

# Walker Chandiook & Co LLP

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**Walker Chandiook & Co LLP**  
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## **Independent Auditor's Report**

### **To the Members of Paras Healthcare (Ranchi) Private Limited**

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

#### **Opinion**

1. We have audited the accompanying financial statements of Paras Healthcare (Ranchi) Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including 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 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 state of affairs of the Company as at 31 March 2023, and its loss (including other comprehensive income), its cash flows and the 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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

4. The Company's Board of Directors are responsible for the other information. Other information does not include the financial statements and our auditor's report thereon.

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

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

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

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## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

5. The accompanying financial statements have been approved by the Company's Board of Directors. The 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

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- 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;
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 Company since the Company is not 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 the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
13. Further to our comments in Annexure A, 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 accompanying financial statements;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books ;
  - c) The financial statements dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
  - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure B 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 Company, as detailed in note 31(a) to the financial statements, has disclosed the impact of pending litigation(s) on its financial position as at 31 March 2023.;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023.;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023.;

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- iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 43(c) to the 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 Company to or in any person(s) or entity(ies), 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 Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
- b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 43(d) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the 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
- c. Based on such audit procedures performed 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 Company has not declared or paid any dividend during the year ended 31 March 2023.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

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

Sd/-

**Tarun Gupta**  
Partner  
Membership No.: 507982  
UDIN: 23507892BGXQWZ9193

**Place:** Gurugram  
**Date:** 26 July 2023

**Paras Healthcare (Ranchi) Private Limited**

CIN: U85110HR2017PTC072032

Balance sheet as at 31 March 2023

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

<b>Particulars</b>	<b>Notes</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	770.45	201.49
Right of use assets	5	478.09	489.99
Capital work-in progress	6	46.23	275.91
Intangible assets	7	0.24	0.10
Financial assets			
Other financial assets	8	5.02	1.09
Deferred tax assets (net)	29	-	-
Other non-current assets	9	1.88	77.10
<b>Total non-current assets</b>		<b>1,301.91</b>	<b>1,045.68</b>
<b>Current assets</b>			
Inventories	10	17.86	3.33
Financial assets			
Trade receivables	11	30.42	1.15
Cash and cash equivalents	12	8.67	5.48
Bank balances other than cash and cash equivalents	13	0.95	30.43
Other financial assets	8	7.75	0.27
Other current assets	9	2.35	1.71
<b>Total current assets</b>		<b>68.00</b>	<b>42.37</b>
<b>Total assets</b>		<b>1,369.91</b>	<b>1,088.05</b>
<b>EQUITY AND LIABILITIES</b>			
Equity share capital	14	0.10	0.10
Other equity	15	(950.95)	(546.67)
<b>Total equity</b>		<b>(950.85)</b>	<b>(546.57)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	16	1,366.71	824.20
Lease liabilities	5	697.85	679.66
Others	17	1.50	-
Provisions	18	2.81	1.21
<b>Total non-current liabilities</b>		<b>2,068.87</b>	<b>1,505.07</b>
<b>Current liabilities</b>			
Financial liabilities			
Lease liabilities	5	42.13	31.65
Trade payables	19		
- Total outstanding dues of micro enterprises and small enterprises; and		9.55	0.02
- Total outstanding dues of creditors other than micro enterprises and small		142.68	62.03
Other financial liabilities	17	46.08	30.68
Other current liabilities	20	10.12	4.64
Provisions	18	1.33	0.53
<b>Total current liabilities</b>		<b>251.89</b>	<b>129.55</b>
<b>Total equity and liabilities</b>		<b>1,369.91</b>	<b>1,088.05</b>
Summary of significant accounting policies	3		

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

As per our report of even date attached

For **Walker Chandiook & Co LLP****Chartered Accountants**

Firm Registration No: 001076N/N500013

**Tarun Gupta**

Partner

Membership No. 507892

**Place:** Gurugram**Date:** 26 July 2023

For and on behalf of Board of Directors of

**Paras Healthcare (Ranchi) Private Limited****Dr. Santy Neelivanickal Sajan**

Director

DIN : 08639905

**Nikhil Sharma**

Director

DIN : 09689292

**Place:** Gurugram**Date:** 26 July 2023

**Paras Healthcare (Ranchi) Private Limited**

CIN: U85110HR2017PTC072032

**Statement of Profit and Loss for the year ended 31 March 2023**

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

Particulars	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Income</b>			
Revenue from operations	21	390.07	38.61
Other income	22	1.34	1.45
<b>Total income</b>		<b>391.41</b>	<b>40.06</b>
<b>Expenses</b>			
Purchases of stock in trade	23	94.96	10.72
Changes in inventories of stock in trade	24	(12.60)	(0.93)
Employee benefits expense	25	95.40	21.69
Other expenses	26	348.14	57.52
<b>Total expenses</b>		<b>525.90</b>	<b>89.00</b>
<b>Earning before finance costs, depreciation and amortization expense and taxes</b>		<b>(134.49)</b>	<b>(48.94)</b>
Finance costs	27	159.70	120.05
Depreciation and amortization expense	28	110.04	35.21
<b>Loss before tax</b>		<b>(404.23)</b>	<b>(204.20)</b>
<b>Tax expense</b>			
Current year		-	-
Deferred tax charge/ (credit)		-	-
<b>Loss for the year (A)</b>		<b>(404.23)</b>	<b>(204.20)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of defined benefit liability		(0.05)	(0.22)
Less: Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>Other comprehensive income for the year, net of tax (B)</b>		<b>(0.05)</b>	<b>(0.22)</b>
<b>Total comprehensive loss for the year (A+B)</b>		<b>(404.28)</b>	<b>(204.42)</b>
<b>Earnings per equity share</b>			
Basic and diluted	30	(40,423.01)	(20,419.51)

