



# Manipal Health Enterprise Private Limited

## Consolidated Financial Statements

Year ended March 31, 2023

# B S R & Co. LLP

Chartered Accountants

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## Independent Auditor's Report

To the Members of Manipal Health Enterprises Private Limited

Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of Manipal Health Enterprises Private Limited (hereinafter referred to as the ("Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its joint venture and an associate, which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements/financial information of such subsidiaries and an associate as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its joint venture and an associate as at 31 March 2023, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group, its joint venture and an associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) and (b) of the "Other Matters" paragraph below is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

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

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint venture and an associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective

Registered Office:

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

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

Independent Auditor's Report (*Continued*)

Manipal Health Enterprises Private Limited

Management and Board of Directors included in the Group and of its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated 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 Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Management and Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and the respective Board of Directors of its associate and joint venture are responsible for overseeing the financial reporting process of each company.

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

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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 consolidated 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, its joint venture and an associate to cease to continue as a going concern.

Independent Auditor's Report (*Continued*)

Manipal Health Enterprises Private Limited

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements/financial information of such entities or business activities within the Group, its joint venture and an associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements/financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) and (b) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

**Other Matters**

- a. We did not audit the financial statements / financial information of three subsidiaries, whose financial statements/financial information reflects total assets (before consolidation adjustments) of Rs. 386.22 crore as at 31 March 2023, total revenues (before consolidation adjustments) of Rs. 409.06 crore and net cash flows (before consolidation adjustments) amounting to Rs. 1.19 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

One of these subsidiaries is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its country and which has been audited by other auditor under generally accepted auditing standards applicable in its country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in its country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the reports of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditors.



Independent Auditor's Report (Continued)

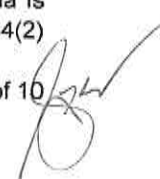
Manipal Health Enterprises Private Limited

- b. These consolidated financial statements include the Group's share of net loss and other comprehensive loss of Rs. 5.73 crore for the year ended 31 March 2023, as considered in the consolidated financial statements, in respect of associate, whose financial statements has not been audited by us. This financial statement has been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the report of the other auditor. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the report of the other auditor.
- c. The consolidated financial statements include the Group's share of net loss and other comprehensive loss of Rs. 28.54 crore for the year ended 31 March 2023, as considered in the consolidated financial statements, in respect of joint venture, whose financial information has not been audited by us or by other auditor. This unaudited financial information has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this joint venture, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid joint venture, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to financial information certified by the Management.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and associate, as were audited by other auditors, as noted in the "Other Matters" paragraph, 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 purposes 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 and the reports of the other auditors.
  - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows 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 the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the Group companies and associate incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.



Independent Auditor's Report (*Continued*)

Manipal Health Enterprises Private Limited

- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and an associate, as noted in the "Other Matters" paragraph:
- a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group, its associate and joint venture. Refer Note 40 to the consolidated financial statements.
- b. The Group, its associate and joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2023.
- c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and associate company incorporated in India during the year ended 31 March 2023.
- d (i) The respective management of the Holding Company and its subsidiary companies and associate company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies and associate company respectively that, to the best of their knowledge and belief, as disclosed in the Note 49 (vi) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies and associate company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies and associate company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The respective management of the Holding Company and its subsidiary companies and associate company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies and associate company respectively that, to the best of their knowledge and belief, as disclosed in the Note 49 (vii) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies and associate company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiary companies and associate company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary companies and associate company incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Holding Company and its subsidiary companies and associate company incorporated in India have neither declared nor paid any dividend during the year.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding

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Independent Auditor's Report (*Continued*)

Manipal Health Enterprises Private Limited

Company or any of such subsidiary companies and associate company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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

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

*Chartered Accountants*

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



**Siddhartha Sharma**

*Partner*

Membership No.: 118756

ICAI UDIN:23118756BGZJKU5142

Place: Bangalore

Date: 01 June 2023

**B S R & Co. LLP**

**Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Manipal Health Enterprises Private Limited for the year ended 31 March 2023**

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

(xxi) In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 reports of the companies incorporated in India and included in the consolidated financial statements.

The above does not include comments, if any, in respect of the following entities as the CARO report relating to them has not been issued by its auditor till the date of principal auditor's report.

Name of the entities	CIN	Subsidiary/ JV/ Associate
Terrals Technologies Private Limited	U72900KA2017PTC 07067	Joint Venture
Healthmap Diagnostics Private Limited	U85110KA2015PTC079665	Subsidiary

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

*Chartered Accountants*

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



**Siddhartha Sharma**

*Partner*

Membership No.: 118756

ICAI UDIN: 23118756BGZJKU5142

Place: Bangalore

Date: 01 June 2023

**Annexure B to the Independent Auditor's Report on the consolidated financial statements of Manipal Health Enterprises Private Limited for the year ended 31 March 2023**

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

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

**Opinion**

In conjunction with our audit of the consolidated financial statements of Manipal Health Enterprises Private Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion and based on the consideration of reports of the other auditors on internal financial controls with reference to financial statements of a subsidiary company, as was audited by the other auditor, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by such companies/the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

**Management's and Board of Directors' Responsibilities for Internal Financial Controls**

The respective company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary company in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

**Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated 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 consolidated 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 consolidated financial statements.

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

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

**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to 1 subsidiary company, which is a company incorporated in India, is based on the corresponding reports of the auditor of such company incorporated in India.

The internal financial controls with reference to financial statements insofar as it relates to joint venture company, which is a company incorporated in India and included in these consolidated financial statements, have not been audited either by us or by other auditor. In our opinion and according to the information and explanations given to us by the Management, such unaudited joint venture company is not material to the Holding Company.



**B S R & Co. LLP**

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

Our opinion is not modified in respect of above matters.

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

*Chartered Accountants*

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



**Siddhartha Sharma**

*Partner*

Place: Bangalore

Date: 01 June 2023

Membership No.: 118756

ICAI UDIN:23118756BGZJKU5142

Manipal Health Enterprises Private Limited  
Consolidated Balance Sheet as at

(Rs. in crore)

Note	March 31, 2023	March 31, 2022	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3.1	2,911.68	2,652.53
Capital work in progress	3.2	39.75	207.93
Right-of-use assets	4	993.63	880.66
Goodwill	4	1,524.10	1,524.10
Other intangible assets	4	306.66	307.74
Investment in equity accounted investees	5	41.90	97.97
<b>Financial assets</b>			
Investments	6.1	86.66	81.15
Loans	6.2	6.67	0.59
Other non-current financial assets	6.3	67.46	45.56
Deferred tax assets (net)	16	14.01	9.13
Income tax assets (net)	7	155.58	149.80
Other non-current assets	8	34.37	38.37
		<b>6,182.47</b>	<b>5,995.53</b>
<b>Current assets</b>			
Inventories	9	63.06	77.40
<b>Financial assets</b>			
Investments	10.1	951.10	687.21
Trade receivables	10.2	309.37	297.81
Cash and cash equivalents	10.3	68.20	56.53
Other bank balances	10.4	94.15	105.11
Loans	10.5	2.34	2.43
Other current financial assets	10.6	30.47	60.08
Other current assets	11	69.56	66.69
		<b>1,588.25</b>	<b>1,353.26</b>
Assets held-for-sale	3.1	6.50	6.50
<b>Total assets</b>		<b>7,777.22</b>	<b>7,355.29</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	75.63	75.63
Other equity	13	3,166.49	2,732.44
<b>Equity attributable to owners of the Company</b>		<b>3,242.12</b>	<b>2,808.07</b>
Non-controlling interest	13.8	123.61	99.77
<b>Total equity</b>		<b>3,365.73</b>	<b>2,907.84</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	14.1	1,948.35	1,604.31
Lease liabilities	14.2	1,061.83	898.04
Other non-current financial liabilities	14.3	-	-
Long term provisions	15	14.87	24.92
Deferred tax liabilities (net)	16	171.76	180.83
Other non-current liabilities		0.20	0.25
		<b>3,197.01</b>	<b>2,708.35</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	14.1	201.34	369.53
Lease liabilities	14.2	34.11	43.04
Trade payables	17.1	-	-
- total outstanding dues of micro enterprises and small enterprises		18.55	14.45
- total outstanding dues of creditors other than micro enterprises and small enterprises		748.01	653.07
Other current financial liabilities	17.2	68.77	504.91
Other current liabilities	20	72.51	70.45
Short-term provisions	18	32.85	27.80
Current tax liabilities (net)	19	38.34	55.85
		<b>1,214.48</b>	<b>1,739.10</b>
<b>Total equity and liabilities</b>		<b>7,777.22</b>	<b>7,355.29</b>

The accompanying notes are an integral part of these Consolidated Financial Statements

As per our report of even date attached

For BSR & Co. LLP

Chartered Accountants


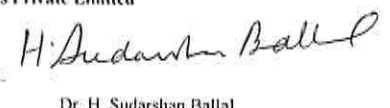
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Siddhartha Sharma  
Partner

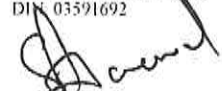
Membership number: 118756

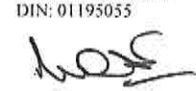
For and on behalf of the Board of Directors of  
Manipal Health Enterprises Private Limited

Dilip Jose  
Managing Director & CEO  
DIN: 03591692

Dr. H. Sudarshan Ballal  
Chairman & Director  
DIN: 01193055

  
Sathish K. Agarwal  
Chief Financial Officer

  
Sathish Kolar Ramamoorthy  
Company Secretary  
Membership number: A15203

Place : Bengaluru  
Date : June 01, 2023

Place : Bengaluru  
Date : May 24, 2023

Manipal Health Enterprises Private Limited  
Consolidated Statement of Profit and Loss for the year ended 31 March, 2023

		(Rs. in crore)	
	Note	March 31, 2023	March 31, 2022
<b>CONTINUING OPERATIONS</b>			
<b>Income</b>			
Revenue from operations (net)	21	4,803.93	3,975.22
Other income	22	72.78	102.49
Finance income	23	15.35	6.66
<b>Total income</b>		<b>4,894.06</b>	<b>4,084.37</b>
<b>Expenses</b>			
Purchase of medical consumables and pharmacy items		974.29	1,021.86
Changes in inventories of medical consumables and pharmacy items	24	14.34	(29.83)
Employee benefits expense	25	657.59	552.28
Finance costs	26	329.45	325.59
Depreciation and amortisation expense	27	315.27	256.00
Other expenses	28	1,881.16	1,509.70
<b>Total expenses</b>		<b>4,172.10</b>	<b>3,635.60</b>
<b>Profit before share of loss of equity accounted investee, exceptional items and tax</b>		<b>721.96</b>	<b>448.77</b>
Share of loss of equity accounted investee	38,39	(34.27)	(21.52)
<b>Profit before exceptional items and tax</b>		<b>687.69</b>	<b>427.25</b>
Exceptional items	29	(102.12)	209.91
<b>Profit before tax</b>		<b>585.57</b>	<b>637.16</b>
<b>Tax expense</b>			
Current tax	16	171.10	96.00
Deferred tax	16	(14.56)	(5.54)
<b>Total tax expense</b>		<b>156.54</b>	<b>90.46</b>
<b>Profit for the year from continuing operations</b>		<b>429.03</b>	<b>546.70</b>
<b>DISCONTINUED OPERATIONS</b>			
(Loss) before tax for the year from discontinued operations	34	-	(4.98)
(Loss) for the year from discontinued operations		-	(4.98)
<b>Profit for the year</b>		<b>429.03</b>	<b>541.72</b>
<b>Other comprehensive income (OCI)</b>			
Items that will not be reclassified to profit or loss:			
Re-measurement of defined benefit plans		2.41	3.89
Income tax effect on above		(0.60)	(1.03)
		<b>1.81</b>	<b>2.86</b>
Items that will be reclassified to profit and loss:			
Exchange differences on translation of foreign operations		0.34	(12.56)
		<b>0.34</b>	<b>(12.56)</b>
<b>OCI for the year (net of tax)</b>		<b>2.15</b>	<b>(9.70)</b>
<b>Total comprehensive income for the year</b>		<b>431.18</b>	<b>532.02</b>
<b>Profit/ (loss) for the year attributable to:</b>			
Owners of the Company		429.03	541.72
Non-controlling interests		1.71	(0.16)
<b>Other comprehensive income for the year attributable to:</b>			
Owners of the Company		2.15	(9.70)
Non-controlling interests		-	-
<b>Total comprehensive income for the year attributable to:</b>		<b>431.18</b>	<b>532.02</b>
Owners of the Company		429.47	532.18
Non-controlling interests		1.71	(0.16)
<b>Earnings/ (loss) per equity share (EPS)</b> (nominal value of share Rs. 10 (March 31, 2022: Rs. 10)) [Refer note 30]			
<b>Continuing operations</b>			
Basic (Rs.)		57.36	73.43
Diluted (Rs.)		57.04	73.36
<b>Discontinued operations</b>			
Basic (Rs.)		-	(0.67)
Diluted (Rs.)		-	(0.67)
<b>Continuing and discontinued operations</b>			
Basic (Rs.)		57.36	72.78
Diluted (Rs.)		57.04	72.69

The accompanying notes are an integral part of these Consolidated Financial Statements

As per our report of even date attached

For B S R & Co. LLP  
Chartered Accountants  
Firm Registration number : 101248WAV - 100022

Siddhartha Sharma  
Partner  
Membership number : 118756

For and on behalf of the Board of Directors of  
Manipal Health Enterprises Private Limited

Dilip Jose  
Managing Director & CEO  
DIN : 03591692

Dr. H. Sudarshan Ballal  
Chairman & Director  
DIN : 01195055

Sanjay Agarwal  
Chief Financial Officer

Sathish Kolar Ramamoorthy  
Company Secretary  
Membership number : A15203

Place : Bengaluru  
Date : June 01, 2023

Place : Bengaluru  
Date : May 24, 2023

Manipal Health Enterprises Private Limited  
Consolidated Statement of Cash Flow for the year ended

(Rs. in crore)

	March 31, 2023	March 31, 2022
<b>CONTINUING OPERATIONS</b>		
<b>A. Cash flow from operating activities</b>		
Profit before tax	585.57	637.16
Adjustments:		
Depreciation and amortisation expense	315.27	256.00
Share based payments	8.15	6.71
Gain on sale of investment in subsidiary	-	(176.14)
Bad debts written off	21.40	21.38
Impairment on loan to others	-	5.00
Provision for doubtful debts (net of reversals)	19.72	5.60
Provision for doubtful other receivables	(0.02)	(0.08)
Profit on sale of investments in mutual funds (net)	(44.49)	(86.46)
Fair value loss on financial instruments at fair value through profit and loss	7.96	53.89
Liabilities/provisions no longer required written back	(4.07)	(0.03)
Profit on sale of property, plant and equipment (net)	(0.75)	(0.01)
Finance income	(15.35)	(6.66)
Interest on deferred consideration measured at amortised cost	-	35.62
Impairment of investment	41.59	-
Finance costs	307.57	303.96
Gain on lease liability reversal	(0.10)	(0.05)
Gain on dilution of investment in associate	(19.80)	(2.87)
Net foreign exchange (gain)/ loss	0.21	0.53
Expenses towards cash settlement of employee stock option plans	43.90	-
Share of loss of equity accounted investee	34.27	21.52
<b>Operating profits before working capital changes</b>	<b>1,301.03</b>	<b>1,075.07</b>
<b>Movements in working capital :</b>		
Change in trade receivables	(52.68)	(128.13)
Change in loans	(5.99)	19.20
Change in other assets	(3.88)	(13.19)
Change in inventories	14.34	(27.97)
Change in other financial assets	6.48	(21.75)
Change in trade payables	103.13	103.11
Change in provisions	(4.26)	(20.28)
Change in other liabilities	2.01	(0.89)
Change in other financial liabilities	(13.10)	(87.02)
<b>Cash generated from operations</b>	<b>1,347.08</b>	<b>898.15</b>
Direct tax (paid) / refunded (net)	(197.77)	(93.62)
<b>Net cash generated from operating activities (A)</b>	<b>1,149.31</b>	<b>804.53</b>
<b>B. Cash flow from investing activities</b>		
Acquisition of property, plant and equipment and intangible assets	(323.45)	(175.80)
Proceeds from sale of property, plant and equipment	2.22	0.01
Investment made in bank deposits (having original maturity of more than three months)	(38.53)	(79.11)
Maturity of bank deposits (having original maturity of more than three months)	37.12	77.09
Investment in joint venture/ associates/other entities, net of cash acquired	0.01	(77.80)
Payment for acquiring right-of-use assets	(5.36)	-
Payment of deferred consideration (refer note 17.2)	(447.60)	(1,710.28)
Investment in equity instruments of companies	-	-
Proceeds from sale of investments in mutual funds	3,123.81	3,903.53
Purchase of investments in mutual funds	(3,356.69)	(4,061.50)
Proceeds from sale of investments in equity instruments of a subsidiary	-	407.07
Interest received	14.39	5.66
<b>Net cash flows (used in) investing activities (B)</b>	<b>(994.09)</b>	<b>(1,711.13)</b>
<b>C. Cash flow from financing activities</b>		
Repayment of long-term borrowings	(368.83)	(86.59)
Proceeds from long-term borrowings	534.73	134.12
Interest and processing charges paid	(163.36)	(213.66)
Payment of lease liability	(18.00)	(22.65)
Interest on lease liability	(102.33)	(77.01)
Proceeds from issue of equity shares (refer note 12 and 13)	-	1,136.78
Proceeds from loan repayment from subsidiary	-	69.52
Investment in equity shares received from minority shareholder	22.13	0.50
Interest paid on vehicle loan	(0.42)	(0.11)
Payment related to employee stock option plans settlement	(47.47)	-
<b>Net cash flows generated from/ (used in) financing activities (C)</b>	<b>(143.55)</b>	<b>940.90</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>11.67</b>	<b>34.30</b>
Cash and cash equivalents at the beginning of the year	56.53	22.20
Effects of exchange rate changes on cash and cash equivalents	-	0.03
<b>Cash and cash equivalents at the end of the year</b>	<b>68.20</b>	<b>56.53</b>



**Manipal Health Enterprises Private Limited**  
**Consolidated Statement of Cash Flow for the year ended**

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
<b>Components of cash and cash equivalents for the purpose of statement of cash flow</b>		
Cash on hand	2.01	2.22
With banks - on Current accounts	66.11	54.31
- on Deposit accounts	0.08	-
<b>Total cash and cash equivalents (refer note 10.3)</b>	<b>68.20</b>	<b>56.53</b>
Less: Cash and cash equivalents of the discontinued operations	-	-
<b>Total cash and cash equivalents (CONTINUING OPERATIONS)</b>	<b>68.20</b>	<b>56.53</b>

Refer note 48 for reconciliation of movements of liabilities to cash flows arising from financing activities.

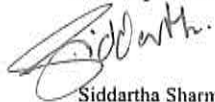
**Significant accounting policies (refer note 2.3)**

The above Consolidated Statement of Cash Flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".

**The accompanying notes are an integral part of these Consolidated Financial Statements**

As per our report of even date attached

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

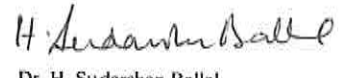


Siddhartha Sharma  
Partner  
Membership number: 118756

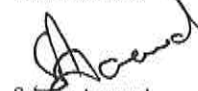
**For and on behalf of the Board of Directors of  
Manipal Health Enterprises Private Limited**



Dilip Jose  
Managing Director & CEO  
DIN: 03591692



Dr. H. Sudarshan Ballal  
Chairman & Director  
DIN: 01195055



Sameer Agarwal  
Chief Financial Officer



Sathish Kolar Ramamoorthy  
Company Secretary  
Membership number: A15203

Place : Bengaluru  
Date : June 01, 2023

Place : Bengaluru  
Date : May 24, 2023

Manipal Health Enterprises Private Limited  
Consolidated Statement of changes in equity for the year ended 31 March 2023

(a) Equity share capital\*

Equity shares of Rs. 10 each issued, subscribed and fully paid-up

Balance as at April 01, 2021

Change in equity share capital during the year

Balance as at March 31, 2022

Change in equity share capital during the year

Balance as at March 31, 2023

\*Also, refer note 12

(b) Other equity\*\*

Nos.	Rs. in crore
6,86,89,089	68.69
69,40,956	6.94
7,56,30,045	75.63
7,56,30,045	75.63

(Rs. in crore)

Atributable to the Owners of the Company

	Reserves and Surplus					Total	Non-controlling Interest	Total other equity
	Securities premium	Treasury Shares	Employee stock options outstanding***	General reserve	Retained earnings			
Balance as at April 01, 2021	1,439.71	(34.36)	11.27	2.80	(352.59)	1,063.71	99.43	1,163.14
Profit/ Loss for the year	-	-	-	-	541.88	541.88	(0.16)	541.72
OCI for the year (net of tax)	-	-	-	-	-	2.86	-	2.86
Total comprehensive income	1,439.71	(34.36)	11.27	2.80	189.29	1,608.45	99.27	1,707.72
Other adjustments	-	-	-	-	-	-	-	-
Exchange difference on account of sale of MHBSB	-	-	-	-	-	-	-	-
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	-
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-
Contributions by and distributions to owners	1,129.84	-	-	-	-	1,129.84	0.50	1,130.34
Issue of shares during the year	-	-	6.71	-	-	6.71	-	6.71
Share based payments	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	2,569.55	(34.36)	17.98	2.80	189.29	2,732.44	99.77	2,832.21
Profit/ Loss for the year	-	-	-	-	427.32	427.32	1.71	429.03
OCI for the year (net of tax)	-	-	-	-	-	1.81	-	1.81
Total comprehensive income	2,569.55	(34.36)	17.98	2.80	616.61	3,161.57	101.48	3,263.05
Other adjustments	-	-	-	-	-	-	-	-
Issue of shares during the year	-	-	-	-	-	-	-	-
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	-
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-
Contributions by and distributions to owners	-	-	8.15	-	-	8.15	-	8.15
Share based payments	-	-	(3.57)	-	-	(3.57)	-	(3.57)
Adjustments related to ESOP settlement	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	2,569.55	(34.36)	22.56	2.80	616.61	3,166.49	123.61	3,290.10

\*\*Also, refer note 13

\*\*\* Refer note 12.2.2

Note : There are no changes in the accounting policies or prior period events during the current year or previous year

Below is the nature and purpose of each reserve:

1. Securities premium - Securities premium is used to record the premium received on issue of shares.
2. Treasury shares - Represents equity shares of the Company held by the controlled trusts. These are recorded at acquisition cost.



**Mamipal Health Enterprises Private Limited**  
**Consolidated Statement of changes in equity for the year ended 31 March 2023**

3. Employee stock option outstanding - Employee stock option outstanding reserve is used to record the fair value of equity-settled share based payment transactions with employees.
4. General reserve - General reserve represents appropriation of profits.
5. Retained earnings - Retained earnings comprises of prior and current year's undistributed earnings after tax.
6. Re-measurement of defined benefit plans - Represents re-measurement gains / (losses) on defined benefit plans (net of tax).
7. Foreign currency translation reserve - Exchange difference relating to the translation of the results and net assets of the Company's foreign operations from their respective functional currencies to the Company's functional and presentation currency are recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve.

