

Walker Chandiook & Co LLP
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Independent Auditor's Report

To the Members of Paras Healthcare Private Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Paras Healthcare Private Limited ('the Holding Company') and its subsidiary, Paras Healthcare (Ranchi) Private Limited, (the Holding Company and its subsidiary together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2022, and their consolidated loss (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated 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.

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

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

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

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune



Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-31 Connaught Circus, New Delhi, 110001, India

Walker Chandio & Co LLP

Independent Auditor's Report to the Members of Paras Healthcare Private Limited on the audit of the Consolidated Financial Statements for the year ended 31 March 2022 (cont'd)

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

The Directors' Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

5. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.
6. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
7. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

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

8. Our objectives are to obtain reasonable assurance about whether the consolidated 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 Standards on Auditing 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 consolidated financial statements.
9. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated 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;

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Independent Auditor's Report to the Members of Paras Healthcare Private Limited on the audit of the Consolidated Financial Statements for the year ended 31 March 2022 (cont'd)

- 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 Holding 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 management;
 - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 Group 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; and
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors.
10. 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.

Report on Other Legal and Regulatory Requirements

11. Based on our audit, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the Holding Company and its subsidiary company covered under the Act since none of such companies is a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.
12. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.
13. As required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 purpose of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;

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Independent Auditor's Report to the Members of Paras Healthcare Private Limited on the audit of the Consolidated Financial Statements for the year ended 31 March 2022 (cont'd)

- c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
- e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary company and taken on record by the Board of Directors of the Holding Company and its subsidiary company, respectively, covered under the Act, none of the directors of the Group companies, are disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' wherein we have expressed an unmodified opinion; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in note 32 to the consolidated financial statements;
 - ii. The Holding Company and its subsidiary company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022.;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company covered under the Act, during the year ended 31 March 2022.;
 - iv. a The respective managements of the Holding Company and its subsidiary company, incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in note 45(c) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary company, to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary company, ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b. The respective managements of the Holding Company and its subsidiary company, incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the note 45(d) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary company, from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary company, shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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Independent Auditor's Report to the Members of Paras Healthcare Private Limited on the audit of the Consolidated Financial Statements for the year ended 31 March 2022 (cont'd)

- c. Based on such audit procedures performed by us, as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The Holding Company and its subsidiary company, have not declared or paid any dividend during the year ended 31 March 2022

For Walker ChandioK & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Tarun Gupta
Partner
Membership No.: 507982

UDIN: 22507892AXQVPE1363

Place: Gurugram
Date: 30 September 2022



Walker Chandniok & Co LLP

Annexure A to the Independent Auditor's Report of even date to the members of Paras Healthcare Private Limited on the consolidated financial statements for the year ended 31 March 2022

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Paras Healthcare Private Limited ('the Holding Company') and its subsidiary company, Paras Healthcare (Ranchi) Private Limited (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, which are companies covered under the Act, as at that date.

Responsibilities of Management for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary company, which are companies covered under the Act, 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 on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India . These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the 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 for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. 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.
4. 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 includes obtaining an understanding of such internal financial controls, 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company as aforesaid.

Chartered Accountants



Walker Chandiook & Co LLP

Annexure A to the Independent Auditor's Report of even date to the members of Paras Healthcare Private Limited on the consolidated financial statements for the year ended 31 March 2022 (cont'd)

Meaning of Internal Financial Controls with Reference to Financial Statements

6. 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.

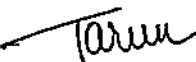
Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. 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.

Opinion

8. In our opinion the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India .

For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013


Tarun Gupta
Partner
Membership No.: 507892

UDIN: 22507892AXQVPE1363

Place: Gurugram
Date: 30 September 2022



| Particulars | Notes | As at 31 March 2022 | As at 31 March 2021 |
|--|-------|------------------------|------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 4 | 1,395.51 | 2,137.50 |
| Right of use assets | 5 | 2,450.76 | 1,987.37 |
| Capital work-in progress | 6 | 412.49 | 53.99 |
| Intangible assets | 7 | 8.82 | 11.37 |
| Financial assets | | | |
| Others | 8 | 419.06 | 395.25 |
| Deferred tax assets (net) | | | - |
| Income tax assets (net) | 9 | 195.62 | 297.96 |
| Other non-current assets | 10 | 446.88 | 82.29 |
| Total non-current assets | | 6,329.14 | 4,965.73 |
| Current assets | | | |
| Inventories | 11 | 123.19 | 110.04 |
| Financial assets | | | |
| Trade receivables | 12 | 844.22 | 419.15 |
| Cash and cash equivalents | 13 | 76.70 | 649.66 |
| Bank balances other than cash and cash equivalents | 14 | 1,904.29 | 1,891.72 |
| Others | 8 | 184.74 | 289.84 |
| Current tax assets | 9A | 128.63 | - |
| Other current assets | 10 | 44.37 | 37.00 |
| Total current assets | | 3,306.14 | 3,397.41 |
| Total assets | | 9,635.28 | 8,363.14 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 15 | 36.76 | 36.76 |
| Other equity | 16 | 694.33 | 844.47 |
| Total equity | | 731.09 | 881.23 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 17 | 1,393.87 | 1,218.48 |
| Lease liabilities | 5 | 2,340.25 | 1,735.40 |
| Others | 18 | 2,845.19 | 2,386.55 |
| Provisions | 19 | 49.98 | 38.60 |
| Deferred tax liabilities (net) | 36 | 11.80 | 21.93 |
| Total non-current liabilities | | 6,641.09 | 5,400.96 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 17A | 745.63 | 752.20 |
| Lease liabilities | 5 | 124.33 | 129.22 |
| Trade payables | 20 | | |
| - Total outstanding dues of micro enterprises and small enterprises | | 221.81 | 168.79 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | 970.46 | 839.81 |
| Others | 18 | 84.22 | 77.69 |
| Other current liabilities | 21 | 92.62 | 96.53 |
| Provisions | 19 | 24.03 | 16.71 |
| Total current liabilities | | 2,263.10 | 2,080.95 |
| Total equity and liabilities | | 9,635.28 | 8,363.14 |

Summary of significant accounting policies 3

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date attached

For Walker Chandok & Co LLP
 Chartered Accountants
 Firm Registration No: 001076N/N500013

Tarun
 Tarun Gupta
 Partner
 Membership No. 507892

Place: Gurugram
 Date: 30 September 2022

For and on behalf of Board of Directors of
 Paras Healthcare Private Limited

Dr. Dharminder Kumar Nagar
 Managing Director
 DIN : 00332135

Dr. Kapil Garg
 Whole time Director
 DIN : 01475972

Debjyoti Senisharma
 Group CFO

Rahul Kumar
 Company Secretary



Paras Healthcare Private Limited
 Consolidated Statement of Profit and Loss for the year ended 31 March 2022
 CIN No.: U85110IN1987PTC035823
 (All amounts are in INR millions, unless otherwise stated)

| Particulars | Notes | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------|-------------------------------------|-------------------------------------|
| Revenue from continuing operations | | | |
| Revenue from operations | 22 | 7,799.24 | 5,984.00 |
| Other income | 23 | 132.48 | 168.07 |
| Total revenue | | 7,931.72 | 6,152.07 |
| Expenses | | | |
| Purchases of medical drugs | 24 | 2,077.92 | 1,480.85 |
| Changes in inventories of medical drugs | 25 | (23.70) | 70.54 |
| Employee benefits expense | 26 | 1,000.38 | 864.42 |
| Other expenses | 27 | 4,050.60 | 3,217.22 |
| Total expenses | | 7,105.20 | 5,633.03 |
| Earnings before interest, depreciation and amortization, exceptional items and taxes | | 826.52 | 519.04 |
| Finance costs | 28 | 315.22 | 303.43 |
| Depreciation and amortization expense | 29 | 514.13 | 448.68 |
| Profit / (Loss) before exceptional items and tax from continuing operations | | (2.83) | (233.07) |
| Exceptional items | 42 | (33.34) | (19.97) |
| Profit / (Loss) before tax from continuing operations | | 30.51 | (213.10) |
| Tax expense | | | |
| Current year | | 184.04 | 44.51 |
| Tax pertaining to earlier years | | 4.06 | - |
| Deferred tax charge/ (credit) | | (9.51) | (4.09) |
| Loss after tax from continuing operations | | (148.08) | (253.52) |
| Discontinuing operations | | | |
| Loss from discontinuing operations before tax | | - | (7.11) |
| Tax expense of discontinuing operations | | - | 1.78 |
| Loss after tax from discontinuing operations | 34 | - | (5.33) |
| Loss after tax (A) | | (148.08) | (258.85) |
| Other comprehensive income | | | |
| Items that will not be reclassified subsequently to profit or loss | | (2.67) | 8.31 |
| Remeasurements of defined benefit liability | | 0.62 | (2.08) |
| Income tax relating to items that will not be reclassified to profit or loss | | (2.05) | 6.23 |
| Other comprehensive income for the year, net of tax (B) | | (4.10) | 12.46 |
| Total comprehensive income for the year (A+B) | | (152.18) | (246.39) |
| Earnings per equity share | | | |
| Basic and diluted earnings per equity share (Face value of INR 10/- per share)-continuing operations | 31 | (40.28) | (68.97) |
| - Basic and diluted | | | |
| Basic and diluted earnings per equity share (Face value of INR 10/- per share) - discontinuing operations | 31 | - | (1.45) |
| - Basic and diluted | | | |
| Basic and diluted earnings per equity share (Face value of INR 10/- per share) - continuing and discontinuing operations | 31 | (40.28) | (70.42) |
| - Basic and diluted | | | |
| Summary of significant accounting policies | 3 | | |


The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date attached
 For Walker Chandlok & Co LLP
 Chartered Accountants
 Firm Registration No. 001076N/N500013

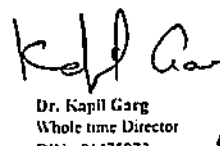
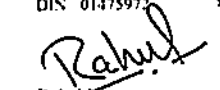

 Tarun Gupta
 Partner
 Membership No. 507892

Place: Gurugram
 Date: 30 September 2022

For and on behalf of Board of Directors of
 Paras Healthcare Private Limited


 Dr. Dharminder Kumar Nagar
 Managing Director
 DIN - 00332135

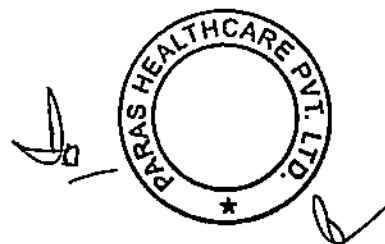

 Debajit Sensharma
 Group CFO


 Dr. Kapil Garg
 Whole time Director
 DIN - 01475972

 Rahul Kumar
 Company Secretary



Paras Healthcare Private Limited
 Consolidated Cash Flow Statement for the year ended 31 March 2022
 CIN No.:- U85110HR1987PTC035823
 (All amounts are in INR millions, unless otherwise stated)

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| A. Cash flow from operating activities | | |
| Net profit (loss) before tax from continuing operations | 30.51 | (215.11) |
| Net profit/(loss) before tax from discontinuing operations | - | (7.11) |
| Adjustments for: | | |
| Depreciation and amortisation | 514.13 | 450.27 |
| (Gain)/ loss on sale of property, plant & equipment (net) | (1.36) | (1.56) |
| Finance costs | 315.22 | 303.45 |
| Liabilities no longer required written back | (0.97) | (11.04) |
| Interest income | (89.04) | (98.11) |
| Net (gain)/loss on financial liabilities measured at fair value through profit or loss | 458.64 | 177.19 |
| Loss allowance | 20.24 | 105.00 |
| Exceptional items (refer note 45) | - | (19.97) |
| | <u>1,247.37</u> | <u>685.01</u> |
| Adjustments for changes in working capital: | | |
| -in trade receivables | (445.31) | (37.59) |
| -in loans and other assets | 60.34 | 9.08 |
| -in inventories | (13.15) | 55.43 |
| -in trade payables | 183.67 | 169.83 |
| -in other liabilities and provisions | 5.87 | 22.34 |
| Cash generated from operations | <u>1,038.79</u> | <u>925.37</u> |
| Income tax paid | <u>(215.01)</u> | <u>(87.87)</u> |
| Net cash from operating activities (A) | <u>823.78</u> | <u>837.49</u> |
| B. Cash flows from investing activities | | |
| Payments for purchase of property, plant and equipment and intangible assets | (1,391.08) | (802.72) |
| Proceeds from sale of property, plant and equipment | 7.51 | 244.85 |
| Proceeds from maturity of (investments) in bank deposits (net) | (11.36) | (304.38) |
| Interest received | <u>104.21</u> | <u>118.85</u> |
| Net cash used in investing activities (B) | <u>(1,290.72)</u> | <u>(743.40)</u> |
| C. Cash flows from financing activities | | |
| Proceeds of non current borrowings | 406.99 | 632.57 |
| Repayment of non current borrowings | (171.26) | (116.75) |
| Repayment of short term borrowings (net) | (66.91) | 217.03 |
| Repayment of lease liabilities | (133.51) | (112.23) |
| Interest paid | <u>(141.35)</u> | <u>(110.79)</u> |
| Net cash used in financing activities (C) | <u>(106.04)</u> | <u>509.83</u> |
| Net increase / (decrease) in cash and cash equivalents (A+B+C) | <u>(572.96)</u> | <u>603.93</u> |
| D. Cash and cash equivalents at the beginning of the year | | |
| Cash on hand | 8.13 | 3.99 |
| Balance with banks: | | |
| - On current accounts | 20.30 | 41.74 |
| - with banks with original maturity of 3 months or less | <u>621.23</u> | - |
| | <u>649.66</u> | <u>45.73</u> |
| E. Cash and cash equivalents at the end of the year | | |
| Cash on hand | 4.82 | 8.13 |
| Balance with banks: | | |
| - On current accounts | 29.78 | 20.30 |
| - balance with banks with original maturity of 3 months or less | <u>42.10</u> | <u>621.23</u> |
| | <u>76.70</u> | <u>649.66</u> |
| Net Increase/(decrease) in cash and cash equivalents (E-D) | <u>(572.96)</u> | <u>603.93</u> |