Summary of significant accounting policies

3

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

As per our report of even date attached

For **Walker Chandiok & Co LLP****Chartered Accountants**

Firm Registration No: 001076N/N500013

For and on behalf of Board of Directors of

**Paras Healthcare (Ranchi) Private Limited****Tarun Gupta**

Partner

Membership No. 507892

**Dr. Santy Neeliyanickal Sajan**

Director

DIN : 08639905

**Nikhil Sharma**

Director

DIN : 09689292

**Place:** Gurugram**Date:** 26 July 2023**Place:** Gurugram**Date:** 26 July 2023

Paras Healthcare (Ranchi) Private Limited  
CIN: U85110HR2017PTC072032  
Statement of cash flows for the year ended 31 March 2023  
(All amounts are in INR Million, unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>A. Cash flow from operating activities</b>		
Loss before tax	(404.23)	(204.20)
<b>Adjustments for:</b>		
Depreciation and amortisation	110.04	35.21
Finance costs	159.70	120.05
Interest income	(0.99)	(1.45)
	<b>(135.48)</b>	<b>(50.39)</b>
Adjustments for changes in working capital:		
-in inventories	(14.54)	(0.98)
-in trade receivables	(29.28)	(2.84)
-in loans and assets	(8.71)	5.68
-in trade payables	90.15	31.34
-in provisions and other liabilities	9.90	1.36
<b>Cash used in operations</b>	<b>(87.96)</b>	<b>(15.83)</b>
Income tax paid	(3.71)	(0.59)
<b>Net cash used in operating activities (A)</b>	<b>(91.67)</b>	<b>(16.42)</b>
<b>B. Cash flow from investing activities</b>		
Payments for purchase of property, plant and equipment and intangible assets (including capital work-in-progress, capital advances and creditors for capital goods)	(347.46)	(328.55)
Proceeds from/ investments in bank deposits	29.48	(30.43)
Interest received	1.34	1.20
<b>Net cash used in investing activities (B)</b>	<b>(316.64)</b>	<b>(357.78)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds of non current borrowings	473.84	419.49
Repayment of lease liabilities	(43.59)	(36.90)
Finance cost paid	(18.75)	(5.17)
<b>Net cash from financing activities (C)</b>	<b>411.50</b>	<b>377.42</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>3.19</b>	<b>3.22</b>
<b>D. Cash and cash equivalents at the beginning of the year</b>		
Cash on hand	0.04	0.21
Balance with banks:		
- On current accounts	5.44	2.05
	<b>5.48</b>	<b>2.26</b>
<b>E. Cash and cash equivalents at the end of the year</b>		
Cash on hand	0.37	0.04
Balance with banks:		
- On current accounts	8.30	5.44
	<b>8.67</b>	<b>5.48</b>
<b>Net increase/(decrease) in cash and cash equivalents (E-D)</b>	<b>3.19</b>	<b>3.22</b>

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**Paras Healthcare (Ranchi) Private Limited**  
**CIN: U85110HR2017PTC072032**  
**Statement of cash flows for the year ended 31 March 2023**  
**(All amounts are in INR Million, 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 under section 133 of the Companies Act, 2013.
- 2 Change in liabilities arising from financing activities:

<b>Particulars</b>	<b>For the year ended 31 March 2023</b>	<b>For the year ended 31 March 2022</b>
<b>Opening balance</b>		
Borrowings	824.20	362.36
Lease liabilities	711.31	678.87
<b>Cash flows</b>		
Proceeds from borrowings	473.84	419.49
Payment of lease liabilities	(43.59)	(36.90)
Finance cost paid	(18.75)	(5.17)
<b>Non-cash adjustments</b>		
Interest expenses towards lease liabilities	72.27	69.32
Finance cost debited to statement of profit and loss	87.43	47.51
<b>Closing balance</b>		
Borrowings	1,366.71	824.20
Lease liabilities	739.99	711.31

Summary of significant accounting policies 3  
The accompanying notes are an integral part of these financial statements.

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

For and on behalf of Board of Directors of  
**Paras Healthcare (Ranchi) Private Limited**

**Tarun Gupta**  
Partner  
Membership No. 507892

**Dr. Santy Neeliyanickal Sajan**  
Director  
DIN : 08639905

**Nikhil Sharma**  
Director  
DIN : 09689292

**Place:** Gurugram  
**Date:** 26 July 2023

**Place:** Gurugram  
**Date:** 26 July 2023



Paras Healthcare (Ranchi) Private Limited  
CIN: U85110HR2017PTC072032  
Statement of Changes in Equity for the year ended 31 March 2023  
(All amounts are in INR Million, unless otherwise stated)

**A. Equity share capital**

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	10,000	0.10	10,000	0.10
Changes during the year	-	-	-	-
<b>At the end of the year</b>	<b>10,000</b>	<b>0.10</b>	<b>10,000</b>	<b>0.10</b>

**B. Other equity**

**Attributable to the equity shareholders**

Particulars	Reserves and surplus		Total
	Retained earnings	Other comprehensive income	
<b>Balance as at 31 March 2021</b>	<b>(342.29)</b>	<b>0.04</b>	<b>(342.25)</b>
Loss for the year	(204.20)	-	(204.20)
Other comprehensive income for the year	-	(0.22)	(0.22)
<b>Balance as at 31 March 2022</b>	<b>(546.49)</b>	<b>(0.18)</b>	<b>(546.67)</b>
Loss for the year	(404.23)	-	(404.23)
Other comprehensive income for the year	-	(0.05)	(0.05)
<b>Balance as at 31 March 2023</b>	<b>(950.72)</b>	<b>(0.23)</b>	<b>(950.95)</b>

Summary of significant accounting policies

3

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

As per our report of even date attached

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

For and on behalf of Board of Directors of  
**Paras Healthcare (Ranchi) Private Limited**

