 2022 *(Continued)*

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Rajesh Arora
Partner
Membership No.: 076124
ICAI UDIN:22076124ANFIJU2223

Place: Gurugram
Date: 19 July 2022

HIRANANDANI HEALTHCARE PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2022

Particulars	Notes	As at March 31, 2022 (Rupees in lacs)	As at March 31, 2021 (Rupees in lacs)
ASSETS			
A. Non-current assets			
(a) Property, plant and equipment	3(i)	4,115.17	3,838.71
(b) Capital work-in-progress	3(ii)	75.17	3.93
(c) Right-of-use assets	30(ai)	404.32	479.80
(d) Intangible assets	3(iii)	121.73	163.89
(e) Intangible assets under development	3(iv)	-	7.06
(f) Financial assets			
(i) Other financial assets	4a	85.57	84.32
(g) Deferred tax assets (net)	5	-	-
(h) Non-current tax assets (net)	6	3,087.22	2,508.53
(i) Other non-current assets	7	30.72	10.60
Total non-current assets (A)		**7,919.90**	**7,096.84**
B. Current assets			
(a) Inventories	8	161.00	89.50
(b) Financial assets			
(i) Trade receivables	9	1,541.25	1,676.40
(ii) Cash and cash equivalents	10a	16.14	67.74
(iii) Bank balances other than (ii) above	10b	7.29	7.29
(iv) Other financial assets	4b	11.68	21.48
(c) Other current assets	7	160.41	101.73
(d) Assets classified as held for sale	17b	241.34	310.30
Total current assets (B)		**2,139.11**	**2,274.44**
Total assets (A+B)		**10,059.01**	**9,371.28**
EQUITY AND LIABILITIES			
A. Equity			
(a) Equity share capital	11	561.33	561.33
(b) Other equity		4,734.22	3,931.42
Total equity (A)		**5,295.55**	**4,492.75**
Liabilities			
B. Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	30(a)	449.46	478.53
(ii) Borrowings	12	159.38	-
(ii) Other financial liabilities	13	-	14.64
(b) Provisions	14	159.65	110.16
Total non-current liabilities (B)		**768.49**	**603.33**
C. Current liabilities			
(a) Borrowings	15b	879.67	1,341.00
(b) Financial liabilities			
(i)Trade payables	16		
- Total outstanding dues of micro enterprises and small enterprises		237.99	161.03
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,589.42	1,893.31
(ii) Lease liabilities	30(a)	33.46	58.00
(iii) Other financial liabilities	13	400.56	365.38
(c) Provisions	14	115.89	180.92
(d) Other current liabilities	17a	292.93	275.56
(e) Liabilities directly associated with assets classified as held for sale	17b	445.05	-
Total current liabilities (C)		**3,994.97**	**4,275.20**
Total liabilities (B+C)		**4,763.46**	**4,878.53**
Total equity and liabilities (A+B+C)		**10,059.01**	**9,371.28**
	1-39		

See accompanying notes forming integral part of the financial statements.
In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

Rajesh Arora
Partner
Membership Number: 076124

Place : Gurugram
Date : 19 July 2022

For and on behalf of the Board of Directors of
Hiranandani Healthcare Private Limited

Manu Kapila
Director
DIN: 03403696

Place : Navi Mumbai
Date : 19 July 2022

Prabhat Kumar
Director
DIN: 03109484

Place : Navi Mumbai
Date : 19 July 2022

HIRANANDANI HEALTHCARE PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

	Particulars	Notes	For the year ended March 31, 2022 (Rupees in lacs)	For the year ended March 31, 2021 (Rupees in lacs)
I	Revenue from operations	18	11,662.77	8,957.98
II	Other income	19	598.75	14.61
III	**Total income (I+II)**		**12,261.52**	**8,972.59**
IV	**Expenses**			
(i)	Purchases of medical consumable and drugs		2,730.80	1,930.36
(ii)	Changes in inventories of medical consumable and drugs	20	(71.76)	25.34
(iii)	Employee benefits expense	21	1,442.37	1,278.10
(iv)	Finance costs	22	179.45	448.08
(v)	Depreciation and amortisation expense	23	574.48	607.31
(vi)	Other expenses	24	6,605.39	4,837.38
	Total expenses (IV)		**11,460.73**	**9,126.57**
V	**Profit/(Loss) from continuing operations before tax (III-IV)**		**800.79**	**(153.98)**
VI	**Tax expense**			
	(1) Current tax	25	-	-
	(2) Deferred tax charge	25	-	-
	Total tax expenses		-	-
VII	**Profit/(Loss) for the year (V-VI)**		**800.79**	**(153.98)**
VIII	**Other Comprehensive Income**			
A.	**Items that will not be subsequently reclassified to profit or loss:**			
	(a) Remeasurement of the defined benefit liabilties	26	2.01	14.54
	(b) Income tax relating to items that will not be reclassified subsequently to statement of profit or loss		-	-
			2.01	**14.54**
IX	**Total comprehensive Income/(Loss) for the year (VII+VIII)**		**802.80**	**(139.44)**
	Earnings per equity share of Rupees 10 each:			
	(i) Basic (in Rupees)	27	14.27	(3.31)
	(ii) Diluted (in Rupees)	27	14.27	(3.31)

See accompanying notes forming integral part of the financial statements. 1-39

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

Rajesh Arora
Partner
Membership Number: 076124

Place : Gurugram
Date : 19 July 2022

For and on behalf of the Board of Directors of
Hiranandani Healthcare Private Limited

Manu Kapila
Director
DIN: 03403696

Place : Navi Mumbai
Date : 19 July 2022

Prabhat Kumar
Director
DIN: 03109484

Place : Navi Mumbai
Date : 19 July 2022

HIRANANDANI HEALTHCARE PRIVATE LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

articulars	For the year ended March 31, 2022 (Rupees in lacs)	For the year ended March 31, 2021 (Rupees in lacs)
ash flows from operating activities		
ofit/(Loss) before tax	**800.79**	**(153.98)**
Adjustments for:		
Finance costs	179.45	448.08
terest income	(34.30)	(13.98)
rofit)/Loss on sale of property, plant and equipment	(551.19)	3.16
Provision/liability no longer required written back	(33.45)	(349.82)
Allowance for doubtful receivables	57.21	-
epreciation and amortisation expense	574.48	607.31
perating profit before changes in following assets and liabilities	**992.99**	**540.77**
hange in operating assets and liabilities		
ecrease/ (Increase) in trade receivables	77.94	(178.92)
ncrease)/ Decrease in inventories	(71.50)	25.08
(Increase)/ Decrease in inventories	(62.22)	1.21
ecrease/ (Increase)in other financial assets	8.54	(154.93)
Decrease) in trade payables	(193.48)	(148.12)
(Decrease) in provisions	(15.54)	(8.06)
(Decrease)/Increase in other financial liabilities	(24.20)	52.42
crease in other liabilities	464.42	98.48
ash generated from operations	**1,176.95**	**227.93**
Income taxes paid (net of refund)	(578.69)	(428.64)
Net cash generated/(used in) from operating activities (A)	**598.26**	**(200.71)**
ash flows from investing activities		
Interest received	34.30	14.21
Maturity/ (investment) in bank deposits (net)	-	3.00
roceeds on sale of assets held for sale	633.00	-
roceeds on sale of property, plant and equipment	2.30	0.28
Purchase of property, plant and equipment and intangible asset	(754.55)	(237.33)
et cash used in investing activities (B)	**(84.95)**	**(219.84)**
ash flows from financing activities (refer note 15a)		
Proceeds from issue of equity Shares (including securities premium)	-	3,849.74
roceeds from non-current borrowings	170.00	-
roceeds from short-term borrowing	869.04	900.18
Repayment) of short-term borrowing	(1,341.00)	(3,685.46)
(Repayment) of lease liabilities (refer note 30a)	(53.60)	(27.87)
inance cost paid (Including interest on lease liabilities of Rupees 54.56 Lacs March 31, 2021 Rupees 56.55 lacs)	(209.35)	(641.29)
Net cash (used in)/flow from financing activities (C)	**(564.91)**	**395.30**
Net decrease in cash and cash equivalents (A+B+C)	**(51.60)**	**(25.25)**
dd: Cash and cash equivalents at the beginning of the year {refer note 10a}	67.74	92.99
ash and cash equivalents at the end of the year {refer note 10a}	**16.14**	**67.74**

Notes:

1. The cash flow statement has been prepared in accordance with "Indirect Method" as set out on Indian Accounting Standard -7 on "Statement on Cash flows".
2. The Company has not made any payment towards Corporate Social Responsibility (CSR) expenditure for the year ended March 31 2022 and March 31 2021.