Paras Healthcare Private Limited
Consolidated Cash Flow Statement for the year ended 31 March 2022
CIN No.:- U85110HR1987PTC035823
(All amounts are in INR millions, unless otherwise stated)

Notes:

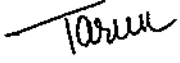
1. The Cash Flow Statement has been prepared under the indirect method set out in Indian Accounting Standard 7 on Statement of Cash Flows as notified in Part B of section 133 of the Companies Act, 2013.
2. Change in liabilities arising from financing activities:

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|-------------------------------------|-------------------------------------|
| Opening balance | | |
| Non-current borrowings (including current maturities) | 1,383.09 | 867.27 |
| Current borrowings | 587.59 | 370.56 |
| Lease liabilities | 1,864.62 | 1,785.09 |
| Interest accrued | 6.05 | 5.14 |
| Cash flows | | |
| Proceeds from non-current borrowings | 406.99 | 632.57 |
| Repayment of non-current borrowings | (171.26) | (116.75) |
| Proceeds of short term borrowings (net) | (66.91) | 217.03 |
| Payment of lease liabilities | (133.51) | (112.23) |
| Finance cost paid | (141.35) | (110.79) |
| Non-cash adjustments | | |
| Interest expenses towards lease liabilities | 175.73 | 191.76 |
| Lease additions | 531.74 | - |
| Impact of lease modification | - | 0.01 |
| Interest on lease capitalised | 26.00 | - |
| Finance cost debited to statement of profit and loss | 139.49 | 111.69 |
| Closing balance | | |
| Non-current borrowings (including current maturities) | 1,618.82 | 1,383.09 |
| Current borrowings | 520.68 | 587.59 |
| Lease liabilities | 2,464.58 | 1,864.62 |
| Interest accrued | 4.20 | 6.05 |

Summary of significant accounting policies

The accompanying notes are an integral part of these consolidated financial statements

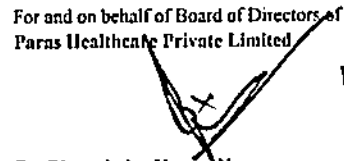
As per our report of even date attached
 For Walker Chandlok & Co LLP
 Chartered Accountants
 Firm Registration No: 001076N/N500013



 Tarun Gupta
 Partner
 Membership No. 507892

Place: Gurugram
 Date: 30 September 2022

3

For and on behalf of Board of Directors of
 Paras Healthcare Private Limited


 Dr. Dharminder Kumar Nagar
 Managing Director
 DIN : 00332135


 Dr. Kapil Garg
 Whole time Director
 DIN : 01475972


 Debajit Sensharma
 Group CFO


 Rahul Kumar
 Company Secretary



A. Equity share capital

| Particulars | As at 31 March 2022 | | As at 31 March 2021 | |
|---|---------------------|---------|---------------------|---------|
| | Number of shares | Amount | Number of shares | Amount |
| At the beginning of the year | 48,80,533 | 48.81 | 48,80,533 | 48.81 |
| Changes during the year | - | - | - | - |
| Less: Re-class to financial liability (refer note 18) | (12,04,569) | (12.05) | (12,04,569) | (12.05) |
| At the end of the year | 36,75,964 | 36.76 | 36,75,964 | 36.76 |

B. Other equity

Attributable to the equity shareholders

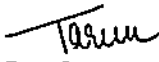
| Particulars | Reserves and surplus | | | Total |
|---|----------------------|-------------------|----------------------------|----------|
| | Securities premium | Retained earnings | Other comprehensive income | |
| Balance as at 31 March 2020 | 62.71 | 1,036.69 | -2.31 | 1,097.09 |
| Loss for the year from continuing operations | - | (253.52) | - | (253.52) |
| Loss for the year from discontinuing operations | - | (5.33) | - | (5.33) |
| Other comprehensive income for the year | - | - | 6.23 | 6.23 |
| Balance as at 31 March 2021 | 62.71 | 777.84 | 3.92 | 844.47 |
| Profit for the year from continuing operations | - | (148.08) | - | (148.08) |
| Other comprehensive income for the year | - | - | (2.05) | (2.05) |
| Balance as at 31 March 2022 | 62.71 | 629.76 | 1.87 | 694.33 |

Summary of significant accounting policies

3


The accompanying notes are an integral part of consolidated financial statements.

As per our report of even date attached
 For Walker Chandlok & Co LLP
 Chartered Accountants
 Firm Registration No: 001076N/N500013

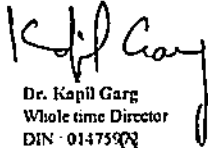

 Tarun Gupta
 Partner
 Membership No. 507892

Place: Gurugram
 Date: 30 September 2022

For and on behalf of Board of Directors of
 Paras Healthcare Private Limited


 Dr. Dharminder Kumar Nagar
 Managing Director
 DIN : 00332135


 Debajit Sen Sharma
 Group CFO


 Dr. Kapil Garg
 Whole time Director
 DIN : 01475973


 Rahul Kumar
 Company Secretary



4. Property, plant and equipment

| Particulars | Freehold land | Leasehold improvements | Buildings | Plant and equipments | Medical equipments | Office equipments | Computers and servers | Furniture and fittings | Vehicles | Total |
|--|---------------|------------------------|-----------|----------------------|--------------------|-------------------|-----------------------|------------------------|----------|----------|
| Gross carrying value | | | | | | | | | | |
| Balance as at 31 March 2020 | 16.89 | 801.32 | 451.06 | 292.86 | 1253.98 | 14.32 | 45.62 | 78.27 | 20.83 | 2,975.16 |
| Additions during the year | - | 6.94 | 32.23 | 33.67 | 466.27 | 0.92 | 8.29 | 6.21 | - | 554.52 |
| Disposals during the year | - | - | - | (1.33) | (36.27) | (0.97) | (1.34) | (3.98) | (12.61) | (56.51) |
| Adjustments/(disposals) (Refer note (d)) | - | - | - | (11.13) | (241.92) | - | (5.99) | (1.11) | - | (260.15) |
| Balance at 31 March 2021 | 16.89 | 808.26 | 483.30 | 314.07 | 1442.06 | 14.26 | 46.58 | 79.39 | 8.22 | 3,213.02 |
| Additions during the year | - | 8.58 | 290.13 | 10.49 | 310.19 | 4.78 | 9.94 | 8.75 | 37.31 | 680.17 |
| Disposals during the year | - | - | - | (2.49) | (8.05) | - | - | (1.28) | - | (11.82) |
| Balance as at 31 March 2022 | 16.89 | 816.84 | 773.43 | 322.07 | 1744.20 | 19.04 | 56.52 | 86.86 | 45.53 | 3,891.37 |
| Accumulated depreciation | | | | | | | | | | |
| Balance as at 31 March 2020 | - | 204.71 | 47.80 | 105.53 | 345.73 | 6.27 | 26.10 | 32.56 | 12.29 | 781.00 |
| Additions during the year | - | 88.42 | 20.55 | 44.55 | 182.74 | 3.84 | 13.83 | 11.38 | 2.59 | 367.90 |
| Disposals during the year | - | - | - | (0.47) | (24.85) | (0.88) | (1.22) | (2.98) | (10.82) | (41.22) |
| Adjustments/(disposals) (Refer note (d)) | - | - | - | (5.53) | (20.61) | - | (4.90) | (1.11) | - | (32.16) |
| Balance at 31 March 2021 | - | 293.13 | 68.35 | 144.08 | 483.01 | 9.23 | 33.81 | 39.85 | 4.07 | 1,075.52 |
| Additions during the year | - | 88.29 | 27.74 | 35.61 | 230.82 | 2.97 | 9.49 | 11.20 | 9.88 | 416.00 |
| Disposals during the year | - | - | - | (0.01) | (4.37) | - | - | (1.28) | - | (5.66) |
| Balance at 31 March 2022 | - | 381.42 | 96.09 | 179.68 | 709.46 | 12.20 | 43.30 | 49.77 | 13.95 | 1,485.86 |
| Net carrying value | | | | | | | | | | |
| As at 31 March 2022 | 16.89 | 435.42 | 677.34 | 142.39 | 1034.74 | 6.84 | 13.22 | 37.09 | 31.58 | 2,395.51 |
| As at 31 March 2021 | 16.89 | 515.13 | 414.95 | 170.00 | 959.04 | 5.03 | 12.77 | 39.54 | 4.15 | 2,137.50 |

- Notes:
- Title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) held by the Group are in the name of the Group.
 - Refer note 17 for information on property, plant and equipment pledged as security by the Group for securing financing facilities from banks.
 - Refer note 34 for discontinued operations in relation to the Paras Bliss Hospital, Panchkula.
 - Refer note 42 for exceptional items.
 - The Group has not revalued its property, plant and equipment during the year.
 - Refer note 32 for information on capital commitments.

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5. Right-of-use assets and lease liabilities

Information about leases for which the Group is a lessee is presented below

| Particulars | Buildings | Medical equipments | Right - of - use assets |
|----------------------------------|-----------|--------------------|-------------------------|
| Balance as at 01 April 2020 | 2,056.22 | 7.16 | 2,063.38 |
| Depreciation charge for the year | (73.97) | (2.04) | (76.02) |
| Balance as at 31 March 2021 | 1,982.25 | 5.12 | 1,987.37 |
| Additions during the year | 556.71 | - | 556.71 |
| Depreciation charge for the year | (91.52) | (1.80) | (93.32) |
| Balance as at 31 March 2022 | 2,447.44 | 3.32 | 2,450.76 |

The following is the movement in lease liabilities during the year ended 31 March 2021 & 31 March 2022

| Particulars | Lease liabilities |
|-----------------------------|-------------------|
| Balance as at 31 March 2020 | 1,785.09 |
| Interest expenses | 191.76 |
| Payment of lease liability | (112.23) |
| Balance as at 31 March 2021 | 1,864.62 |
| Additions during the year | 531.74 |
| Interest expenses * | 201.73 |
| Payment of lease liability | (133.51) |
| Balance as at 31 March 2022 | 2,464.58 |

* Includes amount of INR 26.00 million capitalised in capital work in progress.

Current

| | |
|---------------------|--------|
| As at 31 March 2022 | 124.33 |
| As at 31 March 2021 | 129.22 |

Non - current

| | |
|---------------------|----------|
| As at 31 March 2022 | 2,340.25 |
| As at 31 March 2021 | 1,735.40 |

As at 31 March 2022, the Group is not exposed to future cashflows relating to extension / termination options, residual value guarantees.

A The following are the amounts recognised in Statement of Profit and Loss

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| Depreciation expense of right-of-use assets | 93.32 | 76.02 |
| Interest expense on lease liabilities | 175.73 | 191.76 |
| Rent expenses (towards short term lease and variable lease payments which are not linked to any index etc as per Ind AS - 116) | 230.82 | 179.38 |
| Total | 499.87 | 447.16 |

B The table below describes the nature of Group's leasing activities by type of right-of-use asset recognised on the balance sheet

| Right of use assets | 31 March 2022 | |
|--------------------------------------|------------------------------------|---|
| | Range of remaining term (in years) | Average remaining lease term (in years) |
| Buildings | | |
| Hospitals | 17.51 - 41.19 | 25.96 |
| Residential premises (Nurse Hostels) | 3.17 - 22.02 | 12.59 |
| Medical Equipments | 0.25 - 3.25 | 1.67 |

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| | 31 March 2021 | |
|--------------------------------------|------------------------------------|---|
| Right of use assets | Range of remaining term (in years) | Average remaining lease term (in years) |
| Buildings | | |
| Hospitals | 18.51 - 42.19 | 26.28 |
| Residential premises (Nurse Hostels) | 1.00 - 23.02 | 9.40 |
| Medical equipments | 0.34-4.17 | 1.93 |

The Group determines the leases term as either the non-cancellable period of the lease and any additional periods when there is an enforceable option to extend the lease and it is reasonably certain that the Group will extend the term, or a lease period in which it is reasonably certain that the Group will not exercise a right to terminate. The lease term is reassessed if there is a significant change in circumstances.

C The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2022 on an undiscounted basis.