**Tarun Gupta**  
Partner  
Membership No. 507892

**Dr. Santy Neeliyanickal Sajan**  
Director  
DIN : 08639905

**Nikhil Sharma**  
Director  
DIN : 09689292

**Place:** Gurugram  
**Date:** 26 July 2023

**Place:** Gurugram  
**Date:** 26 July 2023

**Paras Healthcare (Ranchi) Private Limited**

CIN: U85110HR2017PTC072032

Notes to the Financial Statements for the year ended 31 March 2023

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

**4. Property, plant and equipment**

<b>Particulars</b>	<b>Leasehold improvements</b>	<b>Plant and equipments</b>	<b>Medical equipments</b>	<b>Office equipments</b>	<b>Computers and servers</b>	<b>Furniture and fittings</b>	<b>Total</b>
<b>Gross carrying value</b>							
<b>Balance as at 31 March 2021</b>	130.37	3.72	30.35	1.33	4.15	3.13	173.05
Additions during the year	-	-	83.38	-	1.03	0.17	84.58
<b>Balance at 31 March 2022</b>	<b>130.37</b>	<b>3.72</b>	<b>113.73</b>	<b>1.33</b>	<b>5.18</b>	<b>3.30</b>	<b>257.63</b>
Additions during the year	431.90	78.07	120.92	6.85	12.33	16.72	666.79
<b>Balance as at 31 March 2023</b>	<b>562.27</b>	<b>81.79</b>	<b>234.65</b>	<b>8.18</b>	<b>17.51</b>	<b>20.02</b>	<b>924.42</b>
							-
<b>Accumulated depreciation</b>							
<b>Balance as at 31 March 2021</b>	18.83	1.04	8.34	0.65	3.06	1.09	33.01
Additions during the year	13.04	0.55	7.99	0.31	0.71	0.53	23.13
<b>Balance at 31 March 2022</b>	<b>31.87</b>	<b>1.59</b>	<b>16.33</b>	<b>0.96</b>	<b>3.77</b>	<b>1.62</b>	<b>56.14</b>
Additions during the year	42.00	13.81	31.26	2.28	4.64	3.84	97.83
<b>Balance as at 31 March 2023</b>	<b>73.87</b>	<b>15.40</b>	<b>47.59</b>	<b>3.24</b>	<b>8.41</b>	<b>5.46</b>	<b>153.97</b>
<b>Net Carrying Value</b>							
<b>As at 31 March 2023</b>	<b>488.40</b>	<b>66.39</b>	<b>187.06</b>	<b>4.94</b>	<b>9.10</b>	<b>14.56</b>	<b>770.45</b>
<b>As at 31 March 2022</b>	<b>98.50</b>	<b>2.13</b>	<b>97.40</b>	<b>0.37</b>	<b>1.41</b>	<b>1.68</b>	<b>201.49</b>

**Notes:**

- Refer note 16 for information on property, plant and equipment pledged as security by the Company for securing financing facilities from banks.
- The Company has not revalued its property, plant and equipment during the year.
- Refer note 31 for information on capital commitments.

*(This space has been intentionally left blank)*

**5. Right-of-use assets and lease liabilities**

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

Particulars	Total
<b>Building</b>	
Balance as at 01 April 2021	501.89
Depreciation charge for the year	(11.90)
Balance as at 31 March 2022	489.99
Depreciation charge for the year	(11.90)
Balance as at 31 March 2023	478.09

The following is the movement in lease liabilities during the year ended 31 March 2022 and 31 March 2023.

Particulars	Lease liabilities
Balance as at 01 April 2021	678.87
Interest expenses	69.34
Payment of lease liability	(36.90)
Balance as at 31 March 2022	711.31
Interest expenses	72.27
Payment of lease liability	(43.60)
Balance as at 31 March 2023	739.98
<b>Current</b>	
As at 31 March 2023	42.13
As at 31 March 2022	31.65
<b>Non - current</b>	
As at 31 March 2023	697.85
As at 31 March 2022	679.66

As at 31 March 2023, the Company is not exposed to future cashflows relating to extension / termination options, residual value guarantees and leases not commenced to which lessee is committed.

**A. The following are amounts recognised in Statement of Profit and Loss:**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation expense of right-of-use assets	11.90	11.90
Interest expense on lease liabilities	72.27	69.34
Rent expenses	23.38	8.51
<b>Total</b>	<b>107.55</b>	<b>89.75</b>

**B. The total amount of cashflow on account of leases for the year has been disclosed in the cash flow statement.****C. The table below describes the nature of Company's leasing activities by type of right-of-use asset recognised on the balance sheet:**

Right of use assets	No. of right-of-use assets leased	Range of remaining term (in years)	Average remaining lease term (in years)	31 March 2023	
				No. of leases with extension options	No. of leases with termination options
<b>Building</b>					
Hospitals	1	40.19	40.19	1	1
Right of use assets	No. of right-of-use assets leased	Range of remaining term (in years)	Average remaining lease term (in years)	31 March 2022	
				No. of leases with extension options	No. of leases with termination options
<b>Building</b>					
Hospitals	1	41.19	41.19	1	1

The Company 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 Company will extend the term, or a lease period in which it is reasonably certain that the Company will not exercise a right to terminate. The lease term is reassessed if there is a significant change in circumstances.

**D. The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2023 and as at 31 March 2022 on an undiscounted basis:**

Particulars	As at 31 March 2023	As at 31 March 2022
Less than one year	44.27	43.60
After one year but not longer than five years	203.00	193.70
More than five years	5,085.32	5,138.89
<b>Total</b>	<b>5,332.59</b>	<b>5,376.19</b>

**E. Summary of significant leases:**

Pursuant to the proposal by Heavy Engineering Corporation Ltd.(hereinafter referred to as "HEC"), a public sector undertaking, the 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 Company along with the land adjacent to it to build a multi-specialty hospital of 300 beds. During the tenure of the agreement, the monthly rent is aggregate a fixed monthly rental as well as fixed percentage of the revenue of this unit of the Company .

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	As at
	31 March 2023	31 March 2022
Balance as the beginning of the year	275.91	30.56
Add: Additions during the year	413.12	245.35
Less: amount capitalised during the year	642.80	0.00
<b>Total</b>	<b>46.23</b>	<b>275.91</b>

**Notes**

The costs that are directly attributable to the acquisition or construction of property, plant and equipment has been capitalised during the year, refer note 42.

(a) Capital work-in-progress ageing schedule as at 31 March 2023 and 31 March 2022

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 2023	40.32	5.91	-	-	46.23
31 March 2022	245.35	22.63	7.93	-	275.91

(b) Capital work-in-progress includes property, plant and equipment under construction, installation and cost of asset not ready for use as at year end.

(c) 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 2023 and 31 March 2022.

**7. Intangible assets**

Particulars	As at	As at
	31 March 2023	31 March 2022
<b>Softwares</b>		
<b>A. Gross carrying amount</b>		
Balance at the beginning of the year	1.08	1.08
Additions during the year	0.45	-
<b>Balance as at end of the year</b>	<b>1.53</b>	<b>1.08</b>
<b>B. Accumulated amortisation</b>		
Balance at the beginning of the year	0.98	0.80
Additions during the year	0.31	0.18
<b>Balance as at end of the year</b>	<b>1.29</b>	<b>0.98</b>
<b>Net carrying value</b>	<b>0.24</b>	<b>0.10</b>

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**8. Other financial assets**

Particulars	Non current		Current	
	As at	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
<b>Unsecured, considered good</b>				
Contract assets	-	-	7.69	0.02
Security deposits	0.63	0.40	-	-
Advance tax (net)	4.39	0.69	-	-
Other receivables	-	-	0.07	-
Accrued interest on fixed deposits	-	-	-	0.25
<b>Total</b>	<b>5.02</b>	<b>1.09</b>	<b>7.75</b>	<b>0.27</b>

**9. Other assets**

Particulars	Non current		Current	
	As at	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
<b>Unsecured, considered good</b>				
Capital advances	1.88	77.10	-	-
Prepaid expenses	-	-	0.72	0.52
Advance to employees	-	-	0.82	0.04
Advances to suppliers	-	-	0.81	1.15
<b>Total</b>	<b>1.88</b>	<b>77.10</b>	<b>2.35</b>	<b>1.71</b>