See accompanying notes forming integral part of the financial statements. 1-39

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

For and on behalf of the Board of Directors of
Hiranandani Healthcare Private Limited

Rajesh Arora
Partner
Membership Number: 076124

Place : Gurugram
Date : 19 July 2022

Manu Kapila
Director
DIN: 03403696

Place : Navi Mumbai
Date : 19 July 2022

Prabhat Kumar
Director
DIN: 03109484

Place : Navi Mumbai
Date : 19 July 2022

HIRANANDANI HEALTHCARE PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

... Equity share capital

Particulars	No. in lacs	(Rupees in lacs)
alance at April 01, 2020	40.00	400.00
Changes in equity share capital during the year	16.13	161.33
Balance at March 31, 2021	56.13	561.33
hanges in equity share capital during the year	-	-
alance at March 31, 2022	56.13	561.33

b. Other Equity

	Reserves and surplus		
Particulars	**Securities premium reserve ***	**Retained earnings**	**Total other equity**
alance as at April 1, 2020	**2,545.04**	**(2,162.59)**	**382.45**
Securities premium received on issue of equity shares	3,688.41	-	3,688.41
Loss for the year transferred from statement of profit and loss	-	(153.98)	(153.98)
Remeasurement of net defined benefit plan for the year, net of income tax	-	14.54	14.54
Total comprehensive income for the year	**3,688.41**	**(139.44)**	**3,548.97**
Balance as at March 31, 2021	**6,233.45**	**(2,302.03)**	**3,931.42**
Profit for the year transferred from statement of profit and loss	-	800.79	800.79
Remeasurement of net defined benefit plan for the year, net of income tax	-	2.01	2.01
Total comprehensive income for the year	-	**802.80**	**802.80**
Balance as at March 31, 2022	**6,233.45**	**(1,499.23)**	**4,734.22**

* Securities premium reserve is used to record the premium on issue of shares. The reserve will be utilised in accordance with provisions of Companies Act, 2013.

See accompanying notes forming integral part of the financial statements. 1-39

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

Rajesh Arora
Partner
Membership Number: 076124

Place : Gurugram
Date : 19 July 2022

For and on behalf of the Board of Directors of
Hiranandani Healthcare Private Limited

Manu Kapila
Director
DIN: 03403696

Place : Navi Mumbai
Date : 19 July 2022

Prabhat Kumar
Director
DIN: 03109484

Place : Navi Mumbai
Date : 19 July 2022

Note 1. Corporate information

Hiranandani Healthcare Private Limited ("HHPL" or "the Company") was incorporated on 15 July 2005 to setup, manage and operate a multi-specialty hospital at Vashi, Navi Mumbai. HHPL is a wholly owned subsidiary of Fortis Healthcare Limited, a listed company.

On November 13, 2018, IHH Healthcare Berhad, Malaysia acquired 31.10% stake in Fortis Healthcare Limited, thereby becoming the controlling shareholder of Fortis Healthcare Limited.

Note 2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements ('financial statements'). The accounting policies adopted are consistent with those of the previous financial year.

(a) Basis of preparation

(i) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended notified under Section 133 of Companies Act, 2013, ("the Act") and other relevant provisions of the Act. All the amounts included in the financial statements are reported in lakhs of Indian Rupees ('INR') and are rounded to the nearest lakhs rounded off two decimals, except per share data.

The financial statements have been authorized for issue by the Company's Board of Directors on July 19, 2022.

(ii) Functional and presentation currency

These financial statements are presented in Indian Rupees, which is also the Company's functional currency.

(iii) Historical cost convention

The financial statements have been prepared under historical cost convention on accrual basis, unless otherwise stated. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(b) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or

B S R & Co. LLP * Chartered Accountants

Hiranandani Healthcare Pvt. Ltd. *

- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

(c) Measurement of fair values

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

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

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

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

B S R & Co. LLP * Chartered Accountants

Hiranandani Healthcare Pvt. Ltd. *

(d) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

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

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

(e) Property, plant and equipment (PPE) and intangible assets

(i) Property, plant and equipment

Property, plant and equipment are stated at cost, which includes capitalized finance costs, less accumulated depreciation and any accumulated impairment loss. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies, freight, any directly attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling and restoring onsite; any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Advances paid towards acquisition of property, plant and equipment outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

(ii) Intangible assets

- Internally generated intangible assets:
  - Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the statement of profit and loss as incurred.
  - Development expenditure including regulatory cost and legal expenses leading to product registration/ market authorisation relating to the new and/or improved product and/or process development is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the

B S R & Co. LLP ★ Chartered Accountants

Hiranandani Healthcare Pvt. Ltd. ★

Company intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable finance costs (in the same manner as in the case of property, plant and equipment). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.

- Intangible assets that are acquired are measured initially at cost.
- After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

(iii) Depreciation and amortization methods, estimated useful lives and residual value

Depreciation is provided on straight line basis on the original cost/ acquisition cost of assets or other amounts substituted for cost of property, plant and equipment as per the useful life specified in Part C of Schedule II of the Act, read with notification dated 29 August 2014 of the Ministry of Corporate Affairs, except for certain classes of property, plant and equipment which are depreciated based on the internal technical assessment of the management. The details of useful life are as under:

Category of assets	Management estimate of useful life	Useful life as per Schedule II
Buildings	30 years	60 years
Plant and equipment	11-22 years	15 years
Medical equipment	12-15 years	13 years
Furniture and fittings	7-10 years	10 years
Computers	3 years	3 years
Vehicles	4-8 years	8 years
Office equipment	5 years	5 years

Depreciation on leasehold assets is provided over the lease term or expected useful life of the asset, whichever is lower.

Estimated useful lives of the intangible assets are as follows:

Category of assets	Management estimate of Useful Life
Computer software	6 years

Depreciation and amortization on property, plant and equipment and intangible assets added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal.

Depreciation and amortization methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

B S R & Co. LLP + Chartered Accountants

Hiranandani Healthcare Pvt. Ltd.

(iv) Derecognition

Property, plant and equipment and intangible assets are derecognised on disposal or when no future economic benefits are expected from their use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

(f) Impairment of non-financial assets

The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

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

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

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment loss recognized in respect of a CGU is allocated to assets of the CGU (or group of CGUs) on a pro rata basis.

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

(g) Financial instrument

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

Financial assets

Initial recognition and measurement

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

B S R & Co. LLP ✦ Chartered Accountants ✦

Hiranandani Healthcare Pvt. Ltd. ✦

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVTPL. In addition, at initial recognition, the Company may irrevocably elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

B S R & Co. LLP * Chartered Accountants

Hiranandani Healthcare Pvt. Ltd. *

Equity investments

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

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss to retained earnings.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Impairment of financial assets

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

Write off of financial assets

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written off.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

B S R & Co. LLP * Chartered Accountants

Hiranandani Healthcare Pvt. Ltd. *

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

Financial liabilities

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

Derecognition of financial liabilities

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

Offsetting

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

(h) Inventories

Inventories are valued at lower of cost or net realisable value except scrap, which is valued at net estimated realisable value. The Company uses weighted average method to determine cost for all categories of inventories except for goods in transit which is valued at specifically identified purchase cost and other direct costs incurred. Cost includes all costs of purchase, and other costs incurred in bringing the inventories to their present location and condition inclusive of non-refundable (adjustable) taxes wherever applicable. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.

B S R & Co. LLP * Chartered Accountants

Hiranandani Healthcare Pvt. Ltd. *

(i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of cash flow statement, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

(j) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities and commitments are reviewed by the management at each balance sheet date.

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

(k) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, 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. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

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

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

B S R & Co. LLP + Chartered Accountants

Hiranandani Healthcare Pvt. Ltd. *

(l) Revenue recognition

Revenue primarily comprises fees charged under contract for inpatient and outpatient hospital services and also includes sale of medical and non-medical items. Hospital services include charges for accommodation, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used in treatments given to patients.

Contracts with customers could include promises to transfer multiple services/ products to a customer. The Company assesses the product/ services promised in a contract and identifies distinct performance obligation in the contract. Revenue for each distinct performance obligation is measured to at an amount that reflects the consideration which the Company expects to receive in exchange for those products or services and is net of tax collected from customers and remitted to government authorities such as sales tax, excise duty, value added tax and applicable discounts and allowances including claims. Further, the Company also determines whether the performance obligation is satisfied at a point in time or over a period of time. These judgments and estimations are based on various factors including contractual terms and historical experience.

Revenue from hospital services is recognized as and when services are performed and from sale of products is recognised upon transfer of control of products to customers at the time of delivery of goods to the customers.

Revenue includes only those sales for which the Company has acted as a principal in the transaction, takes title to the products, and has the risks and rewards of ownership, including the risk of loss for collection, delivery and returns. Any revenue transaction for which the Company has acted as an agent or broker without assuming the risks and rewards of ownership have been reported on a net basis.

'Unbilled revenue' represents value to the extent of medical and healthcare services rendered to the patients who are undergoing treatment/ observation on the balance sheet date and is not billed as at the balance sheet date. Unearned and deferred revenue ("contract liability") is recognised as other current liability when there is billings in excess of revenues.

Other operating revenue comprises revenue from various ancillary revenue generating activities like operations and maintenance agreements, satellite centers, clinical research activities, sponsorship arrangements and academic services. The revenue in respect of such arrangements is recognized as and when services are performed.

Income from export benefit schemes, included in other operating revenue, is recognized on accrual basis as and when eligible services are performed and convertible foreign exchange is received on a net basis to the extent it is certain that economic benefits will flow to the Company.

Interest income on financial assets (including deposits with banks) is recognised using the effective interest rate method on a time proportionate basis.

(m) Employee benefits

Short-term employee benefits

All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

B S R & Co. LLP * Chartered Accountants

Hiranandani Healthcare Pvt. Ltd. *

Post-employment benefits

Post employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

a) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The liability in respect of gratuity is recognised in the books of account based on actuarial valuation by an independent actuary.

b) Provident fund

The Company makes contribution to Regional Provident Fund Commissioner for its employees. This is treated as defined contribution plan.

The Company's contribution to the provident fund is charged to Statement of Profit and Loss.