Maturity analysis – contractual undiscounted cash flows

| | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Less than one year | 140.44 | 133.51 |
| After one year but not longer than five years | 805.03 | 645.96 |
| More than five years | 9,662.36 | 7,514.32 |
| Total | 10,607.83 | 8,293.79 |

D Summary of significant leases.

a) Paras HMRI Hospital, Patna

The Holding Company had entered into an Operations and Management Agreement dated 1 August 2011 with Hai Medicare and Research Institute Private Limited, Patna (HMRI) under the terms of which the Holding Company had expanded and upgraded HMRI's existing 100-bed single-specialty hospital to a 300-bed super-specialty hospital and then Operating and Managing this upgraded facility for a period of 32 years upon payment of a fixed monthly consideration to HMRI till December 2016 and a fixed percentage of net revenue from January 2017 (computed as per the terms of the agreement). The Holding Company had given interest free security deposit to HMRI INR 500.00 million and executed an agreement dated 1 August 2011 with HMRI to the effect. Deposit is guaranteed by the personal, irrevocable and unqualified guarantee of Dr. Ahmed Abdul Hai vide deed of guarantee executed on 10 August 2011 in the Holding Company's favour. Performance of this guarantee had also been secured by Dr. Ahmed Abdul Hai by creating a charge on the land admeasuring 2.61 acres situated at Raza Bazaar, Bailey Road, Patna of which he is the legal owner. The Holding Company and HMRI formally agreed in a meeting held on 25 July 2014, that repayment would commence in the form of monthly instalments from January 2017 and would be repaid by HMRI to the Holding Company over a period of 10 years from that date. The party violating the terms of the agreement thereby causing the agreement to be terminated shall pay the other party INR 500.00 million as compensation. Repayment by HMRI had begun: INR 25.00 million had been received till date. On 22 December 2017, the Holding Company and HMRI executed an addendum to the Management Agreement dated 1 August 2011, whereby HMRI agreed to reduce its revenue share percentage from 5% of net revenue to 2.75% of net revenue for a period of 6 years commencing 1 July 2017 until 30 June 2023.

b) Paras Global Hospital, Darbhanga

The Holding Company had entered into an Operations and Management Agreement on 1 December 2011 with a third party at Darbhanga location, under the terms of which the third party had built a multi-specialty hospital on a plot owned by it which would then be operated and managed by the Company for two continuous periods of 15 years each, upon payment of a monthly consideration which is fixed rental for the first year and then a fixed percentage of net revenue of this hospital from the second year onwards. Third party would provide the bare shell of the building and the Company would fit it out and install necessary equipment, furniture and machinery that was necessary.

c) Paras Hospitals, Panchkula

The Holding Company had entered into a lease deed on 8 October 2016 with a third party at Panchkula location, under the terms of which lessors had constructed a 220-bed hospital building for the Company which had been then be leased to the Holding Company. Duration of this arrangement is 30 years. The monthly rent is a fixed monthly rental or fixed percentage of the net revenue of this unit of the Holding Company, whichever is higher. Lessor would provide the bare shell of the building along with basic facilities like lifts, electrical fittings, STP, etc. and the Holding Company would install necessary equipment, furniture and machinery that is necessary.

d) Paras JK Hospital, Udaipur

During the previous year, the Holding Company had entered into a lease deed on 31 July 2019 with a third party at Udaipur location, under the terms of which the third party would lease out existing hospital building, along with some machinery, fittings and equipment to the Holding Company for a period of 20 years. Basis the agreement, the Holding Company will make payment of a fixed monthly consideration with escalation clause after a specified period.

e) Yash Kothari Hospital, Kanpur

During the current year, the Holding Company has entered into a lease deed on 30 July 2021, with third party at Kanpur location under the terms of which the lessor has constructed a bare shell structure and the Holding Company will operate, manage and run a super specialty hospital post carrying out necessary structural changes. The lessor has handed over the charge of hospital on 07 October 2021. Basis the agreement, the Holding Company will make payment of a fixed monthly consideration from the rent commencement date with escalation clause after a specified period.

f) Paras HEC Hospital, Ranchi

Pursuant to the proposal by Heavy Engineering Corporation Ltd (hereinafter referred to as "HEC"), a public sector undertaking, the subsidiary Company, through a bid by its Holding Company (Paras Healthcare Private Limited), was awarded with the contract to build and operate a multi-specialty hospital in Ranchi. As per the terms of the concession agreement, dated 16 January 2018, HEC hand over the existing hospital with 50 beds to the subsidiary Company along with the land adjacent to it to build a multi-specialty hospital of 300 beds. Therefore, the Lease Deed has been executed by and between HEC and PHRPL, dated 14 August 2019 to occupy the said Premises for a term of 35 years extendable to 10 years (ten years) on same terms & conditions and the Paras Healthcare (Ranchi) Private Limited (PHRPL) shall run and operate a multi-specialty Hospital in the brand name of Paras HEC Hospital.



6. Capital work-in-progress *

| Particulars | As at | |
|--------------------------|---------------|---------------|
| | 31 March 2022 | 31 March 2021 |
| Capital work-in-progress | 412.49 | 53.99 |
| Total | 412.49 | 53.99 |

*Capital work-in-progress includes INR 82.59 million (31 March 2021: INR 23.43 million) towards pre-operative expenses (employee benefits and travelling expenses etc.) pending allocation.

(a) Capital work-in-progress ageing schedule as at 31 March 2022 and 31 March 2021

| Particulars | 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 | |
| 31-March-2022 | 358.06 | 39.18 | 15.25 | - | 412.49 |
| 31-March-2021 | 50.88 | - | 3.11 | - | 53.99 |

(b) There are no such project under capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan as of 31 March 2022 and 31 March 2021.

7. Intangible assets

| Particulars | As at | |
|--------------------------------------|---------------|---------------|
| | 31 March 2022 | 31 March 2021 |
| Software | | |
| A. Gross carrying amount | | |
| Balance at the beginning of the year | 26.08 | 22.79 |
| Additions during the year | 2.27 | 4.40 |
| Disposals during the year | - | (1.11) |
| Balance as at end of the year | 28.35 | 26.08 |
| B. Accumulated amortisation | | |
| Balance at the beginning of the year | 14.71 | 9.42 |
| Additions during the year | 4.82 | 6.35 |
| Disposals during the year | - | (1.06) |
| Balance as at end of the year | 19.53 | 14.71 |
| Net carrying value | 8.82 | 11.37 |

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8. Other financial assets

| Particulars | Non Current | | Current | |
|---|------------------------|------------------------|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 | As at 31 March 2021 |
| <i>Secured, considered good</i> | | | | |
| Receivable from HMRI (refer note 5(E)(a) for details) | 270.92 | 245.24 | - | - |
| <i>Unsecured, considered good</i> | | | | |
| Security deposits | 133.63 | 128.88 | 0.08 | 0.42 |
| Balances with banks | | | | |
| - in deposits with maturity of more than 12 months | 14.51 | 21.13 | - | - |
| Contract assets (refer note 41) | - | - | 59.84 | 50.87 |
| Accrued interest on fixed deposits | - | - | 63.43 | 78.60 |
| Other receivables | - | - | 61.39 | 159.95 |
| Total | 419.06 | 395.25 | 184.74 | 289.84 |

* This includes deposit of INR 14.51 million (31 March 2021: INR 21.13 million) pledged with banks

9. Income tax assets

| Particulars | As at | |
|-----------------------|---------------|---------------|
| | 31 March 2022 | 31 March 2021 |
| Income-tax receivable | 195.62 | 297.96 |
| Total | 195.62 | 297.96 |

9A Current tax assets

| Particulars | As at | |
|-----------------------|---------------|---------------|
| | 31 March 2022 | 31 March 2021 |
| Income-tax receivable | 128.63 | - |
| Total | 128.63 | - |

10. Other assets

| Particulars | Non Current | | Current | |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 | As at 31 March 2021 |
| Capital advances | 446.88 | 79.46 | - | - |
| Prepaid expenses | - | 2.83 | 16.06 | 4.15 |
| Balance with government authorities | - | - | 0.14 | 0.07 |
| Unamortized processing fees | - | - | - | 8.26 |
| Advance to employees | - | - | 5.40 | 2.62 |
| Advances to suppliers | - | - | 22.77 | 21.90 |
| Total | 446.88 | 82.29 | 44.37 | 37.00 |

11. Inventories

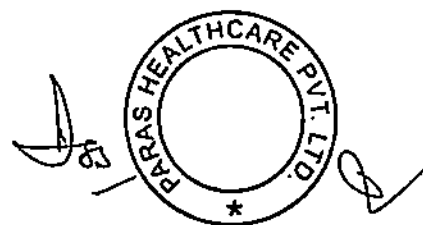
| Particulars | As at | |
|--|---------------|---------------|
| | 31 March 2022 | 31 March 2021 |
| Valued at lower of cost and net realisable value | | |
| Medical drugs | 65.23 | 54.52 |
| Stores and consumables | 57.96 | 55.52 |
| Total | 123.19 | 110.04 |

12. Trade receivables

| Particulars | As at | |
|------------------------------|---------------|---------------|
| | 31 March 2022 | 31 March 2021 |
| Considered good, unsecured | 844.22 | 419.15 |
| Credit impaired, unsecured | 142.58 | 122.34 |
| | 986.80 | 541.49 |
| Less: Loss allowance | (142.58) | (122.34) |
| Net trade receivables | 844.22 | 419.15 |

The Group's exposure to credit risks and loss allowance related to trade receivables is disclosed in note 38.

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Trade receivables ageing schedule as at 31 March 2022 and 31 March 2021

Trade receivables ageing schedule as at 31 March 2022:

| Particulars | Outstanding for following periods from date of invoice | | | | | Total |
|----------------------------------|--|---------------------|--------------|--------------|-------------------|---------------|
| | Less than 6 months | 6 months to 1 years | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade receivables | | | | | | |
| - Unsecured, considered good | 753.04 | 91.11 | 0.07 | - | - | 844.22 |
| - Unsecured, considered doubtful | - | 16.48 | 69.06 | 24.08 | 32.97 | 142.58 |
| Total trade receivables | 753.04 | 107.59 | 69.13 | 24.08 | 32.97 | 986.80 |
| Less: loss allowance | | | | | | (142.58) |
| Net trade receivables | | | | | | 844.22 |

Trade receivables ageing schedule as at 31 March 2021

| Particulars | Outstanding for following periods from date of invoice | | | | | Total |
|----------------------------------|--|---------------------|---------------|--------------|-------------------|---------------|
| | Less than 6 months | 6 months to 1 years | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade receivables | | | | | | |
| - Unsecured, considered good | 246.19 | 71.80 | 58.73 | 36.30 | 6.13 | 419.15 |
| - Unsecured, considered doubtful | - | 21.56 | 60.31 | 31.77 | 8.70 | 122.34 |
| Total trade receivables | 246.19 | 93.36 | 119.04 | 68.07 | 14.83 | 541.49 |
| Less: loss allowance | | | | | | (122.34) |
| Net trade receivables | | | | | | 419.15 |

Notes:

- There are no debts due by directors or other officers of the Group or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.
- There are no disputed or unbilled trade receivables, hence the same is not disclosed in the ageing of the schedule.

13. Cash and cash equivalents

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---------------------|---------------------|
| Cash in hand | 4.82 | 8.13 |
| Balances with banks | | |
| - in current accounts | 29.78 | 20.30 |
| - in earmarked balance with banks with original maturity of 3 months or less* | 42.10 | 621.23 |
| Total | 76.70 | 649.66 |

* This includes deposit of INR 1.26 millions (31 March 2021: INR 1.23 millions) banks

14. Bank balances other than cash and cash equivalents

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---------------------|---------------------|
| Other bank balances | | |
| - Earmarked balance with banks with maturity of less than 12 months | 1,904.29 | 1,891.72 |
| Total | 1,904.29 | 1,891.72 |

This includes deposit of INR 43.49 millions (31 March 2021: INR 39.81 millions) pledged with banks and INR 1,768.77 millions (31 March 2021: INR 1,641.60 millions) as lien against overdraft facility, bank guarantee and letter of credit

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Paras Healthcare Private Limited

Notes to the consolidated financial statements for the year ended 31 March 2022

CIN No.:- U85110HR1987PTC035823

(All amounts are in INR Million, unless otherwise stated)

15. Equity share capital

| | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| a) Authorized share capital 5,000,000 (31 March 2021: 5,000,000) equity shares of INR 10/- each | 50.00 | 50.00 |
| b) Issued, subscribed and fully paid-up shares 4,880,533 (31 March 2020: 4,880,533) equity shares of INR 10/- each fully paid-up Less: Reclass to financial liability (refer note 18) | 48.81 (12.05) | 48.81 (12.05) |
| Total issued, subscribed and fully paid-up share capital | 36.76 | 36.76 |

c) Reconciliation of the shares outstanding at the beginning and at the end of reporting period:

| Particulars | As at 31 March 2022 | | As at 31 March 2021 | |
|--|---------------------|--------------|---------------------|--------------|
| | Number of shares | Amount | Number of shares | Amount |
| Equity shares | | | | |
| At the beginning of the year | 48,80,533 | 48.81 | 48,80,533 | 48.81 |
| Less: Reclass to financial liability (refer note 18) | (12,04,569) | (12.05) | (12,04,569) | (12.05) |
| At the end of the year | 36,75,964 | 36.76 | 36,75,964 | 36.76 |

d) The rights, preferences and restrictions to each class of shares including restrictions on the distribution of dividends and repayment of capital.

The Holding Company has only one class of equity shares having par value of INR 10/- per share. Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the Holding Company. In the event of liquidation of the Company, the holders of equity shares are entitled to receive remaining assets of the Holding Company (after distribution of all preferential amounts) in proportion to the number of equity shares held by the shareholders.

e) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Holding Company:

| Particulars | As at 31 March 2022 | | As at 31 March 2021 | |
|---|---------------------|--------------|---------------------|--------------|
| | Number of shares | % of holding | Number of shares | % of holding |
| Equity shares of INR 10/- each fully paid held by Dr. Dharminder Kumar Nagar (with nominee shareholders) | 36,75,962 | 100 | 36,75,962 | 100 |
| Also, refer note 18 for financial instrument classified as financial liability | | | | |

f) Details of shares held by promoters of the Holding Company:

| Particulars | As at 31 March 2022 | | As at 31 March 2021 | |
|---|---------------------|--------------|---------------------|--------------|
| | Number of shares | % of holding | Number of shares | % of holding |
| Equity shares of INR 10/- each fully paid held by Dr. Dharminder Kumar Nagar (with nominee shareholders) | 36,75,962 | 100 | 36,75,962 | 100 |

Notes:

a) The above information is furnished as per shareholder register of the Holding Company as at the year ended 31 March 2022 and 31 March 2021

b) No changes in promoter's shareholdings during the respective years

g) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

The Holding Company has not issued any shares pursuant to a contract without payment being received in cash, allotted as fully paid up by way of bonus shares nor has there been any buy-back of shares in the current year and immediately preceding five years.

16. Other equity*

| | As at 31 March 2022 | As at 31 March 2021 |
|-------------------------------------|------------------------|------------------------|
| Securities premium account (note a) | 62.71 | 62.71 |
| Retained earnings (note b) | 631.62 | 781.76 |
| | 694.33 | 844.47 |

*Refer Consolidated Statement of Changes in Equity

Nature and purpose of reserves

a) Securities premium

Security premium is created when the Holding Company issues shares at the premium. The aggregate amount of premium received on the shares is transferred to a separate account called "security premium". The same will be utilised in accordance with the provisions of the Companies Act, 2013 and related provisions.

b) Retained earnings

Retained earnings are accumulated profits earned by the Group till date, as adjusted for distribution to owners.