**10. Inventories**

Particulars	As at	As at
	31 March 2023	31 March 2022
<b>Valued at lower of cost and net realisable value</b>		
Medical drugs	15.13	2.53
Stores and consumables	2.73	0.80
<b>Total</b>	<b>17.86</b>	<b>3.33</b>

**11. Trade receivables**

Particulars	As at	As at
	31 March 2023	31 March 2022
Considered good, unsecured	30.42	1.15
<b>Net trade receivables</b>	<b>30.42</b>	<b>1.15</b>

**Trade receivables ageing schedule as at 31 March 2023**

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	
<b>Undisputed trade receivables</b>						
Unsecured, considered good	27.47	2.91	0.04	-	-	30.42
<b>Total trade receivables</b>	<b>27.47</b>	<b>2.91</b>	<b>0.04</b>	<b>-</b>	<b>-</b>	<b>30.42</b>

**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	
<b>Undisputed trade receivables</b>						
Unsecured, considered good	0.53	0.55	0.07	-	-	1.15
<b>Total trade receivables</b>	<b>0.53</b>	<b>0.55</b>	<b>0.07</b>	<b>-</b>	<b>-</b>	<b>1.15</b>

1. There are no debts due by directors or other officers of the Company 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.

2. There are no disputed or unbilled trade receivables, hence the same is not disclosed in the ageing of the schedule.

**12. Cash and cash equivalents**

Particulars	As at	As at
	31 March 2023	31 March 2022
Cash on hand	0.37	0.04
Balances with banks		
- in current accounts	8.30	5.44
<b>Total</b>	<b>8.67</b>	<b>5.48</b>

**13. Bank balances other than cash and cash equivalents**

Particulars	As at	As at
	31 March 2023	31 March 2022
Deposits with original maturity more than three months but remaining maturity of less than twelve months#	0.95	30.43
<b>Total</b>	<b>0.95</b>	<b>30.43</b>

# includes deposit of INR 0.05 million as lien against overdraft facility.

14. **Equity share capital**

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Authorized share capital</b>		
10,000 (31 March 2022 - 10,000) equity shares of INR 10/- each	0.10	0.10
<b>Issued, subscribed and fully paid-up shares</b>		
10,000 (31 March 2022 - 10,000) equity shares of INR 10/- each, fully paid up	0.10	0.10
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>0.10</b>	<b>0.10</b>

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
<b>Equity shares of INR 10/- each issued, subscribed and fully paid</b>				
At the beginning and end of the year	10,000	0.10	10,000	0.10

b) **Terms, rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having a 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 Company. In the event of liquidation, the equity shareholders are entitled to receive remaining assets of the Company in the proportion of equity shares held by the shareholders.

c) **Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of shares	% of holding	Number of shares	% of holding
<b>Equity shares of INR 10/- each fully paid held by</b>				
Paras Healthcare Private Limited (including nominee shareholder)	10,000	100%	10,000	100%

**Note:**

The above information is furnished as per shareholder register of the Company as at the year ended 31 March 2023 and 31 March 2022.

d) **Details of shares held by promoters of the Company:**

Particulars	As at 31 March 2023		As at 31 March 2022		% change in shareholding during the year
	Number of shares	% of holding	Number of shares	% of holding	
<b>Equity shares of INR10/- each fully paid held by</b>					
Paras Healthcare Private Limited (including nominee shareholder)	10,000	100%	10,000	100%	-

Particulars	As at 31 March 2022		As at 31 March 2021		% change in shareholding during the year
	Number of shares	% of holding	Number of shares	% of holding	
<b>Equity shares of INR10/- each fully paid held by</b>					
Paras Healthcare Private Limited (including nominee shareholder)	10,000	100%	10,000	100%	-

**Notes:**

- The above information is furnished as per shareholder register of the Company as at the year ended 31 March 2023 and 31 March 2022
- No changes in promoter's shareholdings during the respective years.
- 'Promoters' for the purpose of this disclosure means promoters as defined under Section 2(69) of Companies Act, 2013.

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

The 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.

15. **Other equity**

Particulars	As at 31 March 2023	As at 31 March 2022
<b>a. Retained earnings (note a)</b>		
Balance at the beginning of the year	(546.49)	(342.29)
Loss during the year	(404.23)	(204.20)
<b>Balance at the end of the year</b>	<b>(950.72)</b>	<b>(546.49)</b>
<b>b. Other comprehensive income (note b)</b>		
Balance at the beginning of the year	(0.18)	0.04
Profit/(loss) during the year	(0.05)	(0.22)
<b>Balance at the end of the year</b>	<b>(0.23)</b>	<b>(0.18)</b>
<b>Total other equity (a+b)</b>	<b>(950.95)</b>	<b>(546.67)</b>

**Nature and purpose of reserves**

a) **Retained earnings**

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

a) **Other comprehensive income**

Other comprehensive income pertains to remeasurement gains/ (losses) on defined benefit plans.

**Paras Healthcare (Ranchi) Private Limited**

CIN: U85110HR2017PTC072032

Notes to the Financial Statements for the year ended 31 March 2023

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

**16. Non-current borrowings**

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Secured</b>		
Term loans from banks	500.00	180.00
<b>Unsecured</b>		
Loan from holding company	866.71	644.20
<b>Total non-current borrowings</b>	<b>1,366.71</b>	<b>824.20</b>

**Terms of repayment and security details:**

Nature of Security	Terms of Repayment
<b>a) Rupee Term Loan from Banks</b>	
i) INR 500.00 million (31 March 2022 : INR 180.00 million) are secured primarily by:	
A. Exclusive charge by way of hypothecation over all movable assets of the borrower	Repayable in 28 installments aggregating to INR 500.00 millions,
B. Exclusive charge by way of hypothecation over all current assets, present or future, of the borrower	Rate of interest at 5.75% p.a. to 8.72% p.a (31 March 2022: 5.75% p.a.)
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)	

**Notes**

1. Dues from related party are as under :-

Name of Related party	Rate of Interest per annum	Repayment terms	As at 31 Mar 2023	As at 31 March 2022
Paras Healthcare Private Limited	9.65%	Repayable in five equal annual installments after initial moratorium period of six years starting from 2019-20.	866.71	644.20

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**17. Other financial liabilities**

