

Independent Auditor's Report

To the Members of Manipal Hospitals Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Manipal Hospitals Private Limited (the "Company") which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

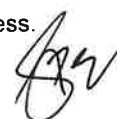
We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the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

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

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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



Registered Office:

Independent Auditor's Report (Continued)

Manipal Hospitals Private Limited

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

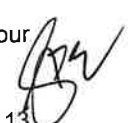
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



Independent Auditor's Report (Continued)

Manipal Hospitals Private Limited

- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. the modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its financial statements - Refer Note 33 to the financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d (i) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 45 (vi) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other 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 Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 45 (vii) to the financial statements, no funds have been received by the 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 Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
 - e. The Company has neither declared nor paid any dividend during the year.



Independent Auditor's Report (Continued)

Manipal Hospitals Private Limited

- f. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of account which have a feature of audit trail (edit log) facility, and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:
- The feature of audit trail implemented for related fields/ tables was done in a phased manner at the application level of the accounting software relating to revenue, purchases, inventory, accounts payable, accounts receivable, fixed assets and general ledger and hence was not enabled throughout the year. Additionally, audit trail for certain tables have not been enabled.
 - The feature of recording audit trail (edit log) was not enabled at the application level for direct data changes performed by users having privileged access for the accounting software used for maintaining books of accounts relating to revenue, purchases, inventory, accounts payable, accounts receivable, fixed assets and general ledger.
 - The feature of audit trail was not enabled at the database level of the accounting softwares relating to revenue, purchases, inventory, accounts payable, accounts receivable, fixed assets and general ledger.

Further, for the periods where audit trail (edit log) facility was enabled for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.

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

For B S R & Co. LLP

Chartered Accountants

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



Siddhartha Sharma

Partner

Place: Bengaluru

Date: 28 May 2024


Membership No.: 118756

ICAI UDIN:24118756BKGTSU6491

Annexure A to the Independent Auditor's Report on the Financial Statements of Manipal Hospitals Private Limited for the year ended 31 March 2024

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Right of Use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments, granted loan, provided guarantee or security to Companies and loan to other parties during the year, details of the loans are stated in sub-clause (a) below. The Company has not made any investments, granted any loans or advances in the nature of loans, secured or unsecured, provided guarantee or security to firms and limited liability partnership. The Company has not made any investments, granted any advances in the nature of loans, secured or unsecured, provided guarantee or security to other parties during the year.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has made investments, provided loans, guarantees and securities to company and loans to other parties as below:



Annexure A to the Independent Auditor's Report on the Financial Statements of Manipal Hospitals Private Limited for the year ended 31 March 2024 (Continued)

Particulars	Security (in Rs. crore)	Guarantees (in Rs. crore)	Loans (Amount in Rs. crore)
Aggregate amount during the year			
Subsidiary*	#	#	33.46
Others			0.20
Balance outstanding as at balance sheet date			
Subsidiary*	#	#	33.46
Others			0.20

**As per the Companies Act, 2013*

During the year, the Company along with Holding company and its fellow subsidiaries has given guarantee and security to various lenders with respect to term loans amounting to Rs. 3,883.13 crore taken by the Company, its Holding Company, its subsidiary and its fellow subsidiaries. Also, refer note 33(iv) to the financial statements.

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the grant of loans provided during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 of the Companies Act, 2013 have been complied with. Further, there are no investments, loans, guarantees and security in respect of which provisions of section 186 of the Act are applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

Annexure A to the Independent Auditor's Report on the Financial Statements of Manipal Hospitals Private Limited for the year ended 31 March 2024 (Continued)

- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of professional tax and unclaimed statutory bonus.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable, except as mentioned below:

Name of the statute	Nature of the dues	Period to which the amount relates	Amount (Rs. in crore)	Due date	Date of payment
The Payment of Bonus Act 1965 and labour welfare fund regulations of respective states	Unpaid Accumulations related to Bonus	2015 - 16	0.02	30 November 2018	Yet to be paid
		2016 - 17	0.11	30 November 2019	Yet to be paid
		2017 - 18	0.05	30 November 2020	Yet to be paid
		2017 - 18	0.04	30 November 2021	Yet to be paid
		2018 - 19	0.04	30 November 2021	Yet to be paid
		2018 - 19	0.18	30 November 2022	Yet to be paid

Annexure A to the Independent Auditor's Report on the Financial Statements of Manipal Hospitals Private Limited for the year ended 31 March 2024 (Continued)

Name of the statute	Nature of the dues	Period to which the amount relates	Amount (Rs. in crore)	Due date	Date of payment
		2019 - 20	0.13	30 November 2022	Yet to be paid
The Employee Provident Fund and Miscellaneous Provisions Act, 1952	Provident Fund	March to October 2019	0.17	Various	Yet to be paid

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

Name of the statute	Nature of the dues	Amount (Rs. in crore)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Goods and Service Tax Act, 2017	Goods and Service Tax	10.71	2017 - 2024	High Court of Karnataka	
Goods and Service Tax Act, 2017	Goods and Service Tax	11.59	2017 - 2022	High Court of Karnataka	Out of the total disputed amount of Rs. 25.38 crore, Rs. 13.79 crore towards the demand of GST (without interest) paid under protest.
Finance Act, 1994	Service Tax	6.55	2014 - 2017	CESTAT	Out of the total disputed amount of Rs. 10.10 crore, Rs. 3.55 crore paid under protest.
Finance Act, 1994	Service Tax	0.99	2014 - 2017	Commissioner of Service Tax	Out of the total disputed amount of Rs. 1.30 crore, Rs. 0.31 crore paid

Annexure A to the Independent Auditor's Report on the Financial Statements of Manipal Hospitals Private Limited for the year ended 31 March 2024 (Continued)

Name of the statute	Nature of the dues	Amount (Rs. in crore)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
				(Appeals)	under protest
Income Tax Act, 1961	Income Tax	0.37	2021-22	Commissioner of Income Tax (Appeals)	
Income Tax Act, 1961	Income Tax	1.69	2018-19	Commissioner of Income Tax (Appeals)	

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the

Annexure A to the Independent Auditor's Report on the Financial Statements of Manipal Hospitals Private Limited for the year ended 31 March 2024 (Continued)

information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



B S R & Co. LLP

Annexure A to the Independent Auditor's Report on the Financial Statements of Manipal Hospitals Private Limited for the year ended 31 March 2024 (Continued)