The accompanying notes are an integral part of these Consolidated Financial Statements

As per our report of even date attached

**For BSR & Co. LLP**

Chartered Accountants

Firm Registration number : 101248W/W - 100022



Siddhartha Sharma

Partner

Membership number: 118756

**For and on behalf of the Board of Directors of**  
**Manipal Health Enterprises Private Limited**



Dilip Jose

Managing Director & CEO

DIN: 03591692



Sameer Agarwal

Chief Financial Officer



Dr. H. Sudarshan Ballal

Chairman & Director

DIN: 01195055



Sathish Kolar Ramamoorthy

Company Secretary

Membership number: A15203

Place : Bengaluru

Date : June 01, 2023

Place : Bengaluru

Date : May 24, 2023

**1 Corporate information**

(a) The consolidated financial statements comprise financial statements of Manipal Health Enterprises Private Limited (the Company or Parent or 'MHE' or 'MHEPL') its subsidiaries (collectively, the Group) for the year ended March 31, 2023. The company is a private limited company domiciled in India and incorporated on February 15, 2010 under the provisions of the Companies Act, 1956 applicable in India. The registered office of the company is located at The Annexe, #98/2, Rustam Bagh Road, HAL Airport Road, Bengaluru, 560017. The Group is engaged in the business of running/managing hospitals, and providing healthcare services. The Group operates through various Hospitals/clinics providing Healthcare services and diagnostic centres, primarily in India.

**(b) Investment in subsidiaries:**

The entities considered in the consolidated financial statements are listed below:

Name of the Company	Country of Incorporation	Percentage of ownership interest held (directly and indirectly) and voting rights held as at	
		March 31, 2023	March 31, 2022
Manipal Health Enterprises International Pte. Ltd. ("MHEIPL") - Subsidiary	Singapore	100.00%	100.00%
Manipal Hospitals (Jaipur) Private Limited ("MHJPL") - Subsidiary	India	100.00%	100.00%
Manipal Hospitals (Dwarka) Private Limited ("MHDPL") - Subsidiary (refer point (vii))	India	100.00%	100.00%
Healthmap Diagnostics Private Limited ("Healthmap") - Subsidiary	India	55.63%	55.61%
Manipal Hospitals Private Limited ("MHPL") (formerly known as Columbia Asia Hospitals Private Limited) - Subsidiary	India	100.00%	100.00%
Manipal Hospitals (Bengaluru) Private Limited ("MHBPL") (formerly known as Vikram Hospital (Bengaluru) Private Limited) - Subsidiary	India	100.00%	100.00%
Medcis Pathlabs India Private Limited- Subsidiary of Healthmap	India	46.77%	46.75%

**Joint venture in which the Company is a joint venture partner**

Name of the Company	Country of Incorporation	Percentage of ownership interest held (directly and indirectly) and voting rights held as at	
		March 31, 2023	March 31, 2022
Terrals Technologies Private Limited ('Phable') - Joint Venture	India	20.59%	24.93%

**Associate**

Name of the Company	Country of Incorporation	Percentage of ownership interest held (directly and indirectly) and voting rights held as at	
		March 31, 2023	March 31, 2022
I-Genetics Diagnostics Private Limited (refer point (v) below)	India	42.17%	42.27%

(i) Subsidiaries include a Silo - MHIDPL has entered into an arrangement in India which qualifies as a "Silo" i.e. a ring fenced group of assets and liabilities within an entity and accordingly the "Silo" has been considered in the Consolidated Financial Statements.

(ii) During the year ended March 31, 2022 the Company sold the investment of the Company held in Manipal Hospital Sdn Bhd (MHSB).

(iii) During the year ended March 31, 2022 the Company had acquired control of Columbia Asia Hospitals Private Limited and accordingly Columbia Asia Hospitals Private Limited is a subsidiary of the Company effective April 30, 2021. Effective October 26, 2021, the name of the company has been changed from Columbia Asia Hospitals Private Limited to Manipal Hospitals Private Limited.

(iv) During the year ended March 31, 2022 the Company had acquired control of Vikram Hospital (Bengaluru) Private Limited and accordingly Vikram Hospital (Bengaluru) Private Limited is a subsidiary of the Company effective June 05, 2021. Effective October 26, 2021, the name of the company has been changed from Vikram Hospital (Bengaluru) Private Limited to Manipal Hospitals (Bengaluru) Private Limited.

(v) During the year ended March 31, 2022 the Company entered into a share purchase agreement with Igenetic Diagnostics Private Limited to acquire a total of 73,496 equity shares split into 28,722 Series A, 8,330 Series A1, 1,287 Series B and 35,157 Series C equity shares for a total consideration of Rs. 47.8 crore.

(vi) During the year ended March 31, 2022, Healthmap had acquired 84.07% shareholding in Medcis Pathlabs India Private Limited for a consideration of Rs. 68.23 crore.

(vii) The Company had entered into a Joint Management and Collaboration Agreement ("Collaboration Agreement") with Human Care Medical Charitable Trust ("HCMCT") to collaborate for operating and managing multi super specialty hospital being constructed on the HCMCT land in Dwarka, New Delhi.

**2.1 Basis of preparation of the consolidated financial statements**

**(a) Statement of compliance**

The consolidated financial statements of the Group have been prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Companies Act 2013, read with relevant rules issued thereunder.

The consolidated financial statements are presented in Indian Rupees and all values are rounded to the nearest crores, except when otherwise indicated.

The consolidated financial statements were authorised for issue by the Company's Board of Directors on May 24, 2023.

Details of the accounting policies are included in Note 2.3.

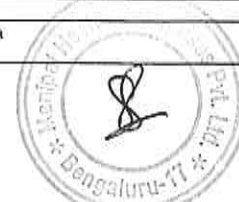
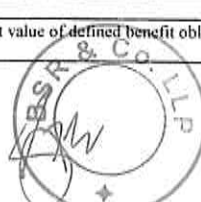
**(b) Functional and presentation currency**

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts are in Indian Rupees crores except share data and per share data, unless otherwise stated.

**(c) Basis of measurement**

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

Items	Measurement
Certain financial assets and liabilities	Fair value
Net defined asset / liability	Fair value of plan assets less present value of defined benefit obligation



**(d) Use of estimates and judgments**

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**Judgements, assumptions and estimation uncertainties**

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

**Judgements:**

- Note 14.2 - Leases and lease classification
- Note 16 - Income taxes including deferred tax
- Note 19 and 40 - Provision for income tax and other contingencies
- Note 40 - recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources.

**Estimates:**

- Note 2.3 (d), (c) and (h) - useful life of property, plant and equipment, intangible assets and right of use assets
- Note 6.1, 10.2, 10.5, 10.6 - Impairment of financial assets
- Note 15 and 18 - Provisions
- Note 25, 31 - Employee benefits expense, wages and bonus; key actuarial assumptions
- Note 35 - Financial instruments
- Note 44 - Employee Stock option plans

**Deferred tax balances**

Deferred tax assets are recognized for all the deductible temporary differences, carry forward of unused tax credits and unused tax losses, however the same is restricted to the extent of the deferred tax liabilities unless it is probable that sufficient taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. In the absence of reasonable certainty over recoverability of deferred taxes on carry forward losses, no deferred tax assets have been recognised as at the year end. Management will re-evaluate this position at every year-end. Also refer note 16.

**(e) Measurement of fair values**

The Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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 year during which the change has occurred. Further information about the assumptions made in measuring fair values is included in the note 35 and 36 - financial instruments.

**2.2 Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Group as at March 31, 2023. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- (ii) Exposure, or rights, to variable returns from its involvement with the investee, and
- (iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) The contractual arrangement with the other vote holders of the investee
- (ii) Rights arising from other contractual arrangements
- (iii) The Company's voting rights and potential voting rights
- (iv) The size of the company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Company, i.e., year ended on 31 March. When the end of the reporting year of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

**Consolidation Procedure**

- a) 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.
- b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- c) 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. Iud AS-12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.



- d) Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the parent Group. NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.
- (e) The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence or joint control ceases.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interest having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Company loses control over a subsidiary, it:

- (i) Derecognises the assets (including goodwill) and liabilities of the subsidiary
- (ii) Derecognises the carrying amount of any non-controlling interests
- (iii) Derecognises the cumulative translation differences recorded in equity
- (iv) Recognises the fair value of the consideration received
- (v) Recognises the fair value of any investment retained
- (vi) Recognises any surplus or deficit in profit or loss
- (vii) Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

### 2.3 Summary of significant accounting policies

#### (a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below: Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill on consolidation as on the date of transition represents the excess of cost of acquisition at each point of time of making the investment in the subsidiary over the Group's share in the net worth of a subsidiary. For this purpose, the Group's share of net worth is determined on the basis of the latest financial statements, prior to the acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Capital reserve on consolidation represents excess of the Group's share in the net worth of a subsidiary over the cost of acquisition at each point of time of making the investment in the subsidiary. Goodwill arising on consolidation is not amortised, however, it is tested for impairment annually. In the event of cessation of operations of a subsidiary, the unimpaired goodwill is written off fully.

#### Common control transactions

Common control business combinations include transactions, such as transfer of subsidiaries or business, between entities within a group. Business combinations involving entities or business under common control are accounted for using the pooling of interests method. Under pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts, the only adjustments that are made are to harmonise accounting policies.

Financial information in the consolidated financial statements in respect of prior years are restated as if the business combination had occurred from the beginning of the preceding year in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior year information is restated only from that date.

The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to reserves and presented separately from other reserves with disclosure of its nature and purpose in the notes.

Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

#### (b) Investment in joint venture/ associate

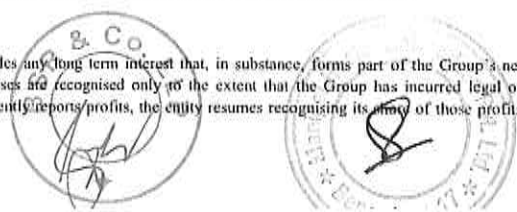
A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement/entity have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The investments in subsidiaries, associates and joint ventures are carried at cost as per Ind AS 27 (Separate financial statements). Investment accounted for at cost is accounted for in accordance with Ind AS 105 (Non-current assets held for sale and discontinued operations) when they are classified as held for sale and investment carried at cost is tested for impairment as per Ind AS 36 (Impairment of assets). On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

The Group's investment in its joint venture/ associate is accounted for using the equity method. Under the equity method, the investment in a joint venture/ associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture/ associate since the acquisition date.

The statement of profit and loss reflects the Group's share of the results of operations of the joint venture/ associate. Any change in OCI of this investee is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture/ associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture/ associate are eliminated to the extent of the interest in the joint venture/ associate.

If an entity's share of losses of a joint venture/ associate equals or exceeds its interest in the joint venture (which includes any long term interest that, in substance, forms part of the Group's net investment in the joint venture/ associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture/ associate. If the joint venture/ associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.



The aggregate of the Group's share of profit or loss of a joint venture/ associate is shown on the face of the statement of profit and loss.

The financial statements of the joint venture/ associate are prepared for the same reporting year as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture/ associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture/ associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture/ associate and its carrying value, and then recognises the loss as 'Share of profit of a joint venture/ associate' in the statement of profit or loss.

Upon loss of control over the joint venture/ associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture/ associate upon loss of control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

**(c) Current versus non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated as current when :

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

The Group classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

**(d) Property plant and equipment**

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, cost of replacing part of the plant and equipment, borrowing costs if the recognition criteria are met and directly attributable cost of bringing the asset to its location and condition necessary for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

Property, plant and equipment under installation or construction as at the balance sheet date are shown as capital work-in-progress and the related advances are shown as under Non current assets.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

<u>Category of assets</u>	<u>Useful life estimated by management</u>	<u>Useful life as per Schedule II</u>
Building	23-60 years	30 years
Equipments	13 years	10 - 15 years
Electrical installations	7 years	10 years
Furniture and fixtures	7 years	10 years
Other fixtures (included in Building)	2 years	10 years
Computers	3 years	3 - 6 years
Vehicles	3-7 years	6 - 10 years
Leasehold land is amortised over the remaining lease year (refer note 3)		

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).

Second hand assets are depreciated over the estimated useful life as per technical estimates.

Leasehold land/Leasehold improvements/Leasehold Building are depreciated over the primary lease period or useful life, whichever is shorter, on a straight-line basis.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Assets having the value upto Rs.10,000 is fully depreciated in the year in which it is depreciated.

The management had estimated, supported by technical advice, the useful life of the category of assets, which are lower than those indicated in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the year over which the assets are likely to be used.



(e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation year and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation year or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

A summary of amortization policies applied to the Group's intangible assets is as below:

<u>Category of assets</u>	<u>Useful life estimated by management</u>
Computer software - application	3-5 years
Computer software - generic	1 year
Non-compete fees	2 year

(f) Impairment of non-financial assets

Except for deferred tax assets and inventory, the Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are 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 asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a year of ten years. For longer years, a long term growth rate is calculated and applied to project future cash flows till perpetuity.

Impairment losses of continuing operations, including impairment of inventories, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future years.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

(g) Non-current assets or disposal group held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

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

Non-current assets classified as held-for-sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

(h) Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial year of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the year in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(i) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a year of time in exchange for consideration.



#### Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease or transition to Ind AS 116 "Leases", whichever earlier. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company had elected not to apply the requirements of Ind AS 116 Leases to short term leases of all assets that have a lease term of 12 months or less, except where it anticipates renewals and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

#### Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant year rate of return on the lessor's net investment in the lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

#### (j) Financial Instruments

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

##### Financial assets

##### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (l) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

##### Subsequent measurement

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

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

##### Financial assets at amortised cost (debt instruments)

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

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

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The Company's financial assets at amortised cost includes trade receivables, and loan to an associate and loan to a director included under other non-current financial assets. For more information on receivables, refer to Note 10.2.

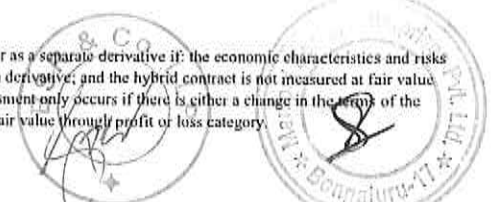
##### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

##### Embedded Derivatives

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.



#### Derecognition

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

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

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and other financial assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### Financial liabilities

##### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

##### Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

##### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

##### Financial liabilities at amortised cost (Loans and borrowings)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

##### Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

#### Derecognition

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



**Offsetting of financial instruments**

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

**(k) Inventories**

Inventories of pharmacy items and medical consumables are valued at lower of cost or net realizable value. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location after adjusting for Goods and Service Tax wherever applicable, applying the first in first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs to be incurred to make the sale. Adequate provision is made for slow moving, non-moving and expired inventory, as determined necessary.

**(l) Revenue recognition**

Revenue from contracts with customers is recognised as per Ind AS 115, "Revenue from contract with customers", when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, taking into consideration defined terms of payment and excluding taxes or duties collected on behalf of the government.

*Disaggregation of revenue*

The Group disaggregates revenue into revenue from rendering hospital services, pharmacy sales and other operating income. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of Group's revenues and cash flows are affected by industry, market and other economic factors.

The specific recognition criteria described below must also be met before revenue is recognised:

*Operating Income*

Revenue from Hospital services is recognised as and when the services are performed, unless significant future uncertainties exists, while revenue from sale of pharmacy items is recognised when the control of the goods have passed to the buyer, usually on delivery of the goods. The Group assesses the distinct performance obligations in the contract and measures to an amount that reflects the consideration it expects to receive, net of Goods and Services Tax and adjusted for discounts and concessions.

Management fee from hospital management agreement with entities is recognised as and when the services are rendered as per the terms of the agreement.

Income from occupational health centre and ambulance service are recorded as and when rendered.

*Interest Income*

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter year, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. 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) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit or loss.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "finance income" in the statement of profit and loss.

*Rental Income*

Rental Income is recognised on an accrual basis and over the year of tenancy.

*Dividend income*

Dividend income is recognized when the Group's right to receive dividend is established by the reporting date.

**Contract balances**

*Unbilled revenue*

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. The Group based on the contractual terms and past experience determines the performance obligation satisfaction over time. Unbilled revenue is recognised for the service rendered where patients are not discharged and final invoice is not raised for the service. Unbilled revenue is disclosed under "financial assets" in balance sheet.

*Trade receivables*

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (i) Financial Instruments – initial recognition and subsequent measurement.

*Contract liabilities*

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

**(m) Foreign currencies**

The Group's consolidated financial statements are presented in INR, which is also the parent Company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (i.e. the "functional currency"). The Group's financial statements are presented in Indian Rupee, which is also the Group's functional and presentation currency.

*Transactions and balances*

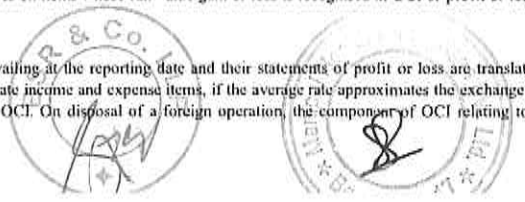
Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on the settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.



(n) Retirement and other employee benefits

In respect of Companies incorporated in India

Retirement benefit in the form of Provident Fund and Pension Fund are defined contribution schemes. The Group recognizes contribution payable to the schemes as an expense, when an employee renders the related service. The Group has no obligation, other than the contribution payable to the fund.

The Group operates a defined benefit plan for its employees for gratuity. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at each year end using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in interest on the defined benefit liability, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the year in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent years.

Past service costs are recognised in the statement of profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Interest is calculated by applying the discount rate to the defined benefit liability. The Group recognises the following changes in the defined benefit obligation as an expense in the statement of profit and loss:

- (i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- (ii) Interest expense

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for, based on the actuarial valuation using the projected unit credit method at the year-end. The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date.

The Group recognizes termination benefit as a liability and an expense when the group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than 12 months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

In respect of Companies incorporated outside India

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absence. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(o) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in .The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income. Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management yearly evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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

- where deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit or loss is recognised outside the statement of profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and to the same taxation authority.



Goods and Services Tax (GST) paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of GST paid, except:

When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

When receivables and payables are stated with the amount of tax included, the net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

**(p) Share based payments**

Employees (including senior executives and directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

*Equity-settled transactions*

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share option outstanding account in equity, over the year in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting year has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a year represents the movement in cumulative expense recognised as at the beginning and end of that year and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

The vesting needs to be done as per defined in the Grant Letter. There will be two categories of the vesting rights:

**Assured** – This will be vested on a time basis as mentioned above, subject to meeting the terms and conditions mentioned in the Employment Letter.

**Performance Based** - The performance based vesting will be done on achievement of the performance figures (Earnings before interest, tax, depreciation and amortisation(EBIDTA)) as per the budget approved by the board of the previous year of the Company. In case, the same has not been achieved there will be no grant under this for that year. However, there will be a catch up year of one year wherein if the shortfall of the previous year is made up, then the options will be vested of the previous year.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

In case, the amount of the liability recognised on the date of modification is greater than the amount previously recognised as an increase in equity, the Group is following the accounting policy to recognise such excess as an expense in the statement of profit or loss at the date of modification.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

**(q) Earnings Per Share (EPS)**

Basic EPS amounts are calculated by dividing the net profit/(loss) for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

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

**(r) Provisions**

Provision are recognized when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss net off any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

*Decommissioning liability*

The Group records a provision for decommissioning costs to dismantle and remove the leasehold improvements from the leased premise. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

*Onerous contract*

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

**(s) Contingent liabilities**

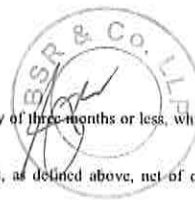
A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow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

Contingent liabilities and commitments are reviewed by the management at each balance sheet date.

**(t) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.



(u) Segment accounting policies

The Group prepares its segment information based on its reporting to Chief Operating Decision Maker (refer note 42 on segment reporting).

(v) Corporate Social Responsibility (CSR) expenditure

CSR expenditure as per provisions of section 135 of Companies Act, 2013 read with The Companies (Corporate Social Responsibility Policy) Rules, 2014, is charged to the statement of profit and loss as an expense as and when incurred.

(w) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from those of the rest of the Group and which represents a separate major line of business or geographical area of operations and  
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or  
- is a subsidiary acquired exclusively with a view to re-sale.

(x) Share Capital

i. Equity shares

Incremental costs directly attributable to the issue of equity shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with Ind AS 12.

ii. Treasury shares

The Company has created Manipal Health Employee Welfare Trust (MHEWT) for providing share-based payment to its employees. The Company uses MHEWT as a vehicle for distributing shares to employees under the employee stock option schemes. The Company treats MHEWT as its extension and shares held by MHEWT are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in statement of profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Share options exercised during the reporting year are satisfied with treasury shares.

(y) Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/(loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated. Bank overdrafts are classified as part of cash and cash equivalent, as they form an integral part of an entity's cash management.

(z) Service concession agreements

Healthmap has entered into Concessionaire Agreements with select government medical colleges and district hospitals of Haryana, Odisha and Jharkhand for development, operation and maintenance of imaging diagnostic centres on PPP basis. The Group has conducted detailed analysis of the terms of the aforementioned agreements to determine the applicability of accounting under Service Concession Agreement (SCA) as per Appendix C of Ind AS 115 "Revenue from Contracts with Customers" and noted the following:

i) The concessionaire agreements do not provide any residual interest in the equipments installed by the Group to the government medical colleges and district hospitals at the expiry of the term of concessionaire agreements and that the residual interest in the equipments is expected to be significant as the Group is required to upgrade the equipments installed with the latest technology.

ii) The price charged for diagnostic services is regulated by the concessionaire agreements only for government patients. The Group is free to fix rates for private patients (only Haryana and Jharkhand) and such business constitutes a substantial portion of the total revenue and apparently is not ancillary to the government patient business.

In view of the above reasons mentioned, the management of the Group is of the view that SCA does not apply in its entirety to the Group.

2.4 Standards issued but not effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023 to amend the following Ind AS which are effective from April 01, 2023.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after April 01, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the Company's financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after April 01, 2023. Consequential amendments have been made in Ind AS 107.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after April 01, 2023.

The Company is currently assessing the impact of the amendments.