Particulars	Non current		Current	
	As at	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Payable for purchase of property, plant and equipment	-	-	44.95	30.06
Payable to employees	-	-	1.13	0.62
Security deposits	1.50	-	-	-
<b>Total</b>	<b>1.50</b>	<b>-</b>	<b>46.08</b>	<b>30.68</b>

**18. Provisions**

Particulars	Non current		Current	
	As at	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
<b>Provision for employee benefits</b>				
Provision for gratuity (refer note 35)	1.01	0.60	0.25	0.20
Provision for compensated absences (refer note 35)	1.80	0.61	1.08	0.33
<b>Total</b>	<b>2.81</b>	<b>1.21</b>	<b>1.33</b>	<b>0.53</b>

**19. Trade payables**

Particulars	As at	As at
	31 March 2023	31 March 2022
Total outstanding due to micro and small enterprises (MSME)	9.55	0.02
Total outstanding due to other than micro and small enterprises	142.68	62.03
<b>Total</b>	<b>152.23</b>	<b>62.05</b>

**Notes:**

- The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 38.
- For trade payables owing to related parties, refer note 32.
- For trade payables owing to micro and small enterprises, refer note 40.

**Trade Payable ageing schedule as at 31 March 2023**

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	
<b>Undisputed trade payables</b>						
MSME	3.38	6.17	-	-	-	9.55
Others	109.39	33.23	0.01	-	0.05	142.68
<b>Total trade payables</b>	<b>112.77</b>	<b>39.40</b>	<b>0.01</b>	<b>-</b>	<b>0.05</b>	<b>152.23</b>

**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	
<b>Undisputed trade payables</b>						
MSME	-	0.02	-	-	-	0.02
Others	8.12	29.91	22.31	0.16	1.53	62.03
<b>Total trade payables</b>	<b>8.12</b>	<b>29.93</b>	<b>22.31</b>	<b>0.16</b>	<b>1.53</b>	<b>62.05</b>

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

**20. Other current liabilities**

Particulars	As at	As at
	31 March 2023	31 March 2022
Statutory dues payable	10.12	4.64
<b>Total</b>	<b>10.12</b>	<b>4.64</b>

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**21. Revenue from operations**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Revenue from sale of services - Healthcare</b>		
Operating income - in patient department	340.86	30.53
Operating income - out patient department	36.66	6.33
<b>Revenue from sale of product - Pharmacy</b>	12.42	1.75
	<b>389.94</b>	<b>38.61</b>
<b>Other operating revenue</b>		
Scrap sales	0.13	-
	<b>0.13</b>	-
<b>Total</b>	<b>390.07</b>	<b>38.61</b>

Note: Refer note 39 for revenue related disclosures.

**22. Other income**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income		
from banks	0.99	1.45
from income tax refund	0.11	-
Other non operating income		
Miscellaneous income	0.24	-
<b>Total</b>	<b>1.34</b>	<b>1.45</b>

**23. Purchases of medical drugs**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Purchases of medical drugs	94.96	10.72
<b>Total</b>	<b>94.96</b>	<b>10.72</b>

**24. Changes in inventories of medical drugs**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Inventories at the end of the year</b>		
Purchase of medical drugs	15.13	2.53
<b>Sub-total (A)</b>	<b>15.13</b>	<b>2.53</b>
<b>Inventories at the beginning of the year</b>		
Purchase of medical drugs	2.53	1.60
<b>Sub-total (B)</b>	<b>2.53</b>	<b>1.60</b>
<b>Net change (B-A)</b>	<b>(12.60)</b>	<b>(0.93)</b>

**25. Employee benefits expense**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, wages and bonus	85.41	19.49
Contribution to provident fund and other funds	5.55	1.28
Staff welfare expenses	4.44	0.92
<b>Total</b>	<b>95.40</b>	<b>21.69</b>

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**Paras Healthcare (Ranchi) Private Limited**

CIN: U85110HR2017PTC072032

Notes to the Financial Statements for the year ended 31 March 2023

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

**26. Other expenses**

<b>Particulars</b>	<b>For the year ended 31 March 2023</b>	<b>For the year ended 31 March 2022</b>
Power, fuel and water	14.67	2.54
Rent and facility fees	23.38	8.51
Repair and maintenance		
- Buildings	0.99	0.07
- Plant and equipment	4.70	1.63
- Others	5.19	1.75
House keeping	17.42	3.59
Laundry expenses	2.04	0.16
Patient food and beverage	5.88	1.60
Consultation and professional charges to doctors	206.62	27.09
Outsourced medical services	19.23	3.18
Security expenses	6.45	1.38
Legal and professional	1.08	0.57
Travelling and conveyance	5.72	1.48
Printing and stationery	2.88	0.48
Communication	0.77	0.45
Insurance	0.79	0.27
Marketing and business promotion	20.11	1.45
Auditors' remuneration (including applicable taxes)		
- Statutory audit	0.89	0.47
- Out of pocket expenses	0.05	0.05
Bank charges	2.20	0.48
Miscellaneous expenses	7.08	0.32
<b>Total</b>	<b>348.14</b>	<b>57.52</b>

**Note: Payment to auditors****As auditor:**

Audit fees	0.89	0.47
Reimbursement of expenses	0.05	0.05
<b>Total</b>	<b>0.94</b>	<b>0.52</b>

**27. Finance costs**

<b>Particulars</b>	<b>For the year ended 31 March 2023</b>	<b>For the year ended 31 March 2022</b>
Interest expense		
- On loans taken from banks	18.75	5.17
- On lease liabilities	72.27	69.34
- On loans from related party	68.68	45.54
<b>Total</b>	<b>159.70</b>	<b>120.05</b>

**28. Depreciation and amortization expenses**

<b>Particulars</b>	<b>For the year ended 31 March 2023</b>	<b>For the year ended 31 March 2022</b>
Depreciation of property plant and equipment (refer note 4)	97.83	23.13
Amortization of intangible assets (refer note 7)	0.31	0.18
Amortization of right-of-use assets (refer note 5)	11.90	11.90
<b>Total</b>	<b>110.04</b>	<b>35.21</b>