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Chartered Accountants

Firm's Registration No.:101248WW-100022



Siddhartha Sharma

Partner

Place: Bengaluru

Date: 28 May 2024

Membership No.: 118756

ICAI UDIN:24118756BKGTSU6491

Annexure B to the Independent Auditor's Report on the financial statements of Manipal Hospitals Private Limited for the year ended 31 March 2024

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of Manipal Hospitals Private Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

Auditor's Responsibility

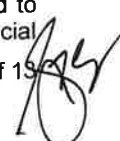
Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

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



Annexure B to the Independent Auditor's Report on the financial statements of Manipal Hospitals Private Limited for the year ended 31 March 2024 (Continued)

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Chartered Accountants

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



Siddhartha Sharma

Partner

Place: Bengaluru

Date: 28 May 2024

Membership No.: 118756

ICAI UDIN:24118756BKGTSU6491

Manipal Hospitals Private Limited
Balance Sheet as at


		(Rs. in crores)	
		March 31, 2024	March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	726.41	724.50
Capital work-in-progress	3.2	9.66	11.34
Right-of-use assets	4.1	403.97	395.40
Intangible assets	4.2	38.31	16.20
Financial assets			
Investments	5.1	726.68	15.00
Loans	5.2	33.46	259.80
Other non-current financial assets	5.3	24.69	36.45
Deferred tax assets (net)	17	14.44	3.59
Income tax assets (net)	6	58.64	46.61
Other non-current assets	7	2.77	3.91
		2,039.03	1,512.80
Current assets			
Inventories	9	27.27	27.70
Financial assets			
Investments	10.1	61.40	208.10
Trade receivables	10.2	84.31	76.40
Cash and cash equivalents	10.3	60.94	20.77
Other bank balances	10.4	7.90	19.94
Loans	10.5	0.20	0.20
Other current financial assets	10.6	3.89	2.50
Other current assets	11	29.75	31.08
		275.66	386.69
Assets held for sale	8	6.50	6.50
Total assets		2,321.19	1,905.99
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	1,025.30	1,025.30
Other equity	13	(104.87)	(338.22)
Total equity		920.43	687.08
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14.1	374.42	327.46
Lease liabilities	14.2	558.02	529.02
Provisions	15	7.71	6.43
Other non-current liabilities	16	-	0.20
		940.15	863.11
Current liabilities			
Financial liabilities			
Borrowings	18.1	54.68	48.15
Lease liabilities	14.2	11.49	8.43
Trade payables	18.2	-	-
- total outstanding dues of micro enterprises and small enterprises		5.40	5.89
- total outstanding dues of creditors other than micro enterprises and small enterprises		352.26	237.56
Other current financial liabilities	19	8.56	24.70
Other current liabilities	21	16.99	17.44
Current tax liabilities (net)	22	0.47	5.32
Provisions	20	10.76	8.31
		460.61	355.80
Total equity and liabilities		2,321.19	1,905.99
Material Accounting policies	2.2		


The accompanying notes are an integral part of 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 Hospitals Private Limited


Sameer Agarwal
Director
DIN: 07554053


Karthik Rajagopal
Director
DIN: 06652382


Khadija G Vahora
Company Secretary
Membership number: A37266

Place : Bengaluru
Date : May 28, 2024

Place : Bengaluru
Date : May 28, 2024

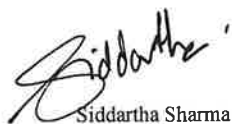
Manipal Hospitals Private Limited
Statement of Profit and Loss for the year ended

		(Rs. in crores)	
	Note	March 31, 2024	March 31, 2023
Income			
Revenue from operations	23	1,787.81	1,456.83
Other income	24	17.24	13.31
Finance income	25	12.84	15.03
Total income		1,817.89	1,485.17
Expenses			
Purchase of medical consumables and pharmacy items		315.71	285.12
Changes in inventories of medical consumables and pharmacy items	26	0.43	(3.64)
Employee benefits expense	27	209.71	180.77
Finance costs	28	123.70	99.67
Depreciation and amortisation expense	29	105.48	86.89
Other expenses	30	746.63	623.54
Total expenses		1,501.66	1,272.35
Profit before tax		316.23	212.82
Tax expense			
Current tax	17	92.89	40.68
Deferred tax	17	(10.63)	0.69
Total tax expense		82.26	41.37
Profit for the year		233.97	171.45
Other comprehensive income (OCI)			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement gain of defined benefit plans		(0.83)	0.66
Income tax effect on above		0.21	(0.17)
OCI for the year (net of tax)		(0.62)	0.49
Total comprehensive income for the year		233.35	171.94
Earnings per equity share			
[nominal value of share Rs. 10 (March 31, 2023: Rs. 10)]	31		
Basic (Rs.)		2.28	1.67
Diluted (Rs.)		2.28	1.67
Material Accounting policies	2.2		

The accompanying notes are an integral part of financial statements

As per our report of even date attached

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



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Company Secretary
Membership number: A37266

Place : Bengaluru
Date : May 28, 2024

Place : Bengaluru
Date : May 28, 2024

Manipal Hospitals Private Limited
Statement of Changes in Equity for the year ended March 31, 2024

(a) Equity share capital*

	Nos.	(Rs. in crores)
Equity shares of Rs. 10 each, issued, subscribed and fully paid-up		
Balance as at April 01, 2022	1,02,52,97,268	1,025.30
Change in equity share capital during the year	-	-
Balance as at March 31, 2023	1,02,52,97,268	1,025.30
Change in equity share capital during the year	-	-
Balance as at March 31, 2024	1,02,52,97,268	1,025.30

*Also, refer note 12

(b) Other equity**

	Reserves and Surplus				Total other equity
	Securities premium	Retained earnings	Amalgamation adjustment deficit account	Re-measurement gain/(loss) on defined benefit plan	
Balance as at April 01, 2022	246.89	(697.97)	(59.11)	0.03	(510.16)
Profit for the year	-	171.45	-	-	171.45
OCI for the year (net of tax)	-	-	-	0.49	0.49
Balance as at March 31, 2023	246.89	(526.52)	(59.11)	0.52	(338.22)
Profit for the year	-	233.97	-	-	233.97
OCI for the year (net of tax)	-	-	-	(0.62)	(0.62)
Balance as at March 31, 2024	246.89	(292.55)	(59.11)	(0.10)	(104.87)

**Also, refer note 13

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:

- Securities premium** - Securities premium is used to record the premium received on issue of shares.
- Re-measurement gain/(loss) on defined benefit plan** - Represents remeasurement gains / (losses) on defined benefit plans (net of tax).
- Retained earnings** - Retained earnings comprises of prior and current period's undistributed earnings after tax.
- Amalgamation adjustment deficit account** - It represents excess of consideration over carrying value of net assets (including reserves) in case of common control business combination. When there is a surplus in the Statement of profit and loss, this debit can be adjusted against that surplus.