Manipal Health Enterprises Private Limited  
Notes to the Consolidated Financial Statements for the year ended March 31, 2023

3.1 Property, plant and equipment

		Land	Buildings	Leasehold Land	Leasehold improvements	Electrical installations	Equipments	Facility and office equipment	Furniture and fixtures	Computers	Vehicles	Total
	3(a)	3(b)										(Rs. in crore)
<b>Cost</b>												
At April 1, 2021	581.00	854.01	-	218.66	100.02	967.64	-	64.82	80.42	13.78	2,880.35	
Additions	-	3.17	-	10.93	18.42	59.41	-	4.08	7.85	4.58	109.73	
Additions on account of acquisition of subsidiaries (refer note 32)	-	367.59	280.98	68.50	69.08	415.24	-	119.16	44.45	38.35	1,404.44	
Disposals	-	-	-	-	-	(0.52)	-	(0.05)	-	-	(0.11)	
At March 31, 2022	581.00	1,224.77	280.98	298.09	187.52	1,441.77	120.45	113.30	126.62	19.34	4,393.84	
Additions	-	6.32	-	172.45	66.99	180.42	1.53	9.94	36.25	4.76	478.66	
Disposals	-	-	-	(0.14)	(0.49)	(5.47)	-	(0.38)	(1.30)	(0.50)	(8.28)	
At March 31, 2023	581.00	1,231.09	280.98	470.40	254.02	1,616.72	121.98	122.86	161.57	23.60	4,864.22	
<b>Depreciation</b>												
At April 1, 2021	-	139.58	-	140.04	47.31	462.63	-	40.78	64.18	10.48	905.00	
Additions on account of acquisition of subsidiaries (refer note 32)	26.98	137.04	-	25.45	57.02	236.98	97.36	38.03	31.44	1.09	651.39	
Charge for the year	-	30.08	-	31.94	18.04	78.37	5.50	9.24	11.00	1.62	185.79	
Disposals	-	(0.16)	-	-	-	(0.35)	-	(0.30)	-	(0.08)	(0.89)	
At March 31, 2022	26.98	306.54	-	197.43	122.37	777.63	102.86	87.75	106.62	13.11	1,741.29	
Charge for the year	-	28.84	-	37.71	24.41	90.56	6.67	10.29	17.48	2.10	218.06	
Disposals	-	-	-	(0.06)	(0.43)	(4.28)	-	(0.38)	(1.30)	(0.36)	(6.81)	
At March 31, 2023	26.98	335.38	-	235.08	146.35	863.91	109.53	97.66	122.80	14.85	1,952.54	
<b>Net book value</b>												
At March 31, 2022	554.02	918.23	280.98	100.66	65.15	664.14	17.58	25.55	20.00	6.23	2,652.53	
At March 31, 2023	554.02	895.71	280.98	235.32	107.67	752.81	12.45	25.20	38.77	8.75	2,911.68	

Notes:

(a) Building includes those constructed on leasehold land  
Gross Block: Rs. 145.70 crore (March 31, 2022: Rs. 145.7 crore)  
Depreciation charge for the year: Rs. 6.61 crore (March 31, 2022: Rs. 6.61 crore)  
Accumulated depreciation: Rs. 48.07 crore (March 31, 2022: Rs. 41.46 crore)  
Net book value: Rs. 91.02 crore (March 31, 2022: Rs. 97.63 crore)

(b) In MHPL, Lease held in perpetuity within the extended limits of the Pune and Kolkata Municipal Corporation.



**Manipal Health Enterprises Private Limited**

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

(c) During the year, MHPL has capitalised an aggregate borrowing cost of Rs. 6.56 crores as at March 31, 2023 (as at March 31, 2022: Rs. 9.50 crores), on assets lying in capital work in progress

(d) In MHPL, the property, plant and equipment are physically verified by Management in accordance with a phased programme designed to cover all items of Property, plant and equipment over a period of 3 years.

(e) Refer note 14.1.4 for details of property, plant and equipment pledged as security for borrowings.

**3.2 Capital work in progress**

Particulars	March 31, 2023	March 31, 2022
Opening	207.93	12.65
Additions on account of acquisition of subsidiaries (refer note 32)	-	111.22
Additions	302.51	150.55
Capitalisation of interest and depreciation on right of use assets	7.97	21.11
Less: Transferred to Property, plant and equipment	(478.66)	(87.60)
Closing	<b>39.75</b>	<b>207.93</b>

**Capital work in progress ageing schedule**

**As at 31 March 2023**

Particulars	Amount in CWIP for a year of			Total
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	24.70	10.41	1.58	39.75
Projects temporarily suspended	-	-	-	-
<b>Total</b>	<b>24.70</b>	<b>10.41</b>	<b>1.58</b>	<b>39.75</b>

**As at 31 March 2022**

Particulars	Amount in CWIP for a year of			Total
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	78.08	109.66	7.86	207.93
Projects temporarily suspended	-	-	-	-
<b>Total</b>	<b>78.08</b>	<b>109.66</b>	<b>7.86</b>	<b>207.93</b>

There are no material capital work-in-progress for which the completion is overdue or has exceeded its cost compared to its original budget.



Manipal Health Enterprises Private Limited  
Notes to the Consolidated Financial Statements for the year ended March 31, 2023

4 Goodwill and Other intangible assets

	(Rs. in crore)										
	Goodwill 4 (a)	Customer contracts	Computer software	Non-compete fee*	Total	Leasehold land	Buildings	Equipment	Computer software	Vehicle	Total
<b>Cost</b>											
At April 1, 2021	249.58	25.00	62.55	-	87.55	103.27	318.55	50.93	18.39	-	491.14
Additions on account of acquisition of subsidiaries (refer note 32)	1,288.31	285.13	28.59	-	313.72	464.69	71.13	16.57	-	0.68	553.07
Additions	-	-	3.28	6.41	9.69	-	11.13	21.30	13.48	5.94	51.85
Disposal	-	-	-	-	-	-	(3.12)	-	-	-	(3.12)
At March 31, 2022	1,537.89	310.13	94.42	6.41	410.96	567.96	397.69	88.80	13.48	0.68	1,092.94
Additions	-	-	26.22	-	26.22	3.10	176.34	5.64	5.10	-	190.18
Disposal	-	-	(0.20)	-	(0.20)	(5.21)	(1.25)	-	-	-	(6.46)
At March 31, 2023	1,537.89	310.13	120.44	6.41	436.98	565.85	572.78	94.44	18.58	0.68	1,276.66
<b>Amortisation</b>											
At April 1, 2021	13.79	4.69	54.76	-	59.45	7.63	42.01	31.91	-	10.32	91.87
Charge for the year	-	11.86	5.31	0.18	17.35	1.53	36.06	10.09	1.12	3.86	52.86
Additions on account of acquisition of subsidiaries (refer note 32)	-	-	26.42	-	26.42	5.80	51.73	6.53	-	-	64.52
Disposals	-	-	-	-	-	-	(1.01)	-	-	-	(1.01)
Charge for the year transferred to CWIP	-	-	-	-	-	-	4.04	-	-	-	4.04
At March 31, 2022	13.79	16.55	86.49	0.18	103.22	14.96	132.83	48.53	1.12	14.18	212.28
Charge for the year	-	14.68	9.42	3.20	27.30	23.11	27.23	8.07	7.15	4.33	69.91
Disposals	-	-	(0.20)	-	(0.20)	-	(0.58)	-	-	-	(0.58)
Charge for the year transferred to CWIP	-	-	-	-	-	1.42	-	-	-	-	1.42
At March 31, 2023	13.79	31.23	95.71	3.38	130.32	39.49	159.48	56.60	8.27	18.51	283.03
<b>Net book value</b>											
At March 31, 2022	1,524.10	293.58	7.93	6.23	307.74	553.00	264.86	40.27	12.36	10.15	880.66
At March 31, 2023	1,524.10	278.90	24.73	3.03	306.66	526.36	413.30	37.84	10.31	5.82	993.63

\* Represents non-compete fee paid to the erstwhile promoters of Medics Pathlabs India Private Limited



**Manipal Health Enterprises Private Limited**  
**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**

**(a) Impairment testing of goodwill with indefinite lives**

For impairment testing, goodwill acquired through business combinations with indefinite lives has been allocated to the below mentioned Carrying amount of goodwill allocated to each of the CGUs:

	South cluster	North cluster	East cluster	West cluster	Total
At April 01, 2021	81.35	154.44	-	-	235.79
Additions	945.65	198.33	72.33	72.00	1,288.31
At March 31, 2022	1,027.00	352.77	72.33	72.00	1,524.10
Additions	-	-	-	-	-
At March 31, 2023	1,027.00	352.77	72.33	72.00	1,524.10

The Company performed its annual impairment test for years ended 31 March 2023 and 31 March 2022. The estimated value-in-use of this CGU is based on the future cash flows using a 5.00% (March 31, 2022: 5.00%) annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 11.00% (March 31, 2022: 10.58%). An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount. Key assumptions upon which the Company has based its determinations of value-in-use include :

- Estimated cash flows based on internal budgets and industry outlook for a period of five years and a terminal growth rate thereafter.
- The estimated value-in-use of this investment is based on the future cash flows using a 5.00% (March 31, 2022: 5.00%) annual growth rate for periods subsequent to the forecast period of 5 years (March 31, 2022: 5 years).
- This long term growth rate takes into consideration external macroeconomic sources of data. Such long-term growth rate considered does not exceed that of the relevant business and industry sector
- Discount rate of 11.00% (March 31, 2022: 10.58%), which reflect current market assessment of the risks.

The Company believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount.



5 Investments accounted for using the equity method

	(Rs. in crore)			
	No of Shares		Amounts	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>5.1 Investment in equity instruments of a Joint Venture and Associate Company</b>				
Terrals Technologies Private Limited [net of impairment (Refer note 5.1.1)]- Joint Venture	100	100	-	0.36
Igenetic Diagnostics Private Limited (Refer note 5.1.2)- Associate Investment in preference shares of a Joint Venture Company	73,496	73,496	41.90	47.63
Terrals Technologies Private Limited [net of impairment (Refer note 5.1.1)]- Joint Venture				
[0.01% Series A Compulsorily Convertible Preference shares ('Series A CCPS') of 100 Rs each fully paid-up in refer note (5.1.1) below]	7,845	7,845	-	28.41
[0.01% Series B Compulsorily Convertible Preference shares ('Series B CCPS') of 100 Rs each fully paid-up in refer note (5.1.1) below]	2,197	2,197	-	21.57
<b>Aggregate value of investments</b>			<b>41.90</b>	<b>97.97</b>
<b>Aggregate value of provision for impairment (refer note 5.1.1)</b>			<b>41.59</b>	<b>-</b>

5.1.1 The Company has signed a Share Subscription Agreement on December 22, 2020 to invest an amount of upto Rs. 80 crore in Terrals Technologies Private Limited (Phable) in upto three tranches. The first tranche of Rs. 40 Crores was invested on February 26, 2021 by subscribing to 100 equity shares of Rs. 10 each and 7,845 compulsorily convertibles preference shares of Rs. 100 each. In the year ended March 31, 2022 a further Rs. 29.99 crore was invested for 2,197 compulsorily convertibles preference shares of Rs. 100 each.

During the year, the Company has made provision for impairment of its investment in Terrals Technologies Private Limited (Phable) of Rs. 41.59 crores, as it does not expect any recoverable amount (net) from its investment.

5.1.2 During the year ended March 31, 2022, the Company acquired 73,496 shares of Igenetic Diagnostics Private Limited for a total consideration of Rs. 47.8 crore. During the year ended March 31, 2023, Igenetic has filed an application with NCLT to demerge the business of conducting routine and specialized pathological tests, varied diagnostic tests, and operations and management of diagnostic centres of Igenetic Diagnostics Private Limited and merge into Healthmap Diagnostics Private Limited. The Company will continue to have a controlling stake in Healthmap Diagnostics Private Limited post this acquisition.

6 Non-current financial assets

6.1 Investments

1) Investment in equity instruments of the other Companies/Trust at cost

	(Rs. in crore)			
	No of Shares		Amounts	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Shares of Rs. 100 each fully paid-up in Renew Wind Energy (Karnataka) Private Limited	18,600	18,600	0.57	0.57
Swasth Digital Health Foundation [shares of Rs. 100 each fully paid-up]	5,000	5,000	0.05	0.05
<b>Aggregate value of unquoted investments carried at cost</b>			<b>0.62</b>	<b>0.62</b>

2) Investments at fair value through profit and loss

	(Rs. in crore)			
	No of units		Amounts	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Investments in mutual funds (quoted)				
Bandhan Ultra Short Term Fund - Direct Plan - Growth	-	75,100	-	0.18
Bandhan Corporate Bond Fund - Direct Plan - Growth	-	85,00,000	-	13.63
ICICI Prudential Floating Interest Fund - Direct Plan - Growth	-	18,49,833	-	66.72
AHSL CRISIL IBX 50:50 Gilt SDL	1,19,73,739	-	12.50	-
Bandhan Crisil IBX Gilt April 2026 Index Fund	76,50,000	-	7.93	-
ICICI Nifty SDL Dec 2028 Index - Direct Plan - Growth	29,36,883	-	3.06	-
Bandhan Crisil Gilt 2028 Index Fund Dir Gr	4,58,15,502	-	50.17	-
Bandhan Gilt 2027 Index Fund - Direct Plan - Growth	1,13,36,591	-	12.38	-
<b>Aggregate book value/ market value of quoted investments</b>			<b>86.04</b>	<b>80.53</b>

Aggregate value of investments (A+B)

Aggregate value of provision for impairment

**86.66** **81.15**

6.1.1 Information about the Group's exposure to credit and market risks, and fair value measurement, is included in Note 35 & 36

6.2 Loans (Unsecured considered good unless otherwise stated)

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
	Loan to others	
Considered good		0.47
Considered doubtful		5.00
Less: Allowance for doubtful loans		(5.00)
Loans to related parties (refer note 45)	6.20	-
	<b>6.67</b>	<b>0.59</b>

6.2.1 Terms of loan given as below:

Name of the loanee	Rate of Interest	Secured/ unsecured	March 31, 2023	Movement during the year	March 31, 2022
Igenetic Diagnostics Private Limited					
Inter Corporate Deposit	10.00%	Unsecured	6.20	6.20	-

The intercorporate deposit has been made available for the purpose of meeting its working capital and transition expense requirements.

Provisions of section 186 of the Companies Act, 2013, except sub section (1), are not applicable, as the Company is engaged in the business of providing infrastructural facilities as specified in Schedule VI of the Companies Act, 2013.

6.3 Other non-current financial assets (Unsecured considered good unless otherwise stated)

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
	Margin money deposit with banks and financial institutions*	1.31
Deposits with banks due to mature after twelve months from the reporting date**	21.64	9.27
Interest accrued but not due on fixed deposits	0.04	0.02
Interest accrued but on inter corporate deposits	0.38	-
Security deposits (refer note 45)	44.09	35.43
	<b>67.46</b>	<b>45.56</b>

\*Margin money deposits with a carrying amount of Rs. 1.31 crore (March 31, 2022: Rs. 0.84 crore) are subject to charge to secure the Group's letter of credit facility for capital purchases and margins against performance guarantees.

\*\*It pertains to Debt Service Reserve Account (DSRA) maintained by the Group with Banks amounting to Rs. 21.64 crore (March 2022: Rs. 9.27 crore)

7 Income tax assets (net)

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
	Income tax assets (net of provision for income tax)	155.58
	<b>155.58</b>	<b>149.80</b>

8 Other non-current assets (Unsecured considered good unless otherwise stated)

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
	Capital advances	24.49
Less: Provision against capital advances	(17.88)	(17.88)
Prepaid expenses	21.81	20.39
Unamortised lease registration charges	0.88	0.92
Balances with government authorities	5.07	5.07
	<b>34.37</b>	<b>38.36</b>



9 Inventories (valued at lower of cost and net realizable value)	(Rs. in crore)	
	March 31, 2023	March 31, 2022
Pharmacy items	34.62	36.47
Medical consumables	28.44	40.93
	<b>63.06</b>	<b>77.40</b>

Refer note 14.1 for details of inventories pledged as security for borrowings.

10 Current financial assets

10.1 Investments

Investments at fair value through profit and loss

Investments in mutual funds (quoted)

Name of the fund

	Unit		Amount	
	March 31, 2023	31-Mar-22	March 31, 2023	March 31, 2022
ICICI Prudential Corporate Bond Fund - Direct Plan - Growth	5,30,35,028	-	143.25	-
ABSL Money Manager Fund - Direct Plan - Growth	12,72,434	-	40.23	-
ICICI Money Market Fund - Direct Plan - Growth	6,56,011	-	21.28	-
SBI Saving Fund - Direct Plan - Growth	1,39,41,551	38,201	52.38	10.19
Edelweiss Bharat Bond (Apr 2023) - Direct Plan - Growth	65,38,405	-	7.99	-
Bandhan Corporate Bond Fund - Direct Plan - Growth	6,56,12,336	-	108.93	-
Bandhan Banking and PSU Fund - Direct Plan - Growth	2,96,76,048	13,11,213	63.37	57.39
Bandhan Money Market Fund - Direct Plan - Growth	2,74,325	-	1.01	-
Bandhan Gilt 2027 Index Fund - Direct Plan - Growth	26,19,319	2,53,22,747	2.86	51.66
Edelweiss Bharat Bond (Apr 2025) - Direct Plan - Growth	49,99,750	3,07,26,889	5.55	49.28
HDFC Low Duration Fund - Direct Plan - Growth	-	23,00,117	-	8.03
HDFC Corporate Bond - Direct Plan - Growth	44,03,029	-	12.16	-
ABSL Corporate Bond - Direct Plan - Growth	-	1,10,88,125	-	55.20
SBI Floating Rate - Direct Plan - Growth	80,73,373	-	9.04	-
Axis Corporate Bond Fund - Direct Plan - Growth	-	65,38,405	-	7.63
Invesco India Medium Duration Fund - Direct Plan - Growth	-	49,99,750	-	5.41
Nippon India Floating Rate - Direct Plan - Growth	1,05,64,050	9,31,759	41.74	28.60
DSP Nifty FDL Plus G sector - Direct Plan - Growth	2,48,78,879	-	25.97	-
Bandhan Crisil Gilt 2028 Index Fund - Direct Plan - Growth	1,17,97,631	-	12.92	-
Bandhan Crisil IBX 90:10 SDI Plus Gilt fund	49,99,750	-	5.13	-
Bandhan Crisil IBX Gilt April 2032 Index Fund	49,99,750	-	5.06	-
Bandhan Bond Fund Short Term Plan - Direct Plan - Growth	29,71,849	79,88,991	15.17	10.21
ICICI Prudential Liquid Plan - Direct Plan - Growth	4,07,357	2,67,81,540	13.57	28.30
ICICI Prudential Banking & PSU Debt Plan - Direct Plan - Growth	70,84,082	13,43,257	20.19	40.15
ICICI Prudential Floating Interest Fund - Direct Plan - Growth	1,90,532	67,80,665	7.30	27.19
ICICI Nifty SDI Dec 2028 Index Fund	99,41,936	22,48,785	10.36	20.51
ICICI Short Term Fund - Direct Plan - Growth	18,56,766	1,45,28,667	10.09	20.72
Bandhan Crisil Gilt April 2026 Index Fund - Direct Plan - Growth	1,40,38,932	1,97,415	14.56	20.36
ABSL Crisil IBX AAA SDI June 2032 Index Fund - Direct Plan - Growth	49,93,458	49,99,750	5.05	5.01
ABSL Crisil IBX AAA June 2023 Index Fund - Direct Plan - Growth	9,88,65,364	8,27,37,380	104.12	88.14
ABSL Crisil IBX 50:50 Gilt/SDI - Direct Plan - Growth	8,51,336	2,54,98,481	0.89	62.69
DSP Savings Fund - Direct Plan - Growth	66,91,067	2,23,55,647	30.77	59.20
DSP Low Duration Fund - Direct Plan - Growth	2,69,82,757	1,02,375	46.72	11.79
DSP Short Term Fund - Direct Plan - Growth	35,81,278	78,80,603	15.14	9.36
DSP Corporate Bond Fund - Direct Plan - Growth	73,91,651	26,99,900	10.10	10.19
TATA Money Manager Fund - Direct Plan - Growth	12,644	-	5.12	-
Nippon India Nifty SDI Plus G-Sec Jun 2028	49,99,750	-	5.13	-
ICICI Liquid Fund Dir Growth	1,91,830	-	13.06	-
Nippon India mif	14,326	-	5.08	-
ICICI Overnight Fund D Growth	66,646	-	8.05	-
Nippon Liquid Fund Dir Growth	14,605	-	8.04	-
ICICI Prudential Savings Fund - Direct Plan - Growth	3,98,085	-	18.42	-
Bandhan Ultra Short Term Fund - Direct - Growth	36,84,546	-	4.82	-
Bandhan Low Duration Fund - Growth	30,59,326	-	10.24	-
Bandhan Floating Rate Fund - Direct Plan - Growth	93,20,415	-	10.24	-
Aggregate book value/ market value of quoted investments			<b>951.10</b>	<b>687.21</b>

10.2 Trade receivables

(Unsecured considered good unless otherwise stated)

Considered good

Credit impaired

Less: Allowance for doubtful trade receivables

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
Considered good	309.37	297.81
Credit impaired	74.21	54.91
	<b>383.58</b>	<b>352.72</b>
Less: Allowance for doubtful trade receivables	(74.21)	(54.91)
	<b>309.37</b>	<b>297.81</b>

(10.2.1) There are no trade receivables which have significant increase in credit risk.

(10.2.2) Refer note 14.1 for details of Trade receivables pledged as security for borrowings.

(10.2.3) Ageing for trade receivables from the due date of payment for each of the category is as follows:

As at 31 March 2023

Particulars	Outstanding for following years from due date of payment						Total
	Not due *	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	183.93	116.50	5.49	1.85	1.18	0.42	309.37
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable - credit impaired	2.45	29.53	36.74	4.04	0.84	0.61	74.21
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>186.38</b>	<b>146.03</b>	<b>42.23</b>	<b>5.89</b>	<b>2.02</b>	<b>1.03</b>	<b>383.58</b>

\* includes unbilled revenue of Rs. 29.37 crore (March 31, 2022: 26.48 crores) as considered good and Rs. 1.72 crore (March 31, 2022: 0.60 crores) as credit impaired.

As at 31 March 2022

Particulars	Unbilled revenue	Outstanding for following years from due date of payment						Total
		Not due	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	26.48	245.72	21.74	2.30	0.44	1.13	297.81	
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	
Undisputed Trade receivable - credit impaired	0.60	12.84	23.88	17.59	-	-	54.91	
Disputed Trade receivables - considered good	-	-	-	-	-	-	-	
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-	
<b>Total</b>	<b>27.08</b>	<b>258.56</b>	<b>45.62</b>	<b>19.89</b>	<b>0.44</b>	<b>1.13</b>	<b>352.72</b>	

10.3 Cash and cash equivalents

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
Balances with banks:		
- On current accounts	66.11	54.31
- Deposits with original maturity of less than three months	0.08	-
Cash on hand	2.01	2.22
	<u>68.20</u>	<u>56.53</u>

10.4 Other bank balances

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
Bank Deposits due to mature within twelve months from the reporting date	94.15	105.11
	<u>94.15</u>	<u>105.11</u>

Margin money deposits with a carrying amount of Rs. 19.94 crore (March 31, 2022: Rs. 25.54 crore) are subject to charge to secure the Company's letter of credit facility for performance guarantee.

10.5 Loans (Unsecured considered good unless otherwise stated)

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
Loans to employees	2.34	2.43
Loans to related parties (refer note 45)	3.55	3.28
	5.89	5.71
Less: Allowance for loans to related parties	(3.55)	(3.28)
	<u>2.34</u>	<u>2.43</u>

10.6 Other current financial assets (Unsecured considered good unless otherwise stated)

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
Security deposits	1.43	2.78
Interest accrued on fixed deposits	4.39	3.51
Margin money deposit with banks and financial institutions	5.60	17.52
Interest accrued on inter corporate deposits to related parties *		
Considered good	-	-
Considered doubtful	1.06	0.98
Less: Provision against interest accrued on inter corporate deposits to related parties	(1.06)	(0.98)
	-	-
Earnest money deposit	0.33	0.25
Other receivables *		
Considered good	18.72	36.02
Considered doubtful	0.62	0.63
Less: Provision against other receivables	(0.62)	(0.63)
Net other receivables	<u>18.72</u>	<u>36.02</u>
	<u>30.47</u>	<u>60.08</u>

\* includes receivables from related parties (refer note 45)

11 Other current assets (Unsecured considered good unless otherwise stated)

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
Prepaid expenses	20.75	15.43
Advances to suppliers	27.59	36.86
Balance with government authorities	21.18	14.37
Unamortised lease registration charges	0.04	0.03
	<u>69.56</u>	<u>66.69</u>



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12	Equity Share capital	(Rs. in crore)	
		March 31, 2023	March 31, 2022
12.1	Authorised shares (Nos.) 135,000,000 (March 31, 2022: 135,000,000) Equity Shares of Rs. 10/- each	135.00	135.00
12.2	Issued, subscribed and fully paid-up shares (Nos.) 7,56,30,045 (March 31, 2022: 7,56,30,045) Equity Shares of Rs. 10/- each	75.63	75.63
	<b>Total issued, subscribed and fully paid-up share capital</b>	<b>75.63</b>	<b>75.63</b>

**Notes:**

(12.2.1) On October 13, 2014, the Group entered into an agreement with TPG Asia VI SF Pte Ltd., Singapore ("TPG"), wherein the Group allotted 1,639,535 equity shares of Rs.10 each at a premium of Rs. 599.93 each towards capital infusion of Rs. 100 crore. These equity shares rank pari passu with the existing equity shares of the Group. The Promoters and the Group shall provide exit as per the terms of the said agreement to the share holders.

