

# B S R & Co. LLP

Chartered Accountants

Building No. 10, 12th Floor, Tower-C,  
DLF Cyber City, Phase - II,  
Gurugram - 122 002, India  
Tel: +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 2023, 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.

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 2023, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Emphasis of Matter

- a. We draw attention to Note 29 (b) 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.



Registered Office:

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

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

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

**Hiranandani Healthcare Private Limited**

**Other Information**

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

105

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

**Hiranandani Healthcare Private Limited**

- 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 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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".

*Cal*

Independent Auditor's Report (Continued)

Hiranandani Healthcare Private Limited

- 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 2023 on its financial position in its financial statements - Refer Note 29 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 its knowledge and belief, other than 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 its 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) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
  - e. The Company has neither declared nor paid any dividend during the year.
  - f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

91

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

**Hiranandani Healthcare Private Limited**

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

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

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

*Chartered Accountants*

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



**Rajesh Arora**

*Partner*

Place: Gurugram

Membership No.: 076124

Date: 15 May 2023

ICAI UDIN:23076124BGZBHW8169

**Annexure A to the Independent Auditor's Report on the Financial Statements of Hiranandani Healthcare Private Limited for the year ended 31 March 2023**

**(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 at least once over the period of three years. In accordance with this programme, all property, plant and equipment were verified during the previous 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 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 banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements, wherever applicable, filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not 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 previous 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.
- (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 its sales of goods and services provided by it and are of the opinion that prima facie, the

**Annexure A to the Independent Auditor's Report on the Financial Statements of Hiranandani Healthcare Private Limited for the year ended 31 March 2023 (Continued)**

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 previous 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, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of Provident fund (PF) and Tax deducted at source (TDS).

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 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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	277.12	-	AY 2015-16	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax and interest thereon	691.04	-	AY 2016-17	Commissioner of Income Tax (Appeals)

- (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 previous 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.

*CS*

**Annexure A to the Independent Auditor's Report on the Financial Statements of Hiranandani Healthcare Private Limited for the year ended 31 March 2023 (Continued)**

- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the previous year ended 31 March 2023. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the previous year ended 31 March 2023. Accordingly, clause 3(ix)(f) 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 previous 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.
- (a) 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.
- (a) As represented to us by the management, there are no whistle blower complaints received by the Company during the previous 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) (a) 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.
- (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 previous year. Accordingly, clause 3(xviii) of the Order is not applicable.

*ca*



**Annexure A to the Independent Auditor's Report on the Financial Statements of Hiranandani Healthcare Private Limited for the year ended 31 March 2023 (Continued)**

- (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*

Place: Gurugram

Date: 15 May 2023

Membership No.: 076124

ICAI UDIN:23076124BGZBHW8169

**Annexure B to the Independent Auditor's Report on the financial statements of Hiranandani Healthcare Private Limited for the year ended 31 March 2023**

**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)(h) 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 2023 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 2023, 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.

*car*

**Annexure B to the Independent Auditor's Report on the financial statements of Hiranandani Healthcare Private Limited for the year ended 31 March 2023 (Continued)**

**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 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*

Place: Gurugram

Date: 15 May 2023

Membership No.: 076124

ICAI UDIN:23076124BGZBHW8169


**HIRANANDANI HEALTHCARE PRIVATE LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2023**

Particulars	Notes	As at March 31, 2023 (Rupees in lacs)	As at March 31, 2022 (Rupees in lacs)
<b>ASSETS</b>			
<b>A. Non-current assets</b>			
(a) Property, plant and equipment	3(i)	4,908.58	4,115.17
(b) Capital work-in-progress	3(ii)	27.35	75.17
(c) Right-of-use assets	31(a)	357.21	404.32
(d) Intangible assets	3(iii)	85.09	121.73
(e) Intangible assets under development	3(iv)	8.54	-
(f) Financial assets			
(i) Other financial assets	4	116.09	85.57
(g) Deferred tax assets (net)	5	-	-
(h) Non-current tax assets (net)	6	1,782.18	3,087.22
(i) Other non-current assets	7	54.03	30.72
<b>Total non-current assets (A)</b>		<u>7,339.07</u>	<u>7,919.90</u>
<b>B. Current assets</b>			
(a) Inventories	8	125.44	161.00
(b) Financial assets			
(i) Trade receivables	9	1,580.90	1,541.25
(ii) Cash and cash equivalents	10	5.59	16.14
(iii) Bank balances other than (ii) above	11	3.40	7.29
(iv) Other financial assets	4	10.57	11.68
(c) Other current assets	7	122.04	160.41
(d) Assets classified as held for sale	19	34.46	241.34
<b>Total current assets (B)</b>		<u>1,882.40</u>	<u>2,139.11</u>
<b>Total assets (A+B)</b>		<u>9,221.47</u>	<u>10,059.01</u>
<b>EQUITY AND LIABILITIES</b>			
<b>A. Equity</b>			
(a) Equity share capital	12	561.33	561.33
(b) Other equity		6,380.57	4,734.22
<b>Total equity (A)</b>		<u>6,941.90</u>	<u>5,295.55</u>
<b>Liabilities</b>			
<b>B. Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	31(a)	415.33	449.46
(ii) Borrowings	13	-	159.38
(iii) Other financial liabilities	14	5.00	-
(b) Provisions	15	201.21	159.65
<b>Total non-current liabilities (B)</b>		<u>621.54</u>	<u>768.49</u>
<b>C. Current liabilities</b>			
(a) Borrowings	13	128.20	879.67
(b) Financial liabilities			
(i) Trade payables	17		
- Total outstanding dues of micro enterprises and small enterprises		235.77	237.99
- Total outstanding dues of creditors other than micro enterprises and small enterprises		883.39	1,589.42
(ii) Lease liabilities	31(a)	38.25	33.46
(iii) Other financial liabilities	14	139.58	400.56
(c) Provisions	15	58.99	115.89
(d) Other current liabilities	18	173.85	292.93
(e) Liabilities directly associated with assets classified as held for sale	19	-	445.05
<b>Total current liabilities (C)</b>		<u>1,658.03</u>	<u>3,994.97</u>
<b>Total liabilities (B+C)</b>		<u>2,279.57</u>	<u>4,763.46</u>
<b>Total equity and liabilities (A+B+C)</b>		<u>9,221.47</u>	<u>10,059.01</u>

1-38

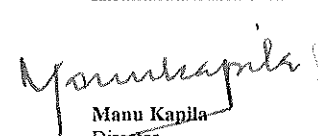
See accompanying notes forming integral part of the financial statements.  
In terms of our report attached

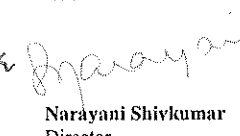
For BSR & Co. LLP  
Chartered Accountants  
Firm registration number: 101248W/W-100022