Material accounting policies (refer note 2.2)

The accompanying notes are an integral part of financial statements

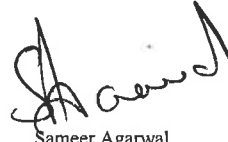
As per our report of even date attached

For B S R & Co. LLP
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Siddhartha Sharma
Partner
Membership number: 118756

For and on behalf of the Board of Directors of
Manipal Hospitals Private Limited



Sameer Agarwal
Director
DIN: 07554053



Karthik Rajagopal
Director
DIN: 06652382



Khadija G Vahora
Company Secretary
Membership number: A37266

Place : Bengaluru
Date : May 28, 2024

Place : Bengaluru
Date : May 28, 2024

Manipal Hospitals Private Limited
Statement of Cash flow for the year ended

	(Rs. in crores)	
	March 31, 2024	March 31, 2023
A. Cash flows from operating activities		
Profit before tax	316.23	212.82
Adjustments for:		
Depreciation and amortisation expense	105.48	86.89
Bad debts/ advances written off	12.58	7.30
Loss allowance on trade receivables (net of reversals)	(0.64)	4.45
Profit on sale of investments in mutual funds (net)	(11.35)	(10.92)
Profit on sale of assets	(2.37)	-
Fair value (gain)/loss on financial instruments at FVTPL	(2.26)	0.18
Finance income	(12.84)	(15.03)
Finance costs	114.99	92.54
Operating profit before working capital changes	519.82	378.23
Movements in working capital :		
Change in trade receivables	(19.85)	(38.93)
Change in loans	-	(0.20)
Change in other assets	1.32	(8.42)
Change in inventories	0.43	(3.65)
Change in other financial assets	0.98	9.70
Change in trade payables	14.26	50.46
Change in provisions	2.44	3.22
Change in other liabilities	(0.65)	8.51
Change in other financial liabilities	0.12	0.07
Cash generated from operations	518.87	398.99
Income tax paid	(109.90)	(19.95)
Net cash generated from operating activities	408.97	379.04
B. Cash flow from investing activities		
Acquisition of property, plant and equipment and intangible assets	(85.68)	(142.42)
Acquisition of subsidiary (refer note 5.1)	(654.53)	-
Investment in others	(1.16)	-
Loans given to related parties	(33.46)	(259.80)
Loans repaid by related parties	259.80	-
Investment made in bank deposits (having original maturity of more than three months)	(1.41)	(12.21)
Maturity of bank deposits (having original maturity of more than three months)	14.96	10.16
Proceeds from the sale of investments in mutual funds	1,372.83	1,144.82
Purchase of investments in mutual funds	(1,212.47)	(1,103.99)
Interest received	21.99	2.93
Net cash used in investing activities	(319.13)	(360.51)
C. Cash flow from financing activities		
Proceeds of long-term borrowings	108.76	114.92
Repayment of long-term borrowings	(56.63)	(39.67)
Proceeds of borrowings for purchase of vehicle	1.68	0.52
Repayment of borrowings for purchase of vehicle	(0.32)	(0.02)
Interest and processing charges paid	(37.66)	(33.01)
Interest and processing charges paid for capital asset borrowings	(0.11)	(0.01)
Payment of lease obligations - including interest	(65.39)	(56.48)
Net cash used in financing activities	(49.67)	(13.75)
Net increase in cash and cash equivalents	40.17	4.78
Cash and cash equivalents at the beginning of the year	20.77	15.99
Cash and cash equivalents at the end of the year (refer note 10.3)	60.94	20.77
Components of cash and cash equivalents for the purpose of cash flow statement		
Cash on hand	0.92	0.55
With banks - on current accounts	50.02	20.22
- deposits with original maturity of less than three months	10.00	-
Total cash and cash equivalents	60.94	20.77
Material Accounting policies	2.2	

Refer Note 41 for Reconciliation of movement of liabilities to cash flows arising from financing activities.

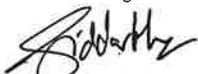
The above Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".

The accompanying notes are an integral part of 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 Hospitals Private Limited


Sameer Agarwal
Director
DIN: 07554053


Karthik Rajagopal
Director
DIN: 06652382


Khadija G Vahora
Company Secretary
Membership number: A37266

Place : Bengaluru
Date : May 28, 2024

Place : Bengaluru
Date : May 28, 2024

1 Corporate information

Manipal Hospitals Private Limited ("the Company") was established in the year 2003 and commissioned its first operating hospital in the year 2005. The Company is a private limited company incorporated under the provisions of the Companies Act of India. The registered office of the Company is located at Bengaluru. The Company operates through various Hospitals/Clinics providing Healthcare services in India.

2.1 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013.

The financial statements are approved for issue by the Company's Board of Directors on May 28, 2024

Details of the material accounting policies are included in Note 2.2

(b) Functional and presentation currency

These 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 financial statements have been prepared on accrual and going concern basis and 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 asset less present value of defined benefit obligation

(d) Use of estimates and judgments

In preparing these 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.

Judgments, 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 15 and 20- Provisions
- Note 17 - Income taxes including deferred tax
- Note 6 and 33 - Provision for Income tax and other contingencies

Estimates:-

- Note 2.2 (c) and (d) - useful life of property, plant and equipment, intangible assets and right of use assets
- Note 5.2, 10.2, 10.5, 10.6 - Impairment of financial assets
- Note 27, 35 - Employee benefits expense, wages and bonus; key actuarial assumptions
- Note 36 - Financial instruments

(e) Measurement of fair values

The Company'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 Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in the note 36 - financial instruments.

2.2 Summary of material accounting policies

(a) Investment in subsidiaries

A subsidiary is an entity that is controlled by another entity. The investments in subsidiaries are carried at cost as per IND AS 27. Investment accounted for at cost is accounted for in accordance with IND AS 105 when they are classified as held for sale and Investment carried at cost is tested for impairment as per IND AS 36. 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.

(b) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is 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 period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

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



(c) Property plant and equipment

Property, plant and equipment including capital work in progress is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, import duties, 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 Company 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 company and the cost of the item can be measured reliably.

Property, plant and equipment under installation or construction as at the balance sheet date is 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:

Category of assets	Useful life estimated by management	Useful life as per Schedule II
Building	23 - 30 years	30 years
Leasehold improvements	Lease term	NA
Equipment's	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

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) 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.