(12.2.2) Manipal Hospitals Employee Welfare Trust ("MHEWT"), holds 1,133,200 equity shares of the Company. These shares will be used for administering the employee stock option schemes issued by the Company.

(12.2.3) TPG was allotted 8,197,674 shares on July 15, 2016 by conversion of 0.0001% Compulsorily Convertible Debentures ("CCD") of Rs. 10 at a premium of Rs.599.93 each, there were allotted by the Group on February 26, 2015 towards capital infusion of Rs. 500 crore.

(12.2.4) During the year 2016-17, Manipal Education & Medical Group India Private Limited ("MEMGIPIL") transferred all its 5,465,045 shares of Rs.10 each held in the Group, to Manipal Global Health Services, Mauritius ("MGHS"), (the Holding Group), thereafter MGHS transferred 2,592,193 shares to Cypress Holdings. Also, during the year 2012-13 MGHS had transferred 2,872,852 shares to Cypress Holdings.

(12.2.5) In October 2017 the shareholders of Imperius Healthcare Investments Pte. Ltd. (18.11%) acquired holding from Indium IV Mauritius Holdings Limited (11.61%) , India Value Fund IV (4.64%) and Facing Capital India Evolving Fund (1.86%). As per the terms of agreement, in the event that the promoter Initiated Exit is not completed by the promoter Initiated Exit date, Either Imperius or TPG shall be entitled to exit by a Strategic Sale or an IPO.

(12.2.6) During the year ended March 31, 2022, the Group offered 6,940,956 equity shares on rights basis to its existing shareholders for raising up to Rs. 1,136.80 crore. The rights issue was fully subscribed and allotment concluded on April 28, 2021.

**12.3 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year:**  
**Equity Shares**

	March 31, 2023		March 31, 2022	
	Nos.	Rs. in crore	Nos.	Rs. in crore
At the beginning of the year	7,56,30,045	75.63	6,86,89,089	68.69
Add : Issued during the year	-	-	69,40,956	6.94
At the end of the year	<b>7,56,30,045</b>	<b>75.63</b>	<b>7,56,30,045</b>	<b>75.63</b>

**12.4 Terms/rights attached to equity shares**

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year, the Company has not declared any dividend.

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

**12.5 Shares held by holding / ultimate holding company and / or their subsidiaries / associates**

	March 31, 2023		March 31, 2022	
	Nos.	Rs. in crore	Nos.	Rs. in crore
Manipal Global Health Services, Mauritius	2,83,60,160	28.36	2,83,60,160	28.36
Cypress Holdings	54,65,045	5.47	54,65,045	5.47
Manipal Education and Medical Group India Private Limited	41,47,117	4.15	41,47,117	4.15

**12.6 Details of shareholders holding more than 5% shares in the company\***

	March 31, 2023		March 31, 2022	
	Nos.	% holding in the class	Nos.	% holding in the class
Equity shares of Rs. 10 each fully paid				
Manipal Global Health Services, Mauritius	2,83,60,160	37.50%	2,83,60,160	37.50%
TPG Asia VI SF Pte Ltd.	1,62,71,883	21.52%	1,62,71,883	21.52%
Imperius Healthcare Investments Pte Ltd.	1,37,14,217	18.13%	1,37,14,217	18.13%
Cypress Holdings, Promoters	54,65,045	7.23%	54,65,045	7.23%
Manipal Education and Medical Group India Private Limited	41,47,117	5.48%	41,47,117	5.48%
National Investment and Infrastructure Fund - II	63,90,739	8.45%	63,90,739	8.45%

As per the records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

\* The Company is a party to a shareholder agreement in relation to the change in shareholding of the Company, which is subject to the approval from the relevant authority.

**12.7 Details of shareholding by the promoters of the company\***

As at March 31, 2023

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
<b>Equity shares of ₹10 each fully paid up held by:</b>					
Manipal Global Health Services, Mauritius	2,83,60,160	-	2,83,60,160	37.50%	-
Cypress Holdings	54,65,045	-	54,65,045	7.23%	-
Manipal Education and Medical Group India Private Limited	41,47,117	-	41,47,117	5.48%	-
	<b>3,79,72,322</b>	<b>-</b>	<b>3,79,72,322</b>	<b>50.21%</b>	<b>0.00%</b>

Dr. Ranjan Ramdas Pai holds 1,42,684 shares as promoter of the Company.

\* The Company is a party to a shareholder agreement in relation to the change in shareholding of the Company, which is subject to the approval from the relevant authority.

As at March 31, 2022

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
<b>Equity shares of ₹10 each fully paid up held by:</b>					
Manipal Global Health Services, Mauritius	3,47,50,899	(63,90,739)	2,83,60,160	37.50%	(8.45)%
Cypress Holdings	54,65,045	-	54,65,045	7.23%	-
Manipal Education and Medical Group India Private Limited	-	41,47,117	41,47,117	5.48%	5.48%
	<b>4,02,15,944</b>	<b>(22,43,622)</b>	<b>3,79,72,322</b>	<b>50.21%</b>	<b>(2.97)%</b>

**12.8 As at March 31, 2023 and March 31, 2022, the Group does not have any shares reserved for issue under options and contracts or commitments for the sale of shares except Employee Stock Option Plans (refer note 44).**



13 Other equity

		(Rs. In crore)	
		March 31, 2023	March 31, 2022
13.1	<b>Securities premium</b>		
	Balance at the beginning of the year	2,569.55	1,439.71
	Add: Addition during the year	-	1,129.84
	<b>Balance at the end of the year</b>	<b>2,569.55</b>	<b>2,569.55</b>
	Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act.		
13.2	<b>Treasury Shares</b>		
	Balance at the beginning of the year	(34.36)	(34.36)
	Add: Acquired/ issued during the year	-	-
	<b>Balance at the end of the year</b>	<b>(34.36)</b>	<b>(34.36)</b>
	Own equity instruments that are acquired / re-acquired (treasury shares) are recognised at cost and deducted from equity.		
13.3	<b>Employee stock options outstanding account</b>		
	Balance at the beginning of the year	17.98	11.27
	Add/ (less): Share based expense/ (net of reversal) for the year	8.15	6.71
	Adjustments related to ESOP settlement	(3.57)	-
	<b>Balance at the end of the year</b>	<b>22.56</b>	<b>17.98</b>
13.4	<b>General reserve</b>		
	Balance at the beginning of the year	2.80	2.80
	Add: Addition during the year	-	-
	<b>Balance at the end of the year</b>	<b>2.80</b>	<b>2.80</b>
13.5	<b>Retained earnings</b>		
	Balance at the beginning of the year	189.29	(352.59)
	Add/ (less): Profit/ (loss) for the year	427.32	541.88
	<b>Balance at the end of the year</b>	<b>616.61</b>	<b>189.29</b>
13.6	<b>Re-measurement of defined benefit plans</b>		
	Balance at the beginning of the year	3.03	0.17
	Add: Other comprehensive income for the year (net of tax)	1.81	2.86
	<b>Balance at the end of the year</b>	<b>4.84</b>	<b>3.03</b>
13.7	<b>Foreign currency translation reserve (item of OCI)</b>		
	Balance at the beginning of the year	(15.85)	(3.29)
	Add: Additions during the year	0.34	(54.41)
	Exchange difference on account of sale of MHSE	-	41.85
	<b>Balance at the end of the year</b>	<b>(15.51)</b>	<b>(15.85)</b>
	<b>Total of other equity</b>	<b>3,166.49</b>	<b>2,732.44</b>
13.8	<b>Non-controlling interest</b>		
	Balance at the beginning of the year	99.77	99.43
	Share of profit / (loss) for the year	1.71	(0.16)
	Additions during the year	22.13	0.50
	<b>Balance at the end of the year</b>	<b>123.61</b>	<b>99.77</b>

14 Non-current financial liabilities

14.1 Borrowings (secured unless other-wise stated)

		(Rs. In crore)	
		March 31, 2023	March 31, 2022
	<b>Non-current Borrowings</b>		
	Term loan from banks (refer note 14.1.1 to 14.1.4)	1,688.90	1,551.61
	Term loan from financial institutions (refer note 14.1.1 to 14.1.4)	442.70	208.41
	Term loan from others (unsecured)	10.00	10.00
	Loan for working capital (refer note 14.1.1 to 14.1.2 and 14.1.5)	-	200.00
	Loan for purchase of capital asset (refer note 14.1.1 to 14.1.3 and 14.1.6)	8.09	3.82
	<b>(A) 2,149.69</b>	<b>1,973.84</b>	
	<b>Less: Current maturities - disclosed under the head Short term Borrowings</b>		
	Term loan from banks	199.28	168.50
	Loan for working capital	-	200.00
	Loan for purchase of capital asset	2.06	1.03
	<b>(B) 201.34</b>	<b>369.53</b>	
	<b>(A-B) 1,948.35</b>	<b>1,604.31</b>	
14.1.1	<b>Principal Outstanding (net of transaction cost)</b>		
	Term loans from banks	1,688.90	1,551.61
	Term loans from financial institutions	442.70	208.41
	Loans from others	10.00	10.00
	Loans for working capital	-	200.00
	Loan for purchase of capital asset	8.09	3.82
	<b>2,149.69</b>	<b>1,973.84</b>	
14.1.2	<b>Effective Interest Rate</b>		
	Term loan from bank	(7.00% to 9.34%)	(6.63% to 9.30%)
	Term loan from financial institution	8.75%	(7.50% to 8.45%)
	Loan for working capital	-	5.05%
	Loan for purchase of vehicles	(7.35% to 10.00%)	(9.00% to 14.00%)
	Loan from Others (MHPL)	11.30%	11.50%
14.1.3	<b>Repayment Terms</b>		
	Term loan from bank		
	Term loan from financial institution		Quarterly instalments, over period of 10 years
	Loan for purchase of vehicles		Quarterly instalments, over period of 10 years
			Monthly instalments, over period 1 to 7 years
14.1.4	<b>The terms and conditions of all the term loans from banks and financial institutions are similar and are as follows:</b>		

During the year ended March 31, 2023, the Company entered into facility agreement with its lenders and offered consolidated security as below:-

- A first pari-passu charge over all movable, immovable fixed assets and current assets other than fixed Deposits and mutual funds kept as DSRA & immovable properties mentioned as excluded properties in facility agreements.
- A first pari-passu charge over entire movable fixed assets and current assets of MHBPL, MHDPL, MHPL and MHPL (other than the fixed deposits and mutual funds or any debt service reserve amounts required to be maintained by MHPL and MHDPL with respect to the additional facilities or any existing facilities of MHPL and MHDPL).
- Non disposal undertaking by the Company in respect of each shareholding aggregating upto 100% (One hundred percent) in MHPL.
- Exclusive security interest over the amount in the Debt Service Reserve Accounts required to be maintained by the Company.
- Irrevocable and unconditional corporate guarantee by MHDPL, MHDPL, MHPL and MHPL. Also, refer note 40 (C).

(f) Term loan taken by HDPL secured by:-

- a first and exclusive charge over all present and future movable property plant and equipment and current assets pertaining to other than Jharkhand project of HDPL and project funded by other lenders.
- a first and exclusive charge over all and current assets pertaining to other than Jharkhand project of HDPL and project funded by other lenders.



During the year ended March 31, 2022, the terms and conditions of all the term loans from banks and financial institutions are as follows:

- A first ranking pari passu on movable and immovable Property Plant and Equipment of the Company, (excluding security over Jaipur and Whitefield as described below)
- A first ranking pari passu Security Interest over all leasehold rights of Jaipur Location, a second ranking pari passu Security Interest over all immovable fixed assets of the Jaipur Location, first ranking pari passu Security Interest over all movable fixed assets and current assets of Jaipur Location, first ranking exclusive security Interest over the Jaipur Location Designated Account and all rights of Company under Loan Agreement.
- A first ranking pari passu Security Interest over all leasehold rights of Whitefield Location, a second ranking pari passu Security Interest over all immovable fixed assets of the Whitefield Location, first ranking pari passu Security Interest over all movable fixed assets and current assets of Whitefield Location, first ranking exclusive security Interest over the Whitefield Location Designated Account and all rights of Company under Loan Agreement.
- A first ranking pari passu Security Interest over all movable fixed assets and current assets of MHDPL, including but not limited to movable fixed assets, intangible assets and all other movable properties of whatsoever nature (both present and future), a second ranking pari passu Security Interest over all immovable assets of MHDPL, and a first ranking pari passu Security Interest over the MHDPL Designated Account.
- A first ranking pari passu Security Interest over the HCMCT Immovable Property; a first ranking exclusive Security Interest over the HCMCT Designated Account.
- All above facilities are secured by Security Interest over the Debt Service Reserve Account and first ranking exclusive pledge / non-disposal undertaking along with irrevocable power of attorney by the shareholders of MHJPL and MHDPL in respect of 100% (one hundred per cent) paid-up share capital of MHJPL and MHDPL from time to time, with pledge over all equity shares of the MHJPL and MHDPL respectively. Further all the above securities against each facility should provide a minimum tangible security cover of 1 times of the facility till the final settlement date.
- Security offered to HDFC bank & YES bank is (a) first ranking pari passu Security Interest over all movable fixed assets and current assets of MHEPL, MHDPL, MHJPL, MHPL and MHBPL First ranking pari passu Security Interest over all the Immovable Properties (other than the HCMCT Immovable Properties); (d) a first ranking pari passu Security Interest, by way of hypothecation, over all leasehold improvements of the oncology block constructed by MHEPL on the land situate at Survey No. 364/1, Taleigao Village, Tiswadi Taluk, Donapaula Goa; and (e) a first ranking exclusive Security Interest over the Debt Service Reserve Accounts and the Debt Service Required Balances required to be maintained by MHEPL, MHDPL & HCMCT. HCMCT assets shall be exclusive for loan to HCMCT.
- MHPL has obtained a Bilateral term loan. The term loan is secured by first pari passu charge by way of equitable mortgage on all the property, plant and equipment, leasehold rights present and future (movable and immovable) including the identified immovable properties and first charge by way of hypothecation of all present and future current assets including all receivables and first charge by way of hypothecation on all intangible assets including but not limited to goodwill, uncalled capital, present and future.

i) Term loans taken by HDPL is secured by:-

- a first and exclusive charge over all present and future movable property plant and equipment and current assets pertaining to other than Jharkhand project of the Company and project funded by other lenders.
- a first charge on equipments of the Company installed at Deoghar and Dumka.

j) Term loan taken by HDPL from a financial institution is sanctioned for medical equipments and its accessories and is secured by first, exclusive and fixed charge by way of hypothecation over the equipments purchased out of funds borrowed from the lender.

14.1.5 During the year ended March 31, 2022, the Group obtained a working capital loan from Axis bank of Rs. 200.00 crore which carries an interest @ 5.05% p.a payable within one year. The loan is secured against current assets. The loan is repaid in the current year.

14.1.6 The Group obtained vehicle under financing arrangements from Bank and secured against such vehicle.

#### 14.2 Lease liabilities

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
Opening balance	941.08	335.56
Add: New leases during the year	170.62	51.73
Add: Lease liability on account of acquisition (refer note 32)	-	559.11
Add: Interest accrued	104.55	79.99
Add: Interest capitalised	6.56	17.07
Less: Lease paid	(17.97)	(22.65)
Less: Interest paid	(102.33)	(77.01)
Less: Lease liability reversed	(6.57)	(2.72)
	<u>1,095.94</u>	<u>941.08</u>
Non-current	1,061.83	898.04
Current	34.11	43.04

#### 14.2.1 Notes

Refer notes 2.3(i) in relation to accounting policy for leases and treatment on transition.

Refer note 4 for depreciation charge for right-of-use assets by class of underlying asset and additions to right-of-use assets and the carrying amount of right-of-use assets at the end of the reporting year by class of underlying asset.

Refer note 28.1 in relation to short term leases and leases of low-value assets accounted for applying paragraph 6 of Ind AS 116.

The Company has taken on lease certain building for hospital operations, diagnostic centres hostels for staff, equipments and office spaces and certain software for use in the course of its business.

#### 15 Long-term provisions

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
Provision for gratuity (refer note 31)	14.87	24.92
	<u>14.87</u>	<u>24.92</u>

#### 16 Income tax

The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

##### Statement of Profit and loss:

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
Current income tax:		
Current income tax charge	170.68	96.13
Adjustment of tax relating to earlier years	0.42	(0.13)
	<u>171.10</u>	<u>96.00</u>
Deferred tax charge:		
Origination and reversal of temporary differences	(14.56)	(5.54)
	<u>(14.56)</u>	<u>(5.54)</u>
Income tax expense reported in the statement of profit and loss	<u>156.54</u>	<u>90.46</u>

##### OCT section

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
Deferred tax related to items recognised in other comprehensive income during the year		
Net loss on remeasurement of defined benefit plan	0.60	1.03
Income tax expense reported in other comprehensive income	<u>0.60</u>	<u>1.03</u>

##### Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2023 and March 31, 2022:

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
Accounting profit/ (loss) after exceptional item but before income tax and share in loss of joint venture	619.84	658.68
At India's statutory income tax rate of 25.17% (March 31, 2022: 25.17%)	156.01	165.79
Utilization of deferred tax on losses	-	(76.62)
Tax effect of non-deductible expenses	(11.76)	1.29
Effect of difference in tax rates	(2.75)	-
Deferred tax asset not recognised on Impairment of Investment	17.62	-
Others	(2.58)	-
Tax expense as reported	<u>156.54</u>	<u>90.46</u>

Certain entities of the Group have incurred losses during the relevant year, which has resulted in reduction of profit / increase of losses in the consolidated financial statements. However, the tax liability has been discharged by the respective entities on a standalone basis. Further, in view of absence of reasonable certainty, the Group has not recognised deferred tax asset in certain companies.



Deferred tax

	(Rs. in crore)			
	Recognised in balance sheet		Recognised in profit and loss and OCI	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Property plant equipment: Impact of difference between tax depreciation as per Income Tax Act, 1961 over depreciation/ amortization as per Companies Act, 2013.	(436.52)	(405.08)	31.38	89.22
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis *	283.67	335.94	(47.49)	(130.41)
Provision for doubtful debts and advances	17.00	12.19	(4.81)	(4.73)
Provision for stamp duty deductible under section 35DD of Income Tax Act, 1961.	2.54	3.90	1.36	-
Fair valuation of investments in mutual fund	(5.67)	(7.91)	(6.80)	(11.39)
Deferred tax on losses	76.01	79.86	3.87	84.03
Deferred tax on short term capital loss	9.75	5.79	0.59	7.82
Deferred tax on long term capital loss	5.66	12.62	6.96	(5.93)
Minimum alternate tax	-	-	-	3.01
Deferred tax assets not recognised on account of no reasonable certainty of sufficient profits	(70.83)	(74.39)	(3.55)	6.23
Recognised on acquisition	(70.07)	(73.27)	(3.68)	(2.98)
Provision for impairment of investment	1.26	1.26	-	(1.26)
Deferred tax on fair valuation of preference shares	(0.62)	(0.91)	(0.29)	-
Others	30.07	38.29	8.30	(37.12)
Deferred tax charge	-	-	(13.96)	(4.51)
Net deferred tax (liabilities)	(157.75)	(171.71)	-	-

\* Includes items under 43B such as Leave encashment, gratuity, bonus and amounts routed through Other Comprehensive Income pertaining to remeasurement of defined benefit plan.

Deferred tax balances:

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
Deferred tax assets	14.01	389.85
Deferred tax liabilities	(171.76)	(561.56)
Deferred tax liabilities (net)	(157.75)	(171.71)

Note: Deferred tax assets/(liabilities) has been disclosed basis entity wise net deferred tax assets/(liabilities) as at year-end.

Reconciliation of deferred tax liability

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
Opening balance	(171.71)	(117.91)
Recognised on acquisition of MHPL, MHBPL and Medcis (refer note 32)	-	(58.31)
MAT (charge)/ credit	-	(2.01)
Tax (charge) during the year recognised in profit or loss	14.56	7.55
Subtotal	(157.15)	(170.68)
Tax (charge) during the year recognised in OCI	(0.60)	(1.03)
Closing balance	(157.75)	(171.71)

Unrecognised deferred tax asset:

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
Carried forward business losses	183.51	46.19
Carried forward unabsorbed depreciation	114.62	28.85
Carried forward long term capital losses	21.85	5.00
	319.98	80.04

Tax losses carried forward:

Tax losses for which no deferred tax asset was recognised expire as follows:

	(Rs. in crore)	
	Amount (in crs)	Expiry date
Carried forward business losses	183.51	FY 2023-24 to FY 2028-29
Carried forward unabsorbed depreciation	114.62	Never expire
Carried forward long term capital losses	21.85	FY 2029-30

17 Current financial liabilities

17.1 Borrowings

Loan for working capital (refer 14.1.5)  
Current maturities of long-term borrowings (refer note 14.1)

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
	-	200.00
	201.34	169.53
	201.34	369.53

17.1 Trade payables

Trade payables  
- total outstanding dues of micro enterprises and small enterprises  
- total outstanding dues of creditors other than micro enterprises and small enterprises

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
	18.55	14.45
	748.01	653.07
	766.56	667.52

For details relating to payable to related parties refer note 45.

As at 31 March 2023

Particulars	Outstanding for following years from due date of payment					Total
	Not due (Including provision for expense)	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Outstanding dues of micro enterprises and small enterprises	6.29	12.26	-	-	-	18.55
Outstanding dues of creditors other than micro enterprises and small enterprises	611.09	106.97	13.45	1.61	14.89	748.01
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	617.38	119.23	13.45	1.61	14.89	766.56



As at 31 March 2022

Particulars	Outstanding for following years from due date of payment #				Total
	Less than 1 year #	1-2 years	2-3 years	More than 3 years	
Outstanding dues of micro enterprises and small enterprises	14.45	-	-	-	14.45
Outstanding dues of creditors other than micro enterprises and small enterprises	628.64	18.75	3.49	2.19	653.07
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
<b>Total</b>	<b>643.09</b>	<b>18.75</b>	<b>3.49</b>	<b>2.19</b>	<b>667.52</b>

# including provision for expenses

There were no disputed dues from Micro enterprises and small enterprises and creditors other than micro enterprises and small enterprises.

17.2 Other current financial liabilities

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
Interest accrued but not due on borrowings*	3.48	0.76
Capital creditors**	51.01	48.05
Sundry deposits	1.13	0.82
Retention money	6.78	9.42
Deferred consideration (refer note 12 (a) & (c))	5.95	445.86
Other payables	0.42	-
	<b>68.77</b>	<b>504.91</b>

\* The details of interest rates, repayment and other terms are disclosed under note 14.1.