  
Rajesh Arora  
Partner  
Membership Number: 076124

Place : Gurugram  
Date : May 15, 2023

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

  
Manu Kapla  
Director  
DIN: 03403696

  
Narayani Shivkumar  
Director  
DIN: 06993476

Place : New Delhi  
Date : May 15, 2023

Place : Navi Mumbai  
Date : May 15, 2023



**HIRANANDANI HEALTHCARE PRIVATE LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023**

Particulars	Notes	For the year ended March 31, 2023 (Rupees in lacs)	For the year ended March 31, 2022 (Rupees in lacs)
<b>I</b> Revenue from operations	20	11,251.85	11,662.77
<b>II</b> Other income	21	1,700.03	598.75
<b>III</b> Total income (I+II)		<u>12,951.88</u>	<u>12,261.52</u>
<b>IV</b> Expenses			
(i) Purchases of medical consumable and drugs		2,309.42	2,730.80
(ii) Changes in inventories of medical consumable and drugs	22	35.56	(71.76)
(iii) Employee benefits expense	23	1,733.19	1,442.37
(iv) Finance costs	24	156.84	179.45
(v) Depreciation and amortisation expense	25	526.96	574.48
(vi) Other expenses	26	6,436.28	6,605.39
Total expenses (IV)		<u>11,198.25</u>	<u>11,460.73</u>
<b>V</b> Profit from continuing operations before tax (III-IV)		<u>1,753.63</u>	<u>800.79</u>
<b>VI</b> Tax expense			
(1) Current tax	5	74.13	-
(2) Deferred tax charge	5	-	-
Total tax expenses		<u>74.13</u>	<u>-</u>
<b>VII</b> Profit for the year (V-VI)		<u>1,679.50</u>	<u>800.79</u>
<b>VIII</b> Other Comprehensive Income			
A. Items that will not be reclassified to profit or loss:			
(a) Remeasurement of the defined benefit liabilities	27	(33.15)	2.01
(b) Income tax relating to items that will not be reclassified to statement of profit or loss		-	-
		<u>(33.15)</u>	<u>2.01</u>
<b>IX</b> Total comprehensive Income for the year (VII+VIII)		<u>1,646.35</u>	<u>802.80</u>
<b>Earnings per equity share of Rupees 10 each:</b>			
(i) Basic (in Rupees)	28	29.92	14.27
(ii) Diluted (in Rupees)	28	29.92	14.27

See accompanying notes forming integral part of the financial statements.

1-38

In terms of our report attached

For **BSR & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W-100022



**Rajesh Arora**

Partner

Membership Number: 076124

Place : Gurugram

Date : May 15, 2023

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

**Manu Kapila**

Director

DIN: 03403696

**Narayani Shivkumar**

Director

DIN: 06993476

Place : New Delhi

Date : May 15, 2023

Place : Navi Mumbai

Date : May 15, 2023



**HIRANANDANI HEALTHCARE PRIVATE LIMITED**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023**

Particulars	For the year ended March 31, 2023 (Rupees in lacs)	For the year ended March 31, 2022 (Rupees in lacs)
<b>Cash flows from operating activities</b>		
Profit before tax	1,753.63	800.79
<b>Adjustments for:</b>		
Finance costs	156.84	179.45
Interest income	(262.17)	(34.30)
Profit on disposal of property, plant and equipment	(1,435.47)	(551.19)
Provision/liability no longer required written back	(222.35)	(33.45)
Doubtful advances written off	17.77	-
Allowance for doubtful receivables	107.02	57.21
Depreciation and amortisation expense	526.96	574.48
	<u>642.23</u>	<u>992.99</u>
<b>Working capital adjustments</b>		
(Increase)/ Decrease in trade receivables	(146.65)	77.94
Decrease/ (Increase) in inventories	35.57	(71.50)
Decrease/ (Increase) in other asset	26.26	(62.22)
(Increase)/ Decrease in other financial assets	(29.36)	8.54
Decrease in trade payables	(485.90)	(193.48)
Decrease in provisions	(48.45)	(15.54)
(Decrease) in other financial liabilities	(205.88)	(24.20)
(Decrease)/Increase in other liabilities	(564.12)	464.42
<b>Cash generated from operating activities</b>	<u>(776.31)</u>	<u>1,176.95</u>
Income taxes refund/(paid) (net)	1,230.86	(578.69)
<b>Net cash generated from operating activities (A)</b>	<u>454.55</u>	<u>598.26</u>
<b>Cash flows from investing activities</b>		
Interest received	262.17	34.30
Investment in bank deposits (net)	(1.21)	-
Proceeds on sale of assets held for sale	1,658.00	633.00
Proceeds on disposal of property, plant and equipment	2.42	2.30
Purchase of property, plant and equipment and intangible asset	(1,285.77)	(754.55)
<b>Net cash used in investing activities (B)</b>	<u>635.61</u>	<u>(84.95)</u>
<b>Cash flows from financing activities (refer note 16)</b>		
Principal repayment of non-current	(759.38)	-
Proceeds from non-current borrowing	600.00	170.00
Principal repayment of current borrowing	(10.63)	(1,341.00)
Principal repayment of lease liabilities (refer note 31(a))	(29.34)	(53.60)
Finance cost paid (Including interest on lease liabilities of Rupees 50.22) Lacs (March 31, 2022 Rupees 54.56 lacs)	(160.52)	(209.35)
<b>Net cash used in financing activities (C)</b>	<u>(359.87)</u>	<u>(1,433.95)</u>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<u>730.29</u>	<u>(920.64)</u>
Add: Cash and cash equivalents at the beginning of the year {refer note 10}	(852.90)	67.74
<b>Cash and cash equivalents at the end of the year {refer note 10}</b>	<u>(122.61)</u>	<u>(852.90)</u>

**Notes:**

- 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".
- The Company has not made any payment towards Corporate Social Responsibility (CSR) expenditure for the year ended March 31 2023 and March 31 2022.

See accompanying notes forming integral part of the financial statements.

1-38

In terms of our report attached

For **BSR & 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 : May 15, 2023

*Manu Kapila*

**Manu Kapila**

Director

DIN: 03403696

Place : New Delhi

Date : May 15, 2023

*Narayani Shivkumar*

**Narayani Shivkumar**

Director

DIN: 06993476

Place : Navi Mumbai

Date : May 15, 2023



**HIRANANDANI HEALTHCARE PRIVATE LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023**

**a. Equity share capital**

Particulars	No. in lacs	(Rupees in lacs)
Balance as at April 01, 2021	56.13	561.33
Changes in equity share capital during the year	-	-
<b>Balance as at March 31, 2022</b>	<b>56.13</b>	<b>561.33</b>
Changes in equity share capital during the year	-	-
<b>Balance as at March 31, 2023</b>	<b>56.13</b>	<b>561.33</b>

**b. Other Equity**


Particulars	Reserves and surplus		
	Securities premium reserve *	Retained earnings	Total other equity
Balance as at April 01, 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
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>802.80</b>	<b>802.80</b>
<b>Balance as at March 31, 2022</b>	<b>6,233.45</b>	<b>(1,499.23)</b>	<b>4,734.22</b>
Profit for the year transferred from statement of profit and loss	-	1,679.50	1,679.50
Remeasurement of net defined benefit plan for the year, net of income tax	-	(33.15)	(33.15)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>1,646.35</b>	<b>1,646.35</b>
<b>Balance as at March 31, 2023</b>	<b>6,233.45</b>	<b>147.12</b>	<b>6,380.57</b>


\* 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. 1-38


In terms of our report attached

For **BSR & 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

  
**Manu Kapila**  
 Director  
 DIN: 03403696

  
**Narayani Shivkumar**  
 Director  
 DIN: 06993476

Place : Gurugram  
 Date : May 15, 2023

Place : New Delhi      Place : Navi Mumbai  
 Date : May 15, 2023      Date : May 15, 2023



**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 May 15, 2023.

*(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





- 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. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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.



**(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**

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

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.

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



**(ii) Intangible assets**

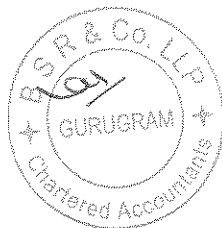
- Internally generated intangible assets:
  - Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the statement of profit and loss as incurred.
  - Development expenditure including regulatory cost and legal 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 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.

**(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.



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

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

#### *Financial assets*

##### *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.

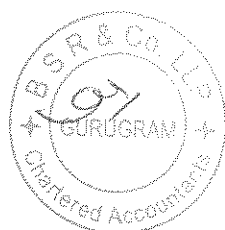
##### *Debt instrument at FVOCI*

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 FVOCI 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.