The management has estimated, supported by technical assessment, 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 period over which the assets are likely to be used.

(d) 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 period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. 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 period 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 Company's intangible assets is as below:

Category of assets	Useful life estimated by management
Computer software - application	3-5 years
Computer software - generic	1 year

With effect from April 1, 2020, based on technical evaluation, the Company had revised the estimated useful life of certain categories of property, plant and equipment's and intangible assets. The change in accounting estimate is applied prospectively in accordance with IND AS 8, 'Accounting policies, changes in accounting estimates and errors' and had an impact on the depreciation expense. The financial impact due to change in estimate is given below:

Year ending	(Rs. in crores) (Decrease)/ increase in depreciation and amortisation charge
March 31, 2021	2.53
March 31, 2022	(4.53)
March 31, 2023	(9.72)
March 31, 2024	(5.61)
March 31, 2025	(5.26)
March 31, 2026	(7.42)
March 31, 2027	(6.77)
March 31, 2028	(6.23)
March 31, 2029	(4.51)
March 31, 2030	(4.10)
March 31, 2031 to March 31, 2040	(46.60)
March 31, 2041 to March 31, 2050	23.24
March 31, 2051 to March 31, 2060	41.33
March 31, 2061 to March 31, 2070	30.61
March 31, 2071 to March 31, 2080	3.05



(e) **Impairment of non-financial assets**

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

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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

For all assets, 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 Company 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.

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 Company 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.

(f) **Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period 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 period 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.

(g) **Leases**

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

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. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. 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.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. 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. 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 has elected not to apply the requirements of Ind AS 116 Leases to short term leases of all assets that have a lock in 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.

(h) **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 (i) 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:

- i) Financial assets at amortised cost (debt instruments)
- ii) Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- iii) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- iv) 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:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) 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. 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.

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 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 and financial guarantee contracts.

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.

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 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.

(i) 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 Services Tax (GST) 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. The comparison of cost and net realizable value is made on an item by item basis.

(j) 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.

(k) 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 Company 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 Company disaggregates revenue into revenue from rendering hospital services, pharmacy sales and other operating income. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of Company'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 Company assesses the distinct performance obligations in the contract and measures to at an amount that reflects the consideration it expects to receive, net of Goods and Services Tax and adjusted for discounts and concessions.

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 period, 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 Company 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.

Contract balances

Trade receivables

Unbilled receivable represents the Company'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 Company has received consideration from the customer. If a customer pays consideration before the Company 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 Company performs its obligation under the contract.



(l) Foreign currencies

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

Transactions and balances

Foreign currency transactions are recorded on initial recognition in the functional currency using the exchange rate prevailing at the date of the transaction. However, for practical reasons, the Company 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.

(m) Retirement and other employee benefits

Defined contribution plan

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

Defined benefit plan- gratuity

The Company 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 net interest on the net defined benefit liability (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

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 Company recognises related restructuring costs

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

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

Other long-term employee benefits - compensated absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company 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 Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. The Company 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.

(n) 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 accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted, at the reporting date. 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 periodically 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 taxes relate to the same taxable entity and to the same taxation authority.

(o) 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 period 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 period, using the treasury stock method for options and warrants, except where the results would be antidilutive.



(p) Provisions

Provisions are recognized when the Company 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 Company 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 Company records a provision for decommissioning costs to dismantle and remove the leasehold improvements from the leased premises. 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 contracts

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

(q) 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 Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

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

(r) 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 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 Company's cash management.

(s) Segment accounting policies

Operating segment are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The Board of Directors of the Company has been identified as the Chief Operating Decision Maker. (refer note 39 on segment reporting).

(t) 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.

(u) 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 Company 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.

(v) Share capital

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.

(w) Standards issued but not effective

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.



Manipal Hospitals Private Limited
Notes to financial statements for the year ended March 31, 2024

3.1 Property, plant and equipment

	Freehold land	Leasehold land	Leasehold Improvements	Buildings	Plant and equipment	Facility and office equipment	Furniture and fixtures	Computer equipment	Vehicles	Electrical installation and equipment	Total
(Rs. in crores)											
Cost											
At April 01, 2022	70.34	18.63	2.85	369.36	354.43	120.45	38.99	37.24	0.85	63.99	1,077.13
Additions	-	-	142.52	0.37	111.14	1.53	3.95	15.78	0.70	43.27	319.26
Disposals/ adjustments											
At March 31, 2023	70.34	18.63	145.37	369.73	465.57	121.98	42.94	53.02	1.55	107.26	1,396.39
Additions	-	-	2.05	3.51	44.89	0.18	3.58	9.88	2.38	5.41	71.88
Disposals/ adjustments	2.13	-	-	(0.01)	(7.13)	(2.03)	(0.93)	(1.53)	(0.57)	(0.02)	(10.09)
At March 31, 2024	72.47	18.63	147.42	373.23	503.33	120.13	45.59	61.37	3.36	112.65	1,458.18
Depreciation											
At April 01, 2022	26.98	-	0.00*	143.25	216.59	102.85	34.74	32.76	0.83	53.73	611.73
Charge for the year	-	-	6.25	6.84	25.34	6.67	2.82	5.38	0.08	6.78	60.16
Disposals	-	-	-	-	-	-	-	-	-	-	-
At March 31, 2023	26.98	-	6.25	150.09	241.93	109.52	37.56	38.14	0.91	60.51	671.89
Charge for the year	-	-	5.92	10.73	29.30	4.66	2.87	8.06	0.31	9.72	71.57
Disposals	-	-	-	(0.01)	(6.77)	(2.01)	(0.91)	(1.53)	(0.44)	(0.02)	(11.69)
At March 31, 2024	26.98	-	12.17	160.81	264.46	112.17	39.52	44.67	0.78	70.21	731.77
Net book value											
At March 31, 2023	43.36	18.63	139.12	219.64	223.64	12.46	5.38	14.88	0.64	46.75	724.50
At March 31, 2024	45.49	18.63	135.25	212.42	238.87	7.96	6.07	16.70	2.58	42.44	726.41

Refer note 14.1 for details of Property, plant and equipment pledged as security for borrowings.

* Represents value less than Rs.0.01 crore

Notes:

(a) Leasehold land represents lease term ranging from 999 years to perpetuity.

(b) During the year, the Company has capitalised an aggregate borrowing cost of Rs. Nil as at March 31, 2024 (as at March 31, 2023: Rs. 6.56 crores), on assets lying in capital work in progress.