\*\*As at March 31, 2023, outstanding amount of Rs. 2.40 crore (March 31, 2022: Rs 1.00 crore) is due to micro and small enterprises. There are no interest due or outstanding on the same. There were no amounts paid to micro and small enterprises beyond the appointed date during the current and the previous years."

18 Short-term provisions

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
Provision for gratuity (refer note 31)	0.61	0.31
Provision for compensated absences	32.24	27.49
	<b>32.85</b>	<b>27.80</b>

19 Current tax liabilities (net)

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
Current tax liabilities (net of advance tax/ tax deducted at source)	38.34	55.85
	<b>38.34</b>	<b>55.85</b>

20 Other current liabilities

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
Statutory dues	28.39	19.34
Advance received from customer (refer note 21)	24.56	23.88
Stamp duty payable	10.08	15.51
Donations and other funds	9.47	9.00
Liability towards free services	0.01	0.07
Other payables	-	2.75
	<b>72.51</b>	<b>70.45</b>



21 Revenue from operations

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
Hospital services	4,643.56	3,802.64
Diagnostic services	140.96	75.33
Pharmacy sales	180.87	271.27
Less: Discounts	(236.05)	(232.09)
<b>Total (a)</b>	<b>4,729.34</b>	<b>3,917.15</b>
<b>Other operating income</b>		
Management fees from hospitals	38.46	16.95
Occupational health centre and ambulance service	19.99	20.37
Rental income	3.41	2.22
Others	14.73	18.53
<b>Total (b)</b>	<b>76.59</b>	<b>58.07</b>
<b>Total (a+b)</b>	<b>4,805.93</b>	<b>3,975.22</b>

a) The revenue from contracts with customer at disaggregation is provided above.

b) Changes in contract liabilities- Advance received from customers

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
<b>Balance at the beginning of the year</b>	<b>23.88</b>	<b>9.90</b>
Less: Revenue recognised that was included in the balance at the beginning of the year	(23.88)	(9.90)
Add: Increase due to advance from patients received (refer note 20)	24.56	23.88
<b>Balance at the end of the year</b>	<b>24.56</b>	<b>23.88</b>
<b>Expected revenue recognition from remaining performance obligations:</b>		
- Within one year	24.56	23.88

c) Contract balances

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
Receivables		
- Trade receivables	309.37	324.89
Contract liabilities		
- Advance received from customer (refer note 20)	24.56	23.88

Unbilled revenue is relating to the service rendered where the invoicing is not done and Trade receivable are non-interest bearing and are generally on a terms of 30 to 120 days.

Contract liabilities relates to the advances received from the customers to deliver the hospital service. There is no significant changes in the contract liabilities during the year.

d) The Group's performance obligation is to provide the hospital service to patients, this is part of a contract that has an original expected duration of less than one year, hence the Group has taken the practical expedient related to performance obligation disclosure as provided by Ind AS 115.

22 Other income

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
Profit on sale of investments in mutual funds (net)	44.49	86.46
Gain on dilution of investment in Joint Venture	19.80	2.87
Profit on sale of property, plant and equipment (net)	0.75	0.01
Foreign exchange gain (Net)	-	0.02
Liabilities/provisions no longer required written back	4.07	0.03
Gain on lease liability reversal	0.10	0.05
Bad debt recovery	-	0.25
Interest on income tax refund	2.25	0.51
Others	1.32	12.29
	<b>72.78</b>	<b>102.49</b>

23 Finance income

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
Interest on inter corporate deposit (refer note 45)	0.38	-
Interest income on financial assets at amortised cost	7.07	1.07
Interest income on bank deposits	7.90	5.46
Interest income on financial liabilities at amortised cost	-	0.13
	<b>15.35</b>	<b>6.66</b>

24 Changes in inventories of medical consumables and pharmacy items

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
<b>Pharmacy items</b>		
Inventory at the beginning of the year	36.47	12.88
Inventory on account of acquisition of subsidiary	-	8.10
Less: Inventory at the end of the year	(34.62)	(36.47)
	<b>1.85</b>	<b>(15.49)</b>

**Medical consumables**

Inventory at the beginning of the year	40.93	9.82
Inventory on account of acquisition of subsidiary	-	16.77
Less: Inventory at the end of the year	(28.44)	(40.93)
	<b>12.49</b>	<b>(14.34)</b>
	<b>14.34</b>	<b>(29.83)</b>



25	Employee benefits expense	(Rs. in crore)	
		March 31, 2023	March 31, 2022
	Salaries, wages and bonus	563.34	461.13
	Contribution to provident and other funds (refer note 31)	35.72	27.56
	Gratuity expenses (refer note 31)	8.91	7.00
	Share based payments (refer note 44 & 45)	8.15	6.71
	Staff welfare expenses	41.47	49.88
		<b>657.59</b>	<b>552.28</b>
26	Finance costs	(Rs. in crore)	
		March 31, 2023	March 31, 2022
	Bank charges	21.88	21.63
	Interest		
	- on bank and financial institution loan	166.08	172.03
	- on leases	104.56	79.99
	- on vehicle loan	0.42	0.11
	- on advance tax	3.38	1.40
	- on deferred consideration	21.51	35.62
	- on others (refer note 31)	1.67	4.75
	Loan processing fees		
	- on financial liabilities measured at amortised cost	9.95	10.06
	<b>Total interest expense</b>	<b>307.57</b>	<b>303.96</b>
		<b>329.45</b>	<b>325.59</b>
27	Depreciation and amortisation expense	(Rs. in crore)	
		March 31, 2023	March 31, 2022
	Depreciation of property, plant and equipment (refer note 3)	218.06	185.79
	Amortisation of right-of-use assets (refer note 4)	69.91	52.86
	Amortisation of other intangible assets (refer note 4)	27.30	17.35
		<b>315.27</b>	<b>256.00</b>
28	Other expenses	(Rs. in crore)	
		March 31, 2023	March 31, 2022
	Doctors professional fees	1,047.91	797.48
	House keeping, including consumables	119.57	116.04
	Power, fuel and other utilities	82.12	68.62
	Security charges	27.87	20.63
	Rent (refer note 28.1)	38.83	23.80
	Contractual manpower	37.99	34.76
	Rates and taxes	5.25	5.61
	Insurance	7.46	6.82
	Repairs and maintenance		
	- Buildings	10.97	14.24
	- Plant and machinery	56.13	50.87
	- Others	81.76	57.14
	Corporate social responsibility (refer note 43)	5.41	1.64
	Advertising and sales promotion	163.14	104.07
	Travelling and conveyance	20.80	14.59
	Communication costs	5.32	4.53
	Printing and stationery	18.51	13.73
	Legal and professional fees	68.75	58.90
	Bad debts/advances written off	21.40	21.63
	Provision for doubtful debts (net of reversals)	19.72	5.60
	Provision for doubtful other receivables	(0.02)	(0.08)
	Impairment on loan to others	-	5.00
	Foreign exchange loss (Net)	0.21	0.55
	Share Issue Expenses	0.59	-
	Fair value loss on financial instruments at fair value through profit and loss	7.96	53.89
	Miscellaneous expenses	33.51	29.64
		<b>1,881.16</b>	<b>1,509.70</b>

28.1 Represents amounts incurred by the Company towards expenses relating to short-term leases, leases of low-value assets and ineligible GST on lease payments written off. Also, refer note 2.3 (i)

28.2 Payment to auditors\*

As auditor:	(Rs. in crore)	
	March 31, 2023	March 31, 2022
Audit fee	3.01	2.74
Limited review	0.30	0.30
In other capacity:		
Reimbursement of expenses	0.25	0.21
Amount inclusive of Goods and Service Tax (GST)	<b>3.56</b>	<b>3.25</b>



**29 Exceptional items**

During the year ended March 31, 2023, the Company has provided an arrangement to eligible employees to surrender vested ESOP's for ex-gratia payment as a one-time 'cash settlement' arrangement. As a result, the company has recognized expenses towards Employee stock option plans (ESOP) Rs. 43.90 crores (March 31, 2022: Rs. Nil). Since the ESOP expense meets both the test of incidence and test of materiality, the management has classified this expense as exceptional item in the Standalone Financial Statements.

The Company has incurred certain legal and professional fees towards its executed planned business expansion amounting to Rs. 26.00 crore (March 31, 2022: Rs. 14.69 crore). The Company has disclosed the same as exceptional item in the audited Consolidated Financial Statements.

The Company received the stamp duty adjudication order from the Government of Karnataka for the merger of Manipal Hospitals (Whitefield) Private Limited (MHWPL) and the Company. Hence, the company has recognised an additional expense of Rs. 1.99 crores (March 31, 2022: Rs. Nil)

The Company has incurred expenses towards brand launch amounting to Rs. Nil (March 31, 2022: Rs. 11.45 crore) shown under exceptional item.

The Company has made provision for impairment of its investment in Terral Technologies Private Limited of Rs. 41.59 crores (March 31, 2022: Rs. Nil), as it does not expect any recoverable amount (net) from its investment.

The company has recognised gain on change in fair value of non-controlling interest liability for Medeis Pathlabs India Private Limited amounting to Rs 13.83 crores (March 31, 2022: Rs. Nil) shown under exceptional item.

The Company's wholly owned subsidiary, Manipal Hospitals (Bengaluru) Private Limited incurred certain one time legal and professional fees amounting to Rs. Nil (March 31, 2022: Rs. 8.92 crores) and one time bonus amounting to Rs. Nil (March 31, 2022: Rs. 9.74 crores) in connection with its planned business expansion programmes. The same is disclosed as an exceptional item in the audited Consolidated Financial Statements.

HDPIL incurred certain one time legal and professional fees towards its executed/ planned business expansion amounting to Rs. Nil (March 31, 2022: Rs. 2.91 crores) shown under exceptional item.

IDPL has incurred expenses towards brand transition and brand logo expenses amounting to Rs. 2.47 crores (March 31, 2022: Rs. Nil) shown under exceptional item

During the year ended March 31, 2022, the Company's wholly owned subsidiary, Manipal Health Enterprise International Pte Ltd, Singapore, on May 3, 2021 transferred its entire shareholding in Manipal Hospital Sdn Bhd ("MHSB") of 108,081,825 shares (100% interest) for a consideration of Rs. 407.38 crores and recognised gain of Rs. 176.14 crores and recognised foreign exchange gain of Rs. 41.85 crores as exceptional item. In May 2021, Manipal Health Enterprises International Pte Ltd (MHEIPL) bought back 23,97,160 ordinary shares of USD 1 each held by the Company for an aggregate amount of USD 72,79,610.96 and recognised foreign exchange gain of Rs. 2.76 crores as exceptional item. On May 5, 2021, the entire outstanding 0.01% Optionally Convertible Cumulative Preference Shares held by the Company in Manipal Health Enterprises International Pte Ltd were redeemed at par and recognised foreign exchange gain of Rs. 30.79 crores as exceptional item.

During the year ended March 31, 2022, the Company's wholly owned subsidiary, MHEIPL reduced the share capital by cancelling 80,88,600 ordinary shares of USD 1 each held by the Company and returned an aggregate amount of USD 8,088,600 and returned an aggregate amount of USD 80,88,600 and recognised gain of Rs. 9.61 crores on capital reduction as exceptional item.

During the year ended March 31, 2022, Company's wholly owned subsidiary, MHEIPL incurred foreign exchange loss amounting to Rs.3.52 crores. The Company has disclosed the same as exceptional item in the audited Consolidated Financial Statements.

**30 Earnings/ (loss) per share (EPS)**

The following reflects the profit/ (loss) and share data used in the basic and diluted EPS computations:

	March 31, 2023	(Rs. in crore) March 31, 2022
Profit/ (loss) attributable to the Owners of the Company for basic EPS (continuing operations)	427.32	546.86
Profit/ (loss) attributable to the Owners of the Company for basic EPS (discontinued operations)	-	(4.98)
Profit/ (loss) attributable to the Owners of the Company for basic EPS (continuing and discontinued operations)	427.32	541.88
	March 31, 2023	March 31, 2022
Weighted average number of equity shares for calculating basic EPS	7,44,96,845	7,44,52,542
Effect of dilution:		
Stock option granted under ESOP Schemes	4,18,720	90,333
Weighted average number of equity shares in calculating diluted EPS	7,49,15,565	7,45,42,875
<b>Continuing operations</b>		
Basic earnings per share (Rs.)	57.36	73.45
Diluted earnings per share (Rs.)	57.04	73.36
<b>Discontinued operations</b>		
Basic earnings per share (Rs.)	-	(0.67)
Diluted earnings per share (Rs.)	-	(0.67)
<b>Continuing and discontinued operations</b>		
Basic earnings per share (Rs.)	57.36	72.78
Diluted earnings per share (Rs.)	57.04	72.69



### 31 Employee benefit plan

#### (i) Defined contribution plan:

Amount recognised and included in note 25, 'Contribution to provident and other funds' in statement of profit and loss of Rs. 35.72 crores (March 31, 2022: Rs. 27.56 crores)

#### (ii) Defined benefit plan:

The Group has a defined benefit gratuity plan. Under this plan, every employee who has completed five years or more of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. The scheme is unfunded and funded. However, the Group has created a trust on March 30, 2013.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet.

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
<b>a) Statement of profit and loss and other comprehensive income</b>		
<b>i) Net employee benefit expense recognized in the statement of profit or loss</b>		
Current service cost	8.91	7.00
Past service cost	-	0.03
Interest cost on benefit obligation	1.98	2.62
Expected return on plan assets	(0.31)	(0.16)
<b>Net benefit expense charged to statement of profit or loss</b>	<b>10.58</b>	<b>9.49</b>
<b>ii) Remeasurement</b>		
Actuarial changes arising from changes in financial assumptions	(2.72)	(15.37)
Actuarial changes arising from changes in demographic assumptions	0.02	12.59
Experience adjustments	(0.20)	(1.03)
Return on plan assets excluding interest income	0.49	(0.08)
<b>Total amount recognised in other comprehensive income</b>	<b>(2.41)</b>	<b>(3.89)</b>
<b>b) Balance Sheet</b>		
<b>Net liability arising from defined benefit obligation</b>		
Non current	14.87	24.92
Current	0.61	0.31
<b>Plan liability</b>	<b>15.48</b>	<b>25.23</b>
<b>c) Change in projected benefit obligations</b>		
Defined benefit obligation at the beginning of the year	25.23	31.06
Addition on account of acquisition	-	12.05
Fair value of plan asset at the beginning of the year	24.85	5.02
Current service cost	8.51	7.00
Past service cost	-	0.03
Interest cost	3.39	2.62
Benefits paid	(5.92)	(3.89)
<b>Remeasurement of (gain)/ loss in other comprehensive income:</b>		
Actuarial (gain)/ loss arising from change in financial assumptions	(2.72)	(15.37)
Actuarial loss/ (gain) arising from change in demographic assumptions	0.02	12.59
Actuarial loss/ (gain) on account of experience adjustments	(0.20)	(1.03)
Fair value of plan asset at the end of the year	(38.07)	(24.85)
Liabilities assumed / (settled) *	0.40	
<b>Obligations at end of the year</b>	<b>15.48</b>	<b>25.23</b>
<b>d) Fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	24.86	5.02
Interest income	1.72	0.17
Actuarial gain/ (loss) on plan assets	(0.14)	0.08
Contributions by the Employer	17.35	23.22
Benefit Paid	(5.36)	(3.65)
Return on plan assets, excluding interest income	(0.35)	(0.01)
<b>Fair value of plan assets at the end of the year</b>	<b>38.07</b>	<b>24.84</b>
<b>e) Investment details of plan assets:</b>		
Insurer managed funds	38.07	24.84



**Manipal Health Enterprises Private Limited**  
**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**

f) The principal assumptions used in determining gratuity liability for the Group's plan are shown below:

Discount rate	7.45% to 7.50%	6.95% to 7.20%
Increase in compensation cost	6.00% to 7.00%	5.00% to 6.00%
Retirement Age	60 years	60 years

Employee turnover - for all age groups:

Age (Years)		Rate (p.a.)	
March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
21 - 30	21 - 30	24.04%	24.04%
31 - 34	31 - 34	5.81%	5.81%
35 - 44	35 - 44	4.73%	4.73%
45 - 50	45 - 50	0.75%	0.75%
51 - 54	51 - 54	0.10%	0.10%
55 - 59	55 - 59	0.03%	0.03%

As per Indian Assured lives Mortality (2012-014) Ult. (March 31, 2022: Indian Assured Lives Mortality (2012-014) Ult.)

The estimates of future salary increases, considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

g) Maturity profile of defined benefit obligation:

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
Within 1 year	3.71	2.46
Between 2 and 5 years	16.55	9.86
Between 6 and 10 years	46.11	11.94
Beyond 10 years	79.69	67.99

The average duration of the defined benefit plan obligation at the end of the reporting year is 9.93 years (March 31, 2022: 10.37 years)



32 (a) 'Business combination - Manipal Hospitals Private Limited (formerly known as Columbia Asia Hospitals Private Limited)

On April 30, 2021, the Company acquired 100% shareholding and voting shares of Manipal Hospitals Private Limited engaged in the business of running/managing hospitals, and providing healthcare services for an equity value consideration of Rs. 1,791.79 crores. First tranche of Rs. 1,344.13 crores has been paid on the completion date and the balance is payable within 18 months from the completion date. The Group acquired MHPL to enlarge the business of healthcare services.

As a part of the funding plan for acquisition of MHPL, the Company offered 6,940,956 equity shares on rights basis to its existing shareholders for raising upto Rs. 1,136.80 crore. The rights issue was fully subscribed and allotment concluded on April 28, 2021.

Accordingly, effective such date MHPL is a subsidiary of the Company and has been included in the consolidated financial statements for the previous year ended March 31, 2022.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as at 1 May 2021:

(Rs. in crore)

Component				Purchase price	
Cash consideration paid on date of acquisition along with stamp duty charges				1,734.92	
<b>Total purchase consideration at fair value (A)</b>				<b>1,734.92</b>	
Assets	Valuation methodology	Description	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Property, plant and equipment	Fair value		502.30	175.92	678.22
Capital work-in-progress	Book value *		113.23	-	113.23
Right of use asset	Book value *		424.06	-	424.06
Other intangible assets	Fair value		1.92	243.70	245.62
Inventories	Book value *		21.04	-	21.04
Investments	Book value *		27.08	-	27.08
Trade receivables	Book value *	These receivables are net of expected credit losses and considered good	50.62	-	50.62
Cash and cash equivalents	Book value *		56.19	-	56.19
Other bank balances	Book value *		62.56	-	62.56
Loans	Book value *		17.81	-	17.81
Other financial assets	Book value *		16.22	-	16.22
Income tax assets (net)	Book value *		39.32	-	39.32
Other assets	Book value *		31.45	-	31.45
<b>Total assets (B)</b>			<b>1,363.80</b>	<b>419.62</b>	<b>1,783.42</b>
Liabilities					
Borrowings	Book value *		337.83	-	337.83
Trade payables	Book value *		119.09	-	119.09
Lease liability	Book value *		494.70	-	494.70
Other financial liabilities	Book value *		9.27	-	9.27
Provisions	Book value *		26.18	-	26.18
Other liabilities	Book value *		5.16	-	5.16
Deferred tax liabilities	Fair value		-	61.34	61.34
<b>Total liabilities (C)</b>			<b>992.23</b>	<b>61.34</b>	<b>1,053.56</b>
<b>Net assets (D)=(B)-(C)</b>			<b>371.57</b>	<b>358.28</b>	<b>729.86</b>
<b>Goodwill #</b>	Residual method				<b>1,005.06</b>

\* Book values represent fair values as the assets will be realised and the liabilities will be settled at the book value post the acquisition.

# Goodwill is attributable to the expected increase in market share and the synergies expected to be achieved from control of MHPL. Goodwill is not tax deductible.

The Consolidated statement of profit and loss for the year ended March 31, 2022 includes revenue from operations of Rs. 1,125.78 crore and profit after tax of Rs. 144.08 crore resulting from acquisition of MHPL. Had the business combination occurred at the beginning of the accounting year the revenue from operations would have been Rs. 1,224.27 crore and profit after tax would have been Rs. 160.30 crore, for the year ended March 31, 2022.

32 (b) 'Business combination - Manipal Hospitals (Bengaluru) Private Limited (formerly known as Vikram Hospital (Bengaluru) Private Limited)

The Company along with its wholly owned subsidiary Manipal Hospitals (Jaipur) Private Limited on June 5, 2021 acquired 100% shareholding and voting shares of Manipal Hospitals (Bengaluru) Private Limited engaged in the business of running/managing hospitals, and providing healthcare services for an equity value consideration of Rs. 359.73 crores. The Company also acquired redeemable preference shares of MHIBPL for a consideration of Rs. 13.95 crores. The Group acquired MHPL to enlarge the business of healthcare services.

Accordingly, effective such date MHBPL is a subsidiary of the Company and has been included in the consolidated financial statements for the previous year ended March 31, 2022.



The purchase price has been allocated based on management's estimates and independent appraisal of fair values as at 1 June 2021:

		(Rs. in crore)			
Component		Purchase price			
Cash consideration paid on date of acquisition along with stamp duty charges		373.74			
<b>Total purchase consideration at fair value (A)</b>		<b>373.74</b>			
Assets	Valuation methodology	Description	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Property, plant and equipment	Book value *		69.99	-	69.99
Capital work-in-progress	Book value *		-	-	-
Right of use asset	Book value *		61.82	-	61.82
Intangible assets	Fair value		0.25	41.43	41.68
Inventories	Book value *		4.58	-	4.58
Investments	Book value *		-	-	-
Trade receivables	Book value *	These receivables are net of expected credit losses and considered good	9.15	-	9.15
Cash and cash equivalents	Book value *		12.98	-	12.98
Other Bank Balances	Book value *		39.64	-	39.64
Other financial assets	Book value *		3.49	-	3.49
Income tax assets (net)	Book value *		6.22	-	6.22
Other assets	Book value *		5.70	-	5.70
Deferred tax assets	Fair value		12.97	(10.36)	2.61
<b>Total assets</b>	<b>(B)</b>		<b>226.79</b>	<b>31.07</b>	<b>257.86</b>
Liabilities					
Borrowings	Book value *		(0.04)	-	(0.04)
Trade payables	Book value *		18.26	-	18.26
Lease liability	Book value *		61.35	-	61.35
Other financial liabilities	Book value *		(0.01)	-	(0.01)
Provisions	Book value *		4.10	-	4.10
Other liabilities	Book value *		9.59	-	9.59
Deferred tax liabilities	Fair value		-	-	-
<b>Total liabilities</b>	<b>(C)</b>		<b>93.25</b>	<b>-</b>	<b>93.25</b>
<b>Net assets</b>	<b>(D)=(B)-(C)</b>		<b>133.54</b>	<b>31.07</b>	<b>164.61</b>
<b>Goodwill #</b>	<b>Residual method (E)=(A)-(D)</b>				<b>209.13</b>

\* Book values represent fair values as the assets will be realised and the liabilities will be settled at the book value post the acquisition.

# Goodwill is attributable to the expected increase in market share and the synergies expected to be achieved from control of MHBPL. Goodwill is not tax deductible.