#### *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.

#### *Financial instruments and contract assets*

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- the financial asset is more than 3 years past due.

#### *Credit-impaired financial assets*

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;



HIRANANDANI HEALTHCARE PRIVATE LIMITED  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

---

- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

*Presentation of allowance for ECL in the balance sheet*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

*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.

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.

*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. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

*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



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.

**(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 towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of services rendered and goods sold is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract 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. Short term employee benefits are measured on an undiscounted basis.

*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.

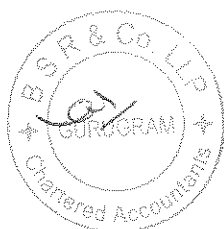
Remeasurement gains and losses on other long-term benefits are recognised in the statement of profit and loss in the year in which they arise. Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised 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).

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. Interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

*Current taxes:*



Current tax comprises the best estimate of 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 also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

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

**(o) Leases**

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

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



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

An entity shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non- lease components and account for the lease and non-lease components as a single lease component.

**(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.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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.

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.

*(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 31
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 29
- Recognition and estimation of tax expense including deferred tax– Note 5



### **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 2023 is included in the following notes:

- Lease arrangement (classification) – Note 31
- Fair value measurement – Note 34.3
- 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 29
- Recognition and estimation of tax expense including deferred tax – Note 5
- 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 27

### **(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 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

#### **Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

#### **Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

#### **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.



**HIRANANDANI HEALTHCARE PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

Note 3 (i): Property, plant and equipment

(Rupees in Lacs)

Particulars	Leasehold improvements	Plant and equipment	Medical equipment	Furniture and fittings	Computers	Office equipment	Vehicles	Total
<b>Gross carrying value</b>								
As at April 01, 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
Additions	121.39	79.07	976.89	27.05	23.64	7.41	-	1,235.45
Disposals	-	(0.18)	(140.23)	(27.67)	(17.74)	(9.22)	-	(195.04)
As at March 31, 2023	3,705.58	738.51	3,501.08	172.01	107.00	65.04	11.21	8,300.44
<b>Accumulated depreciation</b>								
As at April 01, 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)	-	(88.56)
As at March 31, 2022	1,178.82	413.02	1,274.31	126.16	87.80	56.43	8.30	3,144.84
Charge for the year	145.30	55.43	210.03	11.68	14.01	3.90	1.69	442.04
Disposals	-	(0.17)	(140.23)	(27.67)	(17.74)	(9.22)	-	(195.02)
As at March 31, 2023	1,324.12	468.28	1,344.11	110.17	84.07	51.11	9.99	3,391.86
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
Net carrying value (As at March 31, 2023)	2,381.46	270.23	2,156.97	61.84	22.93	13.93	1.22	4,908.58

Notes:

- (a) 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 29 (b))  
(b) The Company has not revalued its Property, Plant and Equipment during the year ended March 31, 2023 and previous year ended March 31, 2022.  
(c) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

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

(Rupees in Lacs)

Particulars	March 31, 2023	March 31, 2022
Opening balance	75.17	3.93
Additions during the year*	1,187.63	806.71
Transfer to property, plant and equipment	(1,235.45)	(735.47)
Closing Balance	27.35	75.17

\*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, 2023

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	27.35	-	-	-	27.35
Total	27.35	-	-	-	27.35

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	-	1.14	0.33	75.17
Total	73.70	-	1.14	0.33	75.17

There is no project whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2023 and March 31, 2022.





**HIRANANDANI HEALTHCARE PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

**Note 3 (iii) : Intangible assets**

Particulars	(Rupees in Lacs)	
	Computer Software	
Gross carrying value		
As at April 01, 2021	548.02	
Additions	13.47	
As at March 31, 2022	561.49	
Additions	1.17	
As at March 31, 2023	562.66	
Accumulated amortisation		
As at April 01, 2021	384.13	
Charge for the year	55.63	
As at March 31, 2022	439.76	
Charge for the year	37.81	
As at March 31, 2023	477.57	
Carrying value as at March 31, 2022	121.73	
Carrying value as at March 31, 2023	85.09	

**Note 3 (iv) : Intangible assets under development**

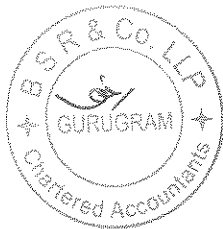
Particulars	(Rupees in Lacs)	
	March 31, 2023	March 31, 2022
Opening balance	-	7.06
Additions during the year*	9.71	6.41
Transfer to intangible assets	(1.17)	(13.47)
Closing Balance	8.54	-

\*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, 2023**

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	7.08	1.46	-	-	8.54
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>7.08</b>	<b>1.46</b>	<b>-</b>	<b>-</b>	<b>8.54</b>

There is no project whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2023 and March 31, 2022



**HIRANANDANI HEALTHCARE PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

Particulars	As at March 31, 2023 (Rupees in lacs)	As at March 31, 2022 (Rupees in lacs)
<b>4 Financial assets</b>		
<b>Other financial assets</b>		
<b>Non-current</b>		
<b>Considered good</b>		
Security deposits	113.38	85.57
Deposit accounts with bank	2.71	-
	<b>116.09</b>	<b>85.57</b>
<b>Current</b>		
<b>Considered good</b>		
Interest accrued but not due on deposits	0.16	0.16
Security deposits	2.84	2.28
Deposit accounts with bank	2.38	-
Other recoverable	5.19	9.24
	<b>10.57</b>	<b>11.68</b>

**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
Unabsorbed Depreciation	306.95	555.87
MAT credit entitlement	652.50	578.38
On loss allowance	33.96	62.95
On lease liability	126.19	134.35
On employee benefits	62.56	50.26
	<b>1,182.16</b>	<b>1,457.83</b>

**Deferred tax liabilities**

On Property, plant and equipment and Intangible asset	703.08	511.34
On Right-of-use assets	99.38	112.48
	<b>802.46</b>	<b>623.82</b>

**Net deferred tax assets (net)**

<b>379.70</b>	<b>834.01</b>
---------------	---------------

**Deferred tax assets (net) recognized**

<b>-</b>	<b>-</b>
----------	----------

**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 2023		As on 31 March 2022	
	Tax Rate	Gross Amount	Tax Rate	Gross Amount
<b>Profit before tax</b>		<b>1,753.63</b>		<b>800.79</b>
Tax using the Company's Income tax rate	27.82%	487.86	27.82%	222.78
Effect of carry forward losses adjusted	-17.65%	(309.60)	-13.77%	(110.25)
Impact of change in tax rates	-2.41%	(42.27)	-1.90%	(15.18)
Actualisation of previous year losses	-0.84%	(14.67)	-	-
Other adjustment	-2.69%	(47.19)	-12.16%	(97.35)
<b>Effective Tax rate</b>	<b>4.23%</b>	<b>74.13</b>	<b>0.00%</b>	<b>-</b>



**HIRANANDANI HEALTHCARE PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

**5. Deferred tax (net) (Cont'd...)**

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

Expiry in assessment year

**MAT credit**

	As on 31 March 2023		As on 31 March 2022	
	Gross Amount	Tax effect	Gross Amount	Tax effect
2025-26	127.26	127.26	127.26	127.26
2026-26	159.13	159.13	159.13	159.13
2027-28	239.49	239.49	239.49	239.49
2033-34	52.49	52.49	52.49	52.49
2038-39	74.13	74.13	-	-
	<b>652.50</b>	<b>652.50</b>	<b>578.37</b>	<b>578.37</b>