3.2 Capital Work-in-progress

	(Rs. in crores)
Cost	Total
At April 01, 2022	176.53
Additions during the year	146.10
Capitalisation of interest on lease liability for ROU under development	6.56
Capitalisation of depreciation on Right of use assets under development	1.41
Transferred to Property, plant and equipment	(319.26)
At March 31, 2023	11.34
Additions during the year	70.20
Transferred to Property, plant and equipments	(71.88)
At March 31, 2024	9.66

Capital work in progress ageing schedule

As at March 31, 2024

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	5.87	3.49	0.30	-	9.66
Projects temporarily suspended	-	-	-	-	-
Total	5.87	3.49	0.30	-	9.66

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

As at March 31, 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3.49	7.85	-	-	11.34
Projects temporarily suspended	-	-	-	-	-
Total	3.49	7.85	-	-	11.34

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

4.1 Right of use assets

	Right-of-use assets				(Rs. in crores)
	Leasehold land & building *	Equipments	Vehicles	Computers	Total
Cost					
At April 01, 2022	471.51	16.20	0.68	9.12	497.51
Additions	3.10	-	-	1.21	4.31
Disposals	(5.21)	-	-	-	(5.21)
At March 31, 2023	469.40	16.20	0.68	10.33	496.61
Additions	28.94	-	-	5.43	34.37
Disposals or Adjustments	-	(4.14)	-	-	(4.14)
At March 31, 2024	498.34	12.06	0.68	15.76	526.84
Amortisation					
At April 01, 2022	67.54	7.63	0.66	1.02	76.85
Charge for the year	16.53	1.49	0.02	4.90	22.94
Disposals or Adjustments	-	-	-	-	-
Charge for the year transferred to CWIP	1.42	-	-	-	1.42
At March 31, 2023	85.49	9.12	0.68	5.92	101.21
Charge for the year	19.07	0.93	-	1.66	21.66
Disposals or Adjustments	-	-	-	-	-
At March 31, 2024	104.56	10.05	0.68	7.58	122.87
Net book value					
At March 31, 2023	383.91	7.08	-	4.41	395.40
At March 31, 2024	393.78	2.01	-	8.18	403.97

* Refer note 14.1 for details of assets pledged as security for borrowings.



4.2 Intangible assets

	(Rs. in crores)
	<u>Intangible assets</u>
	<u>Computer software</u>
Cost	
At April 01, 2022	27.22
Additions	18.84
Disposals	-
At March 31, 2023	<u>46.06</u>
Additions	34.36
Disposals	-
At March 31, 2024	<u>80.42</u>
Amortisation	
At April 01, 2022	26.07
Charge for the year	3.79
Disposals	-
At March 31, 2023	<u>29.86</u>
Charge for the year	12.25
Disposals	-
At March 31, 2024	<u>42.11</u>
Net book value	
At March 31, 2023	<u>16.20</u>
At March 31, 2024	<u>38.31</u>



5 Non-current financial assets

5.1 Investments

	No of units		Amounts	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	(Rs. in crores)			
Investments carried at cost (unquoted)				
A) Investment in equity shares of subsidiary company				
AMRI Hospitals Private Limited (formerly known as AMRI Hospitals Limited) ('AMRI') [shares of Rs. 10 each fully paid-up, refer note 5.1.1]	5,71,12,194	-	396.00	-
(A)			<u>396.00</u>	<u>-</u>
B) Investment in Compulsory convertible debentures of subsidiary company				
AMRI Hospitals Private Limited (formerly known as AMRI Hospitals Limited) ('AMRI') [refer note 5.1.1]	850	-	314.57	-
(B)			<u>314.57</u>	<u>-</u>
Aggregate value of unquoted investments carried at cost (A+B)			<u>710.57</u>	<u>-</u>
Investments at fair value through Profit and Loss				
Investments in other companies				
O2 Renewable Energy X Private Limited	1,15,900	-	0.12	-
-Equity shares of Rs 10 each fully paid up	10,424	-	1.04	-
-Compulsory convertible debentures of Rs.1000 each [Refer note 5.1.2]	(C)		<u>1.16</u>	<u>-</u>
Investments in mutual funds (quoted)*				
Bandhan Crisil Gilt 2028 Index Fund Direct Growth	1,02,34,712	1,02,34,712	12.05	11.21
Bandhan Gilt 2027 Index Fund - Direct Plan - Growth	24,70,105	34,70,747	2.90	3.79
Aggregate book value/market value of quoted (D)			<u>14.95</u>	<u>15.00</u>
Information about the company's exposure to credit and market risks, and fair value measurement, is included in Note 36 & 37				
* Refer note 14.1 for details of Investments pledged as security for borrowings				
Aggregate value of investments carried at fair value through Profit and Loss (C+D)			<u>16.11</u>	<u>15.00</u>
Aggregate value of investments (A+B+C+D)			<u>726.68</u>	<u>15.00</u>
Aggregate value of investments			<u>726.68</u>	<u>15.00</u>

5.1.1 On September 20, 2023 the Company along with its affiliates, acquired 5,71,12,194 equity shares and 850 compulsorily convertible debentures of AMRI Hospitals Private Limited (formerly known as AMRI Hospitals Limited) from existing shareholders aggregating to 84.07% shareholding of AMRI Hospitals Private Limited on a fully diluted basis.

5.1.2 On October 23, 2023, the Company acquired 1,15,900 equity shares and 10,424 Series B compulsory convertible debentures of O2 Renewable Energy X Private Limited.

5.2 Loans (Unsecured considered good unless otherwise stated)

	(Rs. in crores)	
	March 31, 2024	March 31, 2023
Inter Corporate Deposit given to related parties (refer note 5.2.1)	34.92	271.13
Less: Interest accrued on inter corporate deposits to related parties - disclosed under Other non-current financial assets	(1.46)	(11.33)
	<u>33.46</u>	<u>259.80</u>

5.2.1 Term of the loan as given below:

Name of the loanee	Rate of Interest	Repayment	Secured/ unsecured	March 31, 2024	Movement during the year	March 31, 2023
Inter Corporate Deposit						
Manipal Hospitals (Dwarka) Private Limited ('MHDPL')	10.00%	Thirty-Six months	Unsecured	-	(259.80)	259.80
AMRI Hospitals Private Limited (formerly known as AMRI Hospitals Limited)	9.00%	Thirty-Six months	Unsecured	33.46	33.46	-

The intercorporate deposit has been made available for the purpose of meeting its general corporate 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.