The Consolidated statement of profit and loss for the year ended March 31, 2022 includes revenue from operations of Rs. 162.20 crore and profit after tax of Rs. 3.45 crore resulting from acquisition of MHBPL. Had the business combination occurred at the beginning of the accounting year the revenue from operations would have been Rs. 197.21 crore and profit after tax would have been Rs. 13.06 crore, for the year ended March 31, 2022.

### 32 (c) 'Business combination - Medcis Pathlabs India Private Limited

On March 11, 2022, the Healthmap Diagnostics Private Limited, subsidiary of Manipal Health Enterprises Private Limited acquired 84.07% shareholding and voting shares of Medcis Pathlabs India Private Limited engaged in the business clinical investigation services provider of for an equity value consideration of Rs. 68.23 crores. Pursuant to an SHA between HDPL and existing shareholders, acquirer and existing shareholders have call and put options respectively to purchase and sell the remaining shares of existing shareholders at a valuation determined amounting to Rs. 5.94 crores (March 31, 2022: Rs. 19.80 crores) and the same is disclosed as Deferred consideration. The Group acquired Medcis Pathlabs India Private Limited to enlarge the business of healthcare services.

Accordingly, effective March 31, 2022 Medcis Pathlabs India Private Limited is a subsidiary of the Company having 84.07% voting interest and has been included in the consolidated financial statements for the previous year ended March 31, 2022.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as at 31 March 2022:

(Rs. in crore)

Component		Purchase price			
Cash consideration paid on date of acquisition along with stamp duty charges		68.23			
Deferred consideration accounted as on date of acquisition		19.80			
<b>Total purchase consideration at fair value (A)</b>		<b>88.03</b>			
Assets	Valuation methodology	Description	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Property, plant and equipment	Fair value		4.73	0.11	4.83
Right of use asset	Book value *		2.66	-	2.66
Inventories	Book value *		1.11	-	1.11
Trade receivables	Book value *	These receivables are net of expected credit losses and considered good	5.46	-	5.46
Cash and cash equivalents	Book value *		6.99	-	6.99
Other financial assets	Book value *		0.32	-	0.32
Deferred tax (net)	Book value *		0.49	-	0.49
Other assets	Book value *		0.39	-	0.39
<b>Total assets</b>	<b>(B)</b>		<b>22.15</b>	<b>0.11</b>	<b>22.26</b>



**Manipal Health Enterprises Private Limited**

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

<b>Liabilities</b>				
Borrowings	Book value *	0.07	-	0.07
Trade payables	Book value *	2.96	-	2.96
Lease liability	Book value *	3.07	-	3.07
Provisions	Book value *	0.41	-	0.41
Other liabilities	Book value *	1.82	-	1.82
Deferred tax liabilities	Fair value	-	-	-
<b>Total liabilities</b>	<b>(C)</b>	<b>8.33</b>	<b>-</b>	<b>8.32</b>
<b>Net assets</b>	<b>(D)=(B)-(C)</b>	<b>13.82</b>	<b>0.11</b>	<b>13.94</b>
Non-controlling interest	Non-controlling interests measured at fair value			-
<b>Goodwill #</b>	<b>Residual method</b>			<b>74.09</b>

\* Book values represent fair values as the assets will be realised and the liabilities will be settled at the book value post the acquisition.

# Goodwill is attributable to the expected increase in market share and the synergies expected to be achieved from control of Medcis Pathlabs India Private Limited. Goodwill is not tax deductible.

Due to convenience purpose of consolidation, management consolidated the financials of Medcis Pathlabs India Private Limited with Manipal Health Enterprises Private Limited with effect from March 31, 2022 instead of March 11, 2022. There is no significant impact on the consolidated financial statements due to consolidation considered from March 31, 2022 instead of March 11, 2022. Had the business combination occurred at the beginning of the accounting year the revenue from operations would have been Rs. 72.29 crore and profit after tax Rs. 8.17 crore, for the year ended March 31, 2022.

**33 Hedging activities and derivatives**

Derivatives not designated as hedging instruments

The Group uses derivative financial instruments to manage its exposure to interest rate risk relating to its loan amounting to USD 1.70 crore. The Group does not hold such instruments for trading purposes, and there are no derivatives to which hedge accounting is applied. All purchase of financial instruments are recognised on the transaction date. The derivative financial instruments are stated at fair value as observed in the market at the reporting date, and any gain or loss is recognised in the statement of profit and loss. The fair value of interest rate options contracts is determined by reference to market values for similar instruments. The derivative financial instrument is closed during the year ended March 31, 2022.



## 34 Discontinued operations

On May 3 2021, pursuant to the in principle approval by the Board of Directors of the Company in their meeting held on March 23, 2021, Manipal Health Enterprises International Pte. Ltd. ("MHEIPL") transferred its entire shareholding in Manipal Hospital Sdn Bhd ("MHSB") of 108,081,825 shares (100% interest) for a consideration of Rs. 407.38 crores. The carrying value of net assets attributable to owners of the Company as on the date of sale was Rs. 149.01 crores, Goodwill amounting to Rs.82.23 crores and accordingly net gain on such sale amounting to Rs. 176.14 crores is recognised as an exceptional item in the Consolidated Statement of Profit and Loss for the year ended March 31, 2022.

## Results of discontinued operation:

	(Rs. in crore)	
	MHSB	
	March 31, 2023	March 31, 2022
<b>Income</b>		
Revenue from operations (net)	-	11.72
Other income	-	0.02
Finance income	-	-
<b>Total income</b>	-	11.74
<b>Expenses</b>		
Purchase of medical consumables and pharmacy items	-	4.07
Employee benefits expense	-	3.62
Finance costs	-	5.47
Depreciation and amortisation expense	-	1.53
Other expenses	-	2.03
<b>Total expenses</b>	-	16.72
<b>(Loss) before tax</b>	-	(4.98)
<b>Tax expense</b>		
Current tax charge	-	-
Deferred tax charge	-	-
<b>Total tax charge</b>	-	-
<b>(Loss) for the year</b>	-	(4.98)
<b>Other comprehensive income (OCI)</b>		
Items that will not be reclassified to Statement of Profit and Loss :		
Re-measurement of defined benefit plans	-	-
Income tax effect on above	-	-
<b>OCI for the year</b>	-	-
<b>Total comprehensive income for the year</b>	-	(4.98)
<b>Attributable to owners</b>	-	(4.98)
<b>Attributable to minority shareholders</b>	-	-

## Cash flows from discontinued operations:

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
<b>Cash and cash equivalents at the beginning of the year</b>	-	7.96
Net cash from operating activities (A)	-	(5.07)
Net cash flows (used in) investing activities (B)	-	-
Net cash flows (used in) financing activities (C)	-	(0.02)
Effects of exchange rate changes on cash and cash equivalents	-	0.10
Less: Transfer on sale of subsidiary	-	(2.97)
<b>Cash and cash equivalents at the end of the year</b>	-	-



35 Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value:

- The fair value of the quoted mutual funds are at Level 1 of Fair value hierarchy and are measured based on Net Asset Value (NAV) in active markets at the reporting date.

- The fair value of the financial assets (other than mutual funds) and financial liabilities were based on amortised cost at the reporting date.

The following table provides the fair value measurement hierarchy of financial assets and liabilities of the Group as at March 31, 2023 and March 31, 2022.

Quantitative disclosures fair value measurement hierarchy valued as at March 31, 2023:

March 31, 2023	Note No.	Level 1	Level 2	Level 3	Total
<b>Financial assets (at FVTPL)</b>					
Investment in mutual funds (quoted) (non-current)	6	86.04	-	-	86.04
Investment in mutual funds (quoted) (current)	10.1	951.10	-	-	951.10
		<b>1,037.14</b>	<b>-</b>	<b>-</b>	<b>1,037.14</b>

Quantitative disclosures fair value measurement hierarchy valued as at March 31, 2022:

March 31, 2022	Note No.	Level 1	Level 2	Level 3	Total
<b>Financial assets (at FVTPL)</b>					
Investment in mutual funds (quoted) (non-current)	6	80.53	-	-	80.53
Investment in mutual funds (quoted) (current)	10.1	687.21	-	-	687.21
		<b>767.74</b>	<b>-</b>	<b>-</b>	<b>767.74</b>

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:  
As at March 31, 2023

	Note	Carrying value		
		FVTPL	Amortised Cost	Total
<b>Financial assets*:</b>				
Investment in mutual funds (quoted) (non-current)	6	86.04	-	86.04
Loans (non-current)	6.2	-	6.67	6.67
Other financial assets (non-current)	6.3	-	67.46	67.46
Investment in mutual funds (quoted) (current)	10.1	951.10	-	951.10
Trade receivables	10.2	-	309.37	309.37
Cash and cash equivalents	10.3	-	68.20	68.20
Other bank balances	10.4	-	94.15	94.15
Loans (current)	10.5	-	2.34	2.34
Other financial assets (current)	10.6	-	30.47	30.47
		<b>1,037.14</b>	<b>578.66</b>	<b>1,615.80</b>
<b>Financial liabilities:</b>				
Borrowings (non-current and current)	14.1	-	2,149.69	2,149.69
Lease liabilities (non-current and current)	14.2	-	1,095.94	1,095.94
Trade payables	17.1	-	766.56	766.56
Other current financial liabilities	17.2	-	68.77	68.77
		<b>-</b>	<b>4,080.96</b>	<b>4,080.96</b>

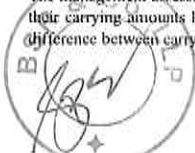
\*excludes investment in equity instruments

As at March 31, 2022

	Note	Carrying value		
		FVTPL	Amortised Cost	Total
Investment in mutual funds (quoted) (non-current)	6	80.53	-	80.53
Loans (non-current)	6.2	-	0.59	0.59
Other financial assets (non-current)	6.3	-	45.56	45.56
Investment in mutual funds (quoted) (current)	10.1	687.21	-	687.21
Trade receivables	10.2	-	297.81	297.81
Cash and cash equivalents	10.3	-	56.53	56.53
Other bank balances	10.4	-	105.11	105.11
Loans (current)	10.5	-	2.43	2.43
Other financial assets (current)	10.6	-	60.08	60.08
		<b>767.74</b>	<b>568.11</b>	<b>1,335.85</b>
<b>Financial liabilities:</b>				
Borrowings (non-current and current)	14.1	-	1,973.84	1,973.84
Lease liabilities (non-current and current)	14.2	-	941.08	941.08
Other current financial liabilities (excludes current maturities of long-term borrowings)	17.2	-	504.91	504.91
		<b>-</b>	<b>3,419.83</b>	<b>3,419.83</b>

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

The management assessed that fair value of cash and cash equivalents and other bank balances, trade receivables, trade payables and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Fair value of non-current financial liabilities has not been disclosed as there is no significant difference between carrying value and fair value.



36 Financial risk management

The Group's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, investments, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Group's activities expose it to market risk, credit risk and liquidity risk. The Group's management oversees the management of these risk and works towards minimizing the potential adverse effects, if any, on its financial performance.

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk and currency rate risk. Financial instruments affected by market risk include loans and borrowings, payables, investments and deposits. The sensitivity analyses in the following sections relate to the position as at March 31, 2023 and March 31, 2022. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2023 and March 31, 2022.

(i) 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 exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates in form of Term loans.

Interest rate sensitivity of borrowings

Fixed rate instruments	March 31, 2023	March 31, 2022
<b>Financial asset</b>		
Margin money deposit with banks and financial institutions	6.91	18.36
Deposits with banks due to mature after twelve months from the reporting date	21.64	9.27
Bank Deposits due to mature within twelve months from the reporting date	94.15	105.11
Earnest money deposit	0.33	0.25
<b>Financial liability</b>		
Borrowings (non-current and current)	443.00	4.77
<b>Variable rate instruments</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
<b>Financial asset</b>		
Investments in mutual funds	1,037.14	687.21
<b>Financial liability</b>		
Borrowings (non-current and current)	1,706.69	1,969.07

Sensitivity analysis for fixed rate instruments

Based on the closing balance of fixed rate instruments, an increase/ decrease in interest rate by 1%, with all other variables remaining constant would result in increase/ decrease in interest cost by Rs. 1.23 crore (year ended March 31, 2022: Rs. 1.38 crore).

Sensitivity analysis for variable rate instruments

Based on the closing balance of variable rate instruments, an increase/ decrease in interest rate by 1%, with all other variables remaining constant would result in increase/ decrease in interest cost by Rs. 27.43 crore (year ended March 31, 2022: Rs. 26.56 crore).

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency), the Company's net investments in foreign subsidiaries and financial guarantees given to foreign subsidiaries.

Particulars of unhedged foreign currency exposure as at the reporting date:

Particulars	March 31, 2023		March 31, 2022	
	USD (million)	(Rs. in crore)	USD million	(Rs. in crore)
Import trade payable (USD)	0.03	0.24	0.14	1.04
Capital creditors	0.08	0.62	2.01	16.51
Advance to Suppliers	0.01	0.12	-	-
Capital Advances	0.10	0.78	-	-

Foreign currency risk sensitivity

The sensitivity of profit or loss to changes in exchange rates arises mainly from foreign currency denominated financial instruments and the impact on equity arises from changes in foreign exchange rates relating to the Company's net investments in foreign subsidiaries which are primarily in USD. The sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant:

Depreciation of INR against USD by 1% results in decrease in profit before tax by Rs. Nil (March 31, 2022 by Rs. 0.18 crore and appreciation of INR against USD by 1% results in increase by such amount.



**B. Credit risk**

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the management of the Group.

**(i) Trade receivables:**

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables based on the past and the recent collection trend. The maximum exposure to credit risk as at reporting date is primarily from trade receivables amounting to Rs. 309.37 crore (March 31, 2022: Rs. 297.81 crore). The movement in allowance for impairment in respect of trade receivables during the year was as follows:

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
Opening balance	54.91	33.60
Add: Additions on account of acquisition of subsidiaries (refer Note 32)	-	10.70
Provision during the year	19.30	10.61
Closing balance	<u>74.21</u>	<u>54.91</u>

There is no significant concentration of credit risk and no single customer accounted for more than 10% of the revenue as of March 31, 2023 and March 31, 2022.

**(ii) Other receivables:**

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of other receivables based on the past and the recent collection trend. The maximum exposure to credit risk as at reporting date is primarily from trade receivables amounting to Rs. 18.72 crore (March 31, 2022: Rs. 36.02 crore). The movement in allowance for impairment in respect of trade and other receivables during the year was as follows:

	(Rs. in crores)	
	March 31, 2023	March 31, 2022
Opening balance	0.63	0.72
Provision during the year (net)	(0.01)	(0.09)
Closing balance	<u>0.62</u>	<u>0.63</u>

**(iii) Loans to others:**

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of loans to others based on the past and the recent collection trend. The maximum exposure to credit risk as at reporting date is primarily from trade receivables amounting to Rs. 6.67 crore (March 31, 2022: Rs. 0.59 crore). The movement in allowance for impairment in respect of trade and other receivables during the year was as follows:

	(Rs. in crores)	
	March 31, 2023	March 31, 2022
Opening balance	5.00	-
Provision during the year (net)	-	5.00
Closing balance	<u>5.00</u>	<u>5.00</u>

**(v) Financial instruments and cash deposits:**

Credit risk on cash and cash equivalents and deposits is limited as the Group generally transacts with banks with high credit ratings assigned by international and domestic credit rating agencies. Investments of surplus funds, temporarily, are made only with approved counterparties, mainly mutual funds, who meet the minimum threshold requirements under the counterparty risk assessment process. The Group's maximum exposure for financial guarantees is given in note 40.

**C. Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial 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, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Also, the Group has unutilized credit limits with banks.

The Group's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.



**Manipal Health Enterprises Private Limited**

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

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	(Rs. in crore)		
	As at March 31, 2023		
	Less than 1 year	More than 1 year	Total
Borrowings	439.00	2,848.18	3,287.17
Lease liabilities	126.04	3,904.55	4,030.59
Trade payables	766.56	-	766.56
Other financial liabilities	68.77	-	68.77
	As at March 31, 2022		
	Less than 1 year	More than 1 year	Total
Borrowings	844.13	3,854.19	4,698.32
Lease liabilities	64.32	1,003.59	1,067.91
Trade payables	-	-	-
Other financial liabilities	504.91	-	504.91

**37 Capital management**

The primary objective of Group's capital management is to ensure that it maintains an optimum financing structure and healthy returns in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments, in light of the changes in economic conditions or business requirements.

The Group monitors capital using a gearing ratio which is net debt divided by total equity plus net debt as shown below.

- Net debt includes borrowings (long term and short term) less cash and cash equivalents and
- Total equity comprises of issued share capital and all other equity components attributable to equity share holders.

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
Borrowings (refer note 14.1)	2,149.69	1,973.84
Lease liabilities (refer note 14.2)	1,095.94	941.08
Less: Cash and cash equivalents (refer note 10.3)	(68.20)	(56.53)
Less: Investments in mutual funds (refer note 6.1 & 10.1)	(1,037.14)	(687.21)
<b>Net debt (A)</b>	<b>2,140.29</b>	<b>2,171.18</b>
Total equity attributable to the equity share holders of the Group (excluding share options outstanding account) (refer note 12 and 13)	3,219.56	2,790.09
<b>Total capital (B)</b>	<b>3,219.56</b>	<b>2,790.09</b>
<b>Capital and net debt (C = A+B)</b>	<b>5,359.85</b>	<b>4,961.27</b>
<b>Gearing ratio (D = A / C)</b>	<b>40%</b>	<b>44%</b>



38 Investment in Joint Venture

The Group has interest in Terrals Technologies Private Limited, involved in the business of providing digital healthcare technology to patients and doctors, providing a secure repository for storing medical data, designing and developing machine learning and artificial intelligence algorithms on healthcare data, aggregated reports on healthcare data and patient care services.

The Group's equity interest in Terrals Technologies Private Limited is accounted for as a Joint Venture using the equity method as per Ind AS 28 "Investments in Associates and Joint Ventures" effective from February 26th, 2021 in the consolidated financial statements. Summarised financial information of the joint venture, based on its unaudited financial statements (prepared by its management), and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

	March 31, 2023	March 31, 2022
<b>Proportion of the Group's ownership</b>	20.59%	24.93%
<b>Carrying amount of the investment</b>	-	50.34
Summarised statement of profit and loss of Terrals Technologies Private Limited:		(Rs. in crore)
	March 31, 2023	March 31, 2022
Revenue from contracts with customers	66.05	21.43
Other income	0.55	0.42
Purchase of medical consumables and pharmacy items	(69.72)	(25.58)
Employee benefits expense	(23.01)	(20.70)
Finance cost	(0.83)	(0.50)
Depreciation and amortization expense	-	-
Other expenses	(111.66)	(56.44)
<b>(Loss) before tax and exceptional item</b>	<b>(138.61)</b>	<b>(81.37)</b>
Exceptional item	-	-
<b>(Loss) before tax</b>	<b>(138.61)</b>	<b>(81.37)</b>
Total tax expense including deferred tax charge/(credit) Rs. Nil crore (March 31, 2022 : Rs. Nil crore)	-	-
<b>(Loss) for the year</b>	<b>(138.61)</b>	<b>(81.37)</b>
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<b>(138.61)</b>	<b>(81.37)</b>
<b>Group's share of loss including other comprehensive income for the year</b>	<b>(28.54)</b>	<b>(21.35)</b>
Gain on dilution of share holding included in other income	19.80	2.87
<b>Group's share of loss for the year</b>	<b>(8.74)</b>	<b>(18.48)</b>

There is no quoted market prices available for the company. There is no unrecognised share of losses of joint venture.

The joint venture had no other contingent liabilities or capital commitments as at March 31, 2023 and March 31, 2022.

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### 39 Investment in Associate Company

The Group has interest in I-Genetics Diagnostics Private Limited, involved in the business of providing affordable healthcare services including genetic diagnostics, molecular diagnostics, other diagnostics, clinical trial services, epigenomics. It will also undertake, promote, or engage in all kind of research and development work required to promote, assist or engage in setting up diagnostics setup.

The Group's equity interest in I-Genetics Diagnostics Private Limited is accounted for as a Associate using the equity method as per Ind AS 28 "Investments in Associates and Joint Ventures" effective from March 02, 2022 in the consolidated financial statements.

The investment is accounted for using the equity method from the date on which it becomes an associate. On acquisition of the investment, the difference between the investment value and the entity's share of the net fair value of the investee's identifiable assets and liabilities is identified as Goodwill amounting to Rs. 39.74 crore which is included in the investment value.

Summarised financial information of the associate, based on its financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

#### Summarised balance sheet

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
Current assets	10.33	14.79
Non-current assets	8.97	12.10
Current liabilities	(10.65)	(9.31)
Non-current liabilities	(8.60)	(3.67)
<b>Equity</b>	<b>0.05</b>	<b>13.91</b>
<b>Proportion of the Group's ownership</b>	<b>42.17%</b>	<b>42.27%</b>

#### Carrying amount of the investment

41.90                      47.63

#### Summarised statement of profit and loss of Igenetics:

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
Revenue from operations (net)	33.68	3.70
Other income	0.07	0.00
Finance income	0.13	0.02
<b>Total Income</b>	<b>33.88</b>	<b>3.72</b>
Purchase of medical consumables and pharmacy items	(12.25)	(1.31)
Employee benefits expense	(11.71)	(1.16)
Finance costs	(0.88)	(0.04)
Depreciation and amortization expense	(2.97)	(0.22)
Other expenses	(16.68)	(1.41)
<b>(Loss) before tax and exceptional item</b>	<b>(10.59)</b>	<b>(0.43)</b>
Exceptional item	2.99	-
<b>(Loss) before tax</b>	<b>(13.58)</b>	<b>(0.43)</b>
Total tax expense including deferred tax charge/(credit) Rs. Nil crore	-	(0.04)
<b>(Loss) for the year</b>	<b>(13.58)</b>	<b>(0.39)</b>
Other comprehensive income for the year	(0.01)	(0.00)
<b>Total comprehensive income for the year</b>	<b>(13.59)</b>	<b>(0.40)</b>
<b>Group's share of loss including other comprehensive income for the year</b>	<b>(5.73)</b>	<b>(0.17)</b>

There is no quoted market prices available for the company. There is no unrecognised share of losses of associate.

The associate has disputed Income tax Demand raised by Income tax authorities for the assessment years 2016-17. The associate has filed appeal before CIT (Appeals) and also filed rectification application against the said order. The aggregate amount of disputed tax not provided for is Rs. 3.47 crores. Associate expects no outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.

The associate has disputed Service tax demand raised by service tax department for the Financial year 2015-16. The associate has filed before Joint Commissioner CGST and central excise Mumbai. The aggregate amount of disputed tax not provided for is Rs 0.8 crores. Associate expects no outflow of economic resources in respect of the above and therefore no provision is made in respect thereof. During the year the case was settled and there was no demand raised by the department.

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40 Contingent liabilities

Particulars	(Rs. in crore)	
	March 31, 2023	March 31, 2022
(A) Claims against the Group not acknowledged as debts		
(a) Patient Compensation	15.43	16.23
(b) Income Tax Demand	79.72	79.70
(c) Indirect Tax Demand	49.81	33.96
(d) Others	12.47	12.47
(B) Guarantees		
(a) Bank guarantees	5.64	8.32
(b) Indemnities for performance given on behalf of third parties	688.53	667.63
	<b>851.62</b>	<b>818.31</b>

(A) (a) Patient Compensation

There are certain claims made against the Company in respect of patient compensation. The cases are pending with various Consumer Disputes Redressal Commissions. Based, on the legal counsel's views, the management does not expect these claims to succeed. Accordingly, no provision for liability has been recognized in the standalone financial statements.