**Business Loss**

	As on 31 March 2023		As on 31 March 2022	
	Gross Amount	Tax effect	Gross Amount	Tax effect
2028-29	-	-	214.72	59.73
2029-30	-	-	58.57	16.29
	<b>-</b>	<b>-</b>	<b>273.29</b>	<b>76.02</b>

**Unabsorbed depreciation**

	As on 31 March 2023		As on 31 March 2022	
	Gross Amount	Tax effect	Gross Amount	Tax effect
No expiry	1,103.34	306.95	1,998.09	555.87
	<b>1,103.34</b>	<b>306.95</b>	<b>1,998.09</b>	<b>555.87</b>

**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) *	1,782.18	3,087.22
	<u>1,782.18</u>	<u>3,087.22</u>

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

**7. Other assets (Unsecured)**

**Non-current**

**Considered good**

Capital advances	47.49	23.56
Prepaid expenses	6.54	7.16
	<u>54.03</u>	<u>30.72</u>

**Current**

**Considered good**

Advance to vendors	52.12	91.62
Prepaid expenses	69.92	60.44
Others	-	8.35
	<u>122.04</u>	<u>160.41</u>

**8. Inventories**

Valued at lower of cost and net realisable value

Medical consumables, drugs and others	125.44	161.00
	<u>125.44</u>	<u>161.00</u>

**9. Trade receivables**

**Current**

**Unsecured**

**Considered good**

- From others		
Billed	1,577.64	1,569.30
Unbilled	125.14	169.80
- From related party (refer note : 32)	-	-
Billed	0.17	2.05
Less: Loss allowance	(122.05)	(199.90)
	<u>1,580.90</u>	<u>1,541.25</u>

**Break-up of security details**

Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	1,702.95	1,741.15
Less: Loss allowance	(122.05)	(199.90)
<b>Total trade receivables</b>	<u>1,580.90</u>	<u>1,541.25</u>



**HIRANANDANI HEALTHCARE PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

Particulars	As at March 31, 2023 (Rupees in Lacs)	As at March 31, 2022 (Rupees in Lacs)
-------------	---	---

**9. Trade receivables (Cont'd...)**

Trade Receivables are unsecured and are derived from revenue earned from providing healthcare and other ancillary services. No interest is charged on outstanding 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	As at
	March 31, 2023	March 31, 2022
0 - 1 year	0% - 10%	0% - 18%
1 - 2 year	2% - 26%	1% - 35%
2 - 3 year	11% - 63%	13% - 76%
More than 3 years	100%	100%

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

	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	199.90	150.43
Creation of the allowance for credit losses	107.02	57.21
Utilisation of the allowance for expected credit loss	<u>(184.87)</u>	<u>(7.75)</u>
<b>Balance at the end of the year</b>	<b><u>122.05</u></b>	<b><u>199.90</u></b>

"The company does not require collateral in respect of trade receivables. The company does not have trade receivables for which no loss allowance is recognised because of collateral."



**HIRANANDANI HEALTHCARE PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

Particulars	As at March 31, 2023 (Rupees in lacs)	As at March 31, 2022 (Rupees in lacs)
-------------	--	---

9. Trade receivables (Cont'd...)

Ageing schedule of trade receivables - billed

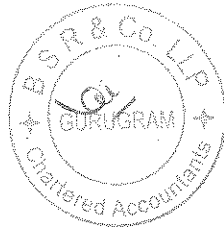
As at March 31, 2023

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	331.40	896.15	187.53	102.03	17.41	43.29	1,577.81
(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	-	-	-	-	-	-	-
	<b>331.40</b>	<b>896.15</b>	<b>187.53</b>	<b>102.03</b>	<b>17.41</b>	<b>43.29</b>	<b>1,577.81</b>
Less: Loss allowance for doubtful trade receivables - billed							(122.05)
							1,455.76
Trade receivables - unbilled							125.14
							<u>1,580.90</u>

As at March 31, 2022

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(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	-	-	-	-	-	-	-
	<b>490.68</b>	<b>610.88</b>	<b>211.02</b>	<b>95.44</b>	<b>96.78</b>	<b>66.55</b>	<b>1,571.35</b>
Less: Loss allowance for doubtful trade receivables - billed							(199.90)
							1,371.45
Trade receivables - unbilled							169.80
							<u>1,541.25</u>

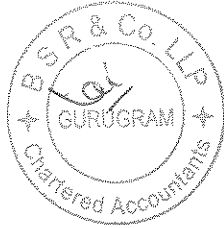
The Company does not have any significant concentration of exposure to specific category of customer.



**IHRANANDANI HEALTHCARE PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

Particulars	As at March 31, 2023 (Rupees in Lacs)	As at March 31, 2022 (Rupees in Lacs)
<b>10. Cash and cash equivalents</b>		
Balances with banks		
- on current accounts	2.27	12.76
- deposits with original maturity of less than three months		
Cash on hand	<u>3.32</u>	<u>3.38</u>
Cash and cash equivalents as per balance sheet	<u>5.59</u>	<u>16.14</u>
Bank overdraft	(128.20)	(869.04)
Cash and cash equivalents as per statement of cash flows	<u>(122.61)</u>	<u>(852.90)</u>
<b>11. Bank balances other than cash and cash equivalents</b>		
Deposits with original maturity of more than 3 months and less than 12 months*	<u>3.40</u>	<u>7.29</u>
	<u>3.40</u>	<u>7.29</u>

\*Bank deposits are under lien with banks against bank guarantee.



HIRANANDANI HEALTHCARE PRIVATE LIMITED  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	As at March 31, 2023 (Rupees in Lacs)	As at March 31, 2022 (Rupees in Lacs)
<b>12 Share capital</b>		
<b>Authorised share capital</b>		
6,800,000 (March 31, 2022: 6,800,000) equity shares of Rupees 10 each	680.00	680.00
200,000 (March 31, 2022: 200,000) zero percent redeemable preference shares of Rupees 10 each	20.00	20.00
<b>Total authorised share capital</b>	<b>700.00</b>	<b>700.00</b>
<b>Issued, subscribed and fully paid up shares</b>		
<b>Equity Share Capital</b>		
5,613,300 (March 31, 2022: 5,613,300) equity shares of Rupees 10 each	561.33	561.33
<b>Total issued, subscribed and fully paid up share capital</b>	<b>561.33</b>	<b>561.33</b>

**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, 2023		As at March 31, 2022	
	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	5,613,300	561.33
Issued during the year	-	-		
Outstanding at the end of the year	<b>5,613,300</b>	<b>561.33</b>	<b>5,613,300</b>	<b>561.33</b>

(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, 2023		As at March 31, 2022	
	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, 2023		As at March 31, 2022	
	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 2023**

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 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%



**HIRANANDANI HEALTHCARE PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

Particulars	As at March 31, 2022 (Rupees in lacs)	As at March 31, 2023 (Rupees in lacs)
<b>13. Borrowings</b>		
<b>Non-Current - Secured</b>		
Term Loan from Banks (refer Note-1 below)	-	159.38
	-	159.38
<b>Current- Secured</b>		
Bank Overdrafts (refer Note-2 below)	128.20	869.04
Current Maturity on term loan (refer Note-1 below)	-	10.63
	128.20	879.67

Note 1:-During the year the Company has taken term loan from HSBC Bank Rs. 600 lacs with rate of interest being HSBC 3 month MCLR i.e. 7.30 % with quarterly reset linked to 3 month MCLR or any other rate as may be mutually agreed from time to time. The rate of interest was fixed at 7.70% from July-2022 onwards. The loan is secured by exclusive charge on the certain fixed assets (immovable) with minimum assets cover of 1.33X on cumulative property value of asset secured by Escorts Heart and Super Speciality Hospital Limited, International Hospital Limited, Hospitalia Eastern Private Limited, and Fortis Hospotel Limited and corporate guarantee from Fortis Healthcare Limited, 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/Fl. Term loan of Rs. 170 Lacs was availed during period ended March 31, 2021 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. Further, Although the term loan facility is repayable in 16 quarterly installment with First Installment date starting from February 28, 2023, the entire term loan of Rs. 770 lacs were repaid on February 24, 2023 along with interest due thereon.