17. Borrowings

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| <i>(Secured, at amortised cost)</i> | | |
| Term loans from banks | 1,618.82 | 1,383.00 |
| Term loans from others | - | 0.09 |
| Less: current maturities of non-current borrowings | (224.95) | (164.61) |
| Total non-current borrowings | 1,393.87 | 1,218.48 |

Note: The Holding Company has not defaulted in repayment of loan and interest during the current financial year. The subsidiary Company has not defaulted in repayment of interest and the principal is not due for payment in the current year.

Terms of repayment and security details:

Holding Company

| Nature of Security | Terms of Repayment |
|--|---|
| a) Rupee Term Loan from Bank A: | |
| i) INR 1,036.21 millions (31 March 2021 : INR 1,171.40 millions) are secured primarily by A First pari passu charge on plant & machinery, medical equipments and vehicles purchased through sanctioned facility | Repayment ranging from 13 to 85 installments aggregating to INR 1,036.21 millions |
| B First Pari-passu charge on current assets and operating cash flows of the Company | Rate of interest range from 7.15% p.a to 9.15% p.a (31 March 2021-8.45% p.a to 10.70 % p.a) |
| Collateral by Pari Passu charge by way of Equitable mortgage of Paras Hospital property at Block C-1, Sushant Lok-I, Sector 43, Gurgaon-122002 | |

| | |
|---|--|
| b) Rupee Term Loan from Bank B: | |
| INR 202.60 millions (31 March 2021 : INR 211.60 millions) are secured primarily by Exclusive charge on movable property, plant and equipment of Udaipur location Collateral by: a Exclusive charge on movable property, plant and equipment of Udaipur b. Second Pari-passu charge on current assets of the Company | Repayment ranging from 13 to 32 installments aggregating to INR 202.60 millions. Rate of interest at 8.95% p.a (31 March 2021 - 8.95 % p.a) |

| | |
|---|--|
| c) Rupee Term Loan from Bank C: | |
| INR 200.00 millions (31 March 2021 : INR nil millions) are secured primarily by a. Exclusive charge on Commercial Property owned by Paras Healthcare Private Limited located at First floor, Paras Twin Tower - B, Golf Course Road, Sec-54, Gurgaon, Haryana 122022 b Subservient charge on movable property, plant and equipment and current assets | Repayable in 12 installments aggregating to INR 200.00 millions. Rate of interest at 7.41 % p.a (31 March 2021 Nil) |

Subsidiary Company

| | |
|--|---|
| a) Rupee Term Loan from Bank D: | |
| i) INR 180.00 millions (31 March 2021 : nil) are secured primarily by A Exclusive charge by way of hypothecation over all movable assets of the borrower B Exclusive charge by way of hypothecation over all current assets, present or future, of the borrower C Exclusive charge over the borrower's rights, title or interest created under the concession agreement between the borrower and HEC (including exclusive charge on leasehold rights and land and building) | Repayable in 28 installments aggregating to INR 180.00 millions. Rate of interest at 5.75% p.a (31 March 2021 : nil) |

Utilisation of borrowings

- During the year, the Holding Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.
- During the current year, the loan has been obtained by subsidiary Company for capital expenditure for setting up 300 bed hospital at Ranchi and other facility related expenses. However, the full has not been utilised yet. The unutilised funds have been invested in fixed deposits held with banks.
- The quarterly returns/statements of current assets filed by the Holding Company with banks or financial institutions in relation to secured borrowings wherever applicable, are in agreement with the books of accounts.
- Total undrawn facility as at 31 March 2022 amounts to INR 1,200.00 millions (31 March 2021 : INR 220.00 millions)

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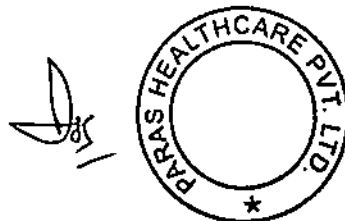
17A Borrowings

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| <i>(Secured, at amortised cost)</i> | | |
| Cash credit | 520.68 | 587.59 |
| Current maturities of non-current borrowings | 224.95 | 164.61 |
| Total | 745.63 | 752.20 |

Terms of repayment and security details:

| Nature of Security | Terms of Repayment |
|---|---|
| <p>a) Cash Credit from Banks (including overdrafts):</p> <p>i) INR 520.68 millions (31 March 2021 INR 587.59 millions) are secured primarily by</p> <p>A The facility is secured by way of first exclusive charge on entire current assets of the Holding Company, first and exclusive charge on property, plant and equipment of the Company (moveable and immoveable), extension of equitable mortgage of Holding Company's property at Block C-I, Sushant Lok-I, Sector- 43, Gurgaon- 122002</p> | <p>Rate of interest range from 4.35% p a to 5.85% p a (31 March 2021- 5.85% p a to 8.15% p a)</p> |

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18. Other financial liabilities

| Particulars | Non Current | | Current | |
|---|-----------------|-----------------|---------------|---------------|
| | As at | As at | As at | As at |
| | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 |
| <i>(measured at amortised cost)</i> | | | | |
| Financial instrument classified as financial liability (refer note c and d below) | 2,843.45 | 2,384.81 | - | - |
| Security deposits | 1.74 | 1.74 | 0.28 | - |
| Interest accrued but not due on borrowings | - | - | 4.20 | 6.05 |
| Payable for purchase of property, plant and equipment | - | - | 40.23 | 24.01 |
| Employees payable | - | - | 39.51 | 47.63 |
| Total | 2,845.19 | 2,386.55 | 84.22 | 77.69 |

Notes:

- (a) Refer note 37 for detailed disclosure on fair value of financial liabilities.
(b) The Group's exposure to liquidity risks related to above financial liabilities are disclosed in note 38
(c) Financial instrument classified as financial liability
Series A CCPS issued to investor were converted into equity shares during the year ended 31 March 2018 as per the terms and conditions mentioned in Investment and Share Purchase Agreement (ISPA)
i) As per the ISPA, the investor have following rights / options
A. For first 63 months of issuance of allotment letter of the subscribed securities.
The investor shall be given an exit at threshold exit price from the arrangement either by a QIPO ("Qualified Initial Public Offerings") or financial investor sale. Threshold exit price means such price per security the investor being entitled to receive higher of (i) 2.5 times the investment amount or (ii) an IRR of 25%
B. After 63 months and till 19 years from the issuance of allotment letter of the subscribed securities.
Right to require the Company to provide an exit by way of a buyback of up to all the investor securities at the fair market value ("Buy Back Option") till such time as the Investor continues to hold any investor securities.
(d) The utilised funds have been invested in fixed deposits held with banks.

19. Provisions

| Particulars | Non current | | Current | |
|--|---------------|---------------|---------------|---------------|
| | As at | As at | As at | As at |
| | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 |
| Provision for gratuity (refer note 40) | 28.42 | 21.13 | 11.61 | 7.74 |
| Provision for compensated absences | 21.56 | 17.47 | 12.42 | 8.97 |
| Total | 49.98 | 38.60 | 24.03 | 16.71 |

20. Trade payables

| Particulars | As at | |
|---|--|-----------------|
| | 31 March 2022 | 31 March 2021 |
| | Total outstanding due to micro and small enterprises | 221.81 |
| Total outstanding due to other than micro and small enterprises | 970.46 | 839.81 |
| Total | 1,192.27 | 1,008.60 |

Notes:

- a) For trade payables owing to related parties, refer note 35
b) For trade payables owing to micro and small enterprises, refer note 33

Trade Payable ageing schedule as at 31 March 2022

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|-----------------------------|--|------------------|--------------|-------------|-------------------|-----------------|
| | Unbilled | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed trade payables | - | 221.81 | - | - | - | 221.81 |
| MSME | - | 221.81 | - | - | - | 221.81 |
| Others | 301.26 | 640.37 | 22.97 | 2.36 | 3.50 | 970.46 |
| Total trade payables | 301.26 | 862.18 | 22.97 | 2.36 | 3.50 | 1,192.27 |

Trade Payable ageing schedule as at 31 March 2021

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|-----------------------------|--|------------------|-------------|-------------|-------------------|-----------------|
| | Unbilled | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed trade payables | - | 41.91 | - | - | - | 41.91 |
| MSME | 126.88 | 41.91 | - | - | - | 168.79 |
| Others | 405.47 | 425.53 | 4.99 | 2.04 | 1.78 | 839.81 |
| Total trade payables | 532.35 | 467.44 | 4.99 | 2.04 | 1.78 | 1,008.60 |

There are no disputed and not due trade payables, hence the same is not disclosed in the ageing schedule

21. Other current liabilities

| Particulars | As at | |
|--|------------------------|---------------|
| | 31 March 2022 | 31 March 2021 |
| | Statutory dues payable | 53.72 |
| Contract liabilities - advance from patients | 38.90 | 57.47 |
| Total | 92.62 | 96.53 |



22. Revenue from operations

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| Revenue from sale of services - Healthcare | | |
| Operating income - in patient department | 6,657.57 | 5,011.87 |
| Operating income - out patient department | 1,243.23 | 1,031.91 |
| Revenue from sale of product - Pharmacy | | |
| Pharmacy | 282.19 | 230.33 |
| | 8,182.99 | 6,274.11 |
| Less Trade discounts | 394.88 | 297.05 |
| | 7,788.11 | 5,977.06 |
| Other operating revenues | | |
| Sponsorship income | 6.62 | 1.75 |
| Scrap sales | 4.51 | 0.54 |
| Others | 0.00 | 4.65 |
| | 11.13 | 6.94 |
| Total | 7,799.24 | 5,984.00 |

Note Refer note 41 for revenue related disclosures

23. Other income

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|-------------------------------------|-------------------------------------|
| Rental income | 4.58 | 5.29 |
| Interest income | | |
| from banks | 89.04 | 98.11 |
| Gain on sale of property, plant and equipment | 1.36 | 1.08 |
| Other non operating income | | |
| Unwinding of discount on security deposits | 30.34 | 32.45 |
| Income-tax refund | 2.39 | 16.05 |
| Liabilities no longer required written back | 0.97 | 11.04 |
| Miscellaneous income | 3.80 | 4.05 |
| Total | 132.48 | 168.07 |

24. Purchases of medical drugs

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|----------------------------|-------------------------------------|-------------------------------------|
| Purchases of medical drugs | 2,077.92 | 1,480.85 |
| Total | 2,077.92 | 1,480.85 |

25. Changes in inventories of medical drugs

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| Inventories at the end of the year | | |
| Purchase of medical drugs | 78.23 | 54.52 |
| Sub-total (A) | 78.23 | 54.52 |
| Inventories at the beginning of the year | | |
| Purchase of medical drugs | 54.53 | 125.06 |
| Sub-total (B) | 54.53 | 125.06 |
| Net change (B-A) | (23.70) | 70.54 |

26. Employee benefits expense

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| Salaries and wages | 905.58 | 787.58 |
| Contribution to provident fund and other funds | 51.25 | 49.33 |
| Staff welfare expenses | 43.55 | 27.51 |
| Total | 1,000.38 | 864.42 |



27. Other expenses

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|-------------------------------------|-------------------------------------|
| Power, fuel and water | 138.06 | 130.82 |
| Rent and facility fees | 230.82 | 179.38 |
| Repair and maintenance | | |
| - Buildings | 25.52 | 18.65 |
| - Plant and equipment | 116.03 | 75.98 |
| - Others | 63.93 | 29.56 |
| House keeping | 198.07 | 167.50 |
| Laundry expenses | 46.07 | 40.54 |
| Patient food and beverage | 64.71 | 50.80 |
| Pathology laboratory and radiology | 343.36 | 306.06 |
| Consultation and professional charges to doctors | 1,900.81 | 1,553.58 |
| Outsourced medical services | 140.26 | 125.82 |
| Continuing medical education and hospitality | 0.07 | - |
| Security expenses | 47.82 | 39.37 |
| Corporate social responsibility expense | 4.91 | 8.08 |
| Legal and professional | 40.02 | 36.90 |
| Travelling and conveyance | 45.22 | 39.27 |
| Printing and stationery | 25.26 | 17.08 |
| Communication | 8.16 | 6.19 |
| Insurance | 20.52 | 6.74 |
| Rates and taxes | 5.28 | 7.58 |
| Marketing and business promotion | 70.89 | 68.14 |
| - Statutory audit | 5.90 | 4.01 |
| - Out of pocket expenses | 0.56 | 0.20 |
| Loss allowance | 20.24 | 105.06 |
| Net loss on financial liabilities mandatorily measured at fair value through profit or loss | 458.64 | 177.19 |
| Bank charges | 17.40 | 13.34 |
| Directors sitting fees | 0.36 | 0.15 |
| Miscellaneous expenses | 11.71 | 9.23 |
| Total | 4,050.60 | 3,217.22 |

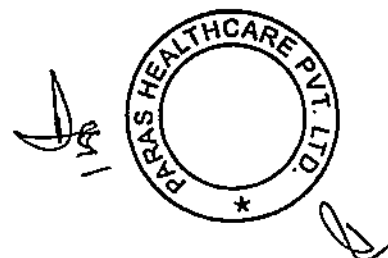
28. Finance costs

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|-----------------------------|-------------------------------------|-------------------------------------|
| Interest expense | | |
| - On loans taken from banks | 131.75 | 106.51 |
| - On lease liabilities | 175.73 | 191.76 |
| - Others | 7.74 | 5.16 |
| Total | 315.22 | 303.43 |

29. Depreciation and amortization expenses

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| Depreciation and amortization expenses | 420.81 | 372.66 |
| Amortization of right-of-use assets | 93.32 | 76.02 |
| Total | 514.13 | 448.68 |