There are certain litigations for the period prior to February 18, 2014 as stated in Annexure 23 of the BTA entered by MHJPL with Soni Hospital Private Limited amounting to Rs. 5.03 crores in respect of patient compensation. The cases are pending with various judicial authorities. Pursuant to Section 4.13 (iii and iv) of the BTA, any claims including penalties arising on these litigations shall be borne by Soni Hospital Private Limited.

(A) (b) Income Tax Demand

(i) The Company had received demand notices of Rs 4.36 crore (March 31, 2022 - Rs. 4.36 crore) under section 156 of the Income-tax Act, 1961 for the Assessment Year (AY) 2014-15 towards disallowance of back office expenses and disallowance under section 14A. The Company has filed appeal before Commissioner of Income Tax (Appeals) for 2014-15 against the above demand notices.

During the year ended March 31, 2019, the Company had received the ITAT order dated June 27, 2018 for AY 2011-12, 2012-13, 2013-14 in which ITAT had held that Manipal Health Systems Private Limited (MHS) and Manipal Health Enterprises Private Limited (MHE) demerger is not a slump sale and also allowed the back office expenses, partial depreciation involving a favourable tax impact of Rs. 24.56 crore (March 31, 2022 - Rs. 24.56 crore) against which the income tax department has preferred an appeal in the High Court of Karnataka and the same has been admitted.

During the year ended March 31, 2020, Company has received the order U/s 143(3) of the Income Tax Act, 1961 for the Assessment Year (AY) 2017-18 per which the Assessing Officer has not allowed short term capital loss on account of relinquishment of its investment in the shares of a subsidiary and also disallowed certain other expenses. The aforesaid has resulted in a tax impact of Rs. 27.61 crore (March 31, 2022 - Rs. 27.18 crore). The Company has filed an appeal before Commissioner of Income Tax (Appeals), Karnataka and the same has been admitted.

During the year ended March 31, 2021, Company has received demand notices of Rs. 21.20 crore (March 31, 2022 - Rs. 21.62 crore) under section 156 of the Income-tax Act, 1961 for the Assessment Year (AY) 2018-19 towards disallowance of back office expenses, provision for doubtful debts, Ind-AS adjustment, disallowance under section 14A and setting of brought forward capital loss. The Company has filed appeal before Commissioner of Income Tax (Appeals) for 2018-19 against the above demand notices.

During the year, the Income tax department conducted a search under section 132 of the Income tax Act, 1961 at the registered office of the Company and certain hospital locations. During the course of the search proceedings, certain information and documents were sought by the department. The management has not received any demand/order in this regard.

(ii) MHJPL had received demand notices of Rs. 0.17 crores (March 31, 2022- Rs.0.17 crores) under section 156 of the Income-tax Act, 1961 for the Assessment Year (AY) 2016-17 towards disallowance of back office expenses and disallowance under section 14A. MHJPL has filed petition before Commissioner of Income Tax (Appeals) for 2016-17 against the above demand notices. The Commissioner of Income Tax (Appeals) has passed an adverse order and MHJPL is contemplating to file an appeal with next appellent authority.

(iii) MHBPL has received demand notice for penalty of Rs 0.66 crores (March 31, 2022- Rs.0.66 crores) under section 271(1)(C) of the Income-tax Act, 1961 for the Assessment Year (AY) 2012-13 in March 2022 towards disallowance of interest expenses. MHBPL has filed appeal before Commissioner of Income Tax (Appeals) against the above demand notice in April 2022.

(iv) MHBPL has received demand notice of Rs 1.15 crores (March 31, 2022- Rs.1.15 crores) towards disallowance of entire depreciation on leasehold improvements, disallowed portion of rent and interest on security deposits. MHBPL has filed an appeal with CIT (A).

The Group is confident that its position will be upheld for above income tax litigations and accordingly no provision has been made in the consolidated financial statements.

(A) (c) Indirect Tax Demand

(i) The Company has received a show cause notice under section 124 of the Customs Act, 1962, for the financial year 2012-13, from Assistant Commissioner of Customs, as to why customs duty of Rs. 0.08 crore (March 31, 2022: Rs. 0.08 crore) with interest and penalty should not be demanded with regard to short payment of customs duty due to incorrect classification of goods.

(ii) The Company received a demand order from the Commercial Tax officer, wherein a Luxury Tax adjustment of Rs. 2.40 crore (March 31, 2022: Rs. 2.40 crore) has been made on claim for improper exemption for financial years 2010-11, 2011-12 and 2012-13.

(iii) During the year ended March 31, 2019, the Company had received a service tax refund of Rs.10.41 crore related to the service tax paid on the rental and management consultancy services rendered during the period April 01, 2014 till March 11, 2016 by the demerged entity (Manipal Health Systems Pvt Ltd) to the resultant entity (MHEPL). Subsequently the service tax department filed an appeal with Commissioner of Central Tax (Appeals). The Company has received an order dated July 15, 2019 from the Commissioner of Central Tax (Appeals) directing the recovery of service tax amount refunded against which the Company has filed an appeal with CESTAT. Accordingly the contingent liability in this regard is Rs. Nil (March 31, 2022: Rs. 10.41 crore). During the year ended March 31, 2020, the Company had received and a favourable order in this regard.

As per management assessment, matter is time barred and does not expect any appeal from the relevant authority



**Manipal Health Enterprises Private Limited**

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

(iv) During the year ended March 31, 2021, the Company has received two notices from the Customs Department asking to submit the Proof of Evidence fulfilling the Export Obligation mentioned in EPCG License. Accordingly the contingent liability in this regard is Rs. 3.50 crore (March 31, 2022: Rs. 3.50 crore) has been disclosed. Further during the year ended March 31, 2022, the Company received an additional notice of Rs.0.49 crore. Further, during the current year the company received the final demand order of Rs.0.40 crore which has been duly paid off. The Company believes that its position will be upheld for above and accordingly the outcome of these will not have material effect on the Standalone Financial Statements.

(v) During the year ended March 31, 2021, the Company has received proposition notice for an amount of 1.09 crores (March 31, 2022: Rs. 1.09 crores) (including interest) from the Assistant Commissioner of Commercial Taxes, (Luxury Tax) asking to furnish the details of accommodation charges collected in ICU as well as in ward for FY 2012-13. The Company has replied to the department stating that the case is time barred and requested to drop the proceedings. Further there is no communication from the department. However, the same has been disclosed as contingent liability.

(vi) MHPL went in for Advance Ruling seeking clarification on chargeability of GST on activities performed by its employees at the Corporate office in the course of or in relation to employment viz., accounting, other administrative and IT system maintenance for its units located in states outside of the Karnataka. The Authority for Advance Ruling passed an order calling it as supply and hence chargeable to GST which may result in cash outflow as mentioned above including interest till 31 March 2022. Aggrieved by the order, MHPL appealed against the said order with the Appellate Authority of Advance Ruling (AAAR) which again passed the order in favour of Revenue. Impugned by the order passed by AAAR, MHPL has filed a writ petition with the Honourable high court of Karnataka on 26th April 2019 to quash the said order. Fresh Interlocutory Applications, challenging the validity of constitution of AAR/AAAR was listed for hearing in April 2021. The matter was heard and the respondents (Union and State) were directed to file objections. Expected liability as on March 31, 2023 is Rs. 9.35 crores (As on 31st March 2022: 8.43 crores).

(vii) In MHPL, During the year 2016-17, while filing TRAN-1- Transitional ITC for CENVAT Credit and Value added Tax (VAT) credit, MHPL has inadvertently claimed SGST credit in TRANS-1 amounting to Rs. 0.47 crores while there was no VAT credit available to be transitioned to Goods and Service Tax (GST). Upon realizing its mistake, MHPL has voluntarily remitted back the same amount. Subsequently, the department issued notice for difference in credit claimed as per Tran 1 and VAT returns and has demanded interest of Rs. 0.07 crores and penalty of Rs. 0.05 crores as applicable under KGST Act. MHPL has thereafter made payment of the interest in 2021. Considering the above fact, MHPL has already remitted the impugned amount even before the authorities identified along with the interest, MHPL believes it has a good case and the penalty imposed would be set aside.

(viii) In MHPL, Commissioner, Central Tax (Audit-1, Commissionerate) has issued show cause notice no.54/2020-21 CTA-1/Commr. dtd.30.12.2020 towards non-reversal of Cenvat credit/non-payment of Service Tax payable under provisions of Rule 6 of the Cenvat Credit Rules, 2004 in respect of exempted services for the period from 01-10-2014 to 30-06-2017 for an amount of Rs. 10.10 crores including interest and penalty. MHPL has remitted the tax amount of 3.55 Crores under protest and filed response to the notice before the Principal Commissioner/ Commissioner of Central Tax, East Commissionerate on February 26, 2021. The authorities vide OIO No. 57/2021 dt. 30.11.2021 confirmed the aforesaid demand including interest and penalty. Aggrieved by the impugned order, the appellant files the appeal with CESTAT on 18th April 2022.

(ix) In MHPL, Deputy Commissioner, Circle IV, Central Tax (Audit-1, Commissionerate) has issued show cause notice no.47/2020-21 CTA-1/Dy Commr. dtd.18.12.2020 towards non-payment of Service Tax under reverse charge on services received from Director of MHPL payable under Section 68(2) of the Finance Act, 1994 for an amount of Rs. 1.3 crores (March 31, 2022: 1.26 crores) including interest and penalty. MHPL has filed its response to the show cause notice before the Deputy/Assistant Commissioner of Central Tax East division -5, Bangalore East Commissionerate on January 18, 2021. The authorities vide OIO No. 199/2022 dt. 31.03.2022 confirmed the aforesaid demand including interest and penalty. Aggrieved by the impugned order, the appellant filed the appeal with Commissioner of Service Tax (Appeals) on 16th June 2022 and remitted the tax amount of Rs. 0.31 crores under protest.

(x) In MHPL, during the month of February 2023, Intimation in DRC-1A is received wherein demand is raised of Rs.33.03 crores (Rs.18.09 crores as GST liability and Rs.14.94 crores as interest) pertaining to incorrect apportionment of Input Tax Credit ('ITC') including non-payment of GST on corporate guarantee. For the FY 2017-18 and 2018-19 it has been alleged that MHPL has inadvertently availed ITC on supply of medicines to in-patients and is liable to reverse the same. For the FY 2019-20 to 2021-22 it has been alleged that MHPL has short reversed input tax credit in terms of Section 17(2) of the CGST Act. As on year ended March 31, 2023 the demand got reduced to Rs.25.38 crores (Rs.13.78 crores as GST liability and Rs. 11.59 crores as interest). Based on the legal opinion, the company has paid an amount of Rs.13.78 crores towards the demand of GST (without interest) under protest.

Additionally, the Group is also involved in other disputes, lawsuits and claims, including commercial matters, which arise from time to time in the ordinary course of business. The Group is confident that its position will be upheld for above indirect tax litigations and accordingly no provision has been made in the consolidated financial statements.

The Group is confident that its position will be upheld for above Indirect tax litigations and accordingly the outcome of these will not have material effect on the Standalone Financial Statements.

**(A) (d) Others**

(i) In MHDPL, Pursuant to an enquiry conducted against Dr. Sanjeev Bagai ('Dr. Bagai'), MHDPL terminated his services as Whole-time Director and Vice Chairman in accordance with the provisions of Section 169 of the Companies Act, 2013. The grievances and claims made by Dr. Bagai is under arbitration. In relation to the aforesaid matter, MHDPL had filed a civil suit in the Hon'ble High Court of Delhi and a criminal complaint with the investigating authority against Dr. Bagai.

The Management believes that they have appropriate grounds of defense in the matter.

(ii) The Company, as per the Employees' provident Fund (EPF) and Miscellaneous provisions Act, 1952 ('the Act') is required to contribute provident fund at a certain defined percentage on basic wages (including certain allowances) and along with employee's contribution it has to be deposited with the EPF authorities. On February 28, 2019, the Supreme Court of India held that allowances meeting certain conditions paid by establishments to its employees should also be considered as "basic wages" while computing provident fund amounts for employees whose basic wages is less than certain statutory thresholds. This court ruling may have an impact of increasing Company's liability towards provident fund contributions which is a defined contribution plan. However, the Company based on the legal advice in this EPF matter believes that there is a considerable uncertainty due to which provision cannot be estimated reliably of the retrospective impact on EPF contribution.

**(B) (b) Indemnities for performance given on behalf of third parties**

During the year ended March 31, 2021, the Company has given indemnity against performance of third parties to RSDH (Malaysia) Sdn Bhd, MYR for 37 crores equivalent to Rs. 688.53 crores (March 31, 2022: 667.63 crores) relating to the sale of Manipal Hospitals Sdn. Bhd., Malaysia.

(C) The Company along with MHPL, MHDPL, MHBPL and MHJPL have provided corporate guarantee and security in the form of first charge on pari passu basis over fixed assets and current assets (as defined in the facility agreements) for the term loans amounting to Rs. 2,124.22 Crores availed by the Company along with MHPL, MHDPL and HCMCT (Silo) from various lenders.



**Manipal Health Enterprises Private Limited**

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

**41 Capital and other commitments**

a. As at March 31, 2023, the Group has a commitment towards purchase of capital assets of Rs.199.54 crore (March 31, 2022: Rs. 160.42 crore).

b. Healthmap has entered into Concession Agreements with select government medical colleges and district hospitals ('District Hospitals') of Haryana, Jharkhand and Odisha Government for development, operation and maintenance of imaging diagnostic centres on PPP basis. The District Hospitals have provided rent free accommodation to the Company to establish these imaging diagnostic centres. In lieu of this, the Company has committed for the following over the term of the Concession Agreement:

- for Haryana perform agreed number of scans free of charge for the patients referred by the District Hospitals.

c. As at March 31, 2023, pursuant to agreement with Jharkhand Medical and Health Infrastructure Development and Procurement Corporation, the Company is required to start and operate 1 more centre, post receipt of letter of allotment of the site for the respective centre from respective sadar hospital in Jharkhand.



**42 Segment information:**

The Board of Directors of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108. Operating Segments. The CODM evaluates the Group's performance and allocates resources based on an analysis of healthcare services in India and outside India.

The Group is primarily engaged in the business of healthcare services, which in the opinion of CODM falls under a single business segment and accordingly, there are no additional disclosure to be provided in terms of Ind AS 108 on 'Operating Segments'.

**Geographical Information:**

The group operates in the business segment explained above in two principal geographical areas, geographical segments being classified as secondary segment. In India, its home country, the group focuses on healthcare services. Additionally, the group's operations 'Outside India' are in Singapore and Malaysia.

Revenue from external customers by geography of operations

Region	(Rs. in crore)	
	Revenue (continuing operations)*	
	March 31, 2023	March 31, 2022
India	4,805.93	3,975.22
Outside India (Malaysia)	-	-
<b>Total</b>	<b>4,805.93</b>	<b>3,975.22</b>

\*Revenue from discontinued operations is Rs Nil from Outside India (Malaysia) (March 31 2022 - Revenue from discontinued operations Rs.11.72 crore from Outside India (Malaysia).

The following table shows the carrying amount of segment Non-current assets excluding financial instruments and deferred tax by geographical area in which the assets are located:

Region	(Rs. in crore)			
	Carrying amount of Segment assets		Capital Expenditure	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
India	5,965.77	5,761.14	695.06	171.27
Outside India- (Malaysia and Singapore)	-	-	-	-
<b>Total</b>	<b>5,965.77</b>	<b>5,761.14</b>	<b>695.06</b>	<b>171.27</b>

**43 Corporate Social Responsibility ('CSR') expenditure**

Consequent to the requirements of Section 135 and Schedule VII of the Companies Act, 2013, the Company is required to contribute 2% of its average net profits during the immediately three preceding financial years in pursuance of its Corporate Social Responsibility Policy.

The Company has constituted a CSR committee in accordance with the provisions of the Companies Act, 2013. The focus of CSR activities of the Company comprise promotion of healthcare, education, gender equality, ensuring environment sustainability, training for rural sports and rural development objects. The amount required to be spent towards the CSR activities as per Section 135 and the CSR activities undertaken by the Company is given below:

(a) Gross amount required to be spent by the Company during the year is Rs. 5.41 crore (March 31, 2022 : Rs. 1.64 crore).

(b) Amount spent:

Promoting healthcare, education,

	(Rs. in crore)		
	In cash	Yet to be paid in cash	Total
Year ended March 31, 2023	5.41	-	5.41
Year ended March 31, 2022	1.64	-	1.64

(c) Details related to spent / unspent obligations:

(i) Contribution to Public Trust

(ii) Contribution to Charitable Trust (refer note 45)

(iii) Unspent amount in relation to:

- Ongoing project

- Other than ongoing project

	March 31, 2023	March 31, 2022
(i) Contribution to Public Trust	-	-
(ii) Contribution to Charitable Trust (refer note 45)	5.41	1.64
(iii) Unspent amount in relation to:		
- Ongoing project	-	-
- Other than ongoing project	-	-
<b>Total</b>	<b>5.41</b>	<b>1.64</b>

**Details of other than ongoing project**

**As on March 31, 2023**

Opening balance	Amount deposited in Specified Fund of Sch. vii within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing balance
-	-	5.41	5.41	-

**As on March 31, 2022**

Opening balance	Amount deposited in Specified Fund of Sch. vii within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing balance
-	-	1.64	1.64	-

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44 Employee Stock option plans

The Group provides share-based payment schemes to its employees. The relevant details of respective schemes and grants are as below.

I) Manipal Health Enterprises Stock Option Scheme ('old Scheme')

On March 15, 2011, the board of directors approved the Equity Settled Scheme for issue of stock options to the key employees and directors of the Company. According to the old scheme, the employee selected by the compensation committee from time to time are entitled to options, subject to satisfaction of the prescribed vesting conditions as per the old Scheme. The contractual life (comprising the vesting period and the exercise period) of options granted is 6 years from the date of grant.

The relevant terms of the grant as per old Scheme are as below:

Vesting year	6 months to 3 years
Exercise year	6 years
Expected Life	2.79 years
Exercise price	Rs. 100
Market price	Rs. 100

	March 31, 2023		March 31, 2022	
	No. of options	Weighted Average Exercise Price (Rs.)	No. of options	Weighted Average Exercise Price (Rs.)
Outstanding and Exercisable at the beginning of the year	1,46,600	100.15	1,46,600	100.15
Lapse/ forfeited during the year	-	-	-	-
Encashed	44,276	-	-	-
Outstanding and Exercisable at the end of the year	1,02,324	100.00	1,46,600	100.15

II) Manipal Health Enterprises Stock Option Scheme - 2016 ('new Scheme')

During the year ended March 31, 2020, the board of directors approved equity settled Manipal Health Enterprises Stock Option Scheme - 2016 ('new Scheme') for issue of stock options to the key employees and directors of the Company. According to the new scheme, the employee selected by the compensation committee from time to time are entitled to options, subject to satisfaction of the prescribed vesting conditions based on performance and passage of time. The contractual life (comprising the vesting period and the exercise period) of options granted is 6 years from the date of grant.

The relevant terms of the grant as per new Scheme are as below:

Vesting year	1 to 4 years
Exercise year	6 years
Expected Life	3.5 to 5 years
Exercise price	Ranges from Rs. 610 to Rs. 979 per option.
Fair value of options as per Black Scholes model	Ranges from Rs 113.30 to 553.94 per option.

	March 31, 2023		March 31, 2022	
	No. of options	Weighted Average Exercise Price (Rs.)	No. of options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	9,14,871	1,008	6,20,798	724
Granted during the year	2,99,428	2,644	3,40,109	1,361.25
Lapse/ forfeited during the year	21,312	-	46,037	-
Encashed	1,87,633	-	-	-
Outstanding at the end of the year	10,05,353	1,222	9,14,871	1,008
Exercisable at the end of the year	5,73,069	814	5,00,714	772

The weighted average remaining contractual life of the stock options outstanding as at March 31, 2023 is 4.22 years (March 31, 2022: 4.21 years).

The following tables list the inputs to the models used for the years ended 31 March 2023 and 31 March 2022, respectively:

	March 31, 2023	March 31, 2022
Weighted average fair values at the measurement date	345.10	246.94
Expected volatility (%)	26.08% to 38.67%	26.08% to 38.67%
Risk-free interest rate (%)	6.48% to 7.34%	6.48% to 7.34%
Dividend yield	Nil	Nil
Expected life of share options	6.00	6.00
Weighted average share price (INR)	1,221.62	806.31
Model used	Black Scholes	Black Scholes

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

The expense recognised for employee services received during the year is given below:

	(Rs in crore)	
	March 31, 2023	March 31, 2022
Expense (net of reversals) arising from equity settled share based payment transactions	8.11	7.32
Exceptional items (refer note 29)	43.90	-

On February 28, 2012, a trust called "Manipal Hospitals Employees Welfare Trust" (MHEWT) was constituted to administer all the employee stock option schemes and other employee benefit schemes. The Company treats MHEWT as its extension and the same is consolidated in this financial statements. The shares held by MHEWT are treated as treasury shares and deducted from other equity. Refer note 12.2 for details.



III) Healthmap Diagnostics Private Stock Option Scheme - 2020 ('ESOP Scheme')

During the year ended March 31, 2021, the board of directors approved equity settled Stock Option Scheme - 2020 ('ESOP Scheme') for issue of stock options to the key employees and directors of the Company. According to the ESOP scheme, the employee and directors selected by the Board of Directors from time to time are entitled to options, subject to satisfaction of the prescribed vesting conditions based on performance and passage of time. The contractual life (comprising the vesting period and the exercise period) of options granted is 6 years from the date of grant.

The relevant terms of the grant as per new Scheme are as below:

Vesting period	1 to 4 years
Exercise period	6 years from the date of grant
Expected life	3.5 to 5 years
Exercise price	Rs. 25 per option
Fair value of options as per Black Scholes model	Ranges from Rs 10.69 to Rs. 12.87 per option

	March 31, 2023		March 31, 2022	
	No. of options	Weighted Average Exercise Price (Rs.)	No. of options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	16,20,000	25	16,20,000	25
Granted during the year	-	-	-	-
Outstanding at the end of the year	16,20,000	25	16,20,000	25
Exercisable at the end of the year	12,15,000	25	8,10,000	25

The weighted average remaining contractual life of the stock options outstanding as at March 31, 2023 is 3.75 years.

The following tables list the inputs to the models used for the years ended 31 March 2023 and 31 March 2022, respectively:

	March 31, 2023	March 31, 2022
Weighted average fair values at the measurement date	12.00	12.00
Expected volatility (%)	38.51%	38.51%
Risk free interest rate (%)	6.24%	6.24%
Dividend yield	Nil	Nil
Expected life of the options (years)	4 years	4 years
Weighted average share price (INR)	28.11	28.11
Model used	Black Scholes	Black Scholes

The expected life of the options is based on current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility is based on historical volatility of listed companies in similar industry, which may not necessarily be the actual outcome.