Note 2: The Company has availed bank working capital facility of Rupees 1,200 lacs from HSBC Bank (Rupees 1,200 lacs in previous year) at the interest rate of 6.75% to 8.35 % p.a i.e. HSBC overnight MCLR being 8.35% as on 31 March 2023 (6.80% as on 31 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.

All the corporate guarantees have been withdrawn by the bank during the current year except for Fortis Healthcare Limited.

**14. Other financial liabilities**

**Non-current**

Security deposits

5.00	-
5.00	-

**Current**

Security deposits

2.00      14.06

Interest accrued but not due on borrowings

0.43      4.11

Capital creditors\*

45.90      92.30

Payable to related parties

-      199.39

Employee payable

91.25      90.70

139.58      400.56

\* This also includes amount payable to micro and small enterprises amounting to Rupees 1.70 lacs as at 31 March 2023 (Previous year Rupees 40.38 lacs).

**15. Provisions**

**Non-current**

Provision for compensated absences

41.21      35.48

Provision for gratuity (refer note 27)

160.00      124.17

201.21      159.65

**Current**

Provision for gratuity (refer note 27)

13.80      12.14

Provision for compensated absences

9.88      8.86

Provision for contingencies \*

35.31      94.89

58.99      115.89

\* Provision for contingencies :

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	94.89	94.89
Add: Provision made during the year	35.31	-
Less: reversal during the year	(94.89)	-
Closing balance	35.31	94.89

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





**HIRANANDANI HEALTHCARE PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

**16. Changes in liabilities arising from financing activities**

Particulars	Non-current borrowings	Current Borrowings	Interest accrued	Lease liabilities
<b>As at April 01, 2021</b>	-	1,341.00	34.01	536.53
Lease liability paid	-	-	-	(53.60)
Proceeds from borrowings	170.00	-	-	-
Reclassification of bank overdraft*	-	869.05	-	-
Transfer to current borrowings	(10.62)	10.62	-	-
Repayment of borrowings	-	(1,341.00)	-	-
Finance cost	-	-	124.90	54.56
Finance cost paid	-	-	(154.79)	(54.56)
<b>As at March 31, 2022</b>	<b>159.38</b>	<b>879.67</b>	<b>4.12</b>	<b>482.93</b>
Lease liability paid	-	-	-	(29.34)
Addition of Lease contract	-	-	-	-
Proceeds from borrowings	600.00	-	-	-
Repayment of borrowings	(759.38)	(10.63)	-	-
Reclassification of bank overdraft*	-	(740.84)	-	-
Finance cost	-	-	106.62	50.22
Finance cost paid	-	-	(110.30)	(50.22)
<b>As at March 31, 2023</b>	<b>-</b>	<b>128.20</b>	<b>0.44</b>	<b>453.59</b>

\*Bank Overdraft have been reclassified from current borrowing to cash and cash equivalent for the purpose of preparation of statement of cash flow.

**17. Trade payables**

- (a) Total outstanding dues of micro enterprises and small enterprises (refer note 33)  
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises  
**Total**

	As at March 31, 2023 (Rupees in lacs)	As at March 31, 2022 (Rupees in lacs)
(a)	235.77	237.99
(b)	883.39	1,589.42
<b>Total</b>	<b>1,119.16</b>	<b>1,827.41</b>

**Of the above trade payables amount due to related parties as below:**

Trade payables due to related parties (refer note 32)

	41.34	281.90
--	-------	--------



**HIRANANDANI HEALTHCARE PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

**17. Trade payables (Cont'd...)**

**Ageing schedule**

**As at March 31, 2023**

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	235.63	0.14	-	-	-	235.77
(ii) Others	250.48	188.68	111.93	4.69	93.88	649.66
(iii) Disputed dues – MSME		-	-	-	-	-
(iv) Disputed dues - Others		-	-	-	-	-
	<b>486.11</b>	<b>188.82</b>	<b>111.93</b>	<b>4.69</b>	<b>93.88</b>	<b>885.43</b>
Unbilled						233.73
<b>Total</b>						<b>1,119.16</b>

**As at March 31, 2022**

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	65.59	165.67	-	-	6.73	237.99
(ii) Others	640.75	419.56	6.49	20.17	74.22	1,161.19
(iii) Disputed dues – MSME		-	-	-	-	-
(iv) Disputed dues - Others		-	-	-	-	-
	<b>706.34</b>	<b>585.23</b>	<b>6.49</b>	<b>20.17</b>	<b>80.95</b>	<b>1,399.18</b>
Unbilled						428.23
<b>Total</b>						<b>1,827.41</b>

**18. Other current liabilities**

- (a) Contract liabilities - advance from patients  
(b) Statutory dues payable  
**Total**

	As at March 31, 2023 (Rupees in lacs)	As at March 31, 2022 (Rupees in lacs)
	80.23	207.11
	93.62	85.82
<b>Total</b>	<b>173.85</b>	<b>292.93</b>

**19. Assets classified as held for sale**

**Assets held for sale**

Building\*

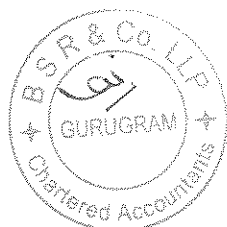
34.46	241.34
<b>34.46</b>	<b>241.34</b>

**Liabilities directly associated with assets classified as held for sale**

Advance against building held for sale

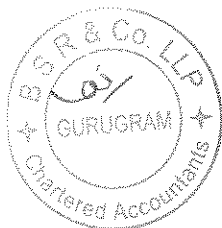
-	445.05
<b>-</b>	<b>445.05</b>

\* Includes 1 flats (previous year 7 flats) for which sale has been approved by Board of Directors of the Company.



**HIRANANDANI HEALTHCARE PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

Particulars	For the year ended March 31, 2023 (Rupees in lacs)	For the year ended March 31, 2022 (Rupees in lacs)
<b>20. Revenue from operations</b>		
<b>I. Revenue from contracts with customers</b>		
<b>(a) Sale of services</b>		
<b>Healthcare services</b>		
- Operating income - in-patient department	12,067.74	12,479.91
- Operating income - out-patient department	1,208.23	950.07
- Income from medical services	0.60	183.31
Less: Trade discounts	2,379.62	2,029.89
<b>Total (A)</b>	<u>10,896.95</u>	<u>11,583.40</u>
<b>(b) Sale of products - Trading</b>		
Pharmacy	125.01	21.20
<b>Total (B)</b>	<u>125.01</u>	<u>21.20</u>
<b>I. Total revenue from contracts with customers (A+B)</b>	<u>11,021.96</u>	<u>11,604.60</u>
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	125.01	21.20
Services transferred over time	10,896.95	11,583.40
	<u>11,021.96</u>	<u>11,604.60</u>
<b>Contract balances</b>		
Contract assets (unbilled revenue)	125.14	169.80
Contract liabilities (advance from patient)	80.23	207.11
The revenue recognized during the current year is the balancing number for transactions with customers after opening and closing balances of receivables and liabilities.		
<b>II. Other operating revenues</b>		
Sponsorship income	3.58	3.50
Income from rent	3.96	21.22
Provisions / liabilities no longer required written back	222.35	33.45
<b>II. Total other operating revenues</b>	<u>229.89</u>	<u>58.17</u>
<b>Total revenue from operations (I+II)</b>	<u>11,251.85</u>	<u>11,662.77</u>
<b>21. Other income</b>		
Interest income		
- Interest on bank deposits	1.21	0.12
- Interest on income tax refund	260.96	34.18
Profit on sale of property plant and equipment	1,435.47	551.19
Miscellaneous income	2.39	13.26
<b>Total other income</b>	<u>1,700.03</u>	<u>598.75</u>