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10. Tax expense

| a) Amounts recognized in profit and loss | For the year ended | |
|--|--------------------|---------------|
| | 31 March 2022 | 31 March 2021 |
| Current tax | - | 11.71 |
| Deferred tax credits | (9.51) | (4.02) |
| Tax expense for the year from continuing operations (A) | 178.59 | 40.43 |
| Tax expense for the year from discontinuing operations (B) | - | (2.78) |
| Tax expenses for the year from continuing and discontinuing operations (A) + (B) | 178.59 | 37.65 |

| b) Income tax recognized in other comprehensive income | For the year ended 31 March 2022 | | | For the year ended 31 March 2021 | | |
|--|----------------------------------|-----------------------|------------|----------------------------------|-----------------------|------------|
| | OCI before tax | Tax (expense) benefit | Net of tax | OCI before tax | Tax (expense) benefit | Net of tax |
| Revaluations of defined benefit liability (asset) | (2.67) | 0.62 | (2.05) | 8.31 | (2.68) | 5.63 |

| c) Reconciliation of effective tax rate | For the year ended 31 March 2022 | | For the year ended 31 March 2021 | | |
|---|----------------------------------|---------|----------------------------------|----------|-------|
| | | | | | |
| Profit before tax from continuing operations | | 30.51 | | (213.10) | |
| Profit before tax from discontinuing operations | | - | | (7.13) | |
| Profit before tax from continuing and discontinuing operations | | 30.51 | | (220.23) | |
| Tax using the Company's domestic tax rate (31 March 2022 25.17% and 31 March 2021 25.17%) | | 7.68 | | (55.42) | |
| Tax effect of: | | | | | |
| Non-deductible expenses: | | | | | |
| - Donations | | 4.04% | 1.23 | (0.92)% | 2.03 |
| - Fair valuation (gain) loss on liability component of contribution | | 378.42% | 115.44 | (20.23)% | 44.60 |
| - Deferred tax assets not recognized on losses of subsidiary | | 184.54% | 56.30 | -17.90% | 39.42 |
| - Others | | (6.75)% | (2.06) | -3.64% | 8.01 |
| Effective tax rate | | 28.63% | 178.59 | (18.13)% | 38.63 |

d) Recognized deferred tax assets and liabilities

| Deferred tax assets and liabilities are attributable to the following: | Deferred tax (assets) | | Deferred tax liabilities | | Net deferred tax (asset) / liabilities | |
|--|-----------------------|---------------|--------------------------|---------------|--|---------------|
| | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 |
| Property, plant and equipment | - | - | 98.11 | 78.77 | 98.11 | 78.77 |
| Right of use assets (net of lease liability) | - | - | 49.14 | 75.43 | 49.14 | 75.43 |
| Loss allowance | (35.89) | (30.79) | - | - | (35.89) | (30.79) |
| Dissallowance u/s 43B of Income Tax Act, 1961 | (5.08) | (5.07) | - | - | (5.08) | (5.07) |
| Provision for employee benefits | (18.19) | (13.63) | - | - | (18.19) | (13.63) |
| Financial assets and financial liabilities measured at amortised cost | (83.46) | (84.47) | - | - | (83.46) | (84.47) |
| Others | - | (2.20) | 7.17 | 3.89 | 7.17 | 1.69 |
| Net deferred tax (asset)/liabilities | (142.62) | (136.16) | 154.42 | 158.09 | 11.80 | 21.93 |

e) Movement in temporary differences

| Deferred tax assets and liabilities are attributable to the following: | Balance as at | Recognised in statement of | Recognised in other | Balance as at | Recognised in | Recognised in other | Balance as at |
|--|---------------|----------------------------|----------------------|---------------|------------------------------|----------------------|---------------|
| | 31 March 2020 | profit and loss | comprehensive income | 31 March 2021 | statement of profit and loss | comprehensive income | 31 March 2022 |
| Property, plant and equipment | 67.65 | 11.12 | - | 78.77 | 19.34 | - | 98.11 |
| Right of use assets (net of lease liability) | 69.01 | 6.42 | - | 75.43 | 176.29 | - | 49.14 |
| Loss allowance | (35.80) | 5.01 | - | (30.79) | (5.10) | - | (35.89) |
| Dissallowance u/s 43B of Income Tax Act, 1961 | (4.80) | (0.27) | - | (5.07) | (0.00) | - | (5.08) |
| Provision for employee benefits | (12.81) | (2.90) | 2.08 | (13.63) | (5.94) | (0.62) | (18.19) |
| Financial assets and financial liabilities measured at amortised cost | (60.52) | (23.95) | - | (84.47) | 1.01 | - | (83.46) |
| Others | 1.23 | 0.46 | 1.69 | 3.38 | 7.17 | - | 7.17 |
| Total | 23.96 | (1.11) | 2.08 | 21.93 | (9.51) | (0.62) | 11.80 |

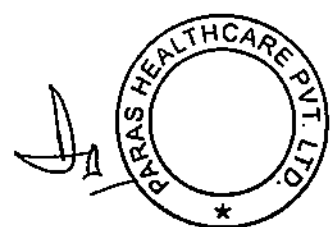
11. Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year
Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average
The following reflects the income and share data used in the basic and diluted EPS computations

| Particulars | For the year ended | |
|--|--------------------|---------------|
| | 31 March 2022 | 31 March 2021 |
| Weighted average number of shares outstanding during the year* | 16,73,962 | 16,73,962 |
| Net (loss) profit after tax available for equity shareholders from continuing operations | (148.05) | (253.52) |
| Basic and diluted earning per share (in INR) [Face value of 10/- each] | (40.28) | (68.97) |
| Less after tax available for equity shareholders from discontinuing operations | - | (5.33) |
| Basic and diluted earning per share (in INR) [Face value of 10/- each] | - | (1.45) |
| Net (loss) profit after tax available for equity shareholders from combined operations | (148.05) | (258.85) |
| Basic and diluted earning per share (in INR) [Face value of 10/- each] | (40.28) | (70.42) |

* Excludes 1,204,569 equity shares classified as financial liability

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32. Commitments and contingencies

- a) Estimated amount of contracts remaining to be executed which is of capital nature (net of advances) and which have not been provided for in the financial statements, amounts to INR 328.93 million (31 March 2021: INR 7.39 million)
- b) The Holding Company had imported capital goods under EPCG (Export Promotion Capital Goods) Scheme and saved custom duty to the tune of INR 168.91 million (31 March 2021: INR 163.60 million) until 2021-22. As per the EPCG terms and conditions, the Company needs to export goods 6 - 8 times of duty saved on import of Capital goods on FOB basis within a period of 6 - 8 years. The Company has exported services of INR 716.33 million (31 March 2021: INR 575.00 million). The balance export obligation of INR 279.19 million (31 March 2021: INR 388.61 million) is pending to be exported by the Company. In case, the Company is unable to export services within the prescribed timeframe, then the Company may have to pay duty on import of capital goods, including interest and penalty thereon. Considering the past trends and internal assessment done by the Company, the management is of the view that the required export obligation will be achieved within the prescribed time and hence no provision is required at this stage. The Group has other commitments, for purchase / sales orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee's benefits in normal course of business.
- c) The Holding Company has issued letter of support for financial assistance to subsidiary for ongoing projects and operations for a period of not less than 12 months from the date of financial closure of accounts of the subsidiary Company for the year ended 31 March 2022.
- d) The Group's significant lease arrangement is in respect of premises of hospital and nursing hostel. The details of the commitments of the said leases is disclosed in Note 5.
- e) Contingent liabilities not provided for:
- 1) Guarantees:

| | | |
|---|------------------------|------------------------|
| Bank guarantee given to Heavy Engineering Corporation Limited by the Holding Company on behalf of its subsidiary Company amounting to INR 75.00 million (31 March 2021: INR 75.00 million) as per terms and conditions mentioned in the concession agreement entered with Heavy Engineering Corporation Limited | As at 31 March 2022 | As at 31 March 2021 |
| Corporate guarantee on behalf of its subsidiary Company for the sanctioned undrawn borrowing from Axis Bank amounting to INR Nil million (31 March 2021: INR 480.00 million). The subsidiary Company has not withdrawn the sanction limit availed. As at 31 March 2022 the limit has been lapsed | 103.97 | 77.76 |
| 2) Claims against the Group not acknowledged as debts | 1.10 | 1.10 |

Basis the management's assessment, the Group has not made any provision for the said amount, in anticipation of the impact not being significant on financial

The above matters are subject to legal proceedings in the ordinary course of business. The legal proceedings when ultimately concluded will not, in the opinion of management, have a material effect on the result of operations or the financial position of the Company. The cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various stages/forums.

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

Based on the information available with the Group, some of suppliers have been identified, who are registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) to whom the Group owes and the same is outstanding for more than 45 days as at 31 March 2022. The information has been determined to the extent such parties have been identified on the basis of responses received from vendors on confirmation sought by the Group.

| Particulars | As at | |
|--|---------------|---------------|
| | 31 March 2022 | 31 March 2021 |
| a) The principal amount payable to suppliers at the year end | 221.81 | 167.94 |
| b) The amount of interest due on the remaining unpaid amount to suppliers as at the year end | 0.55 | 0.85 |
| c) The amount of interest paid by buyer in terms of section 16 of MSMED, along with the amount of the payment made to supplier beyond the appointed day during each accounting year | - | - |
| d) 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 | - | - |
| e) The amount of interest accrued and remaining unpaid at the end of each accounting year | 0.55 | 0.85 |
| f) The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of MSMED | - | - |

Paras Healthcare Private Limited

Notes to the consolidated financial statements for the year ended 31 March 2022

CIN No.:- U85110HR1987PTC035823

(All amounts are in INR Million, unless otherwise stated)

34. Discontinued operations

(a) The Holding Company had given six months termination notice on 31 December 2019 in respect of the lease agreement dated 21 May 2015 for lease of hospital building at Panchkula, Haryana. In accordance with the lease agreement and termination notice, the lease agreement is terminated with effect from 01 July 2020. The Group had classified the entire Panchkula bliss business as a discontinued operation.

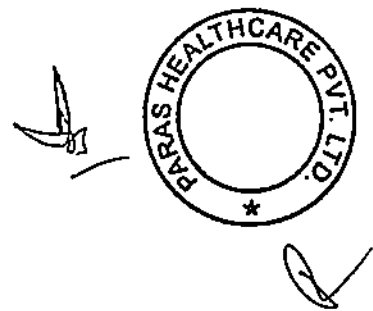
(b) The result of the Panchkula Bliss business for the year ended 31 March 2021 are presented below:

| | For the year ended 31 March 2021 |
|--|-------------------------------------|
| Revenue from operations | 28.02 |
| Other income | 0.80 |
| Total income | 28.82 |
| Expenses | |
| Purchase of stock-in-trade | 5.19 |
| Changes in inventories of stock-in-trade | 1.46 |
| Employee benefits expense | 3.48 |
| Finance cost | 0.02 |
| Depreciation and amortization expenses | 1.59 |
| Other expenses | 24.19 |
| Total expenses | 35.93 |
| Loss before tax from discontinuing operations | (7.11) |
| Tax expenses | 1.78 |
| Loss after tax from discontinuing operations | (5.33) |

(c) The net cash flows attributable to discontinuing operations:

| | For the year ended 31 March 2021 |
|-------------------------------------|-------------------------------------|
| Cash flow from operating activities | (6.30) |
| Cash flow from investing activities | 12.57 |
| Cash flow from financing activities | (6.65) |
| Net cash outflow | (0.38) |

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35 Related party disclosures

In the normal course of business, the Group enters into transactions with its key management personnel. The names of related parties of the Group as required to be disclosed under Indian Accounting Standard 24 "Related Party Disclosures" is as follows

| Nature of relationship | Name of related party |
|---|---|
| a) List of related parties and nature of relationship with whom transactions have taken place during the current/ previous year | |
| (i) Key management personnel of the Company | Dr. Dharminder Kumar Nagar (Managing Director) Dr. Kapil Garg (Whole time Director) Dr. Veer Singh Mehta (Non-Executive Director) Mr. Ramesh Abhishek (Non-Executive Director) (w.e.f 22 June 2021) Mr. Kabir Kishin Thakur (Non-Executive Director) (w.e.f 17 August 2021) Mr. Saurabh Sood (Non-Executive Director) Mr. Narayan Anand (Non-Executive Director till 17 August 2021) Late. Dr. Shaibal Gupta (Independent Director till 28 January 2021) Mr. Debaji Sensharma (Group CFO) Mr. Rahul Kumar (Company Secretary) Mr. Mohd. Shahid (Company Secretary till 30 May 2022) |
| (ii) Significant influence of key management personnel | Ch. Ved Ram Nagar Medical Education & Research Society |
| (iii) Entity: person with direct or indirect significant influence over the Group | Commelina Ltd (Shareholder) |

c) Transactions made during the year:

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| Managerial remuneration (refer note e) | | |
| -Dr. Dharminder Kumar Nagar | 55.10 | 45.00 |
| -Dr. Kapil Garg | 10.00 | 8.08 |
| -Mr. Debaji Sensharma | 12.70 | 10.84 |
| -Mr. Mohd. Shahid | 1.04 | 0.89 |
| Consultation and professional charges | | |
| -Dr. Veer Singh Mehta | 35.34 | 27.94 |
| Other expense | | |
| -Financial liabilities mandatorily measured at fair value through profit or loss | 458.64 | 177.19 |
| Sitting fees | | |
| -Late Dr. Shaibal Gupta | - | 0.08 |
| -Mr. Saurabh Sood | 0.06 | 0.08 |
| -Mr. Ramesh Abhishek | 0.30 | - |
| Rental income | | |
| -Ch. Ved Ram Nagar Medical Education & Research Society | 0.02 | 0.02 |

d) Balance outstanding as at the year end:

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Other receivables | | |
| - Ch. Ved Ram Nagar Medical Education & Research Society | 0.26 | 0.24 |
| Investment by Commelina Limited | | |
| - Financial instruments classified as financial liability | 2843.45 | 2384.81 |
| Trade payables | | |
| -Dr. Veer Singh Mehta | 2.65 | 3.02 |

Terms and conditions of related party transactions:

- The Holding Company has given bank guarantee of INR 75.00 million (31 March 2021: INR 75.00 million) on behalf of its subsidiary as per the terms and conditions of the concession agreement entered into with Heavy Engineering Corporation Limited.
- The Holding Company has issued letter of support for financial assistance to Paras Healthcare (Ranchi) Private Limited for ongoing projects and operations for a period of not less than 12 months from the date of financial closure of accounts of the subsidiary Company for the year ended 31 March 2022.
- The Holding Company has given corporate guarantee on behalf of its subsidiary Company for the sanctioned undrawn borrowing from Axis Bank Limited amounting to INR Nil (31 March 2021: INR 480 million). The subsidiary Company has not withdrawn the sanction limit availed. As at 31 March 2022 the limit has been lapsed.