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**29 Tax expense**

a) Amount recognised in profit and loss	For the year ended 31 March 2023	For the year ended 31 March 2022
Current tax (a)	-	-
Deferred tax credit (b) (refer note below)	-	-
<b>Tax expense for the year</b>	<b>-</b>	<b>-</b>
<hr/>		
b) Income recognised in other comprehensive income	For the year ended 31 March 2023	For the year ended 31 March 2022
Re-measurement of defined benefit liability	-	-
<hr/>		
c) Reconciliation of effective tax rate	For the year ended 31 March 2023	For the year ended 31 March 2022
Loss before tax	(404.23)	(204.20)
Tax using the Company's domestic rate	26.00%	26.00%
<b>Effective tax rate</b>	<b>26.00%</b>	<b>26.00%</b>
<b>Tax expense recognised in the statement of profit and loss</b>	<b>-</b>	<b>-</b>
<hr/>		
d) Recognized deferred tax assets and liabilities		
<b>Deferred tax assets and liabilities attributable to the following:</b>		
Particulars	As at 31 March 2023	As at 31 March 2022
<b>Deferred tax assets / (liabilities) :</b>		
- Brought forward business losses and unabsorbed depreciation	45.45	11.60
- Property, plant and equipment	(6.15)	0.10
- Provision for employee benefits	1.04	0.45
- Lease liabilities (net of right of use assets)	65.91	57.54
	<b>106.26</b>	<b>69.69</b>
<b>Deferred tax asset recognised in the books</b>	<b>-</b>	<b>-</b>
<b>Deferred tax asset unrecognised in the books</b>	<b>106.26</b>	<b>69.69</b>

**Note:**

The Company is currently operating an existing 300 bed hospital. The deferred tax assets are recognised to the extent that it is probable future taxable profits will be available against which they can be used. The existence of unabsorbed tax losses and depreciation is an evidence that future taxable profits may not be available. Therefore, in case of history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing evidence that sufficient taxable profits will be available against which such deferred tax assets can be realised. No deferred tax asset has been recognised by the Company as it is not probable that the Company would have significant future taxable profits to utilize these temporary differences.

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**Paras Healthcare (Ranchi) Private Limited**

**CIN: U85110HR2017PTC072032**

**Notes to the Financial Statements for the year ended 31 March 2023**

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

**30 Earnings per share (EPS)**

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 number of equity shares that would be issued on Conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

<b>Particulars</b>	<b>For the year ended 31 March 2023</b>	<b>For the year ended 31 March 2022</b>
Weighted average number of shares outstanding during the year	0.01	0.01
Net (loss)/ profit attributable to the equity shareholders	(404.23)	(204.20)
Basic and diluted earning per share (in INR) [Face value of INR 10/- each]	(40,423.01)	(20,419.51)

**31 Commitments and Contingencies**

**a) Contingent liabilities not provided for:**

The Company had received notice(s) amounting to INR 27.50 million from Heavy Engineering Corporation Limited (“HEC”) as liquidated damages in earlier years on account of the delay in opening of 50 bedded hospital, in accordance with the terms and conditions of the Agreement dated 16 January 2018. The Company has replied to such notices from HEC and anticipate a favorable outcome in future. Basis the management's assessment and supported by the external legal opinion, the Company has not made any provision for the said amount, in anticipation of the impact not being significant on financial performance of the Company.

**b) Commitments**

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 17.51 millions (31 March 2022: INR 144.41 millions)

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**Paras Healthcare (Ranchi) Private Limited**

CIN: U85110HR2017PTC072032

Notes to the Financial Statements for the year ended 31 March 2023

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

**32 Related party disclosures**

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

Nature of relationship	Name of related party
<b>a) List of related parties and nature of relationship where control exits</b>	
Holding Company	Paras Healthcare Private Limited
Fellow subsidiary Company	Plus Medicare Hospitals Private Limited (w.e.f 18 October 2022)
<b>b) List of related parties and nature of relationship with whom transactions have taken place during the current/ previous year</b>	
(i) Key management personnel of the Company	Dr. Shankar Narang (Director till 14 February 2023)
	Dr. Talat Halim (Director till 31 March 2023)
	Mr. Mridul Saxena (Non Executive Director till 26 December 2022)
	Mr. Vaibhav Ashok Doshi (Non Executive Director)
	Mr. Nikhil Sharma (Director w.e.f 28 July 2022)
	Dr. Santy Neelivanickal Sajan (w.e.f 31 May 2023)
	Mr. Adikanda Behera (w.e.f 31 May 2023)
	Dr. Nitesh Kumar (w.e.f 31 May 2023)

**c) Transactions made during the year:**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Loan from Holding company</b>		
- Paras Healthcare Private Limited	153.84	281.82
	<b>153.84</b>	<b>281.82</b>
<b>Interest on Loan taken from Holding Company</b>		
- Paras Healthcare Private Limited	68.68	42.33
	<b>68.68</b>	<b>42.33</b>

**d) Balance outstanding as at the year end:**

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Loan from Holding company</b>		
- Paras Healthcare Private Limited	866.71	644.20
	<b>866.71</b>	<b>644.20</b>

**Terms and conditions of related party transactions:**

(a) The Holding Company (i.e. Paras Healthcare Private Limited) has given bank guarantee of INR 75.00 million as per the terms and conditions mentioned in the concession agreement entered with Heavy Engineering Corporation Limited (HECL).

(b) Subsequent to year end, the Holding Company has issued letter of support for financial assistance to the Company for ongoing projects and operations for a period of not less than 12 months from the date of financial closure of accounts of the Company for the year ended 31 March 2023.

**Notes**

a) 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.

b) The above information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors.

**33 Segment information**

An operating segment is a component of the Company that engages in business activities from which (a) it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, (b) for which discrete financial information is available (c) operating results are reviewed regularly by the Company'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 Company is engaged in the business of providing health care services. Thus, the Company 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.

**34** The Company has incurred a loss of Rs 404.28 millions during the current financial year and has accumulated losses of Rs 950.95 millions at the year end resulting in negative net worth of Rs 950.85 millions. The Company has received a letter of support from the holding Company to provide financial and operational support to the Company as is necessary to ensure that the Company continue on a going concern basis for next one year from the date of financial closure of the accounts of the Company. Accordingly, the Company has prepared these financial statements on a going concern basis.

**Paras Healthcare (Ranchi) Private Limited**

CIN: U85110HR2017PTC072032

Notes to the Financial Statements for the year ended 31 March 2023

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

**35 Employee benefits**

The Company contributes to the following post-employment defined benefit plans in India.

**a) Defined contribution plans**

The Company has recognised the following amount in the Statement of profit and loss:

Particulars	As at	As at
	31 March 2023	31 March 2022
Employer's contribution to Employee's Provident Fund	5.02	1.05
Employer's contribution to Employee's State Insurance	0.53	0.23
<b>Total</b>	<b>5.55</b>	<b>1.28</b>

**b) Other long-term employment benefits**

The Company provides compensated absences benefits to the employees of the Company which can be carried forward to future years.