**HIRANANDANI HEALTHCARE PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

Particulars	For the year ended March 31, 2023 (Rupees in lacs)	For the year ended March 31, 2022 (Rupees in lacs)
<b>22. Changes in inventories of medical consumables and drugs</b>		
(a) Inventory at the beginning of the year	161.00	89.24
(b) Inventory at the end of the year	125.44	161.00
Decrease/ (increase) in inventories [(a)-(b)]	<u>35.56</u>	<u>(71.76)</u>
<b>23. Employee benefits expense</b>		
(a) Salaries, wages and bonus	1,529.13	1,294.95
(b) Gratuity expense (refer note 27.2)	21.16	19.76
(c) Compensated absences	15.70	11.57
(d) Contribution to provident fund (refer note 27.1)	87.60	71.48
(e) Staff welfare expenses	79.60	44.61
Total	<u>1,733.19</u>	<u>1,442.37</u>
<b>24. Finance costs</b>		
(a) Interest expense		
- on term loans	42.80	4.06
- on cash credit	33.94	48.46
- on unsecured loan from related party (refer note 32)	-	23.80
- on others	2.94	3.53
- on defined benefit plan (refer note 27.2)	8.63	7.69
- on lease liabilities (refer note 31(a))	50.22	54.56
(b) Other borrowing costs	18.31	37.35
Total	<u>156.84</u>	<u>179.45</u>
<b>25. Depreciation and amortisation expense</b>		
(a) Depreciation of property, plant and equipments	442.04	443.37
(b) Amortisation of intangible assets	37.81	55.63
(c) Depreciation of right-of-use assets (refer note 31(a))	47.11	75.48
Total	<u>526.96</u>	<u>574.48</u>



**HIRANANDANI HEALTHCARE PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

Particulars	For the year ended March 31, 2023 (Rupees in lacs)	For the year ended March 31, 2022 (Rupees in lacs)
<b>26. Other expenses</b>		
Contractual manpower	489.38	508.41
Power, fuel and water	390.43	335.87
Housekeeping expenses including consumables	96.64	130.96
Patient food and beverages	104.40	132.00
Pathology laboratory expenses	600.94	608.82
Radiology expenses	137.12	519.40
Cost of Medical Services	50.60	55.98
Professional and consultation fees to doctors	3,606.41	3,044.52
Repairs and maintenance		
- Building	5.13	161.82
- Plant and machinery	310.04	400.89
- Others	10.79	80.60
Rent		
- Hospital buildings	14.92	9.14
- Equipments	48.82	56.38
- Others	46.19	12.90
Legal and professional fees (refer note 26.1)	79.62	101.65
Travel and conveyance	13.39	23.44
Rates and taxes	67.36	71.11
Printing and stationery	31.68	30.47
Communication expenses	26.49	23.72
Insurance	40.35	111.05
Marketing and business promotion	137.10	123.10
Allowance for doubtful receivables	107.02	57.21
Doubtful advances written off	17.77	-
Miscellaneous expenses	3.69	5.95
<b>Total</b>	<b>6,436.28</b>	<b>6,605.39</b>

**26.1 Auditors' remuneration comprises (Excluding GST)**

Statutory audit fee	7.20	6.86
Tax audit fee	0.84	0.80
Out of pocket expenses	0.40	0.32
<b>Total</b>	<b>8.44</b>	<b>7.98</b>



**HIRANANDANI HEALTHCARE PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

**27 Employee Benefit Plans:**

**27.1 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 23 - 'Employee benefits expense' for the year, is as under:

	(Rupees in lacs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Employer's contribution to provident fund	87.60	71.48

**27.2 Defined Benefit Plan**

**(a) Gratuity**

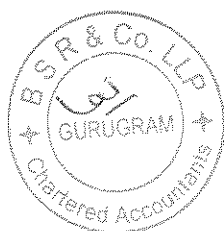
The Company provides long-term benefits in the nature of Gratuity to its employees. Under the Gratuity Plan, every employee who has completed at least five years of service gets a gratuity on departure @15 days of last drawn salary for each completed year of service. The scheme is unfunded.

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.

	Gratuity (Unfunded)	
	As at	As at
	March 31, 2023	March 31, 2022
Defined Benefit obligation at beginning of the	136.31	119.22
Current Service Cost	21.16	19.76
Interest cost	8.63	7.69
Actuarial gain	33.15	(2.01)
Benefits paid	(26.16)	(10.67)
Transfer In / (Out)	0.71	2.32
<b>Defined benefit obligation at year end</b>	<b>173.80</b>	<b>136.31</b>

(i) Particulars	(Rupees in lacs)	
	As at	As at
	31-Mar-23	31-Mar-22
<b>Movement in Net Liability</b>		
Present value of obligation at the beginning of the year	136.31	119.22
Current service cost	21.16	19.76
Interest cost	8.63	7.69
Amount recognized to OCI	33.15	(2.01)
Benefits paid	(26.16)	(10.67)
Acquisition (credit)/ cost	0.71	2.32
Present value of obligations at the end of the year	<b>173.80</b>	<b>136.31</b>

Particulars	(Rupees in lacs)	
	As at	As at
	31-Mar-23	31-Mar-22
Present value of unfunded obligation	173.80	136.31
<b>Amounts in the Balance Sheet</b>		
(a) Liabilities	173.80	136.31
(b) Assets	-	-
(c) Net liability/(asset) recognized in the balance sheet	<b>173.80</b>	<b>136.31</b>
Current Liability	13.80	12.14
Non-Current Liability	160.00	124.17
	<b>173.80</b>	<b>136.31</b>



**HIRANANDANI HEALTHCARE PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

**27 Employee Benefit Plans (Cont'd...)**

		(Rupees in lacs)	
(ii)	Expense recognized in Statement of Profit and Loss is as follows:	Year ended	Year ended
		31-Mar-23	31-Mar-22
	<b>Employee Benefit Expense</b>		
	Service cost	21.16	19.76
	Past Service Cost	-	-
	Finance Cost		
	Interest cost	8.63	7.69
	<b>Amount charged to Statement to Profit and Loss</b>	<b>29.79</b>	<b>27.45</b>

		(Rupees in lacs)	
(iii)	Expense/ (income) recognized in Statement of Other comprehensive income is as follows:	Year ended	Year ended
		31-Mar-23	31-Mar-22
	Net actuarial loss / (gain) due to experience adjustment recognized during the year	37.00	0.95
	Net actuarial loss / (gain) due to assumptions changes recognized during the year	(3.85)	(2.96)
	<b>Expense/ (Income) charged to Other Comprehensive income</b>	<b>33.15</b>	<b>(2.01)</b>

(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	Year ended
	31-Mar-23	31-Mar-22
Rate for discounting liabilities (p.a)	7.25%	7.00%
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.

Year ended	(Rupees in lacs)
March 31, 2024	14.29
March 31, 2025	17.36
March 31, 2026	17.22
March 31, 2027	26.98
March 31, 2028	26.9
March 31, 2029 to March 31, 2033	135.00

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, withdrawal 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.