The expense recognised for employee services received during the year is given below:

	(Rs in crore)	
	March 31, 2023	March 31, 2022
Expense arising from equity settled share based payment transactions (refer note 25)	0.04	0.74

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45 Related party transactions

(a) Names of related parties where control exists irrespective of whether transactions have occurred or not:

Ultimate Holding Company	- MEMG International Limited, Mauritius
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(b) Names of other related parties as per Ind AS 24 with whom transactions have taken place during the year:

Joint venture	- Terrals technologies Private Limited [also, refer note 38]
Associate	- Igenetic Diagnostics Private Limited [also, refer note 39]
Other related parties (Enterprise under significant influence of ultimate holding company/holding company)	- Manipal Health Systems Private Limited, India - MEMG International India Private Limited, India - Manipal Global Education Services Private Limited, India - Meritrac Services Private Limited, India - ManipalCigna Health Insurance Company Limited, India - Stempeutics Research Private Limited, India - Manipal Academy of Higher Education (MAHE) - Manipal Foundation - Columbia Asia Group Gratuity Trust (upto April 30, 2021) - Columbia Pacific Communities Pvt Ltd, India (upto April 30, 2021) - Columbia Africa Healthcare Limited, Kenya (upto April 30, 2021) - International Columbia US, LLC, USA (upto April 30, 2021)

(c) Names of key management personnel as per Ind AS 24 irrespective of whether transactions have occurred or not:

Key Management Personnel	- Dr. H. Sudarshan Ballal, Director - Dr. Ranjan R Pai, Director - Mr. T V Mohandas Pai, Director - Mr. Rajen Padukone, Director - Mr. Puneet Bhatia, Director - Mr. Apurva Purohit, Director (from January 27, 2021 to February 14, 2022) - Mr. Mitesh Daga, Director - Mr. Narayanan Kumar (w.e.f March 03, 2022) - Mr. Venkatesh Ratnasami, Director (upto March 08, 2022) - Mr. Krishna Kumar Ganagadharan (w.e.f December 14, 2021) - Mr. Vaitheeswaran Seetharaman, Director - Mr. Dilip Jose, Managing Director and Chief Executive Officer
Relative of key management personnel	- Dr. Govind Nandakumar (upto July 05, 2021) - Dr. Pallavi Patri (upto July 05, 2021)
Enterprises owned by key management personnel	- Saphthagiri Centre for Specialty Surgery (upto July 05, 2021)

\*erstwhile related parties of Manipal Hospitals Private Limited (formerly known as Columbia Asia Hospitals Private Limited) (from April 30, 2021).

(d) Names of additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year:

Chief Financial Officer	- Mr. Sameer Agarwal
Company Secretary	- Sathish Kolar Ramamoorthy

Transactions with the above related parties during the year :

		(Rs. in crore)	
Name of related party	Nature of transaction	March 31, 2023	March 31, 2022
Terrals technologies Private Limited	Investment in in preference shares	-	29.99
	Share of loss	(28.54)	(21.35)
	Gain on dilution of investment in joint venture	19.80	2.87
MEMG International India Private Limited	Back-office charges	26.36	15.49
	Income from health care services	0.02	0.01
MEMG International Limited, Mauritius	Back-office charges	-	0.55
Manipal Global Education Services Private Limited	Income from health care services	0.67	0.47
	Software implementation fee	-	0.05
	Repairs and maintenance - Others	0.01	0.05
	Bad debts recovered	-	0.03
	Service Charge expenses	0.01	0.76
	Amount received from related party	0.15	-
Meritrac Services Private Limited	Rent expense	0.01	0.01
	Amount paid to related party	0.01	-
Manipal Health Systems Private Limited	Rent expense	0.26	0.26
	Amount paid to related party	0.30	-
	Refund of Security Deposit given	5.96	-
ManipalCigna Health Insurance Company Limited	Insurance	11.32	12.09
Stempeutics Research Private Limited	Rent income	0.21	0.21
	Amount received from related party	0.20	-
	Income from health care services	0.02	0.02
Remuneration to key management personnel (KMP)	Short-term employee benefits *	41.36	13.36
	Post-employment gratuity and medical benefits	0.05	0.10
	Doctors professional fees	4.48	3.64
	Legal and professional fees	0.44	0.42
	Directors sitting fees	-	0.07
Manipal Foundation	Corporate Social Responsibility Expenditure	5.27	1.64
Manipal Academy of Higher Education	Income from management fees	38.39	16.05
	Revenue from operations	4.21	2.90
	Telereporting expense	0.49	0.48
	Reimbursement of expenses incurred on behalf of the related party	42.39	39.51
	Lease Rent expense	2.27	-
	Amount received from related party	100.05	-

**Manipal Health Enterprises Private Limited**

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

Igenetic Diagnostics Private Limited	Investment in equity instruments	-	47.80
	Intercompany deposit given during the year	6.20	-
	Revenue from operations	0.04	-
	Share of loss	(5.73)	(0.17)
Sapthagiri Centre for Specialty Surgery	Doctor professional fees	-	0.02
Dr. Govind Nandakumar	Doctor professional fees	-	0.05
Dr. Pallavi Patri	Doctor professional fees	-	0.04
Columbia Africa Healthcare Limited, Kenya	Licence and service fee	-	0.02
	Teleradiology Services	-	0.03
Columbia Pacific Communities Pvt Ltd	Healthcare Services (income)	-	0.02
	Project service expenses	-	0.08

\* The remuneration [including one time ESOP payment, also refer note 29 (i)] to KMP and it does not include the provisions made, as they are determined on the Company as a whole.

**Balances payable to related parties are as follows:**

Name of related party	Nature of balances	(Rs. in crore)	
		March 31, 2023	March 31, 2022
Manipal Global Education Services Private Limited	Trade payables	-	0.54
	Other trade payables	-	0.05
MEMG International India Private Limited	Trade payables	4.67	2.61
	Other trade payables	0.27	0.25
Meritrac Services Private Limited	Trade payables	0.00	-
Dr. H. Sudarshan Ballal	Advance recoverable in cash/ kind	-	0.10
	Trade payables	0.09	-
Manipal Academy of Higher Education	Trade payable	0.04	-
Manipal Health Systems Private Limited	Trade payables	0.04	0.09
ManipalCigna Health Insurance Company Limited	Prepaid Insurance	-	0.62

**Balances receivable from related parties are as follows:**

Name of related party	Nature of balances	(Rs. in crore)	
		March 31, 2023	March 31, 2022
Manipal Global Education Services Private Limited	Other receivables	0.23	0.41
	Capital advance	-	-
MEMG International India Private Limited	Other receivables	0.07	0.06
Manipal Health Systems Private Limited	Security deposits #	0.80	1.14
ManipalCigna Health Insurance Company Limited	Advance to suppliers	-	10.96
	Prepaid Insurance	12.17	1.01
Stempeutics Research Private Limited	Trade receivables	-	0.06
	Other receivables	0.07	-
	Preference shares	-	29.99
Manipal Academy of Higher Education	Other receivables	13.61	23.99
	Trade receivables	0.69	-
Igenetic Diagnostics Private Limited	Other receivables	0.87	-
	Inter corporate deposit	6.20	-
	Interest accrued on Inter corporate deposit	0.38	-

# Due from MHSP represent receivable on account of scheme of amalgamation between the Company and MHSP in FY 2011-12. During the year ended March 31, 2020 vide board resolution dated September 22, 2020, the same has been adjusted against security deposit payable towards lease of Land of MHSP. The carrying value of security deposit is net value of adjustment of Rs 8.92 crores (March 31, 2022 - Rs. 14.51 crores), which has been recognised as Right-of-use assets.

**Terms and conditions of transactions with related parties**

The sales /purchases, income/expenses, loans from/to related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. During the current and previous years, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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Name of the Entity	Country of Incorporation	Relationship as at March 31, 2023	% of effective ownership interest held (directly and indirectly)		% of voting rights held	Net Assets (total Assets minus total liabilities)		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
			March 31, 2023	March 31, 2023		% of consolidated net assets	Amount	% of consolidated profit and loss	Amount	% of consolidated other comprehensive income	Amount	% of total comprehensive income	
<b>Parent</b>													
- Manipal Health Enterprises Private Limited	India	Holding Company				79.25%	3,275.32	50.82%	194.48	61.88%	1.12	50.87%	105.60
<b>Indian Subsidiaries</b>													
- Manipal Hospitals (Japan) Private Limited	India	Subsidiary	100.00%	100.00%		4.00%	170.51	16.53%	40.31	6.63%	0.12	16.55%	48.43
- Manipal Hospitals (Oswaka) Private Limited	India	Subsidiary	100.00%	100.00%		(3.24)%	(138.09)	7.75%	8.70	(1.60)%	(0.21)	1.69%	6.49
- Healthmap Diagnostics Private Limited	India	Subsidiary	55.63%	55.63%		3.71%	157.91	6.41%	1.56	2.21%	0.04	6.42%	1.80
- Manipal Hospitals Private Limited	India	Subsidiary	100.00%	100.00%		16.11%	687.08	44.80%	171.46	27.07%	0.49	44.72%	171.85
- Manipal Hospitals (Bengaluru) Private Limited	India	Subsidiary	100.00%	100.00%		3.99%	166.05	16.01%	38.20	3.31%	0.06	9.98%	38.36
- Medico Pathlabs India Private Limited	India	Subsidiary	48.77%	48.77%		0.35%	14.83	0.14%	0.54	1.19%	0.02	0.15%	0.56
<b>Foreign Subsidiaries</b>													
- Manipal Health Enterprises International Pte Ltd	Singapore	Subsidiary	100.00%	100.00%		0.07%	2.83	0.07%	10.25	-	-	0.07%	(0.25)
- HCMCT Sdn **	India	Subsidiary				(8.05)%	(342.84)	(8.89)%	(37.85)	0.69	0.16	(8.80)%	(37.69)
<b>Discontinued Operations</b>													
- Manipal Hospitals Sdn Bhd (MHSB)* - Subsidiary of MHEEPLA	Malaysia	Subsidiary	-	-	100.00%	0.80%	-	0.00%	-	0.00%	-	0.00%	-
<b>Joint Ventures</b>													
- Terra Technologies Private Limited	India	Joint Venture	20.59%	20.59%		0.80%	-	(7.46)%	(28.54)	-	-	(7.42)%	(28.54)
<b>Associates</b>													
- i-Denotes Diagnostics Private Limited	India	Associate	42.17%	42.17%		0.98%	41.90	(1.59)%	(5.73)	-	-	(1.49)%	(5.73)
<b>Noncontrolling Interests</b>													
- Healthmap Diagnostics Private Limited	India	Subsidiary				2.89%	123.16	0.33%	1.27	-	-	0.33%	1.27
- Medico Pathlabs India Private Limited	India	Step-down subsidiary				0.01%	0.41	0.12%	0.44	-	-	0.11%	0.44
<b>Grand Total</b>						100.00%	4,258.23	100.00%	362.69	99.85%	1.81	100.00%	384.50
<b>Adjustment arising on consolidation</b>							(893.48)		46.36		0.34		46.70
<b>Total</b>							3,364.74		(29.64)		2.15		(31.28)

\*\* refer note 1(b)  
\* refer note 34



Name of the Entity	Country of Incorporation	Relationship as at March 31, 2022	% of effective ownership interest held (directly and indirectly)	% of voting rights held	March 31, 2022		Share in profit and loss	Share in other comprehensive income		Share in total comprehensive income	
					Net Asset (total Assets minus total liabilities)	Amount		% of consolidated other comprehensive income	Amount	% of total comprehensive income	
<b>Parent</b>											
- Manipal Health Enterprises Private Limited	India	Holding Company	100.00%	100.00%	82.82%	3,175.27	58.13%	-50.18%	(8.86)	57.57%	262.02
<b>Indian Subsidiaries</b>											
- Manipal Hospitals (India) Private Limited	India	Subsidiary	100.00%	100.00%	3.39%	130.08	8.02%	-4.91%	-0.14	7.94%	36.13
- Manipal Hospitals (Dusank) Private Limited	India	Subsidiary	100.00%	100.00%	-3.77%	(144.48)	-2.43%	-4.22%	-0.24	-2.47%	(11.22)
- Manipal Hospitals Private Limited	India	Subsidiary	55.61%	55.75%	2.24%	105.01	-0.08%	1.05%	0.03	-0.07%	(0.34)
- Manipal Hospitals Private Limited	India	Subsidiary	100.00%	100.00%	13.85%	531.12	35.28%	113.68%	3.24	35.72%	162.79
- Manipal Hospitals (Bengaluru) Private Limited	India	Subsidiary	100.00%	100.00%	3.33%	127.68	0.78%	27.37%	0.78	0.82%	4.23
- Manipal Hospitals India Private Limited	India	Subsidiary	46.75%	46.75%	0.36%	13.81	0.06%	0.00%	-	0.00%	-
<b>Foreign Subsidiaries</b>											
- Manipal Health Enterprises International Pte Ltd	Singapore	Subsidiary	100.00%	100.00%	0.07%	2.74	17.55%	0.00	-	17.44%	79.38
- Saha **	India	Subsidiary			-7.98%	(205.15)	-11.97%	0.01	0.04	-11.89%	(54.09)
<b>Discontinued Operations</b>											
- Manipal Hospitals Sri Nil, "AMBISB" (formerly known as Anuram Specialized Medical Centre Sri Nil, Malaysia) - Subsidiary of AMHEPLA	Malaysia	Subsidiary	0.00%	100.00%	0.00%	-	-1.10%	0.00%	-	-1.09%	(4.98)
<b>Joint Venture</b>											
- Genilo Technologies Private Limited	India	Joint Venture	27.99%	27.99%	1.21%	30.34	-4.09%	-	-	-4.00%	(18.48)
<b>Associate</b>											
- E-Genius Diagnostics Private Limited	India	Associate	42.27%	0.00%	1.24%	-47.63	-0.04%	0.00%	-	-0.05%	(0.17)
<b>Non-extending interest</b>											
- Healthway Diagnostics Private Limited	India	Subsidiary			2.60%	99.77	-0.04%	-	-	-0.04%	(0.16)
<b>Gross total</b>					100.00%	3,831.84	100.00%	100.00%	2.85	100.00%	455.81
<b>Adjustment arising on consolidation</b>						(926.02)			(12.54)		(76.89)
<b>Total</b>						2,905.82			(8.69)		378.92

\*\* refer note 1(b)  
= refer note 14



47 (a) Material partly-owned subsidiaries - Healthmap Diagnostics Private Limited

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

Name	Country of incorporation and operation	March 31, 2023	March 31, 2022
Healthmap Diagnostics Private Limited	India	55.63%	55.61%

Information regarding non-controlling interest

Accumulated balances of material non-controlling interest:

	(Rs. in crore)	
	31-Mar-23	31-Mar-22
Healthmap Diagnostics Private Limited	123.16	99.77

Profit/(loss) allocated to material non-controlling interest:

Healthmap Diagnostics Private Limited	1.27	(0.16)
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The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of profit and loss for the year ended March 31, 2023 and March 31, 2022:

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
Revenue from contracts with customers	83.30	71.13
Other income	0.98	4.15
Finance Income	0.50	0.06
Purchase of medical consumables	(10.62)	(7.62)
Changes in inventories of medical consumables	0.44	(0.10)
Employee benefits expense	(18.10)	(14.89)
Finance cost	(6.08)	(5.26)
Depreciation and amortization expense	(14.72)	(9.42)
Other expenses	(36.37)	(35.55)
(Loss)/Profit before tax and exceptional items	(0.67)	2.50
Exceptional items	(3.49)	2.91
Loss before tax	2.82	(0.41)
Income tax	-	-
loss for the year from continuing operations	2.82	(0.41)
Other comprehensive income for the year	0.04	0.03
Total comprehensive income for the year	2.86	(0.38)
Attributable to non-controlling interests	1.27	(0.16)
Dividends paid to non-controlling interests	-	-

Summarised balance sheet

	(Rs. in crore)	
	31-Mar-23	31-Mar-22
Current assets	70.69	33.64
Non-current assets	185.27	167.48
Current liabilities	(40.91)	(44.60)
Non-current liabilities	(57.12)	(51.51)
Equity	157.93	105.01
Attributable to:		
Equity holders of parent	34.76	5.24
Non-controlling interest	123.16	99.77

Summarised cash flow information for the year ended March 31, 2023 and March 31, 2022:

	(Rs. in crore)	
	31-Mar-23	31-Mar-22
Operating activities	10.25	7.08
Investing activities	(44.68)	(8.20)
Financing activities	35.69	1.95
Net increase/(decrease) in cash and cash equivalents	1.25	0.83



47 (b) Material partly-owned subsidiaries - Medcis Pathlabs India Private Limited

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

Name	Country of incorporation and operation	March 31, 2023	March 31, 2022
Medcis Pathlabs India Private Limited- Subsidiary of HDPL	India	46.77%	46.75%

Information regarding non-controlling interest

Accumulated balances of material non-controlling interest:\*

	31-Mar-23	31-Mar-22
Medcis Pathlabs India Private Limited	0.44	-

\*During the pervious year, the company subsidiary's HDPL acquired 84.07% equity in Medcis. Pursuant to this transaction, the fair valuation of deferred consideration payable to minority shareholders calculated in the previous year was Rs. 19.80 crores, which is trued up to Rs. 5.95 crores in the current year on the date of exercise of the put option by the minority shareholders, based on the formula given in the agreement. However, final consideration will arrive within the time limit agreed between the parties to the agreement.

Profit/(loss) allocated to material non-controlling interest:

Medcis Pathlabs India Private Limited	0.44	-
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The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of profit and loss for the year ended March 31, 2023 and March 31, 2022:

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
Revenue from contracts with customers	52.74	-
Other income	0.10	-
Finance Income	0.06	-
Purchase of medical consumables and pharmacy items	(27.31)	-
Changes in inventories of medical consumables	2.59	-
Employee benefits expense	(13.62)	-
Finance cost	(0.51)	-
Depreciation and amortization expense	(2.04)	-
Other expenses	(9.25)	-
<b>Profit before tax and exceptional items</b>	<b>2.76</b>	<b>-</b>
Exceptional items	-	-
<b>(Loss)/Profit before tax</b>	<b>2.76</b>	<b>-</b>
Current tax (credit)	(1.78)	-
Deferred tax charge/ (credit)	0.01	-
<b>Profit for the year from continuing operations</b>	<b>0.99</b>	<b>-</b>
Other comprehensive income for the year	0.02	-
Income tax effect on above	-	-
<b>Total comprehensive income for the year</b>	<b>1.00</b>	<b>-</b>
Attributable to non-controlling interests	0.44	-
Dividends paid to non-controlling interests	-	-

Summarised balance sheet as at March 31, 2023:

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
Current assets	16.14	13.95
Non-current assets	10.49	8.20
Current liabilities	(7.78)	(5.84)
Non-current liabilities	(4.03)	(2.48)
<b>Total equity</b>	<b>14.83</b>	<b>13.83</b>
Attributable to:		
Equity holders of parent	14.39	13.83
Non-controlling interest	0.44	-

Summarised cash flow information for the year ended March 31, 2023 and March 31, 2022:

	(Rs. in crore)	
	March 31, 2023	March 31, 2022
Operating activities	0.08	9.03
Investing activities	(1.14)	(1.81)
Financing activities	(1.54)	(7.55)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(2.60)</b>	<b>(0.33)</b>



48 Reconciliation of movements of liabilities to cash flows arising from financial liabilities

Particulars	(Rs. in crore)			
	Term loans	Lease liabilities	Loan for purchase of vehicles	Total
Debt as at April 01, 2022	1,970.02	941.08	3.82	2,914.93
Interest accrued but not due as at April 01, 2022	0.76	-	-	0.76
Addition during the year	-	170.64	-	170.64
Cash flows including interest paid	-	-	-	-
- Proceeds from borrowings/leases	539.00	-	5.67	544.67
- Repayment of borrowings/leases	(367.43)	(17.60)	(1.40)	(386.43)
- Interest paid	(163.36)	(102.72)	(0.42)	(266.50)
Non-cash changes	-	-	-	-
- Ind AS adjustment with respect to unamortised loan processing charges	(9.95)	-	-	(9.95)
- Interest expense	176.03	104.55	0.42	281.01
- Interest capitalised	-	6.55	-	6.55
- Lease liability reversed	-	(6.57)	-	(6.57)
Interest accrued but not due as at March 31, 2023	(3.48)	-	-	(3.48)
Debt as at March 31, 2023	2,141.60	1,095.94	8.09	3,245.62

Particulars	(Rs. in crore)			
	Term loans	Lease liabilities	Loan for purchase of vehicles	Total
Debt as at April 01, 2021	1,574.91	335.56	0.57	1,911.05
Add. On account of acquisition of subsidiaries	342.03	559.11	-	901.14
Interest accrued but not due as at April 01, 2021	0.52	-	-	0.52
Addition during the year	203.26	51.73	2.93	257.92
Cash flows including interest paid	-	-	-	-
- Proceeds from borrowings/leases	49.53	-	-	49.53
- Repayment of borrowings/leases	(206.55)	(22.63)	0.32	(228.88)
- Interest paid	(177.25)	(77.01)	(0.11)	(254.37)
Non-cash changes	-	-	-	-
- Ind AS adjustment with respect to unamortised loan processing charges	(2.69)	-	-	(2.69)
- Reclassified to discontinued operations	-	-	-	-
- Interest expense	186.92	79.99	0.11	267.02
- Interest capitalised	-	17.07	-	17.07
Lease liability Reversed	-	(2.72)	-	(2.72)
Interest accrued but not due as at March 31, 2022	(0.67)	-	-	(0.67)
Debt as at March 31, 2022	1,970.02	941.08	3.82	2,914.93

49 Other Statutory information

- (i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.  
(ii) The Group has balance with below-mentioned companies struck off under section 248 of Companies Act, 2013

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding		Relationship with the Struck off company, if any, to be disclosed
		As at March 31, 2023	As at March 31, 2022	
T2K Fire & Security Private Limited	Retention Money	0.04	0.04	None
	Creditors for Capital Goods	0.02	0.03	None

- (iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.  
(iv) The Group is in compliance with number of layers of companies, as prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.  
(v) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.  
(vi) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:  
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or  
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries  
(vii) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:  
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or  
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
(viii) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

50 Dues to Micro and Small Enterprises as per the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED):

	March 31, 2023	March 31, 2022
(i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	18.55	14.45
(ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
(iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(iv) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(v) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(vi) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
(vii) Further interest remaining due and payable for earlier years	-	0.15

51 The Board of Directors at its meeting held on December 14, 2021, have approved the Scheme of Amalgamation ("the Scheme") of Manipal Hospitals (Jaipur) Private Limited, ("Transferor Company") with Manipal Hospitals (Dwarka) Private Limited ("Transferee Company") with an appointed date of April 1, 2021. During the year, MHJPL has filed an application with the National Company Law Tribunal (NCLT), Bengaluru Bench. Pending the required approvals, the effect of the Scheme has not been given in the financial statements.

52 The Company on March 16, 2023 entered into a share purchase agreement to acquire shareholding interest in one of the healthcare companies. This acquisition will provide an opportunity for the Company to expand its footprint in India, leverage and optimize costs, and generate higher scale of economies in procurement. The Transaction closure is subject to the completion of certain conditions.

As per our report of even date attached

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

Siddhartha Sharma  
Partner  
Membership number: 118756

For and on behalf of the Board of Directors of  
Manipal Health Enterprises Private Limited

Dilip Jose  
Managing Director & CEO  
DIN: 03591692

Sandeep Agarwal  
Chief Financial Officer

Dr. H. Sudarshan Ballal  
Chairman & Director  
DIN: 01195055

Sathish Kolar Ramamoorthy  
Company Secretary  
Membership number: A15203

Place: Bengaluru  
Date: June 01, 2023

Place: Bengaluru  
Date: May 24, 2023