5.3 Other non-current financial assets (Secured considered good unless otherwise stated)

	(Rs. in crores)	
	March 31, 2024	March 31, 2023
Margin money deposit with banks (refer note 5.3.1)	0.50	-
Deposits with banks due to mature after twelve months from the reporting date (refer note 5.3.2)	6.78	11.10
Interest accrued on inter corporate deposits to related parties (refer note 5.3.3)	1.46	11.33
Security deposits	<u>15.95</u>	<u>14.02</u>
	<u>24.69</u>	<u>36.45</u>

(5.3.1) Margin money deposits with a carrying amount of Rs. 0.50 crores (March 31, 2023: Rs. Nil) are subject to charge to secure the Company's letter of credit facility for capital purchases and as performance guarantee

(5.3.2) It includes Debt Service Reserve Account maintained by the company with Banks amounting to Rs. 6.74 crores (March 31, 2023 : Rs 11.10 crores)

(5.3.3) Receivable from related parties (refer note 32)

6 Income tax assets (net)

	(Rs. in crores)	
	March 31, 2024	March 31, 2023
Income tax assets (net of provision for income tax)	58.64	46.61
	<u>58.64</u>	<u>46.61</u>

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

	(Rs. in crores)	
	March 31, 2024	March 31, 2023
Capital advances		
Considered good	2.20	3.35
Considered doubtful	<u>17.88</u>	<u>17.88</u>
	20.08	21.23
Provision for doubtful capital advances	<u>(17.88)</u>	<u>(17.88)</u>
	2.20	3.35
Prepaid expenses	<u>0.57</u>	<u>0.56</u>
	<u>2.77</u>	<u>3.91</u>



8 Assets held for sale	(Rs. in crores)	
	March 31, 2024	March 31, 2023
Land	6.50	6.50
	6.50	6.50

(8.1) Land held for sale pertains to land situated at Meerut Rs 6.50 crores (March 31, 2023: Rs 6.50 crores).

9 Inventories (valued at lower of cost and net realizable value)	(Rs. in crores)	
	March 31, 2024	March 31, 2023
Pharmacy items	13.01	11.74
Medical consumables	14.26	15.96
	27.27	27.70

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

10 Current financial assets

10.1 Investments

	(Rs. in crores)			
	No of units		Amounts	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Investments at fair value through Profit and Loss				
Investments in mutual funds (quoted)*				
ABSL CRISIL IBX AAA Jun 2023 Index Direct Growth	-	2,95,45,757	-	31.12
Nippon India Nifty SDL Plus G-Sec Jun 2028	49,99,750	49,99,750	5.52	5.13
DSP Low Duration Fund Direct Growth	-	70,44,786	-	12.20
DSP Savings Fund Direct Growth	-	17,61,468	-	8.10
SBI Savings Fund-Growth	-	45,29,679	-	17.02
ICICI Liquid Fund Direct Growth	-	2,86,140	-	9.53
Nippon India mmf	-	14,326	-	5.08
ICICI Overnight Fund Direct Growth	-	16,763	-	2.02
Nippon Liquid Fund Direct Growth	-	14,605	-	8.04
ABSL MMF Direct Growth	-	8,84,259	-	27.96
ICICI Corporate Bond Fund Direct Growth	-	1,94,36,152	-	50.59
ICICI Money Market Fund - Direct Plan - Growth	75,568	3,15,596	2.64	10.24
Bandhan Corporate Bond Fund - Direct Growth	-	24,51,910	-	4.07
Bandhan Banking & FSU Direct Growth	-	77,77,058	-	16.61
Bandhan Gilt 2027 Index Fund - Direct Plan - Growth	13,60,607	3,59,965	1.60	0.39
ICICI Saving Fund - Direct Plan - Growth	1,13,757	-	5.68	-
Axis Money Manager Fund-Direct Plan-Growth	99,138	-	13.01	-
SBI Magnum Low Duration Fund - Direct Plan - Growth	40,689	-	13.42	-
HDFC Money Manager Fund - Direct Plan - Growth	36,851	-	19.53	-
Aggregate book value/market value of quoted investments			61.40	208.10

*Information about the company's exposure to credit and market risks, and fair value measurement, is included in Note 36 & 37

10.2 Trade receivables (Unsecured considered good unless otherwise stated)

	(Rs. in crores)	
	March 31, 2024	March 31, 2023
Considered good	84.31	76.40
Credit impaired	14.52	14.87
	98.83	91.27
Less: Allowance for bad and doubtful debts	(14.52)	(14.87)
	84.31	76.40

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

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

(10.2.2) Ageing for trade receivables and unbilled revenue due from transaction date for each of the category is as follows:

As at 31 March 2024

Particulars	Outstanding for following periods 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	49.35	34.26	0.70	-	-	-	84.31	
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	
Undisputed Trade receivable - credit impaired	-	4.25	9.65	0.62	-	-	14.52	
Disputed Trade receivables - considered good	-	-	-	-	-	-	-	
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-	
Total	49.35	38.51	10.35	0.62	-	-	98.83	

* includes unbilled revenue of Rs 9.53 crores as considered good.

As at 31 March 2023

Particulars	Outstanding for following periods 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	55.78	20.10	0.52	-	-	-	76.40	
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	
Undisputed Trade receivable - credit impaired	0.11	3.52	10.71	0.53	-	-	14.87	
Disputed Trade receivables - considered good	-	-	-	-	-	-	-	
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-	
Total	55.89	23.62	11.23	0.53	-	-	91.27	

* includes unbilled revenue of Rs 9.10 crores as considered good.



10.3 Cash and cash equivalents

	(Rs. in crores)	
	March 31, 2024	March 31, 2023
Balances with banks:		
- On current accounts	50.02	20.22
- Deposits with original maturity of less than three months	10.00	-
Cash on hand	0.92	0.55
Total cash and cash equivalents	60.94	20.77

10.4 Bank balances other than cash and cash equivalents above

	(Rs. in crores)	
	March 31, 2024	March 31, 2023
Bank deposits due to mature within twelve months from the reporting date*	7.90	19.94
	7.90	19.94

* It includes margin money deposits of Rs Nil (March 31, 2023: Rs 19.94 crores) with banks through deposits given as security for obtaining bank guarantees

10.5 Loans (Unsecured considered good unless otherwise stated)

	(Rs. in crores)	
	March 31, 2024	March 31, 2023
Loans to employees	0.20	0.20
	0.20	0.20