Particulars	Year ended		Year ended	
	31-Mar-23		31-Mar-22	
	Increase	Decrease	Increase	Decrease
Change in discount rate by 0.5%	(7.28)	7.85	(5.60)	6.04
Change in Salary escalation rate by 1%	16.04	(14.10)	12.32	(10.82)
Change in withdrawal rate by 5%	(5.82)	6.74	(5.13)	6.03



**HIRANANDANI HEALTHCARE PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

**28 Earnings per share (EPS)**

Particulars	Denomination	For the year ended	For the year ended
		March 31, 2023	March 31, 2022
Profit for the year	Rupees in lacs	1,679.50	800.79
Weighted average number of equity shares in calculating Basic EPS and Diluted EPS	Numbers	5,613,300	5,613,300
Basic EPS	Rupees	29.92	14.27
Diluted EPS	Rupees	29.92	14.27

**Weighted average number of equity shares**

Number of shares at the beginning of the year	5,613,300	5,613,300
Effect of fresh issue of shares	-	-
<b>Weighted average number of shares at the end of the year</b>	<b>5,613,300</b>	<b>5,613,300</b>

**29 Contingent liabilities to the extent not provided for**

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

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Income tax (refer note below)	968.16	1,262.59
Claims against the Company not acknowledged as debts (in respect of compensation demanded by the patients/their relatives for negligence)	614.80	634.80

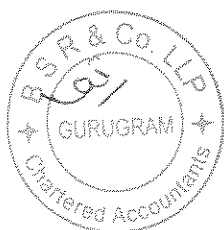
**Note:** Income tax litigations primarily pertains to disallowance of brought forward losses and unabsorbed depreciation adjusted which is currently pending for appeal before tax authorities.

(b) 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.

(c) 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.

(d) 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.

(e) 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. The company has assessed that it is only possible, but not probable, that outflow of economic resources will be required.





**HIRANANDANI HEALTHCARE PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

**30 Capital commitment and other commitments:**

**a) Capital commitments**

Particulars	(Rupees in Lacs)	
	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	384.46	278.27

**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 29(b)].

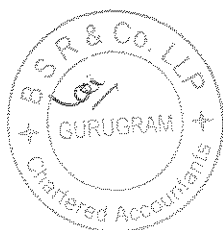
**31 Leases**

**(a) As a lessee**

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

Right-of-use assets	(Rupees in Lacs)	
	Land and building	
<b>Gross Carrying Amount</b>		
As at April 01, 2021		581.57
Additions		-
Derecognition		(35.93)
As at March 31, 2022		545.64
Additions		-
Derecognition		-
As at March 31, 2023		545.64
<b>Accumulated Depreciation</b>		
As at April 01, 2021		101.77
Charge for the year		75.48
Derecognition		(35.93)
As at March 31, 2022		141.32
Charge for the year		47.11
Derecognition		-
As at March 31, 2023		188.43
<b>Carrying value</b>		
As at March 31, 2022		404.32
As at March 31, 2023		357.21

Lease Liabilities	(Rupees in Lacs)	
	As at March 31, 2023	As at March 31, 2022
<b>Maturity analysis - contractual undiscounted cash flows</b>		
Less than one year	81.16	79.56
One to five years	341.18	334.49
More than five years	247.54	335.39
<b>Total undiscounted lease liabilities</b>	<b>669.88</b>	<b>749.44</b>



**HIRANANDANI HEALTHCARE PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

**31 Leases (Cont'd...)**

	(Rupees in Lacs)	
Lease Liabilities included in the Balance Sheet (discounted)	As at March 31, 2023	As at March 31, 2022
Current	38.25	33.46
Non-current	415.33	449.46

	(Rupees in Lacs)	
Amounts recognised in statement of profit and loss	As at March 31, 2023	As at March 31, 2022
Interest on lease liabilities	50.22	54.56
Variable lease payments not included in the measurement of lease liabilities	-	56.50
Expenses relating to short-term leases and leases of low-value assets	109.93	21.92

	(Rupees in Lacs)	
Amounts recognised in statement of cash flow	As at March 31, 2023	As at March 31, 2022
Cash outflow for leases	29.34	53.60
Interest on lease liabilities (included in Finance Cost)	50.22	54.56
<b>Total cash outflow for leases</b>	<b>79.56</b>	<b>108.16</b>

**(b) As a lessor**

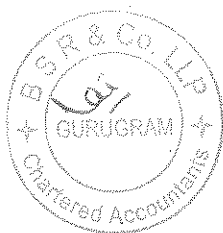
**Assets given on operating lease:**

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 3.96 lacs (March 31, 2022: Rupees 21.22 lacs).

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

Particulars (Building*)	As at March 31, 2023	As at March 31, 2022
Cost or deemed cost	46.23	323.73
Accumulated depreciation	11.77	82.39
Carrying Value	34.46	241.34

\* Buildings are classified as assets held for sale.



**HIRANANDANI HEALTHCARE PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

**32 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 Director Sandeep Guduru - Whole Time Director (Upto 30 Sept 2021) Prabhat Kumar - Director S. Narayani - Director
Fellow Subsidiaries (parties with whom transactions have taken place)	Fortis Hospitals Limited (FHsL) Escorts Heart Institute and Research Centre Limited (EHIRCL) 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	
	Mar 31, 2023	March 31, 2022	Mar 31, 2023	March 31, 2022	Mar 31, 2023	March 31, 2022	Mar 31, 2023	March 31, 2022	Mar 31, 2023	March 31, 2022
<b>Managerial remuneration</b>										
Mr. Sandeep Guduru	-	-	-	44.93	-	-	-	-	-	-
<b>Expenses</b>										
Interest expense	-	-	-	-	-	-	-	-	-	23.80
Pathology expenses	-	-	-	-	-	-	-	-	305.52	297.84
Radiology expense	-	-	-	-	-	-	-	-	134.34	519.40
<b>Reimbursement of Expenses</b>										
Expenditure incurred on behalf of the Company	-	-	-	-	0.46	0.08	-	-	295.62	310.98
Expenditure incurred by the Company on behalf of	-	-	-	-	-	-	-	-	19.01	70.91
<b>Collections</b>										
Collection on behalf of company by related party	-	-	-	-	0.04	2.54	-	-	-	-
Collection on behalf of related party by company	-	-	-	-	1.22	1.53	-	-	-	-
<b>Availing of any Goods / services</b>										
Medical services availed on OPD basis	-	-	-	-	0.55	4.32	-	-	-	-
Purchase of Goods / Medicines	-	4.46	-	-	4.80	189.37	-	0.93	-	-
Sale of Goods / Medicines	-	-	-	-	4.98	15.31	-	-	-	-
<b>Transfer of employee liability to</b>										
	-	-	-	-	0.06	-	-	-	-	-
<b>Transfer of employee liability from</b>										
	-	-	-	-	2.31	3.88	-	-	-	-
<b>Purchase/ transfer of fixed assets from</b>										
	-	-	-	-	-	-	-	-	167.03	-
<b>Loans Repaid</b>										
	-	-	-	-	-	-	-	-	-	1,341.00
<b>Financial guarantees on behalf of company to avail loan given by</b>										
	-	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	
	Mar 31, 2023	March 31, 2022	Mar 31, 2023	March 31, 2022	Mar 31, 2023	March 31, 2022	Mar 31, 2023	March 31, 2022	Mar 31, 2023	March 31, 2022
Trade Receivable	0.17	0.16	-	-	-	1.89	-	-	-	-
Trade Payables and other current liabilities	-	-	-	-	-	193.14	-	0.93	41.34	281.90
Financial guarantees on behalf of company to avail loan given by	2,450.00	2,450.00	-	-	-	-	-	-	-	-

**Notes:**

1. Corporate Guarantee (Jointly and Severally) has also been given by Fortis Healthcare Limited for Rupees 2,450 Lacs. (Escorts Heart Institute and Research Centre Limited, Escorts Heart and Super Speciality Hospital Limited, International Hospital Limited, Hospitalia Eastern Private Limited, and Fortis Hospital Limited for Rs. 2,450 Lakh as at March 31, 2022).