Other long-term employee benefits:

As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee 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.

Actuarial valuation

The liability in respect of all defined benefit plans and other long-term benefits is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses on other long-term benefits are recognised in the statement of profit and loss in the year in which they arise. Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other equity in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

B S R & Co. LLP * Chartered Accountants

Hiranandani Healthcare Pvt. Ltd. *

Past service cost is recognised as an expense in the statement of profit and loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the statement of profit and loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

(n) Income tax

Income tax comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current taxes:

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

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

Deferred taxes:

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

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

B S R & Co. LLP ✶ Chartered Accountants ✶

Hiranandani Healthcare Pvt. Ltd. ✶

(o) Leases

(i) As a lessee

The Company accounts for assets taken under lease arrangement in the following manner:

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

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments.

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

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

Short-term leases and leases of low-value assets

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

(ii) As a lessor

The Company accounts for assets given under lease arrangement in the following manner:

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Assets subject to operating leases are included in Property, Plant and Equipment. Rental income on operating lease is recognized in the Statement of Profit and Loss on a straight-line basis over the lease term.

Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased assets and recognised on a straight-line basis over the lease term.

B S R & Co. LLP * Chartered Accountants

Hiranandani Healthcare Pvt. Ltd. *

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases.

Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(p) Segment reporting

The Company is primarily engaged in the business of healthcare services which is the only reportable segment.

(q) Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at balance sheet date exchange rates are generally recognised in Statement of Profit and Loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income (OCI).

(r) Statement of Cash flows

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

(s) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

B S R & Co. LLP Chartered Accountants

Hiranandani Healthcare Pvt. Ltd.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

(t) Critical estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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 judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes.

Judgements

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

- Lease arrangement (classification) – Note 30
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 28
- Recognition and estimation of tax expense including deferred tax– Note 5 and 25

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2022 is included in the following notes:

- Lease arrangement (classification) – Note 30
- Fair value measurement – Note 33.3
- Estimated impairment of financial assets and non-financial assets – Note 9
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 28
- Recognition and estimation of tax expense including deferred tax– Note 5 and 25
- Assessment of useful life of property, plant and equipment and intangible asset – Note 2(e)(iii) and 3
- Estimation of assets and obligations relating to employee benefits – Note 26

B S R & Co. LLP * Chartered Accountants

Hiranandani Healthcare Pvt. Ltd. *

(u) Recent Pronouncements but not yet effective

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 March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework
The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

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 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.

Ind AS 106 – Annual Improvements to Ind AS (2021)
The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

B S R & Co. LLP * Chartered Accountants

Hiranandani Healthcare Pvt. Ltd. *

HIRANANDANI HEALTHCARE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note 3 (i): Property, plant and equipment

(Rupees in Lacs)

Particulars	Buildings	Leasehold improvements	Plant and equipment	Medical equipment	Furniture and fittings	Computers	Office equipment	Vehicles	Total
Gross carrying value									
As at April 01, 2020	371.65	3,566.83	672.85	1,991.66	162.98	97.54	59.53	11.21	6,934.25
Additions	-	10.51	2.57	60.26	-	7.76	0.59	-	81.69
Disposals	-	-	(15.55)	-	-	-	-	-	(15.55)
Classified as assets held for sale (refer note a)	(371.65)	-	-	-	-	-	-	-	(371.65)
As at March 31, 2021	-	3,577.34	659.87	2,051.92	162.98	105.30	60.12	11.21	6,628.74
Additions	-	6.85	16.07	686.22	13.04	5.84	7.45	-	735.47
Disposals	-	-	(16.32)	(73.72)	(3.39)	(10.03)	(0.72)	-	(104.18)
As at March 31, 2022	-	3,584.19	659.62	2,664.42	172.63	101.11	66.85	11.21	7,260.03
Accumulated depreciation									
As at April 01, 2020	54.23	880.36	308.98	917.68	108.19	77.73	45.86	4.83	2,397.86
Charge for the year	7.12	149.65	64.31	215.61	10.51	10.25	6.43	1.75	465.63
Disposals	-	-	(12.11)	-	-	-	-	-	(12.11)
Classified as assets held for sale (refer note a)	(61.35)	-	-	-	-	-	-	-	(61.35)
As at March 31, 2021	-	1,030.01	361.18	1,133.29	118.70	87.98	52.29	6.58	2,790.03
Charge for the year	-	148.81	62.71	205.73	10.11	9.49	4.80	1.72	443.37
Disposals	-	-	(10.87)	(64.71)	(2.65)	(9.67)	(0.66)	-	(88.55)
As at March 31, 2022	-	1,178.82	413.02	1,274.31	126.16	87.80	56.43	8.30	3,144.85
Net carrying value (As at March 31, 2021)	-	2,547.33	298.69	918.63	44.28	17.32	7.83	4.63	3,838.71
Net carrying value (As at March 31, 2022)	-	2,405.36	246.61	1,390.11	46.47	13.31	10.41	2.91	4,115.17

Notes:

(a) Building included flats for which sale has been approved by Board of Directors of the Company. The disposal is expected to be executed in the next twelve months following the date of financial statements and accordingly the buldings are classified as asset held for sale

(b) The Company does not have any immovable property, whose title deeds are not held in the name of the company and no immovable property is jointly held with others. (Also refer note 28 (C))

(c) The Company has not revalued its Property, Plant and Equipment during the year ended March 31, 2022 and previous year ended March 31, 2021.

(d) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

Note 3 (ii) : Capital work-in-progress

(Rupees in Lacs)

Particulars	March 31, 2022	March 31, 2021
Opening balance	3.93	4.17
Additions during the year*	806.71	81.45
Transfer to property, plant and equipment	(735.47)	(81.69)
Closing Balance	75.17	3.93

*The Company accounts for all capitalization of property, plant and equipment through capital work in progress and therefore the movement in capital work in progress is the difference between closing and opening balance of capital work in progress as adjusted in addition to property, plant and equipment.

Ageing schedule

As at March 31, 2022

CWIP	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	73.70	-	1.13	0.33	75.17
Total	73.70	-	1.13	0.33	75.17

As at March 31, 2021

CWIP	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2.46	1.13	-	0.33	3.93
Total	2.46	1.13	-	0.33	3.93

There is no project whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2022 and March 31, 2021.

B S R & Co. LLP * Chartered Accountants *

Hiranandani Healthcare Pvt. Ltd. *

Note 3 (iii) : Intangible assets

(Rupees in Lacs)

Particulars	Computer Software
Gross carrying value	
As at April 1, 2020	**543.16**
Additions	4.86
As at March 31, 2021	**548.02**
Additions	13.47
As at March 31, 2022	**561.49**
Accumulated amortisation	
As at April 1, 2020	**297.11**
Charge for the year	87.02
As at March 31, 2021	**384.13**
Charge for the year	55.63
As at March 31, 2022	**439.76**
Carrying value as at March 31, 2021	163.89
Carrying value as at March 31, 2022	**121.73**

Note 3 (iv) : Intangible assets under development

(Rupees in Lacs)

Particulars	March 31, 2022	March 31, 2021
Opening balance	**7.06**	-
Additions during the year*	6.41	11.92
Transfer to intangible assets	(13.47)	(4.86)
Closing Balance	-	**7.06**

*The Company accounts for all capitalisation of intangible assets through intangible assets under development and therefore the movement in intangible assets under development is the difference between closing and opening balance of intangible assets under development as adjusted in intangible assets.

As at March 31, 2021

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	7.06	-	-	-	7.06
Total	**7.06**	-	-	-	**7.06**

There is no project whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2022 and March 31, 2021

B S R & Co. LLP ✶ Chartered Accountants

Hiranandani Healthcare Pvt. Ltd. ✶

Particulars	As at March 31, 2022 (Rupees in lacs)	As at March 31, 2021 (Rupees in lacs)
Financial assets		
4a. Other financial assets		
Non-current		
Considered good		
Security deposits	85.57	84.32
	85.57	**84.32**
4b. Other financial assets		
Current		
Considered good		
Interest accrued but not due on deposits	0.16	0.16
Security deposits	2.28	16.06
Other recoverable	9.24	5.26
	11.68	**21.48**

5. Deferred tax (net)

No deferred tax assets have been recognised as at balance sheet date as in the absence of certainty of future taxable profits, deferred tax asset has been recognised only to the extent of deferred tax liability.
Analysis of temporary tax differences on which deferred tax has not been recognised is as below:

Amount of deferred tax asset/ liability not recognised

Deferred tax assets		
Business Losses	76.02	205.50
Unabsorbed Depreciation	555.87	519.52
MAT credit entitlement	578.38	578.38
On loss allowance	62.95	39.11
On lease liability	134.35	139.50
On employee benefits	50.26	51.01
	1,457.83	**1,533.02**
Deferred tax liabilities		
On Property, plant and equipment and Intangible asset	511.34	337.23
On Right-of-use assets	112.48	124.75
	623.82	**461.98**
Net deferred tax assets (net)	**834.01**	**1,071.04**
Deferred tax assets (net) recognized	-	-

B S R & Co. LLP + Chartered Accountants

Hiranandani Healthcare Pvt. Ltd. *

HIRANANDANI HEALTHCARE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	As at March 31, 2022 (Rupees in Lacs)	As at March 31, 2021 (Rupees in Lacs)
6. Non-current tax assets (net)		
Advance tax and tax deducted at source (net of Provision for Taxation of Rupees Nil, previous year Rupees Nil) *	3,087.22	2,508.53
	3,087.22	**2,508.53**