Particulars	As at	As at
	31 March 2023	31 March 2022
<b>Present value of obligation as at the end of the year</b>		
Compensated absences	2.88	0.94
<b>Current and non-current liability breakup</b>		
Non current	1.80	0.61
Current	1.08	0.33
	<b>2.88</b>	<b>0.94</b>

**c) Defined benefit plans**

The Company 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

Particulars	As at	As at
	31 March 2023	31 March 2022
Defined benefit obligation	1.26	0.80
<b>Surplus</b>	<b>1.26</b>	<b>0.80</b>
<b>Current and non-current liability breakup</b>		
Non current	1.01	0.60
Current	0.25	0.20
	<b>1.26</b>	<b>0.80</b>

For details about the related employee benefit expenses, refer note 25.

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**

Particulars	As at	As at
	31 March 2023	31 March 2022
<b>Balance at the beginning of the year</b>	<b>0.80</b>	<b>0.37</b>
Current service cost	0.45	0.19
Interest cost	0.05	0.02
Actuarial (gains)/ losses recognised in other comprehensive income	0.05	0.22
Benefits paid	(0.09)	-
<b>Balance at the end of the year</b>	<b>1.26</b>	<b>0.80</b>

**(ii) Expense recognized in statement of profit or loss**

Particulars	For the year ended	For the year ended
	31 March 2023	31 March 2022
Current service cost	0.45	0.19
Net interest on net defined benefit liability / (asset)	0.05	0.02
	<b>0.50</b>	<b>0.21</b>

**(iii) Remeasurements recognized in other comprehensive income**

Particulars	For the year ended	For the year ended
	31 March 2023	31 March 2022
Actuarial gain on defined benefit obligation	0.05	0.22
	<b>0.05</b>	<b>0.22</b>

**(iv) Experience History**

Particulars	As at	As at
	31 March 2023	31 March 2022
Defined benefit obligation at the end of the period	1.26	0.80
Experience gain/(loss) adjustments on plan liabilities	0.10	0.22
	<b>1.36</b>	<b>1.02</b>

(v) Defined benefit obligation - Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	As at	As at
	31 March 2023	31 March 2022
<b>Financial assumptions</b>		
Discount rate	7.50%	5.25%
Salary escalation rate	5.00%	5.00%
<b>Demographic assumptions</b>		
Mortality rate	IALM 2012-14	IALM 2012-14
Retirement age	58 years	58 years
Withdrawal rate	35.00%	35.00%

As at 31 March 2023, the weighted average duration of the defined benefit obligation was 18 years (31 March 2022: 18 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.

Particulars	As at 31 March 2023		As at 31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1%)	1.22	1.29	0.78	0.82
Salary escalation rate (1%)	1.29	1.22	0.82	0.78
Withdrawal rate (1%)	1.23	1.28	0.79	0.81

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 2023	31 March 2022
Year 1	0.25	0.20
Year 2	0.10	0.06
Year 3	0.10	0.08
Year 4	0.10	0.07
Year 5	0.09	0.06
Next 5 years	0.62	0.34
	<b>1.26</b>	<b>0.81</b>

The Company expects to contribute INR 1.20 million (31 March 2022 is INR 0.47 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

36. Capital management

For the purpose of the Company'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 Company monitors its net debt / equity ratio as well as compliance with financial covenants on regularity basis.

The Company is in the initial stage of operations and in the process of commissioning the 300 bed hospital. The Company has commenced its operations in the previous year. The Holding Company is providing financial support to the Company to continue as a going concern.

Particulars	As at 31 March 2023	As at 31 March 2022
Total liabilities	2,320.76	1,634.61
Less: cash and cash equivalent	8.67	5.48
<b>Net debt</b>	<b>2,312.09</b>	<b>1,629.13</b>

**Paras Healthcare (Ranchi) Private Limited**

**CIN: U85110HR2017PTC072032**

**Notes to the Financial Statements for the year ended 31 March 2023**

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

Total equity	(950.85)	(546.55)
<b>Equity</b>	<b>(950.85)</b>	<b>(546.55)</b>
<b>Net debt to equity ratio</b>	<b>(2.43)</b>	<b>(2.98)</b>

The Company 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 2023 and 31 March 2022.



**37. Fair value measurement and financial instruments****(i) Financial instruments by category and fair value 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 2023**

Particulars	Carrying value			Fair value measurement using		
	FVTPL#	Amortized Cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>						
Trade receivables	-	30.42	30.42	-	-	-
Cash and cash equivalents	-	8.67	8.67	-	-	-
Bank balance other than cash and cash equivalents	-	0.95	0.95	-	-	-
Others	-	7.75	7.75	-	-	-
<b>Total</b>	-	<b>47.79</b>	<b>47.79</b>	-	-	-
<b>Financial liabilities</b>						
Trade payables	-	152.23	152.23	-	-	-
Lease liabilities	-	739.98	739.98	-	-	-
Borrowings	-	1,366.71	1,366.71	-	-	-
Other financial liabilities	-	47.58	47.58	-	-	-
<b>Total</b>	-	<b>2,306.50</b>	<b>2,306.50</b>	-	-	-

**As at 31 March 2022**

Particulars	Carrying value			Fair value measurement using		
	FVTPL#	Amortized Cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>						
Trade receivables	-	1.15	1.15	-	-	-
Cash and cash equivalents	-	5.48	5.48	-	-	-
Bank balance other than cash and cash equivalents	-	30.43	30.43	-	-	-
Others	-	0.27	0.27	-	-	-
<b>Total</b>	-	<b>37.33</b>	<b>37.33</b>	-	-	-
<b>Financial liabilities</b>						
Trade payables	-	62.05	62.05	-	-	-
Lease liabilities	-	711.31	711.31	-	-	-
Borrowings	-	824.20	824.20	-	-	-
Other financial liabilities	-	30.68	30.68	-	-	-
<b>Total</b>	-	<b>1,628.24</b>	<b>1,628.24</b>	-	-	-

The carrying amounts of trade receivables, trade payables, cash and cash equivalents, current loans and other current financial assets and financial 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 2023 and 31 March 2022.

# Fair value through profit or loss

**38. Financial risk management**

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

- Credit risk ;
- Liquidity risk ;
- Market risk

**Risk management framework**

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

The Company's risk management policies are established to identify and analyze the risks faced by the Company, 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 Company's activities. The Company, 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 balance sheet.

Particulars	As at	As at
	31 March 2023	31 March 2022
Trade receivables	30.42	1.15
Cash and Cash equivalents	8.67	5.48
Other financial assets	7.75	0.27

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

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 Company 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 Company'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 Company'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, 2022	-
As at 31 March, 2023	-

Other than financial assets mentioned above, none of the Company'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 Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Company'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 Company 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.