**HIRANANDANI HEALTHCARE PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

**33 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, 2023	March 31, 2022
(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*	237.47	278.37
- 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 14)

**34 Financial Instruments**

**34.1 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 note 13 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.

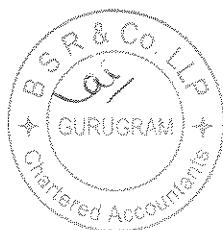
Amongst other things, the Company's objective for capital management is to ensure that it maintains stable capital management by monitoring the financial covenants attached to the interest bearing loans and borrowings.

**Gearing ratio**

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

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Debt*	582.21	1,526.07
Less:- cash and bank balances - current	(8.99)	(23.43)
<b>Total debt (A)</b>	<b>573.22</b>	<b>1,502.65</b>
<b>Equity</b>		
Equity share capital	561.33	561.33
Other equity	6,380.57	4,734.22
<b>Total equity (B)</b>	<b>6,941.90</b>	<b>5,295.55</b>
<b>Net Debt to Equity Ratio (A/B)</b>	<b>8.26%</b>	<b>28.38%</b>

\*Debt is defined as long-term and short-term borrowings (including interest accrued on borrowings, lease liabilities and excluding Corporate guarantees contracts and contingent consideration).



**HIRANANDANI HEALTHCARE PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

**34.2 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.

Particulars	(Amount in ₹ lacs)	
	Interest impact	Interest impact
	As at March 31, 2023	As at March 31, 2022
<b>If increase by 50 basis point</b>		
Increase / (decrease) in profit or loss before tax for the year	(0.64)	(5.20)
Increase / (decrease) in other equity	(0.46)	(3.75)
<b>If decrease by 50 basis point</b>		
Increase / (decrease) in profit or loss before tax for the year	0.64	5.20
Increase / (decrease) in other equity	0.46	3.75

**(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 expected credit loss has been provided on these financial assets. Break up of financial assets other than trade receivables have been disclosed in Balance Sheet.

**Cash and cash equivalents:**

The Company held cash and cash equivalents of Rs 5.59 lakhs at 31 March 2023 (31 March 2022: Rs 16.14 lakhs). The cash and cash equivalents are held with bank and financial institution counterparties, which have high credit ratings assigned by credit-rating agencies.

The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The Company uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for debt securities.

**(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.



**HIRANANDANI HEALTHCARE PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

**34 Financial Instruments (Cont'd...)**

Particulars	(Rupees in Lacs)				
	Within 1 year	1-2 year	More than 2 years	Total	Carrying amount
<b>As at March 31, 2023</b>					
Borrowings (current and non current)	128.20	-	-	128.20	128.20
Lease liabilities (current and non current)	81.16	82.78	505.94	669.88	453.58
Trade payables	1,119.16	-	-	1,119.16	1,119.16
Security deposits	2.00	5.00	-	7.00	7.00
Interest accrued but not due on borrowings	0.43	-	-	0.43	0.43
Capital creditors	45.90	-	-	45.90	45.90
Other liabilities	91.25	-	-	91.25	91.25
<b>Total</b>	<b>1,468.10</b>	<b>87.78</b>	<b>505.94</b>	<b>2,061.82</b>	<b>1,845.52</b>

Particulars	(Rupees in Lacs)				
	Within 1 year	1-2 year	More than 2 years	Total	Carrying amount
<b>As at March 31, 2022</b>					
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
<b>Total</b>	<b>3,198.95</b>	<b>133.38</b>	<b>717.11</b>	<b>4,049.44</b>	<b>3,749.93</b>

**34.3 Fair value measurement**

(Rupees in Lacs)

Particulars	Note	Carrying value as at	
		As at March 31, 2023	As at March 31, 2022
<b>Measured at amortised cost</b>			
<b>i) Financial Assets - Non current</b>			
Security deposits	(b)	113.38	85.57
<b>ii) Financial assets - Current</b>			
Trade receivables	(a)	1,580.90	1,541.25
Cash and cash equivalents (including other bank balances)	(a)	8.99	23.43
Other financial assets	(a)	10.57	11.68
<b>TOTAL</b>		<b>1,713.84</b>	<b>1,661.93</b>
<b>Measured at amortised cost</b>			
<b>iii) Financial liabilities - Non current</b>			
Borrowings	(c)	-	159.38
Lease liabilities	(d)	415.33	449.46
Other Financial liabilities	(b)	5.00	-
<b>iv) Financial liabilities - Current</b>			
Borrowings	(a)	128.20	879.67
Lease liabilities	(d)	38.25	33.46
Trade payables	(a)	1,119.16	1,827.41
Other Financial liabilities	(a)	139.59	400.56
<b>TOTAL</b>		<b>1,845.53</b>	<b>3,749.94</b>

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

- 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.
- 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.
- 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.
- 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 2023 and 31 March 2022.



**HIRANANDANI HEALTHCARE PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

**35 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	Year ended
	March 31, 2023	March 31, 2022
India	11,251.85	11,662.77
Outside India	-	-
<b>Total</b>	<b>11,251.85</b>	<b>11,662.77</b>

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

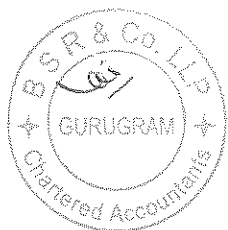
The following table shows the carrying amount of non-current assets (other than financial instruments and deferred tax assets) by geographical area in which the assets are located:  
(Rupees in Lacs)

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
India	7,222.98	7,834.34
Outside India	-	-
<b>Total</b>	<b>7,222.98</b>	<b>7,834.34</b>

36 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 willful 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.
- (ix) The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Act.
- (x) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.



**HIRANANDANI HEALTHCARE PRIVATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

**Note 38 : Ratio Analysis and its elements**

S.No.	Ratio	Numerator	Denominator	31-Mar-23	31-Mar-22	% change	Reason for variance
1	Current Ratio (in times)	Total current assets	Total current liabilities	1.11	0.54	107%	Increase mainly due to decrease in current borrowings during the current year.
2	Debt-Equity Ratio (in times)	Debt consists of borrowings and lease liabilities	Total equity	0.08	0.29	-71%	Improved mainly due to profit during the current year.
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	2.35	1.42	65%	Improved mainly due to higher profit during the current year.
4	Return on Equity Ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	27.45%	16.36%	68%	Improved mainly due to higher profit during the current year.
5	Inventory turnover Ratio (in times)	Cost of goods sold	Average Inventory	16.37	21.23	-23%	-
6	Trade Receivables Turnover Ratio (in times)	Revenue from operations (excluding liabilities no longer required written back)	Average trade receivable	7.07	7.23	-2%	-
7	Trade Payables Turnover Ratio (in times)	Net credit purchases = Gross credit purchases - purchase return	Average trade payables	1.57	1.41	12%	-
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)	58.08	(6.28)	-1025%	Change is due to decrease in current liability resulted in improved working capital
9	Net Profit Ratio (in %)	Net Profit	Revenue from operations (excluding liabilities no longer required written back)	15.23%	6.89%	121%	Increase in profit earned by the company has improved the ratio
10	Return on Capital Employed (in %)	Profit before tax and finance costs	Capital employed = Tangible Net worth + Debs + Lease liabilities + Deferred tax liabilities	25.39%	14.64%	73%	Increase in profit earned by the company has improved the ratio

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 : May 15, 2023



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

*(Signature)*  
**Mann Kapila**  
Director  
DIN: 03403696

**Narayani Shivkumar**  
Director  
DIN: 069993476

Place : New Delhi  
Date : May 15, 2023

Place: Navi Mumbai  
Date : May 15, 2023