Notes

- All transactions with related parties are made on the terms equivalent to those that prevail in arm's length transactions and within the ordinary course of business. Outstanding balances at respective year ends are unsecured and settlement is generally done in cash.
- The above information has been determined to the extent such parties have been identified on the basis of information available with the Group and relied upon by the auditors.
- No loans or advances are due by directors or other officers of the Holding Company or any of them either severally or jointly with any other person. Further, no loans or advances are due by firms or private companies in which any director is a partner, a director or a member.
- No trade or other receivable are due from directors or other officer of the Group either severally or jointly with any other person.
- Liabilities for gratuity and compensated absence are provided on an actuarial basis for the Group as a whole, the amounts pertaining to the key management personnel is not included above.



36. Segment information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components; (b) for which discrete financial information is available; (c) operating results are reviewed regularly by the Group's managing director i.e. Chief operating decision maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance. The Group is engaged in the business of providing health care services. Thus, the Group has only one operating segment, and has no reportable segments in accordance with Ind AS - 108 'Operating Segments'. Accordingly, there are no additional disclosure to be provided under Ind AS 108, other than those already provided in the financial statements.

37. Fair value measurement and financial instruments

a. Financial instruments - by category and fair values hierarchy

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

As at 31 March 2022

| Particulars | Carrying value | | | Fair value hierarchy | | |
|--------------------------------|-----------------|-----------------|-----------------|----------------------|---------|-----------------|
| | FVTPL# | Amortized Cost | Total | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | | | |
| Others | - | 603.81 | 603.81 | - | - | - |
| Investments (at cost)* | - | - | - | - | - | - |
| Trade receivables | - | 844.22 | 844.22 | - | - | - |
| Cash and cash equivalents | - | 76.70 | 76.70 | - | - | - |
| Bank balances other than above | - | 1,904.29 | 1,904.29 | - | - | - |
| Total | - | 3,429.02 | 3,429.02 | - | - | - |
| Financial liabilities | | | | | | |
| Borrowings | - | 2,139.50 | 2,139.50 | - | - | - |
| Lease liabilities | - | 2,464.58 | 2,464.58 | - | - | - |
| Others | 2,843.45 | 85.95 | 2,929.40 | - | - | 2,843.45 |
| Trade payables | - | 1,192.27 | 1,192.27 | - | - | - |
| Total | 2,843.45 | 5,882.30 | 8,725.75 | - | - | 2,843.45 |

As at 31 March 2021

| Particulars | Carrying value | | | Fair value hierarchy | | |
|--------------------------------|-----------------|-----------------|-----------------|----------------------|---------|-----------------|
| | FVTPL# | Amortized Cost | Total | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | | | |
| Others | - | 685.09 | 685.09 | - | - | - |
| Investments (at cost)* | - | - | - | - | - | - |
| Trade receivables | - | 419.15 | 419.15 | - | - | - |
| Cash and cash equivalents | - | 649.66 | 649.66 | - | - | - |
| Bank balances other than above | - | 1,891.72 | 1,891.72 | - | - | - |
| Total | - | 3,645.62 | 3,645.62 | - | - | - |
| Financial liabilities | | | | | | |
| Non-current | | | | | | |
| Borrowings | - | 1,970.68 | 1,970.68 | - | - | - |
| Lease liabilities | - | 1,864.61 | 1,864.61 | - | - | - |
| Others | 2,384.81 | 79.43 | 2,464.24 | - | - | 2,384.81 |
| Trade payables | - | 1,008.60 | 1,008.60 | - | - | - |
| Total | 2,384.81 | 4,923.32 | 7,308.13 | - | - | 2,384.81 |

The carrying amounts of trade receivables, trade payables, cash and cash equivalents, current loans and other current financial assets and liabilities, approximates the fair values, due to their short-term nature.

There have been no transfers between Level 1, Level 2 and Level 3 for the years ended 31 March 2022 and 31 March 2021.

Fair value through profit or loss

* Investment in equity shares of subsidiary, carried at cost have not been disclosed in the statement above.



Measurement of fair values

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the balance sheet as well as the significant inputs or other inputs used.

| Type | Valuation technique |
|--|--|
| Financial instrument classified as Financial liability | Discounted cash flows: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate |

Sensitivity Analysis of fair value instruments:-

(i) **Liability component of equity shares held by Commelina Ltd**

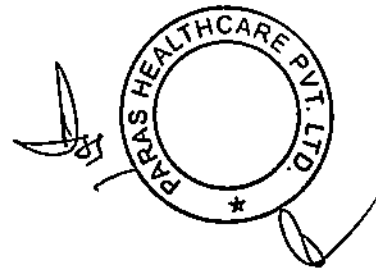
The management has used Comparable companies' quoted multiple method (CCM) for determining the fair value of Financial instrument classified as Financial liability.

The Management has computed net present value of cash flows by discounting free cash flow to firm ("FCFF") using a weighted average cost of capital ("WACC"). As at 31 March 2022, the weighted average cost of capital (WACC) multiple has been determined at 14.86% (31 March 2021 : 14.98%)

Management has identified that a reasonably possible change in the key assumption could cause a change in fair value of the instrument. The following table shows the amount by which the fair value would change on change in the assumption. All other factors remaining constant.

| Increase/(decrease) in fair value | As at 31 March 2022 | As at 31 March 2021 |
|-----------------------------------|---------------------|---------------------|
| WACC multiple | | |
| Increase by 1% | 324.60 | 257.81 |
| Decrease by 1% | (398.40) | (316.53) |

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Paras Healthcare Private Limited

Notes to the consolidated financial statements for the year ended 31 March 2022

CIN No.:- U85110HR1987PTC035823

(All amounts are in INR Million, unless otherwise stated)

38. Financial risk management

The Group has exposure to the following risks arising from financial instruments

- Credit risk
- Liquidity risk
- Market risk

Risk management framework

The Holding Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors have authorized the Managing Director to establish the processes, who ensures that executive management controls risks through the mechanism of properly defined framework

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

(i) Credit risk

The maximum exposure to credit risks is represented by the gross carrying amount of these financial assets in the consolidated balance sheet.

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--------------------------------|---------------------|---------------------|
| Trade receivables | 844.22 | 419.15 |
| Cash and cash equivalents | 76.70 | 649.66 |
| Bank balances other than above | 1,904.29 | 1,891.72 |
| Loans | - | 377.11 |
| Other financial assets | 603.81 | 310.55 |

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations

Credit risk arises mainly from loans, trade receivables, cash and cash equivalents, bank balances and financial assets. Other financial assets comprise of unbilled revenue and accrued interest on fixed deposits. The Group maintains a defined credit policy and monitors the exposures to these credit risks on an ongoing basis

The carrying amount of financial assets represents the maximum credit exposure. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

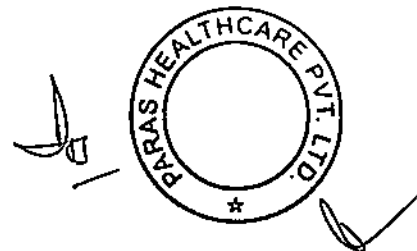
In monitoring customer credit risk, customers/patients are grouped according to their credit characteristics, including, whether they are third party insurance agents or government panel patients and others

Credit risk arising from trade receivables is managed in accordance with the Group's established policy with regard to credit limits, control and approval procedures. The Company provides for expected credit losses on trade receivables based on a simplified approach as per Ind AS 109. Under this approach, expected credit losses are computed basis the probability of defaults over the lifetime of the asset. This allowance is measured taking into account credit profile of the customer, trade channels, past experience of defaults, estimates for future uncertainties etc

The allowance for expected credit loss on trade receivables is as below

| Particulars | Amount |
|--------------------------------------|----------|
| As at 31 March, 2020 | 257.50 |
| Provided during the year | 105.06 |
| Utilised (Bad debts) during the year | (240.22) |
| As at 31 March, 2021 | 122.34 |
| Provided during the year | 20.24 |
| Utilised (Bad debts) during the year | - |
| As at 31 March, 2022 | 142.58 |

Other than financial assets mentioned above, none of the Group's financial assets are either impaired or past due, and there were no indications that defaults in payment obligations would occur



(B) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations as they come due with its financial liabilities. The Group's objective is to develop and maintain sufficient asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due. Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the Group operates.

Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments, where applicable.

| 31 March 2022 | Upto 1 year | Between 1 year to 5 years | Over 5 years | Total |
|-------------------|-----------------|---------------------------|-----------------|------------------|
| Borrowings* | 862.09 | 1,283.72 | 423.14 | 2,568.95 |
| Trade payables | 1,192.27 | - | - | 1,192.27 |
| Lease liabilities | 132.90 | 723.61 | 9,185.15 | 10,041.66 |
| Others | 85.95 | 2,843.45 | - | 2,929.40 |
| Total | 2,273.21 | 4,850.78 | 9,608.30 | 16,732.29 |

| 31 March 2021 | Upto 1 year | Between 1 year to 5 years | Over 5 years | Total |
|-------------------|-----------------|---------------------------|-----------------|------------------|
| Borrowings* | 873.29 | 1,387.74 | 440.69 | 2,701.72 |
| Trade payables | 1,008.61 | - | - | 1,008.61 |
| Lease liabilities | 133.51 | 645.96 | 7,514.32 | 8,293.79 |
| Others | 244.04 | 2,384.81 | - | 2,628.85 |
| Total | 2,259.45 | 4,418.51 | 7,955.01 | 14,632.97 |

* Includes current maturities of non current borrowings

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(C) (iii) Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

a) Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has limited exposure from the international market as the Group's operations are in India and earns less than 10% of its revenue from foreign currency from international patients. Also, capital expenditure includes capital goods purchased in foreign currency through the overseas vendors.

The Group is not exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows as there is no foreign currency exposure as on reporting date.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises from -

- Borrowings which are made at market rate of interest at the time of borrowings
- Bank deposits which are made at market rate of interest at the time of deposit

This exposes the Group to cash flow interest rate risk.

| Exposure to Interest Rate Risk | As at 31 March 2022 | As at 31 March 2021 |
|----------------------------------|------------------------|------------------------|
| Fixed rate instruments | | |
| Financial assets | 1,960.91 | 2,534.08 |
| Financial liabilities | 26.00 | 0.67 |
| Variable rate instruments | | |
| Financial liabilities | 2,113.51 | 1,970.01 |

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

| Effect in INR million | Profit or loss | | Equity, net of tax | |
|-----------------------------|----------------|----------------|--------------------|----------------|
| | 50 bp increase | 50 bp decrease | 50 bp increase | 50 bp decrease |
| 31 March 2022 | | | | |
| Variable-rate instruments | 10.57 | (10.57) | 7.91 | (7.91) |
| Cash flow sensitivity (net) | 10.57 | (10.57) | 7.91 | (7.91) |
| 31 March 2021 | | | | |
| Variable-rate instruments | 9.85 | (9.85) | 7.37 | (7.37) |
| Cash flow sensitivity (net) | 9.85 | (9.85) | 7.37 | (7.37) |

39. Capital management

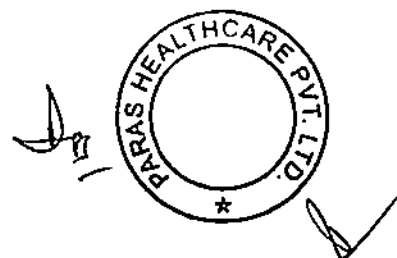
For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other reserves attributable to the equity holder. The primary objective of the Company's capital management is to maximize the shareholder value. Management monitors the return on capital.

The Group monitors its net debt / equity ratio as well as compliance with financial covenants on regularity basis.

| | As at 31 March 2022 | As at 31 March 2021 |
|--------------------------------|---------------------|---------------------|
| Total liabilities* | 8,892.39 | 7,481.93 |
| Less: cash and cash equivalent | 76.70 | 649.66 |
| Net debt | 8,815.69 | 6,832.27 |
| Total equity | 731.10 | 881.23 |
| Equity | 731.10 | 881.23 |
| Net debt to equity ratio | 12.06 | 7.75 |

The Group manages its capital structure and makes adjustments in light of changes in economic conditions. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

* excluding deferred tax liabilities



40. Employee benefits
The Group contributes to the following post-employment defined benefit plans

a) Defined contribution plans
The Group has recognised the following amount in the Statement of profit and loss

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|-------------------------------------|-------------------------------------|
| Employer's contribution to Employee's Provident Fund | 44.97 | 41.76 |
| Employer's contribution to Employee's State Insurance | 6.88 | 6.11 |
| Other funds (NPS and labour welfare fund) | 2.07 | 1.84 |
| | <u>53.92</u> | <u>49.71</u> |

b) Other long-term employment benefits
The Group provides compensated absences benefits to the employees of the Group which can be carried forward to future year

| | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Present value of obligation as at the end of the year | | |
| Compensated absences | 33.98 | 26.44 |
| Current and non-current liability bifurcation | | |
| Non current | 21.56 | 17.47 |
| Current | 12.42 | 8.97 |
| | <u>33.98</u> | <u>26.44</u> |

c) Defined benefit plans

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for fifteen days salary multiplied for the number of years of service.