As at 31 March 2023	Contractual cash flows			Total
	Less than one year	Between one year and five years	More than 5 years	
Borrowings	10.38	1,216.65	353.92	1,580.95
Lease liabilities	44.27	203.00	5,085.32	5,332.59
Trade payables	152.23	-	-	152.23
Other financial liabilities	47.58	-	-	47.58
<b>Total</b>	<b>254.46</b>	<b>1,419.65</b>	<b>5,439.24</b>	<b>7,113.35</b>

  

As at 31 March 2022	Contractual cash flows			Total
	Less than one year	Between one year and five years	More than 5 years	
Borrowings	10.35	726.14	156.03	892.52
Lease liabilities	43.60	140.94	5,191.65	5,376.19
Trade payables	62.05	-	-	62.05
Other financial liabilities	30.68	-	-	30.68
<b>Total</b>	<b>146.68</b>	<b>867.08</b>	<b>5,347.68</b>	<b>6,361.44</b>

#### (C) Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the Company'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 Company'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 Company 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 Company'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 Company to cash flow interest rate risk.

#### Exposure to Interest Rate Risk

	As at 31 March 2023	As at 31 March 2022
Fixed rate instruments	866.71	644.20
Variable rate instruments	500.00	180.00
<b>Total</b>	<b>1,366.71</b>	<b>824.20</b>

#### 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	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
<b>31 March 2023</b>				
Variable-rate instruments	5.00	(5.00)	5.00	(5.00)
<b>Cash flow sensitivity (net)</b>	<b>5.00</b>	<b>(5.00)</b>	<b>5.00</b>	<b>(5.00)</b>
<b>31 March 2022</b>				
Variable-rate instruments	1.80	(1.80)	1.80	(1.80)
<b>Cash flow sensitivity (net)</b>	<b>1.80</b>	<b>(1.80)</b>	<b>1.80</b>	<b>(1.80)</b>

\* Holding all other variables constant

**39. Revenue related disclosures****I Disaggregation of revenue**

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

Description	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>(A) Operating revenue</b>		
Income from healthcare services	377.52	36.86
Income from sale of pharmacy products	12.42	1.75
<b>(B) Other operating revenue</b>		
Scrap sales	0.13	-
<b>Total revenue</b>	<b>390.07</b>	<b>38.61</b>

**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 2023	For the year ended 31 March 2022
At point in time	49.09	7.64
At point over time	340.98	30.97
<b>Total revenue</b>	<b>390.07</b>	<b>38.61</b>

**III Contract balances**

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

Particulars	As at 31 March 2023	As at 31 March 2022
Contract assets	7.69	0.02

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

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Contract assets - Unbilled revenue</b>		
<b>Opening balance of Contract assets - Unbilled revenue</b>	0.02	4.73
Less: Amount of revenue recognised during the year	(0.02)	(4.73)
Add: Addition during the year	7.69	0.02
<b>Closing balance of Contract assets - Unbilled revenue</b>	<b>7.69</b>	<b>0.02</b>

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.

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

Based on the information available with the Company, some of suppliers have been identified, who are registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) to whom the Company owes and the same is outstanding for more than 45 days as at 31 March 2023. 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 Company.

Particulars	As at 31 March 2023	As at 31 March 2022
a) The principal amount payable to suppliers at the year end	9.55	0.02
b) The amount of interest due on the remaining unpaid amount to suppliers as at the year end	-	-
c) The amount of interest paid by buyer in terms of section 16 of MSMED, along with the amount	-	-
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	-	-
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.	-	-

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**Paras Healthcare (Ranchi) Private Limited**

CIN: U85110HR2017PTC072032

Notes to the Financial Statements for the year ended 31 March 2023

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

**41. Ratio analysis and its elements**

a) The following are analytical ratios for the year ended 31 March 2023 and 31 March 2022:

Particular	Note	As at 31 March 2023	As at 31 March 2022	Variance
(a) Current ratio	(i)	0.27	0.33	-17.46%
(b) Debt equity ratio	(ii)	-1.44	-1.51	-4.68%
(c) Debt service coverage ratio	(iii)	-2.16	-1.16	85.38% 1
(d) Return on equity ratio (%)	(iv)	53.99%	45.95%	17.49%
(e) Inventory turnover ratio	(v)	7.77	3.45	125.45% 2
(f) Trade receivable turnover ratio	(vi)	21.59	23.94	-9.81%
(g) Trade payable turnover ratio	(vii)	1.77	0.23	666.86% 3
(h) Net capital turnover ratio	(viii)	-2.12	-0.44	379.01% 4
(i) Net profit ratio (%)	(ix)	-103.63%	-528.92%	-80.41% 5
(j) Return on capital employed ratio (%)	(x)	-32.34%	-17.63%	83.40% 6
(k) Return on investment ratio (%)	(xi)	NA	NA	NA

**Reasons for variance**<sup>1</sup> Increase in loss in current year has resulted into increase in ratio.<sup>2</sup> Increase in purchase in current year has resulted into increase in ratio.<sup>3</sup> Increase in purchase in current year has resulted into increase in ratio.<sup>4</sup> Increase in sales in current year has resulted into increase in ratio.<sup>5</sup> Increase in sales in current year has resulted into decrease in ratio.<sup>6</sup> Increase in loss in current year has resulted into increase in ratio.**Notes :**

(i) Current ratio = Current assets/ current liabilities

(ii) Debt Equity Ratio = Total Debt/ shareholders equity

(iii) Debt service coverage ratio = Earnings available for debt service/ debt service (refer point (A) below)

(iv) Return on Equity = Net Profits after taxes / average Shareholder's Equity

(v) Inventory turnover ratio = Sales / average inventory

(vi) Trade receivables turnover ratio = in patient department sales / average accounts receivable

(vii) Trade payables turnover ratio = Net credit purchases (comprise of purchase of stock-in-trade) / average trade payable

(viii) Net capital turnover ratio = Net Sales/ Working Capital

(ix) Net Profit Ratio= Net profit/ Net sales

(x) Return on capital employed (ROCE)= Earning before interest and taxes/ Capital Employed (refer point (B) below)

(xi) Return on investment is not applicable to the Company as no investment is held by the Company.

**Other explanatory points**

(A) Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of PPE etc.

Debt service = Interest &amp; Lease payments + Principal repayments

"Net Profit after tax" means reported amount of "Profit / (loss) for the period" and it does not include items of other comprehensive income.

(B) Capital Employed = Tangible net worth + Total debt + Deferred tax liability

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