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

	(Rs. in crores)	
	March 31, 2024	March 31, 2023
Margin money deposit with banks	2.31	-
Interest accrued on fixed deposits	0.53	0.97
Other receivables*		
Considered good	0.64	0.10
Considered doubtful	0.18	-
Less: Provision against other receivables	(0.18)	-
Net other receivables	0.64	0.10
Security deposits	0.41	1.43
	3.89	2.50

* includes receivables from related parties (refer note 32)

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

	(Rs. in crores)	
	March 31, 2024	March 31, 2023
Prepaid expenses	5.81	1.86
Advances to suppliers	4.97	9.73
Balance with government authorities	18.97	19.49
	29.75	31.08



12 Equity Share capital

	(Rs. in crores)	
	March 31, 2024	March 31, 2023
12.1 Authorised shares (Nos.) 1,104,950,000 (March 31, 2023: 1,104,950,000) Equity shares of Rs 10/- each	1,104.95	1,104.95
12.2 Issued, subscribed and fully paid-up shares (Nos.) 1,025,297,268 (March 31, 2023: 1,025,297,268) Equity Shares of Rs. 10/- each	1,025.30	1,025.30
Total issued, subscribed and fully paid-up share capital	1,025.30	1,025.30

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

	March 31, 2024		March 31, 2023	
	Nos.	(Rs. in crores)	Nos.	(Rs. in crores)
At the beginning of the year	1,02,52,97,268	1,025.30	1,02,52,97,268	1,025.30
Add : Issued during the year	-	-	-	-
At the end of the year	1,02,52,97,268	1,025.30	1,02,52,97,268	1,025.30

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 assets available for distribution to the shareholders shall be distributed as follows:

(i) first towards distribution to certain equity shareholders on paripassu basis on the total amount invested by them; (ii) second towards other shareholders on pro-rata basis in proportion to their inter se number of equity shares of the Company, until they have collectively received an amount equal to the face value of the equity shares held by them; and (iii) any balance assets to all shareholders pro-rata to their holding in the Company.

12.5 Shares held by holding company

	March 31, 2024		March 31, 2023	
	Nos.	(Rs. in crores)	Nos.	(Rs. in crores)
Manipal Health Enterprises Private Limited *	1,02,52,97,268	1,025.30	1,02,52,97,268	1,025.30

*Includes 10,000 (March 31,2023: 10,000) equity shares of Rs 10 each held by nominee director on behalf of the holding company.

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

	March 31, 2024		March 31, 2023	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Equity shares of Rs. 10 each fully paid Manipal Health Enterprises Private Limited	1,02,52,97,268	100.00%	1,02,52,97,268	100.00%

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.

12.7 Details of shareholding by the promoter of the company

As at March 31, 2024

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
Manipal Health Enterprises Private Limited	1,02,52,97,268	-	1,02,52,97,268	100.00%	0.00%
	1,02,52,97,268	-	1,02,52,97,268	100.00%	0.00%

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
Manipal Health Enterprises Private Limited	1,02,52,97,268	-	1,02,52,97,268	100.00%	0.00%
	1,02,52,97,268	-	1,02,52,97,268	100.00%	100%

12.8 As at March 31, 2024 and March 31, 2023, the Company does not have any shares reserved for issue under options and contracts or commitments for the sale of shares.

13 Other equity

	(Rs. in crores)	
	March 31, 2024	March 31, 2023
13.1 Securities premium		
Balance at the beginning of the year	246.89	246.89
Add: Addition during the year	-	-
Balance at the end of the year	246.89	246.89
13.2 Re-measurement gain/(loss) on defined benefit plan		
Balance at the beginning of the year	0.52	0.03
OCI for the year (net of tax)	(0.62)	0.49
Balance at the end of the year	(0.10)	0.52
13.3 Retained earnings		
Balance at the beginning of the year	(526.52)	(697.97)
Add: Profit for the year	233.97	171.45
Balance at the end of the year	(292.55)	(526.52)
13.4 Amalgamation adjustment deficit account		
Balance at the beginning of the year	(59.11)	(59.11)
Add: Addition during the year	-	-
Balance at the end of the year	(59.11)	(59.11)
Total of other equity	(104.87)	(338.22)



14 Non-current financial liabilities

14.1 Borrowings (secured unless other-wise stated)

		(Rs. in crores)	
		March 31, 2024	March 31, 2023
Borrowings			
Term loan from banks (refer note 14.1.1 to 14.1.4)		427.24	365.11
Loan from other parties (unsecured)		-	10.00
Loan for purchase of capital asset (refer note 14.1.4)		1.86	0.50
	(A)	429.10	375.61
Less: Current maturities - disclosed under the head 'short term borrowings'			
Term loan from banks		54.37	48.06
Loan for purchase of capital asset		0.31	0.09
	(B)	54.68	48.15
	(A-B)	374.42	327.46

14.1.1 Principal Outstanding (net of transaction cost)

Term loan			
Term loans from banks		427.24	365.11
Loan from other parties (unsecured)		-	10.00
Loan for purchase of capital asset		1.86	0.50
		429.10	375.61

14.1.2 Rate of Interest

Term loan			
Term loans from banks		(8.4% to 8.72%)	(8.72% to 9.06%)
Loan from other parties (unsecured)		-	11.50%
Loan for purchase of capital asset		(8.6% to 9.40%)	(9.25% to 9.40%)

14.1.3 Repayment Terms

Term loan		Year of full repayment
Term loans from banks		2027 to 2036
Loan for purchase of capital asset		2027 to 2030

14.1.4 The terms and conditions of all the term loans from banks and financial institutions are similar and are as follows:

During the year ended March 31, 2024, the Company entered into facility agreements with its lenders and offered consolidated security as below:-

- A first pari-passu charge over all movable, immovable fixed assets and current assets of the Company along with MHEPL, MHDPL, MHBPL & AMRI other than fixed Deposits and mutual funds kept as DSRA & immovable properties mentioned as excluded properties in facility agreements.
- 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 MHEPL, MHBPL & MHDPL. Subsequent to the acquisition of AMRI during the year, AMRI assets are also offered to lenders for security.
- Non disposal undertaking by MHEPL in respect of each shareholding aggregating up to 100% (One hundred percent) in the company.
- The Company obtained vehicle under financing arrangements from Bank and secured against such vehicle.