* Including refund adjusted by tax authorities against demand order of earlier years which are being contested by the Company under various forums

. Other assets (Unsecured)

Non-current		
Considered good		
Capital advances	23.56	6.98
Prepaid expenses	7.16	3.62
	30.72	**10.60**
Current		
Considered good		
Advance to vendors	91.62	31.13
Prepaid expenses	60.44	57.07
Others	8.35	13.53
	160.41	**101.73**

. Inventories

Valued at lower of cost and net realisable value		
Medical consumables, drugs and others	161.00	89.24
Stores and Spares	-	0.26
	161.00	**89.50**

. Trade receivables

Current		
Unsecured		
Considered good		
- From others		
Billed	1,569.30	1,590.19
Unbilled	169.80	236.64
- From related party	-	-
Billed	2.05	-
Less: Loss allowance	(199.90)	(150.43)
	1,541.25	**1,676.40**
Break-up of security details		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	1,741.15	1,826.83
Less: Loss allowance	(199.90)	(150.43)
Total trade receivables	**1,541.25**	**1,676.40**

Trade Receivables are unsecured and are derived from revenue earned from providing healthcare and other ancillary services. No interest is charged on oustanding balance, regardless of the age of the balances. In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss towards expected risk of delays and defaults in collection. The Company has used a practical expedient by computing the expected credit loss allowance based on a provision matrix. Management makes specific provision in cases where there are known specific risks of consumer default in making the payments. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The provision matrix at the end of the reporting period is as follows:

Ageing	**Expected credit loss (%)**	
	As at March 31, 2022	**As at March 31, 2021**
0 - 1 year	0% - 18%	0% - 19%
1 - 2 year	1% - 35%	1% - 41%
2 - 3 year	13% - 76%	1% - 60%
More than 3 years	100%	100%

The movement in expected credit loss during the year is as follows

	As at March 31, 2022	**As at March 31, 2021**
Balance at the beginning of the year	150.43	699.10
Creation of the allowance for credit losses	57.21	80.91
Reversal of the allowance for expected credit loss	(7.74)	(286.13)
Utilisation of the allowance for expected credit loss (written off)	-	(343.45)
Balance at the end of the year	**199.90**	**150.43**

S R & Co. LLP Chartered Accountants

Hiranandani Healthcare Pvt. Ltd.

Ageing schedule of trade receivables - billed

As at March 31, 2022

	Particulars	Not due	Outstanding for following periods from due date of payment					
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	490.68	610.87	211.02	95.44	96.78	66.56	1,571.35
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv)	Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
		490.68	**610.88**	**211.02**	**95.44**	**96.78**	**66.55**	**1,571.35**

Less: Loss allowance for doubtful trade receivables - billed	**(199.90)**
	1,371.45
Trade receivables - unbilled	**169.80**
	1,541.25

As at March 31, 2021

	Particulars	Not due	Outstanding for following periods from due date of payment					
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	632.36	505.10	67.82	185.62	87.54	47.01	1,525.45
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv)	Disputed Trade Receivables–considered good	-	-	-	-	-	64.74	64.74
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
		632.36	**505.10**	**67.82**	**185.62**	**87.54**	**111.75**	**1,590.19**

Less: Loss allowance for doubtful trade receivables - billed	**(150.43)**
	1,439.76
Trade receivables - unbilled	**236.64**
	1,676.40

The Company does not have any significant concentration of exposure to specific category of customer.

B S R & Co. LLP * Chartered Accountants

Hiranandani Healthcare Pvt. Ltd. *

'articulars	As at March 31, 2022 (Rupees in Lacs)	As at March 31, 2021 (Rupees in Lacs)
10a. Cash and cash equivalents		
›alances with banks		
- on current accounts	12.76	64.66
Cash on hand	3.38	3.08
Cash and cash equivalents as per statement of cash flows	**16.14**	**67.74**
'0b. Bank balances other than cash and cash equivalents		
›eposits with maturity of more than 3 months and less than 12 months*	7.29	7.29
	7.29	**7.29**

'Bank deposits are under lien with banks against bank guarantee.

Particulars	As at March 31, 2022 (Rupees in lacs)	As at March 31, 2021 (Rupees in lacs)
11 Share capital		
Authorised share capital		
6,800,000 (March 31, 2021: 6,800,000) equity shares of Rupees 10 each	680.00	680.00
200,000 (March 31, 2021: 200,000) zero percent redeemable preference shares of Rupees 10 each	20.00	20.00
Total authorised share capital	**700.00**	**700.00**
Issued, subscribed and fully paid up shares		
5,613,300 (March 31, 2021: 5,613,300) equity shares of Rupees 10 each	561.33	561.33
Total issued, subscribed and fully paid up share capital	**561.33**	**561.33**

Notes

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	Amount (Rupees in Lacs)	No. of Shares held	Amount (Rupees in Lacs)
At the beginning of the year	5,613,300	561.33	4,000,000	400.00
Issued during the year	-	-	1,613,300	161.33
Outstanding at the end of the year	**5,613,300**	**561.33**	**5,613,300**	**561.33**

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rupees 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) For the period of five years immediately preceding the date of the balance sheet, there were no share allotment made for consideration other than cash and also no bonus shares were issued. Further, there has been no buyback of shares during the period of five years preceding the date of balance sheet.

(d) Shares held by the holding company

Equity Shares

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of shares held	Amount (Rupees in Lacs)	No. of shares held	Amount (Rupees in Lacs)
Fortis Healthcare Limited (Holding Company) *	5,613,300	561.33	5,613,300	561.33

(e) Details of shareholders holding more than 5% shares in the Company

Equity Shares

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Fortis Healthcare Limited (Holding Company) *	5,613,300	100%	5,613,300	100%

* including equity shares held by nominees

(f) Details of shares held by promoters

As at 31 March 2022

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Fortis Healthcare Limited (Holding Company)	5,613,300	-	5,613,300	100.00%	0.00%

As at 31 March 2021

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Fortis Healthcare Limited (Holding Company)	4,000,000	1,613,300	5,613,300	100.00%	40.33%

(g) For the period of five years immediately preceding the date of the balance sheet, there were no share allotment made for consideration other than cash and also no bonus shares were issued. Further, there has been no buyback of shares during the period of five years preceding the date of balance sheet.

B S R & Co. LLP Chartered Accountants

Hiranandani Healthcare Pvt. Ltd.

Particulars	As at March 31, 2022 (Rupees in lacs)	As at March 31, 2021 (Rupees in lacs)
12. Borrowings		
Non-Current		
Term Loan from Banks	159.38	-
	159.38	**-**

Note 1:-During the current year the Company has taken term loan from HSBC Bank Rs. 170 lacs with rate of interest being HSBC 3 month MCLR i.e. 6.95% (as on March 31, 2022) with quarterly reset linked to 3 month MCLR or any other rate as may be mutually agreed from time to time. The loan is secured by exclusive charge on the certain fixed assets (immovable) with minimum assets cover of 133X on cumulative property value of asset secured by Escorts Heart and Super Speciality Hospital Limited, International Hospital Limited, Hospitalia Eastern Private Limited, Fortis Hospitals Limited and Fortis Hospotel Limited and corporate guarantee from Escorts Heart Institute and Research Centre Limited, International Hospital Limited, Escorts Heart and Super Speciality Hospital Limited, Hospitalia Eastern Private Limited, and Fortis Hospotel Limited along with first pari passu charge on the current assets and movable fixed assets of the company except machineries and vehicles specifically financed by other banks/FI. Further, the term loan facility is repayable in 16 quarterly installment with First Installment date starting from February 28, 2023.
No term loan facility was availed during period ended March 31, 2021.

Particulars	As at March 31, 2022 (Rupees in lacs)	As at March 31, 2021 (Rupees in lacs)
13. Other financial liabilities		
Non-current		
Security deposits	-	14.64
	-	**14.64**
Current		
Security deposits	14.06	4.00
Interest accrued but not due on borrowings	4.11	34.01
Capital creditors*	92.30	17.63
Payable to related parties	199.39	217.92
Employee payable	90.70	91.82
	400.56	**365.38**

* This also includes amount payable to micro and small enterprises amounting to Rupees 40.38 lacs as at 31 March 2022 (Previous year Rupees 4.96 lacs).

Particulars	As at March 31, 2022 (Rupees in lacs)	As at March 31, 2021 (Rupees in lacs)
14. Provisions		
Non-current		
Provision for compensated absences	35.48	-
Provision for gratuity (refer note 26)	124.17	110.16
	159.65	**110.16**
Current		
Provision for gratuity (refer note 26)	12.14	9.06
Provision for compensated absences	8.86	76.97
Provision for contingencies *	94.89	94.89
	115.89	**180.92**

*** Provision for contingencies :**

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	94.89	50.62
Add: Provision made during the year	-	44.27
Closing balance	**94.89**	**94.89**

Provision for contingencies is made against refund due to the patients, which is expected to be settled in due course.