The following table set out the status of the defined benefit obligation

| | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Defined benefit obligation | 40.03 | 28.87 |
| Surplus | <u>40.03</u> | <u>28.87</u> |
| Current and non-current liability bifurcation | | |
| Non current | 28.42 | 21.13 |
| Current | 11.61 | 7.74 |
| | <u>40.03</u> | <u>28.87</u> |

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components

(i) Reconciliation of present value of defined benefit obligation

| | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Balance at the beginning of the year | 28.87 | 25.73 |
| Benefits paid | (6.89) | (12.12) |
| Current service cost | 13.86 | 5.68 |
| Interest cost | 1.52 | 1.28 |
| Actuarial (gains) losses recognised in other comprehensive income | 2.67 | 8.31 |
| Balance at the end of the year | <u>40.03</u> | <u>28.87</u> |

(ii) Expense recognized in statement of profit and loss

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|-------------------------------------|-------------------------------------|
| Current service cost | 13.86 | 5.68 |
| Net interest on net defined benefit liability / (asset) | 1.52 | 1.28 |
| | <u>15.38</u> | <u>6.95</u> |

(iii) Remeasurements recognized in other comprehensive income

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|-------------------------------------|-------------------------------------|
| Actuarial (gain) / loss on defined benefit obligation | 2.67 | 8.31 |
| | <u>2.67</u> | <u>8.31</u> |

(iv) Experience History

| Particulars | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|
| Defined benefit obligation at the end of the period | 40.03 | 28.87 | 25.45 | 20.04 | 16.23 |
| Experience gain (loss) adjustments on plan liabilities | 0.18 | (0.04) | 0.84 | 0.72 | 0.99 |



(v) Defined benefit obligation - Actuarial assumptions

| Principal actuarial assumptions at the reporting date (expressed as weighted) | As at | As at |
|---|---------------|---------------|
| | 31 March 2022 | 31 March 2021 |
| Financial assumptions | | |
| Discount rate | 5.25% | 5.00% |
| Salary escalation rate | 5.00% | 5.00% |
| Demographic assumptions | | |
| Mortality rate | IALM 2012-14 | IALM 2012-14 |
| Retirement age | 58 years | 58 years |
| Withdrawal rate | 35.00% | 35.00% |

As at 31 March 2022, the weighted average duration of the defined benefit obligation was 21 years (31 March 2021 - 21 years)

(vi) Sensitivity analysis

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

| | As at 31 March 2022 | | As at 31 March 2021 | |
|-----------------------------|---------------------|----------|---------------------|----------|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (1%) | 31.78 | 33.52 | 28.12 | 29.66 |
| Salary escalation rate (1%) | 33.51 | 31.77 | 29.65 | 28.11 |
| Withdrawal rate (1%) | 32.37 | 32.89 | 28.65 | 29.10 |

The sensitivity results above determine their individual impact on the Plan's end of year Defined Benefit Obligation. In reality, the Plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(vii) Maturity profile

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date.

| Particulars | As at | As at |
|--------------|---------------|---------------|
| | 31 March 2022 | 31 March 2021 |
| Year 1 | 11.61 | 7.68 |
| Year 2 | 3.51 | 2.39 |
| Year 3 | 3.59 | 2.53 |
| Year 4 | 3.09 | 2.21 |
| Year 5 | 2.65 | 1.90 |
| Next 5 years | 15.58 | 11.77 |

The Group expects to contribute INR 15.04 million (31 March 2021 is INR 11.60 million) for post employment benefits during the next financial year.

(viii) Risk exposure

The Gratuity scheme is a final salary Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk: Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.



41. Revenue related disclosures

I Disaggregation of revenue

Revenue recognised mainly comprises of healthcare services. Set out below is the disaggregation of the Group's revenue from contracts with customers:

| Description | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| (A) Operating revenue | | |
| Income from healthcare services | | |
| In patient | 6,323.61 | 4,774.85 |
| Out patient | 1,190.23 | 978.20 |
| Income from sale of pharmacy products | 274.27 | 224.01 |
| (B) Other operating revenue | | |
| Sponsorship income | 6.62 | 1.75 |
| Scrap sales | 4.51 | 0.54 |
| Miscellaneous income | 0.00 | 4.65 |
| Total revenue | 7,799.24 | 5,984.00 |

II Timing of revenue recognition

The following table provides information about receivables, contract assets and contract liabilities from contract with customers:

| Description | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|----------------------|-------------------------------------|-------------------------------------|
| At point in time | 1,475.64 | 1,202.75 |
| At point over time | 6,323.61 | 4,781.25 |
| Total revenue | 7,799.24 | 5,984.00 |

III Contract balances

The following table provides information about receivables and contract liabilities from contract with customers:

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|-----------------------|-------------------------------------|-------------------------------------|
| Contract assets | 59.84 | 50.87 |
| Advance from patients | 38.90 | 57.47 |
| Trade receivables | 844.22 | 419.15 |

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets (unbilled receivables) are transferred to receivables when the rights become unconditional and contract liabilities are recognised as and when the performance obligation is satisfied.

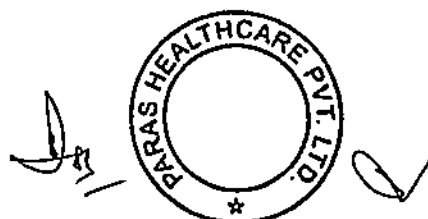
IV Significant changes in the contract liabilities balances during the year are as follows:

| Contract liabilities - Advance from customers | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|-------------------------------------|-------------------------------------|
| Opening balance of Contract liabilities - Advance from customers | 57.47 | 33.45 |
| Movement during the year (net) | (18.57) | 24.02 |
| Closing balance of Contract liabilities - Advance from customers | 38.90 | 57.47 |
| Contract assets - Unbilled revenue | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
| Opening balance of Contract assets - Unbilled revenue | 50.87 | 21.15 |
| Less: Amount of revenue recognised during the year | (50.87) | (21.15) |
| Add: Addition during the year | 59.84 | 50.87 |
| Closing balance of Contract assets - Unbilled revenue | 59.84 | 50.87 |

V The aggregate amount of transaction price allocated to the performance obligations (yet to complete) as at 31 March 2022 is INR 59.84 million (31 March 2021: INR 50.87 million). This balance represents the advance received from customers (gross) against healthcare services. The management expects to further bill and collect the remaining balance of total consideration in the coming periods. These balances will be recognised as revenue in subsequent period as per the policy of the Group.

VI Reconciliation of revenue

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| Revenue | 8,194.12 | 5,686.95 |
| Adjustment for | | |
| - Discounts | (394.88) | 297.05 |
| Income from healthcare services | 7,799.24 | 5,984.00 |



42. Exceptional items

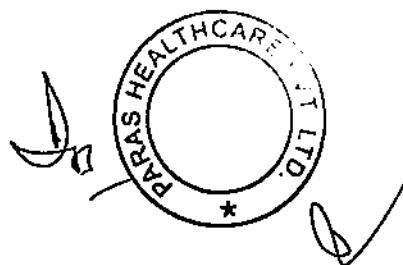
Due to heavy rainfall in August 2020 and resultant water loggings in Gurugram Hospital, Holding Company's assets including property, plant and equipment, inventory were damaged. The Holding Company had filed the insurance claim for the same.

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| Insurance claim recognised | 33.34 | 309.24 |
| Less: Damages and cost incurred | | |
| Carrying value of property, plant and equipment | - | (228.00) |
| Payment of custom duty on imported machinery damaged | - | (39.90) |
| Inventory | - | (17.05) |
| Debris removal | - | (4.32) |
| Net gain | 33.34 | 19.97 |

43. Subsequent events:

- a) Subsequent to year end, the Holding Company has executed Share Purchase Agreement dated 29 June 2022 to acquire 100% equity stake in Plus Medicare Hospitals Private Limited. Pursuant to the said acquisition, Plus Medicare Hospitals Private Limited will become the wholly owned subsidiary of Paras Healthcare Private Limited.
- b) During the year ended 31 March 2022, the Holding Company has paid advance for purchases for purchase of institutional site at Panchkula, and the physical possession has been received by the Company on 16 May 2022.

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44. Additional information as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as subsidiary

| As at 31 March 2022 | % of voting power as at 31 March 2022 | Net assets i.e. Total assets minus Total liabilities as at 31 March 2022 | | Share in profit or loss for the year ended 31 March 2022 | | Share in other comprehensive income / loss for the year ended 31 March 2022 | | Share in total comprehensive income / loss for the year ended 31 March 2022 | |
|--|---------------------------------------|--|---------------|--|-----------------|---|---------------|---|-----------------|
| | | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income / loss | Amount | As % of consolidated total comprehensive income / loss | Amount |
| Parent | | 174.31% | 1,282.12 | -37.37% | 55.55 | 89.35% | (1.83) | -35.64% | 53.71 |
| Paras Healthcare Private Limited Subsidiary | | | (516.57) | | (204.20) | 10.65% | (0.22) | | (203.22) |
| Paras Healthcare (Ranchi) Private Limited Subsidiary | 100% | -74.31% | 738.55 | 137.37% | (116.68) | | (2.05) | 135.64% | (150.70) |
| Less: Consolidation adjustments | | | (4.45) | | 0.57 | | | | 0.57 |
| Total | | | 731.10 | | (116.03) | | (2.03) | | (150.13) |

| As at 31 March 2021 | % of voting power as at 31 March 2021 | Net assets i.e. Total assets minus Total liabilities as at 31 March 2021 | | Share in profit or loss for the year ended 31 March 2021 | | Share in other comprehensive income / loss for the year ended 31 March 2021 | | Share in total comprehensive income / loss for the year ended 31 March 2021 | |
|--|---------------------------------------|--|---------------|--|-----------------|---|-------------|---|-----------------|
| | | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income / loss | Amount | As % of consolidated total comprehensive income / loss | Amount |
| Parent | | 138.61% | 1,228.02 | 39.42% | (102.24) | 96.38% | 6.19 | 37.93% | (96.07) |
| Paras Healthcare Private Limited Subsidiary | | | (342.15) | | (157.14) | | 0.04 | | (157.11) |
| Paras Healthcare (Ranchi) Private Limited Subsidiary | 100% | -38.61% | 886.27 | 60.58% | (259.41) | 0.62% | 6.23 | 62.05% | (253.18) |
| Less: Consolidation adjustments | | | (5.03) | | | | | | |
| Total | | | 881.21 | | (259.85) | | 6.23 | | (253.18) |



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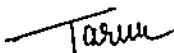
45 Other statutory information

- a) The Group does not have any immovable property and no proceedings have been initiated or pending against the company for holding any immovable property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder
- b) The Group does not have any charge which is yet to be registered with ROC beyond the statutory period
- c) The Group has not advanced or provided loan to or invested funds in any entities including foreign entities (Intermediaries) or to any other persons, with the understanding that the intermediary shall:
- (i) 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
 - (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- d) The Group has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
- (i) 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
 - (ii) provide any guarantee, security or the like on behalf of the ultimate beneficiaries,
- e) The Group has not undertaken any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- f) The Group has not traded or invested in crypto currency or virtual currency during the current and previous financial year.
- g) The Group has not been declared a 'Willful Defaulter' by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on willful defaulter issued by the Reserve Bank of India.
- h) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of layers) Rules, 2017.
- g) The Group did not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the financial year

46 Pursuant to changes notified in Schedule-III, during the year ended 31 March 2022, the Group has reclassified/regrouped certain previous year's balances.

As per our report of even date attached

For Walker Chandok & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

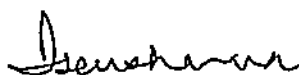


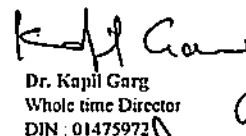
Tarun Gupta
Partner
Membership No. 507892


Place: Gurugram
Date: 30 September 2022

For and on behalf of Board of Directors of
Paras Healthcare Private Limited


Dr. Dharminder Kumar Nagar
Managing Director
DIN : 00332135


Debajit Sensharma
Group CFO


Dr. Kapil Garg
Whole time Director
DIN : 01475972


Rahul Kumar
Company Secretary



1. Corporate Information

Paras Healthcare Private Limited ('the Company' or 'the Holding Company') is a Group domiciled in India, with its registered office situated at 1st Floor, Tower-B, Paras Twin Towers, Golf Course Road, Sector-54, Gurugram-122002, Haryana. The Group has been incorporated under the provisions of Indian Companies Act on 21 December 1987. These consolidated financial statements comprise of the Holding Company and its one subsidiary (referred to collectively as the 'Group'). The Group is primarily engaged in the business of providing healthcare services.

2. Basis of preparation of consolidated financial statements

(i) Statement of compliance

These consolidated financial statements ('financial statements') have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The consolidated financial statements were authorised for issue by the Group's Board of Directors on 30 September 2022.

Details of the Group's accounting policies are included in Note 3.

(ii) Functional and presentation currency

These consolidated financial statements are prepared in INR millions, which is the Group's functional and presentation currency. All amounts have been rounded-off to the nearest millions and two decimals thereof except share data and per share data, unless otherwise stated.

(iii) Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis, except for the following items:

| Items | Measurement basis |
|--|--|
| Net defined benefit (asset)/ liability | Present value of defined benefit obligations |
| Compound financial instruments | Fair value |
| Other financial assets and liabilities | Amortised cost |

(iv) Amended Accounting Standards (Ind AS) and interpretations effective during the year

a. Ind AS 109 Financial Instruments; Ind AS 107 Financial Instruments: Disclosures and Ind AS 116 Leases (amendments related to Interest Rate Benchmark Reform)

The amendment to Ind AS 109, provides a practical expedient for assessment of contractual cash flow test, which is one of the criteria for being eligible to measure a financial asset at amortized cost, for the changes in the financial assets that may arise as a result of Interest Rate Benchmark Reform. An additional temporary exception from applying hedge accounting is also added for Interest Rate Benchmark Reform.