S R & Co. LLP * Chartered Accountants

Hiranandani Healthcare Pvt. Ltd. *

15a. Changes in liabilities arising from financing activities

Particulars	Non-current borrowings	Current Borrowings (net)	Interest accrued	Lease liabilities
As at 01 April 2020	-	**4,126.28**	**227.22**	**528.48**
Lease liability paid	-	-	-	(27.87)
Addition of Lease contract	-	-	-	35.92
Repayment of borrowings	-	900.18	-	-
Conversion of liabilities in borrowings	-	(3,685.46)	-	-
Finance cost	-	-	391.53	56.55
Finance cost paid	-	-	(584.74)	(56.55)
As at 31 March 2021	-	**1,341.00**	**34.01**	**536.53**
Lease liability paid	-	-	-	(53.60)
Proceeds from borrowings	170.00	869.04	-	-
Repayment of borrowings	-	(1,341.00)	-	-
Finance cost	-	-	124.90	54.56
Finance cost paid	-	-	(154.79)	(54.56)
As at 31 March 2022	**170.00**	**869.04**	**4.12**	**482.93**

Particulars	As at March 31, 2022 (Rupees in lacs)	As at March 31, 2021 (Rupees in lacs)
15b. Current borrowings		
Unsecured		
Loan from related party (refer note 31 (b))		
Loan from fellow subsidiary (refer note (a) below)	-	1,341.00
Total	-	**1,341.00**
Secured		
Bank Overdrafts (refer note (b) below)	869.04	-
Current Maturity on term loan (refer foot note to note 12)	10.63	-
	879.67	-

Note:

a) During the year ended March 31, 2020, the Company had converted trade payables of Rupees 2,100 lacs payable to SRL Limited (fellow subsidiary) into borrowings. The repayment started on October, 2019 with Rupees 65.00 lacs per month and the balance amount is repayable along with interest @10.50% p.a. on or before June 10, 2021.

During the year ended March 31, 2022, the Company had repaid entire outstanding loan of Rupees 1,341 lacs along with interest due thereon of Rupees 23.80 Lacs to SRL Limited.

b) The Company has availed bank working capital facility of Rupees 1,200 lacs from HSBC Bank (Nil in previous year) at the interest rate of 6.75% to 7.55 % p.a i.e. HSBC overnight MCLR (6.80% as on 22 March 2022) with monthly reset linked to HSBC overnight MCLR or any other rate as may be mutually agreed from time to time.

Working capital facility is secured by the first pari-passu charge on moveable fixed and current assets of the Company. The loan is further guaranteed by cross corporate guarantees issued by Fortis Healthcare Limited, Escorts Heart Institute and Research Centre Limited, International Hospital Limited, Escorts Heart and Super Speciality Hospital Limited, Hospitalia Eastern Private Limited, Fortis Hospitals Limited and Fortis Hospotel Limited.

16. Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Total outstanding dues of micro enterprises and small enterprises (refer note 32)	237.99	161.03
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises *	1,589.42	1,893.31
Total	**1,827.41**	**2,054.34**

* Includes payable to related parties. Refer note 31

B S R & Co. LLP * Chartered Accountants

Hiranandani Healthcare Pvt. Ltd. *

Ageing schedule

As at March 31, 2022

Particulars	Not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	65.59	165.67	-	-	6.73	237.99
(ii) Others	640.75	847.79	6.49	20.17	74.22	1,589.42
(iii) Disputed dues – MSME		-	-	-	-	-
(iv)Disputed dues - Others		-	-	-	-	-
						1,827.41

As at March 31, 2021

Particulars	Not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	152.76	-	-	-	8.27	161.03
(ii) Others	689.05	946.15	32.57	11.74	213.80	1,893.31
(iii) Disputed dues – MSME		-	-	-	-	-
(iv)Disputed dues - Others		-	-	-	-	-
						2,054.34

17a. Other current liabilities

(a) Contract liabilities - advance from patients	207.11	214.50
(b) Statutory dues payable	85.82	61.06
Total	**292.93**	**275.56**

17b. Assets classified as held for sale

Assets held for sale		
Building*	241.34	310.30
	241.34	**310.30**
Liabilities directly associated with assets classified as held for sale		
Advance against building held for sale	445.05	-
	445.05	-

* Includes 7 flats (previous year 9 flats) for which sale has been approved by Board of Directors of the Company.

B S R & Co. LLP * Chartered Accountants

Hiranandani Healthcare Pvt. Ltd. *

Particulars	For the year ended March 31, 2022 (Rupees in lacs)	For the year ended March 31, 2021 (Rupees in lacs)
18. Revenue from operations		
(a) Sale of services		
Healthcare services		
- Operating income - in-patient department	12,479.91	9,011.23
- Operating income - out-patient department	950.07	439.16
- Income from medical services	183.31	-
Less: Trade discounts	2,029.89	893.18
	11,583.40	**8,557.21**
(b) Sale of products - Trading		
Pharmacy	21.20	-
	21.20	-
(c) Other operating revenues		
Sponsorship income	3.50	-
Income from rent	21.22	50.95
Provisions / liabilities no longer required written back	33.45	349.82
	58.17	**400.77**
Total revenue from operations (a+b+c)	**11,662.77**	**8,957.98**
19. Other income		
Interest income		
- Interest on bank deposits	0.12	13.98
- Interest on income tax refund	34.18	-
Profit on Sale of property plant and equipment	551.19	-
Miscellaneous income	13.26	0.63
Total other income	**598.75**	**14.61**

S R & Co. LLP * Chartered Accountants

Hiranandani Healthcare Pvt. Ltd. *

HIRANANDANI HEALTHCARE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	For the year ended March 31, 2022 (Rupees in lacs)	For the year ended March 31, 2021 (Rupees in lacs)
20. Changes in inventories of medical consumables and drugs		
(a) Inventory at the beginning of the year	89.24	114.58
(b) Inventory at the end of the year	161.00	89.24
Decrease/ (increase) in inventories [(a)-(b)]	(71.76)	25.34
21. Employee benefits expense		
(a) Salaries, wages and bonus	1,294.95	1,140.95
(b) Gratuity expense (refer note 26.2)	19.76	22.52
(c) Compensated absences	11.57	12.79
(d) Contribution to provident fund (refer note 26.1)	71.48	69.15
(e) Staff welfare expenses	44.61	32.69
Total	1,442.37	1,278.10
22. Finance costs		
(a) Interest expense		
- on term loans	4.06	-
- on cash credit	48.46	-
- on unsecured loan from related party (refer note 31)	23.80	366.12
- on others	3.53	4.61
- on defined benefit plan (refer note 26.2)	7.69	7.35
- on lease liabilities (refer note 30a)	54.56	56.55
(b) Other borrowing costs	37.35	13.45
Total	179.45	448.08
23. Depreciation and amortisation expense		
(a) Depreciation of property, plant and equipments	443.37	465.63
(b) Amortisation of intangible assets	55.63	87.02
(c) Depreciation of right-of-use assets (refer note 30a)	75.48	54.66
Total	574.48	607.31

B S R & Co. LLP * Chartered Accountants

Hiranandani Healthcare Pvt. Ltd. *

HIRANANDANI HEALTHCARE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	For the year ended March 31, 2022 (Rupees in lacs)	For the year ended March 31, 2021 (Rupees in lacs)
24. Other expenses		
Contractual manpower	508.41	401.68
Power, fuel and water	335.87	316.76
Housekeeping expenses including consumables	130.96	129.05
Patient food and beverages	132.00	126.75
Pathology laboratory expenses	608.82	520.36
Radiology expenses	519.40	347.01
Cost of Medical Services	55.98	38.21
Professional and consultation fees to doctors	3,044.52	1,865.00
Repairs and maintenance		
- Building	161.82	7.95
- Plant and machinery	400.89	297.73
- Others	80.60	36.91
Rent		
- Hospital buildings	9.14	13.71
- Equipments	56.38	7.09
- Others	12.90	56.75
Legal and professional fees (refer note 24.1)	101.65	81.17
Travel and conveyance	23.44	27.81
Rates and taxes	71.11	325.92
Printing and stationery	30.47	22.79
Communication expenses	23.72	27.06
Directors' sitting fees	-	0.70
Insurance	111.05	82.27
Marketing and business promotion	123.10	93.29
Loss on sale of property, plant and equipment	-	3.16
Allowance for doubtful receivables	57.21	-
Miscellaneous expenses	5.95	8.25
Total	6,605.39	4,837.38

24.1 Auditors' remuneration comprises (Excluding GST)

Statutory audit fee	6.86	6.86
Tax audit fee	0.80	0.80
Out of pocket expenses	0.32	0.23
Total	7.98	7.89

B S R & Co. LLP * Chartered Accountants

Hiranandani Healthcare Pvt. Ltd. *

25. Income tax recognised in statement of profit and loss

The income tax expense for the year can be reconciled to the accounting profit as follows:

	As on 31 March 2022		As on 31 March 2021	
	Tax Rate	Gross Amount	Tax Rate	Gross Amount
Profit/(Loss) before tax		**800.79**		**(153.98)**
Tax using the Company's Income tax rate	27.82%	222.78	26.00%	(40.03)
Effect of carry forward losses adjusted	-13.77%	(110.25)	0.00%	-
Impact of change in tax rates	-1.90%	(15.18)	-11.67%	17.97
Deferred tax not recognised based on projected future taxable profits	-12.16%	(97.35)	-14.33%	22.07
Effective Tax rate	**0.00%**	-	**0.00%**	-

The tax rate used for the 2021-2022 and 2020-2021 reconciliations above is the corporate tax rate of 27.82% and 26.00% payable by corporate entities in India on taxable profits.

Details of losses on which deferred tax asset is not recognised:

	As on 31 March 2022		As on 31 March 2021	
Expiry in financial year	Gross Amount	Tax effect	Gross Amount	Tax effect
MAT credit				
2024-25	127.26	127.26	127.26	127.26
2025-26	159.13	159.13	159.13	159.13
2026-27	239.49	239.49	239.49	239.49
2032-33	52.49	52.49	52.49	52.49
	578.37	**578.37**	**578.37**	**578.37**
Business Loss				
2028-29	214.72	59.73	608.55	158.22
2029-30	58.57	16.29	181.83	47.28
	273.29	**76.02**	**790.38**	**205.50**
Unabsrobed depreciation				
No expiry	1,998.09	555.87	1,998.14	519.52
	1,998.09	**555.87**	**1,998.14**	**519.52**

B S R & Co. LLP * Chartered Accountants

Hiranandani Healthcare Pvt. Ltd. *

26 Employee Benefit Plans:

26.1 Defined Contribution Plan

The Company's defined contribution plan includes provident fund (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) for qualifying employees.

Contribution to Defined Contribution Plan, recognised as expense in Note 21 - 'Employee benefits expense' for the year, is as under:

(Rupees in lacs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Employer's contribution to provident fund	71.48	69.15

26.2 Defined Benefit Plan

(a) Gratuity

The Company provides long-term benefits in the nature of Gratuity to its employees. Under the Gratuity Plan, every employee who has completed at least five years of service gets a gratuity on departure @15 days of last drawn salary for each completed year of service. The scheme is unfunded.

The following table summarizes the components of net benefit expenses recognized in the statement of profit and loss and the amounts recognized in the balance sheet.

(Rupees in lacs)

(i)

Particulars	As at 31-Mar-22	As at 31-Mar-21
Movement in Net Liability		
Present value of obligation at the beginning of the year	119.22	121.64
Current service cost	19.76	22.52
Interest cost	7.69	7.35
Amount recognized to OCI	(2.01)	(14.54)
Benefits paid	(10.67)	(7.20)
Acquisition (credit)/ cost	2.32	(10.55)
Present value of obligations at the end of the year	**136.31**	**119.22**

(Rupees in lacs)

Particulars	As at 31-Mar-22	As at 31-Mar-21
Present value of unfunded obligation	136.31	119.22
Amounts in the Balance Sheet		
(a) Liabilities	136.31	119.22
(b) Assets	-	-
(c) Net liability/(asset) recognized in the balance sheet	**136.31**	**119.22**
Current Liability	12.14	9.06
Non-Current Liability	124.17	110.16
	136.31	**119.22**

B S R & Co. LLP * Chartered Accountants

Hiranandani Healthcare Pvt. Ltd. *

(Rupees in lacs)

(ii)

Expense recognized in Statement of Profit and Loss is as follows:	Year ended 31-Mar-22	Year ended 31-Mar-21
Employee Benefit Expense		
Service cost	19.76	22.52
Past Service Cost	-	-
Finance Cost		
Interest cost	7.69	7.35
Amount charged to Statement to Profit and Loss	**27.45**	**29.87**

(Rupees in lacs)

(iii)

Expense/ (income) recognized in Statement of Other comprehensive income is as follows:	Year ended	Year ended
	31-Mar-22	31-Mar-21
Net actuarial loss / (gain) due to experience adjustment recognized during the year	0.95	(14.54)
Net actuarial loss / (gain) due to assumptions changes recognized during the year	(2.96)	-
Expense/ (Income) charged to Other Comprehensive income	**(2.01)**	**(14.54)**

(iv) The Principal assumptions used in determining gratuity and compensated absences obligation for the Company's plan is shown below:

Principal Actuarial assumptions for Gratuity and compensated absences	Year ended 31-Mar-22	Year ended 31-Mar-21
Rate for discounting liabilities (p.a)	7.00%	6.75%
Expected salary increase rate	8.00%	8.00%
Withdrawal / Employee Turnover Rate (Per annum)		
Age up to 30 years	10% - 30%	10% - 30%
Age from 31 to 44 years	3% - 25%	3% - 25%
Age above 44 years	1% - 10%	1% - 10%
Mortality table used	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

Notes:

a) Expected benefit payment for the future years.

(Rupees in lacs)

Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2027
12.56	18.52	14.06	14.48	22.95

b) Weighted average duration of defined benefit obligation is 9 years. (Previous year: 9 years)

c) 'The discount rates reflect the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.

d) The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

e) Significant actuarial assumption for the determination of the defined obligation are discount rate, withdrawl rate and expected salary increase. The sensitivity analyses below have been determined by the actuarial based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

(Rupees in lacs)

Particulars	Year ended 31-Mar-22		Year ended 31-Mar-21	
	Increase	Decrease	Increase	Decrease
Change in discount rate by 0.5%	(5.60)	6.04	(5.23)	5.67
Change in Salary escalation rate by 1%	12.32	(10.82)	11.56	(10.06)
Change in withdrawal rate by 5%	(5.13)	6.03	(5.90)	7.24

B S R & Co. LLP ✻ Chartered Accountants

Hiranandani Healthcare Pvt. Ltd. ✻

27 Earnings per share (EPS)

(Rupees in lacs)

Particulars	Denomination	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit/(Loss) for the year	Rupees in lacs	800.79	(153.98)
Weighted average number of equity shares in calculating Basic EPS and Diluted EPS	Numbers	5,613,300	4,652,766
Basic EPS	Rupees	14.27	(3.31)
Diluted EPS	Rupees	14.27	(3.31)

Weighted average number of equity shares

Number of shares at the beginning of the year	5,613,300	4,000,000
Effect of fresh issue of shares	-	652,766
Weighted average number of shares at the end of the year	**5,613,300**	**4,652,766**

28 Contingent Liabilities

(a) Guarantees:

Outstanding guarantees furnished by banks on behalf of the Company are Rupees 4.00 lacs (Previous year Rupees 4.00 lacs)

(b) Claims against the Company, disputed by the Company, not acknowledged as debt

(Rupees in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax	1,262.59	1,262.59
Claims against the Company not acknowledged as debts (in respect of compensation demanded by the patients/their relatives for negligence)	634.80	634.80

(c) Navi Mumbai Municipal Corporation ('NMMC') terminated the Hospital lease agreement with the Company vide order dated January 18, 2017 (Termination Order') for certain alleged contravention of the Hospital lease agreement. NMMC granted a period of one month to the Company to hand over the possession of the hospital to NMMC and also directed the Company not to admit any new patients. The Company filed a Writ Petition before the Hon'ble Supreme Court of India challenging the Termination Order. The Writ Petition has been tagged with Special Leave Petition also filed by the Company inter alia challenging the actions of State Government, City Industrial Development Corporation and NMMC which led to the passing of the said Termination Order. The Hon'ble Supreme Court of India in the hearing held on January 30, 2017 ordered "Status Quo". Special Leave Petition has been admitted on January 22, 2018 and "Status Quo" has been continuing. Based on external legal counsel's opinion, management is confident that the Company is in compliance with the conditions of the Hospital lease agreement, the likelihood of an unfavourable outcome is remote. However, due to uncertainties involved, the ultimate outcome will be ascertained on disposal of the said petition. Accordingly no adjustment is required to the Financial Statements.

(d) On 28 February 2019, a judgment of the Supreme Court of India interpreting certain statutory defined contribution obligations of employees and employers (the "India Defined Contribution Obligation") altered historical understandings of such obligations, extending them to cover additional portions of the employee's income to measure obligations under employees Provident Fund Act, 1952. There is significant uncertainty as to how the liability should be calculated as it is impacted by multiple variables, including the period of assessment, the application with respect to certain current and former employees and whether interest and penalties may be assessed. As such, the Company has been legally advised not to consider that there is any probable obligations for periods prior to date of aforesaid judgment.

(e) Additionally, the Company is involved in other disputes, lawsuits, claims, governmental and/ or regulatory inspections, inquiries, investigations and proceedings, including commercial matters that arise from time to time in the ordinary course of business.

S R & Co. LLP * Chartered Accountants

Hiranandani Healthcare Pvt. Ltd. *

(f) The Company believes that none of the above matters, either individually or in aggregate, are expected to have any material adverse effect on its financial statements. The cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various stages/forums.

29 Capital commitment and other commitments:

a) **Capital commitments**

(Rupees in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	278.27	532.67

b) **Other Commitment**

The Company has entered into a long term lease agreement on 20th January 2006 with Navi Mumbai Municipal Corporation (NMMC) for a period of 25 years, to be renewed thereafter for 27 years on the same terms and conditions subject to satisfactory performance. As per terms of the aforesaid agreement, the Company is required to provide free treatment to 10% of the total beds (i.e. 15 patients at any given point of time) limited to 800 patients in a year referred by NMMC Hospital [also see Note 28(c)].

30 Leases

(a) As a lessee

(i) The Company has taken Hospital building on lease. Information about leases for which the Company is a lessee is presented below.