The amendment to Ind AS 107, clarifies the certain additional disclosures to be made on account of Interest Rate Benchmark Reform:

- (i) the nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform;
- (ii) the entity's progress in completing the transition to alternative benchmark rates, and how the entity is managing



the transition;

- (iii) the instruments exposed to benchmark reform disaggregated by significant interest rate benchmark along with qualitative information about the financial instruments that are yet to transition to alternative benchmark rate;
- (iv) changes to entity's risk management strategy.

The amendments introduced a similar practical expedient in Ind AS 116. Accordingly, while accounting for lease modification i.e. remeasuring the lease liability, in case this is required by interest rate benchmark reform, the lessee will use a revised discount rate that reflects the changes in the interest rate.

These amendments did not have any material impact on the financial statements of the Group.

b. Ind AS 116 Leases (amendment related to rent concessions arising due to COVID-19 pandemic)

The amendment to Ind AS 116 Leases extended the practical expedient introduced for financial year 2020-21 related to rent concessions arising due to Covid-19 pandemic, that provides an option to the lessee to choose that rent concessions for lease payments due on or before 30 June 2022 (from erstwhile notified date of 30 June 2021), arising due to COVID-19 pandemic ('COVID-19 rent related concessions') need not be treated as lease modification. The amendment did not have any material impact on financial statements of the Group.

c. Amendments consequent to issue of Conceptual Framework for Financial reporting under Ind AS (Conceptual Framework)

- (i) Ind AS 102 Share Based Payments - Amended the definition of 'liabilities' to 'a present obligation of the entity to transfer an economic resource as a result of past events'.
- (ii) Ind AS 103 Business Combinations - The MCA clarified that for the purpose of this Ind AS, acquirers are required to apply the definitions of an asset and a liability given in the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards rather than the Conceptual Framework.
- (iii) Ind AS 114 Regulatory Deferral Accounts - The amendment added a footnote against the term 'reliable' used in the Ind AS 114. The footnote clarifies that term 'faithful representation' used in the Conceptual Framework encompasses the main characteristics that the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards called 'reliability'. However, for the purpose of this Ind AS, the term 'reliable' would be based on the requirements of Ind AS 8.
- (iv) Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets - The MCA clarified that the definition of term 'liability' in this Ind AS is not being revised following the revision of the definition of liability in the Conceptual Framework.
- (v) Ind AS 38 Intangible Assets - The MCA clarified that the definition of an 'asset' in this Ind AS is not being revised following the revision of the definition of asset in the Conceptual Framework.
- (vi) Ind AS 106 Exploration for and Evaluation of Mineral Resources; Ind AS 1 Presentation of Financial Statements; Ind AS 8 Accounting policies, Changes in Accounting Estimates and Errors and Ind AS 34 Interim Financial Reporting - The reference to the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards has been substituted with reference to the Conceptual Framework.

The above amendments did not have any material impact on the financial statements of the Group.



(v) Use of estimates and judgements

The preparation of these financial statements in conformity with recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses as well as disclosures. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods prospectively.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effects on the amount recognised in the financial statements pertains to :

a) Useful lives and recoverable amount of property, plant and equipment and intangible assets:

The estimated useful lives and recoverable amounts of property, plant and equipment and intangible assets are based on estimates and assumptions regarding the expected market outlook, expected future cash flows, growth rates, obsolescence, demand, competition, and known technological advances. The charge in respect of periodic depreciation/ amortisation is derived based on an estimate of an asset's expected useful life and the expected residual value at the end of its life. The Group reviews the useful lives and recoverable amounts of property, plant and equipment and intangible assets at the end of each reporting period.

b) Impairment assessment:

Property, plant and equipment, right-of-use assets and intangible assets that are subject to depreciation/ amortisation are tested for impairment periodically including when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic, fair value and market conditions.

c) Income taxes:

Recognition of deferred tax assets/ liabilities involves making judgements and estimations about the availability of future taxable profit against which tax losses carried forward can be used. A deferred tax asset is recognised for unused tax losses and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case laws and the potential outcomes of appeals which may be subject to significant uncertainty. Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets and therefore the tax charge in the Statement of Profit and Loss.

d) Litigations

From time to time, the Group is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts



and circumstances.

e) Employee benefit obligations:

Employee benefit obligations are determined using actuarial valuations. An actuarial valuation involves making appropriate assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

f) Leases:

Critical judgements in determining the lease term:

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Critical judgements in determining the discount rate:

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

(vi) Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values. The Group's CFO regularly reviews significant unobservable inputs and valuation adjustments.

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)

When measuring the fair value of an asset or a liability, the Group 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 Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 46- financial instruments.



(vii) Current versus non-current classification

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

An asset is classified as current when it satisfies any of the following criteria:

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

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

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

All other liabilities are classified as non-current.

All assets and liabilities have been classified as current or non-current as per the Group's operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products/ services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle to be within 12 months for the purpose of current and non-current classification of assets and liabilities.

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

3. Significant accounting policies

A. Principles of consolidation

The consolidated financial statements have been prepared in accordance with Ind AS 110 on "Consolidated financial statements".

Details of the consolidated subsidiary and shareholding pattern are as follows:-

| Name of subsidiary | Country of incorporation | Percentage of ownership |
|---|--------------------------|-------------------------|
| Paras Healthcare (Ranchi) Private Limited | India | 100% |

i. Subsidiary

Subsidiary is entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.



ii. Transactions eliminated on consolidation

Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

Offset (eliminate) the carrying amount of the parent's investment in the subsidiary and the parent's portion of equity of the subsidiary.

Eliminate in full, intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

B. Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Gains or losses arising from the retirement or disposal of a property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the statement of profit and loss.

(ii) Subsequent expenditure

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

(iii) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their useful lives mentioned in Schedule II to the Companies Act, 2013, using the written down value except for leasehold improvements and is recognised in the statement of profit and loss.

Freehold land is not depreciated.

The leasehold improvements are depreciated using straight line method over the primary period of the lease or useful life of the assets (generally 10 years), whichever is lower.



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

C. Capital work-in-progress

The cost of property, plant and equipment not ready for their intended use is recorded as capital work-in-progress before such date. Cost of construction that relate directly to specific property, plant and equipment and that are attributable to construction activity in general and can be allocated to specific property, plant and equipment are included in capital work-in-progress.

Expenses against the assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses.

D. Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. The cost of such assets includes purchase price, licensee fee, import duties and other taxes and any directly attributable expenditure to bring the assets to their working condition for intended use.

Amortization method, estimated useful life and residual value

Intangible assets are amortised @ 40% p.a. on written down value of the assets. The amortisation period, residual value and the amortisation method are reviewed at least at each balance sheet date. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the statement of profit and loss.

E. Inventories

Inventories of medical drugs , stores and consumables are measured at the lower of cost and net realisable value. The cost of inventories includes expenditure incurred in acquiring the inventories and other costs in bringing them to their present condition and location. The cost of the items constituting the inventory is computed on FIFO basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling expenses.

The comparison of cost and net realisable value is made on an item-by-item basis.

Provisions/write-downs for obsolescence, damaged and slow-moving inventory are made, wherever necessary and inventory is stated net of such provisions/write-downs.

F. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

G. Leases

For all existing and new contract on or after 01 April 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.



Classification of leases

The Group enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

Recognition and initial measurement

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in Statement of Profit and Loss on a straight-line basis over the lease term.

H. Financial instruments

(i) Recognition and initial measurement

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. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

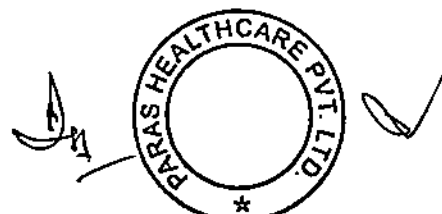
Trade receivables and debt securities are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

(ii) Classification and subsequent measurement

Financial assets

On Initial recognition, a financial asset is classified as measured at:

- Amortised cost
- FVOCI -- debt investment;
- FVOCI – equity investment; or



- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at the amortised cost if both of the following conditions are met and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by- investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- a) the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- b) how the performance of the portfolio is evaluated and reported to the Group's management;
- c) the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- d) how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- e) the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest:



For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- a) contingent events that would change the amount or timing of cash flows;
- b) terms that may adjust the contractual coupon rate, including variable interest rate features;
- c) prepayment and extension feature; and
- d) terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features)

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.

Debt investments at FVOCI

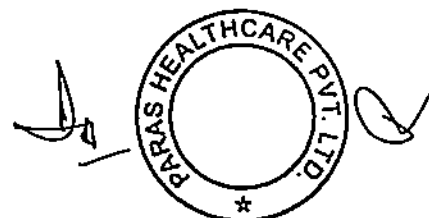
These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit and loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.



(iii) Derecognition

Financial asset

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Financial liability

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit and loss.

(iv) Offsetting

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

I. Financial instrument classified as financial liability

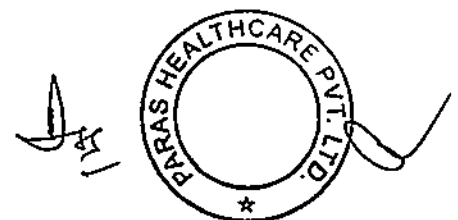
Financial instrument which requires the Group to deliver cash or another financial asset, or otherwise to settle it in such a way that it would be a financial liability, and where Group does not have an unconditional right to avoid such obligation, are classified as financial liability. Such classification is in substance of the contractual arrangement and as per the definitions of the financial liability. Such financial instruments are recognized as financial liability at the full amount, without taking into account the timing of the contingent event. This is as per the rules of contingent settlement provisions. The equity component for such financial instruments will be nil.

Initial recognition of such financial instrument as financial liability will be at fair value and subsequent changes in fair value is recognized in profit or loss (i.e. FVTPL).

J. Impairment

(i) Impairment of financial assets

The Group 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.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. Under the simplified approach, the Group does not track changes in credit risk for individual customers. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates and delays in realisations over the expected life of the trade receivable and is adjusted for forward looking estimates. At every balance sheet date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Presentation of allowance for expected credit losses in the balance sheet

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

(ii) Impairment of non- financial assets

The Group'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 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 (or an individual asset) 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 pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed 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 amortisation, if no impairment loss had been recognised.

K. Provisions, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Group 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. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.



Contingent liabilities

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

Contingent assets

Contingent assets are not recognised but disclosed in the consolidated financial statements when an inflow of economic benefits is probable.

L. Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for rendering of services in the ordinary course of the Group's activities. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, Revenue is presented net of returns, trade allowances, discounts, value added taxes, goods and service taxes (GST). Revenue is recognised as follows:

Revenue from sale of goods - pharmacy

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts. Revenue from sale of pharmacy is recognised when control of the pharmacy items is transferred to customers, being the products are delivered to customers. These products are generally sold with no right of return.

Revenue from sale of services – healthcare

Revenue from sale of services 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.

Revenue from providing services is recognised in the accounting period in which services are rendered. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the standalone selling prices.

Contract assets and liabilities

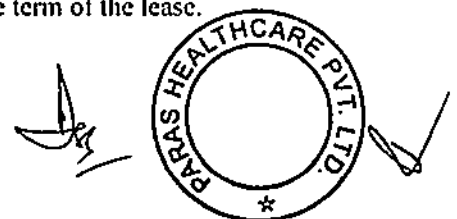
Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

Other income

Rent income

Rental income from sub-leasing and leasing is recognised in statement of profit and loss on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.



Interest income

Interest income is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Sponsorship income

Sponsorship income is recognized when the underlying obligations are completed as per contractual terms.

M. Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of such transactions are generally recognised in statement of profit and loss.

N. Employee benefits

The Group's obligation towards various employee benefits has been recognised as follows:

(i) Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., wages and salaries, short-term cash bonus, etc., if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Long term employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Provident fund, employee's state insurance scheme and labour welfare fund are defined contribution plans. These contributions are recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related services.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.



The Group has defined benefit plan, Gratuity.

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

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised in other comprehensive income (OCI). The Group determines the net interest expense/(income) on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on government securities as at the balance sheet date.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in statement of profit and loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Other long term employee benefits – compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the Projected Unit Credit Method. Re-measurement as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss.

O. 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 an item recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes.

Current tax assets and current tax 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.

(ii) Deferred tax

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



recognised to the extent that it is 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 apply 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 Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

P. Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payment 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.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Q. Government grant

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Group has complied with the conditions attached to them, and (ii) the grant/ subsidy will be received. The grant or subsidy received under Export Promotion Capital Goods (EPCG) Scheme to compensate the import cost of assets is reduced from the cost of the assets.

R. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Holding Company's Managing Director assesses the financial performance and position of the Group, and makes strategic decision and has been identified as the chief operating decision maker. The Group is engaged in the business of providing healthcare services, which has been defined as one business segment. Accordingly, the Group's activities/business is reviewed regularly by the Holding Company's Managing Director from an overall business perspective, rather than reviewing its services as individual standalone components.

S. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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



T. Measurement of EBITDA

The Group has elected to present earnings before finance costs, depreciation and amortization, exceptional item and taxes as a separate line item on the face of the Consolidated statement of Profit and Loss. The Group measures EBITDA on the basis of profit/(loss) from continuing operations.

In the measurement, the Group includes interest income but does not include finance costs, depreciation and amortization, exceptional item and taxes.

U. Amendment to Accounting Standards (Ind AS) issued 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 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 01 April 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

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

Ind AS 16 – Proceeds before intended use

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

Ind AS 37 – Onerous Contracts - costs of fulfilling a contract

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

Ind AS 109 – Annual improvements to Ind AS (2021)

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