(Rupees in Lacs)

Right-of-use assets	Buildings
Gross Carrying Amount	
As at April 1, 2020	545.65
Additions to Right-of-use assets	35.92
As at March 31, 2021	**581.57**
Additions to Right-of-use assets	-
Deletions to Right-of-use assets	(35.93)
As at March 31, 2022	**545.64**
Accmulated Depreciation	
As at April 1, 2020	47.11
Charge for the year	54.66
As at March 31, 2021	**101.77**
Charge for the year	75.48
Deletions to Right-of-use assets	(35.93)
As at March 31, 2022	**141.32**
Carrying value	
As at March 31, 2021	**479.80**
As at March 31, 2022	**404.32**

(Rupees in Lacs)

Lease Liabilities	As at March 31, 2022	As at March 31, 2021
Maturity analysis - contractual undiscounted cash flows		
Less than one year	79.56	108.17
One to five years	334.49	327.93
More than five years	335.39	421.51
Total undiscounted lease liabilities	**749.44**	**857.61**

B S R & Co. LLP * Chartered Accountants

Hiranandani Healthcare Pvt. Ltd. *

(Rupees in Lacs)

Lease Liabilities included in the Balance Sheet (discounted)	As at March 31, 2022	As at March 31, 2021
Current	33.46	58.00
Non-current	449.46	478.53

(Rupees in Lacs)

Amounts recognised in statement of profit and loss	As at March 31, 2022	As at March 31, 2021
Interest on lease liabilities	54.56	56.55
Variable lease payments not included in the measurement of lease liabilities	56.50	40.21
Expenses relating to short-term leases and leases of low-value assets	21.92	37.33

(Rupees in Lacs)

Amounts recognised in statement of cash flow	As at March 31, 2022	As at March 31, 2021
Cash outflow for leases	53.60	27.87
Interest on lease liabilities (included in Finance Cost)	54.56	56.55
Total cash outflow for leases	**108.16**	**84.42**

(b) As a lessor

Assets given on operating lease:

The Company has sub-leased some portion of hospital premises and residential premises under a cancellable lease arrangement. Total lease income recognized in respect to such leases in the Statement of Profit and Loss for the year are Rupees 21.22 lacs (March 31, 2021: Rupees 50.95 lacs).

The details of the capital assets given on operating lease as under:-

	As at March 31, 2022	As at March 31, 2021
Particulars	**Building***	
Cost or deemed cost	323.73	371.65
Accumulated Depreciation	82.39	61.35
Carrying Value	241.34	310.30

* Buildings are classified as assets held for sale.

31 Related party disclosures

Names of Related Parties and related party relationship	
Ultimate Holding Company	IHH Healthcare Berhad
Intermediate Holding Companies	Integrated Healthcare Holdings Limited Parkway Pantai Limited Northern TK Venture Pte Ltd
Immediate Holding Company	Fortis Healthcare Limited (FHL)
Key Management Personnel (KMP) / Directors	Manu Kapila - Non Executive and Non - Independent Director Sandeep Guduru - Whole Time Director (Upto 30 Sept 2021) Prabhat Kumar - Additional and Non-Independent Director Ranjan Pandey - Non Executive and Non -Independent Director (from November 13 2019 upto 7 October 2020) S. Narayani - Additional and Non-Independent Director
Fellow Subsidiaries (parties with whom transactions have taken place)	Fortis Hospitals Limited (FHsL) Escorts Heart Institute and Research Centre Limited (EHIRCL) International Hospital Limited (IHL) Escorts Heart and Super Specialty Hospital Limited (EHSSHL) Hospitalia Eastern Private Limited (HEPL) Fortis Hospotel Limited (FHTL) SRL Limited

a) Transactions during the year (Rupees. In Lacs)

Particulars	Fortis Healthcare Limited		Key Management Personnel (KMP)		Fortis Hospitals Limited		Escorts Heart Institute and Research Centre Limited		SRL Limited	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Managerial remuneration										
Mr. Sandeep Guduru	-	-	44.93	62.74	-	-	-	-	-	-
Expenses										
Interest expense	-	204.12	-	-	-	-	-	-	23.80	162.00
Pathology expenses	-	-	-	-	-	-	-	-	297.84	281.81
Radiology expense	-	-	-	-	-	-	-	-	519.40	346.09
Reimbursement of Expenses										
Expenditure incurred on behalf of the Company	-	-	-	-	0.08	26.36	-	-	310.98	244.02
Expenditure incurred by the Company on behalf of	-	-	-	-	-	-	-	-	70.91	65.25
Collections	-	-	-	-	-	-	-	-	-	-
Collection on behalf of company by related party	-	1.48	-	-	2.54	46.28	-	-	-	-
Collection on behalf of related party by company	-	-	-	-	1.53	5.56	-	-	-	-
Availing of any Goods / services										
Medical services availed on OPD basis	-	-	-	-	4.32	-	-	-	-	-
Purchase of Goods / Medicines	4.46	-	-	-	189.37	18.09	0.93	-	-	0.29
Sale of Goods / Medicines	-	-	-	-	15.31	-	-	-	-	-
Director sitting fees										
Mr. Manu Kapila	-	-	-	0.35	-	-	-	-	-	-
Mr. Ranjan Pandey	-	-	-	0.35	-	-	-	-	-	-
Transfer of employee liability to	-	-	-	-	-	22.55	-	-	-	-
Transfer of employee liability from	-	-	-	-	3.88	1.20	-	-	-	-
Equity Infusion	-	3,849.74	-	-	-	-	-	-	-	-
Loans Taken	-	900.18	-	-	-	-	-	-	-	-
Loans Repaid	-	3,316.46	-	-	-	-	-	-	1,341.00	369.00
Financial guarantees on behalf of company to avail loan given by (refer note - 1 below)	2,400.00	-	-	-	-	-	-	-	-	-

b) Balances at the end of the year (Rupees. In Lacs)

Particulars	Fortis Healthcare Limited		Key Management Personnel (KMP)		Fortis Hospitals Limited		Escorts Heart Institute and Research Centre Limited		SRL Limited	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Trade Receivable	0.16	-	-	-	1.89	-	-	-	-	-
Trade Payables and other current liabilities	-	6.52	-	-	193.14	212.25	0.93	-	281.90	798.22
Interest accrued but not due on borrowings	-	-	-	-	-	-	-	-	-	34.01
Current Borrowings	-	-	-	-	-	-	-	-	-	1,341.00
Financial guarantees on behalf of company to avail loan given by (refer note - 1 below)	2,450.00	50.00	-	-	-	-	-	-	-	-

Notes:

1 Corporate Guarantee (Jointly and Severally) has also been given by EHIRCL, IHL, EHSSHL, HEPL and FHTL for Rupees 2,450 Lacs (Rs. 50 Lakh as at March 31, 2021)

2 As the future liability for gratuity and leave encashment is provided on actuarial basis for the Company as a whole, the amount pertaining to the directors is not ascertainable and, therefore, not

32 Details of dues to Micro and Small Enterprises as per MSMED Act, 2006

The Ministry of Micro and Small Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the micro enterprises and the small enterprises should mention in their correspondences with their customers the Entrepreneur Memorandum Number as allocated after filing of the memorandum. Accordingly, the below information regarding dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company:

(Rupees in Lacs)

	Particulars	March 31, 2022	March 31, 2021
(a)	The Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
	- Principal amount due to micro and small enterprises*	278.37	165.99
	- Interest due on above	-	-
(b)	The amount of Interest paid by the buyer in terms of the Section 16 of the MSMED Act 2006 along with the amounts of the payments made to the supplier beyond the appointed day during each accounting year	-	-
(c)	The amount of Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	-	-
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

* including payable to micro enterprises and small enterprises included in other financial liabilities (refer note 13)

33 Financial Instruments

33.1 Capital Management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in notes 12 and 15b offset by cash and cash equivalents) and total equity of the Company.

The Company is not subject to any externally imposed capital requirements.

The Company's Board of Directors review the capital structure of the Company on need basis. As part of this review, the Board of Directors consider the cost of capital and the risks associated with each class of capital.

Gearing ratio

The gearing ratio at end of the reporting period was as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Debt		
Non-Current borrowings	159.38	-
Current borrowings	879.67	1,341.00
Interest accrued but not due	4.11	34.01
Less:- cash and bank balances - current	(23.43)	(75.04)
Total debt (A)	**1,019.73**	**1,299.97**
Equity		
Equity share capital	561.33	561.33
Other equity	4,734.22	3,931.42
Total equity (B)	**5,295.55**	**4,492.75**
Net Debt to Equity Ratio (A/B)	19.26%	28.93%

B S R & Co. LLP * Chartered Accountants

Hiranandani Healthcare Pvt. Ltd. *

33.2 Financial risk management

Financial risk management objectives

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic market risk (interest rate risk), credit risk and liquidity risk.

The Board of Directors manages the financial risk of the Company through internal risk reports which analyse exposure by magnitude of risk. The Company has limited exposure from the international market as the Company's operations are in India. The Company has no exposure towards foreign currency risk as it earns all of its revenue from domestic patients only. Capital expenditure includes very few capital goods purchased in foreign currency through overseas vendors during the year. The Company has not taken any derivative contracts during the year to hedge the exposure.

(a) Market Risk

The Company's activity are not exposed to market risks.

(b) Interest rate risk management

The Company is exposed to interest rate risk because Company borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50-basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

(Amount in ₹ lacs)

Particulars	Interest impact As at March 31, 2022	Interest impact As at March 31, 2021
If increase by 50 basis point		
Increase / (decrease) in profit or loss before tax for the year	(0.85)	-
If decrease by 50 basis point		
Increase / (decrease) in profit or loss before tax for the year	0.85	-

(c) Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company takes due care while extending any credit as per the approval matrix approved by Board of Directors.

Refer note 9 of the financial statements for carrying amount and maximum credit risk exposure for trade receivables.

Expected credit loss on financial assets other than trade receivables:

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties, from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for excepted credit loss has been provided on these financial assets. Break up of financial assets other than trade receivables have been disclosed in Balance Sheet.

(d) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Liquidity risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

B S R & Co. LLP * Chartered Accountants

Hiranandani Healthcare Pvt. Ltd. *

(Rupees in Lacs)

Particulars	Within 1 year	1-2 year	More than 2 years	Total	Carrying amount
As at March 31, 2022					
Borrowings (current and non current)	891.42	52.22	128.39	1,072.03	1,039.04
Lease liabilities (current and non current)	79.56	81.16	588.72	749.44	482.92
Trade payables	1,827.41	-	-	1,827.41	1,827.41
Security deposits	14.06	-	-	14.06	14.06
Interest accrued but not due on borrowings	4.11	-	-	4.11	4.11
Capital creditors	92.30	-	-	92.30	92.30
Other liabilities	290.09	-	-	290.09	290.09
Total	**3,198.95**	**133.38**	**717.11**	**4,049.44**	**3,749.93**

(Rupees in Lacs)

Particulars	Within 1 year	1-2 year	More than 2 years	Total	Carrying amount
As at March 31, 2021					
Borrowings (current and non current)	1,368.00	-	-	1,368.00	1,341.00
Lease liabilities (current and non current)	108.17	79.56	669.87	857.60	536.53
Trade payables	2,054.34	-	-	2,054.34	2,054.34
Security deposits	4.00	14.64	-	18.64	18.64
Interest accrued but not due on borrowings	34.01	-	-	34.01	34.01
Capital creditors	17.63	-	-	17.63	17.63
Other liabilities	309.74	-	-	309.74	309.74
Total	**3,895.89**	**94.20**	**669.87**	**4,659.96**	**4,311.89**

33.3 Fair value measurement (Rupees in Lacs)

Particulars	Note	Carrying value as at As at March 31, 2022	 As at March 31, 2021
Measured at amortised cost			
i) Financial Assets - Non current			
Security deposits	(b)	85.57	84.32
ii) Financial assets – Current			
Trade receivables	(a)	1,541.25	1,676.40
Cash and cash equivalents (including other bank balances)	(a)	23.43	75.03
Other financial assets	(a)	11.68	21.48
TOTAL		**1,661.93**	**1,857.23**
Measured at amortised cost			
iii) Financial liabilities - Non current			
Borrowings	(c)	159.38	-
Lease liabilities	(d)	449.46	478.53
Other Financial liabilities	(b)	-	14.64
iv) Financial liabilities - Current			
Borrowings	(a)	879.67	1,341.00
Lease liabilities	(d)	33.46	58.00
Trade payables	(a)	1,827.41	2,054.34
Other Financial liabilities	(a)	400.56	365.38
TOTAL		**3,749.94**	**4,311.89**

The following methods / assumptions were used to estimate the fair values:

(a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short-term maturities of these instruments.

(b) Fair valuation of non-current financial assets has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value.

(c) The Company's borrowings (including borrowing from fellow subsidiaries and holding company) have been contracted at floating rates of interest, which resets at short intervals. Accordingly, the carrying value of such borrowings (including interest accrued but not due) approximates fair value.

(d) Fair value measurement of lease liabilities is not required.

The fair value is determined by using the valuation model/technique with observable/ non-observable inputs and assumptions.

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2022 and 31 March 2021.

B S R & Co. LLP * Chartered Accountants

Hiranandani Healthcare Pvt. Ltd. *

34 Segment information

The Company is primarily engaged in the business of healthcare services which is the only reportable business segment as per Ind AS 108 "Operating Segments".

Sales by market- Revenue from external customers by location of customers

The following table shows the distribution of the Company's revenues by geographical market:

(Rupees in Lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
India	11,662.77	8,957.98
Outside India	-	-
Total	**11,662.77**	**8,957.98**

Carrying value of non-current assets- by location of assets

The following table shows the carrying amount of non-current assets (other than financial instruments and deferred tax assets) by geographical area in which the assets are located:

(Rupees in Lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
India	7,834.34	7,012.52
Outside India	-	-
Total	**7,834.34**	**7,012.52**

35 Going concern

For the year ended March 31, 2022, the current liabilities exceed its current assets by Rupees 1855.85 lacs. In previous year, COVID-19 (as explained in note 36A below) has adversely impacted the performance and cash flow position of the Company. These events or conditions raise doubt on the ability of the Company to continue as a Going Concern, which is dependent on obtaining support and working capital financing from its Holding Company. The Management has implemented few cost reduction measures which will improve the financial performance and cash flows of the Company in subsequent years. As at March 31, 2022, the Company has funds available of Rupees 23.43 lacs. The Management believes that the going concern assumption used in preparation of these financial statements is appropriate, based on its future cash flow projections and continued financial and operational support from its Holding Company.

36A During the previous year, the COVID – 19 pandemic impacted the revenues and profitability of the Company with a decline in occupancy impacting significantly the hospital business revenues, profitability and cash flows. The Company took various initiatives to support operations and optimize the cost. With a slew of these measures, the Company has been able to significantly reduce the negative impact on its business.

The Company has a well- capitalized Balance Sheet and has managed its liquidity position via cost efficiency initiatives, better working capital management and external funding.

The Company has considered internal and external information while finalizing various estimates in relation to these financial statements. Going forward, the actual impact of the Covid-19 pandemic may

36B As per section 135 of the Companies Act, 2013 and rules therein, the Company is required to spend at least 2% of average net profit of preceding three years towards Corporate Social Responsibility (CSR). However, the Company has incurred cumulative losses in past three years hence the same is not applicable.

37 Other Statutory Information

(i)The Company does not have any charges or satisfaction which are yet to be registered with ROC beyond the statutory period.

(ii)The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iii)The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

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

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

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

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

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

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

(vi)The Company is not declared wilful defaulter by any bank or financial institution or other lender.

(vii)The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

(viii) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

S R & Co. LLP * Chartered Accountants

Hiranandani Healthcare Pvt. Ltd. *

38 Ratio Analysis and its elements

S.No.	Ratio	Numerator	Denominator	31-Mar-22	31-Mar-21	% change	Reason for variance
1	Current Ratio (in times)	Total current assets	Total current liabilities	0.54	0.53	0.77%	-
2	Debt-Equity Ratio (in times)	Debt consists of borrowings and lease liabilities	Total equity	0.29	0.42	-31.23%	Decline in borrowings outstanding have improved the ratio for the company
3	Debt Service Coverage Ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Finance costs + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	1.42	(0.04)	-3626.46%	Increase in profit earned by the Company has improved the ratio
4	Return on Equity Ratio (in %)	Net (Loss) / Profit after taxes (before OCI and Exceptional items) less Preference dividend (if any)	Average total equity	16.36%	-32.14%	-150.91%	Increase in profit earned by the Company has improved the ratio
5	Inventory turnover Ratio (in times)	Cost of goods sold	Average Inventory	21.23	19.17	10.77%	-
6	Trade Receivables Turnover Ratio (in times)	Revenue from operations (excluding liabilities no longer required written back)	Average trade receivable	7.23	6.31	14.48%	-
7	Trade Payables Turnover Ratio (in times)	Net credit purchases = Gross credit purchases - purchase return	Average trade payables	1.41	0.90	57.05%	Increase on account of higher purchases during the year
8	Net Capital Turnover Ratio (in times)	Revenue from operations (excluding liabilities no longer required written back)	Working capital (i.e. Total current assets less Total current liabilities)	(6.28)	(4.30)	46.01%	Change on account of increase in revenue earned by the Company
9	Net Profit Ratio (in %)	Net (loss) / Profit before exceptional items	Revenue from operations (excluding liabilities no longer required written back)	6.89%	-9.85%	-169.93%	Increase in profit earned by the Company has improved the ratio
10	Return on Capital Employed (in %)	Profit (Loss) before tax and finance costs	Capital employed = Tangible Net worth + Debts + Lease liabilities + Deferred tax liabilities	14.64%	4.74%	208.59%	Increase in profit earned by the Company has improved the ratio

D.S.R. & Co. LLP * Chartered Accountants

Hiranandani Healthcare Pvt. Ltd. *

Note 39 : Reclassification

Pursuant to amendment in Schedule III to the Companies Act, 2013, effective from 1 April 2021, the Company has modified the classification of certain assets and liabilities. Comparative amounts in the notes to the financial statements were reclassified for consistency

Particulars	Classification as per Previous year financials	Classification as per Current year financials	Amount (Rs. in lacs)
Balance Sheet			
Reclassification of current maturity of term loans	Other Financial Liabilities - Current Maturities of term loans	Current borrowings - Current Maturities of term loans	-
Reclassification of security deposits (Non-Current)	Loans (Non Current) - Security deposits	Other financial Assets (Non Current) - Security Deposits	84.32
Reclassification of security deposits (Current)	Loans (Current) - Security deposits	Other financial Assets (Current) - Security Deposits	16.06

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Rajesh Arora
Partner
Membership Number: 076124

Place : Gurugram
Date : 19 July 2022

For and on behalf of the Board of Directors of
Hiranandani Healthcare Private Limited

Manu Kapila
Director
DIN: 03403696

Place: Navi Mumbai
Date : 19 July 2022

Prabhat Kumar
Director
DIN: 03109484

Place: Navi Mumbai
Date : 19 July 2022