During the year ended March 31, 2023, the terms and conditions of all the term loans from banks and financial institutions are as follows:

- A first pari-passu charge over all movable, immovable fixed assets and current assets of the Company along with MHDPL, MHJPL, MHEPL and MHBPL other than fixed Deposits and mutual funds kept as DSRA & immovable properties mentioned as excluded properties in facility agreements.
- Irrevocable and unconditional corporate guarantee by MHBPL, MHDPL, MHJPL and MHEPL.
- Exclusive security interest over the amount in the Debt Service Reserve Accounts required to be maintained by MHEPL.
- Non disposal undertaking by MHEPL in respect of each shareholding aggregating up to 100% (One hundred percent) in the company.
- The Company obtained vehicle under financing arrangements from Bank and secured against such vehicle.

14.2 Lease liabilities

		(Rs. in crores)	
		March 31, 2024	March 31, 2023
Opening balance		537.45	530.60
Add: New leases during the year		33.40	4.22
Add: Interest accrued		66.28	57.98
Add: Interest Capitalised		-	6.56
Less: Interest paid		(57.22)	(56.48)
Less: Lease paid		(8.17)	-
Less: Lease reversals/adjustments		(2.23)	(5.43)
		569.51	537.45
Non-current		558.02	529.02
Current		11.49	8.43

14.2.1 Notes

The Company has taken on lease certain land and building for hospital operations, hostels for staff, equipment's, office spaces and vehicles for use in the course of its business.

Refer notes 2.2(g) in relation to accounting policy for leases.

Refer note 4.1 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 period by class of underlying asset.

Refer note 30.1 in relation to short term leases and leases of low-value assets accounted for applying paragraph 6 of Ind AS 116.

Refer note 37C disclosure on maturity analysis of lease payments

Refer note 41 disclosure on cash outflows for leases liabilities

15 Provisions

		(Rs. in crores)	
		March 31, 2024	March 31, 2023
Non-current			
Provision for gratuity		7.71	6.43
		7.71	6.43



		(Rs. in crores)	
		March 31, 2024	March 31, 2023
16	Other non-current liabilities		
	Deferred income - Non-Current	-	0.20
		-	0.20

Deferred income pertains to amount relating to Export Promotion Capital Goods Scheme received on medical equipment's imported during the year ended March 31, 2020.

		(Rs. in crores)	
		March 31, 2024	March 31, 2023
17	Income Tax		
	The major components of income tax expense for the year ended March 31, 2024 and March 31, 2023 are:		

Statement of Profit and loss:

		(Rs. in crores)	
		March 31, 2024	March 31, 2023
	Current income tax:		
	Current income tax charge	92.64	40.68
	Adjustment of tax relating to earlier years	0.25	-
		92.89	40.68
	Deferred tax charge:		
	Origination and reversal of temporary differences	(10.63)	0.69
	Income tax expense reported in the statement of profit or loss	82.26	41.37

OCI section

		(Rs. in crores)	
		March 31, 2024	March 31, 2023
	Deferred tax arising on income and expense recognised in other comprehensive income during the year	0.21	(0.17)
	Tax on net loss on remeasurement of defined benefit plan	-	-
	Income tax charge reported in OCI	0.21	(0.17)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

		(Rs. in crores)	
		March 31, 2024	March 31, 2023
	Accounting profit/ (loss) before income tax	316.23	212.82
	At India's statutory income tax rate of 25.17% (March 31, 2023: 25.17%)	79.59	53.56
	Tax effect of non-deductible expenses	6.28	(12.19)
	Others	(3.61)	-
		82.26	41.37

Deferred tax

		(Rs. in crores)			
		Recognised in balance sheet		Recognised in profit and loss and other comprehensive income	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	Property plant equipment and Intangible assets:	(150.77)	(151.51)	(0.73)	(5.89)
	Impact of difference between tax depreciation as per Income Tax Act, 1961 over depreciation/ amortization as per Companies Act, 2013.				
	Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis *	152.14	143.01	(9.13)	(3.51)
	Allowance for bad and doubtful debts	3.65	3.74	0.09	(1.04)
	Fair valuation of investments in mutual funds	(0.70)	(1.07)	(0.37)	0.11
	Others	10.12	9.42	(0.70)	11.19
	Deferred tax expense			(10.84)	0.86
	Net deferred tax Assets	14.44	3.59		

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

Reflected in the balance sheet as follows:

		(Rs. in crores)	
		March 31, 2024	March 31, 2023
	Deferred tax assets	165.91	156.17
	Deferred tax liabilities	(151.47)	(152.58)
	Deferred tax Assets (net)	14.44	3.59

The Company has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

DTA has not been recognised on temporary differences in relation to indexation benefit on investment in subsidiary amounting to Rs. 710.57 crores (March 31, 2023 Rs. Nil), as the Company is able to control the timing of reversal of temporary difference and it is probable that temporary differences will not reverse in foreseeable future.

18	Current financial liabilities
18.1	Short term borrowings

		(Rs. in crores)	
		March 31, 2024	March 31, 2023
	Current maturities of long-term borrowings	54.37	48.06
	Loan for purchase of capital asset	0.31	0.09
		54.68	48.15



18.2 Trade payables

	(Rs. in crores)	
	March 31, 2024	March 31, 2023
Trade payables		
- total outstanding dues of micro enterprises and small enterprises*	5.40	5.89
- total outstanding dues of creditors other than micro enterprises and small enterprises	352.26	237.56
	<u>357.66</u>	<u>243.45</u>

*Also refer note 44

(18.2.1) For details relating to payable to related parties refer note 32

(18.2.2) There were no disputed dues from Micro enterprises and small enterprises and other creditors

As at 31 March 2024

Particulars	Outstanding for following periods 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	
Total outstanding dues of micro enterprises and small enterprises	4.88	0.52		-	-	5.40
Total outstanding dues of creditors other than micro enterprises and small enterprises	317.68	27.02	5.71	1.33	0.52	352.26
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	322.56	27.54	5.71	1.33	0.52	357.66

As at 31 March 2023

Particulars	Outstanding for following periods 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	
Total outstanding dues of micro enterprises and small enterprises	-	5.89	-	-	-	5.89
Total outstanding dues of creditors other than micro enterprises and small enterprises	221.09	13.71	1.53	0.38	0.85	237.56
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	221.09	19.60	1.53	0.38	0.85	243.45

19 Other current financial liabilities

	(Rs. in crores)	
	March 31, 2024	March 31, 2023
Interest accrued but not due on borrowings *	0.09	1.33
Capital creditors **	7.11	20.71
Sundry deposits	0.31	0.19
Retention money	1.05	2.47
	<u>8.56</u>	<u>24.70</u>

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

** As at March 31, 2024, outstanding amount of Rs 0.39 crores (March 31, 2023: Rs 0.85 crores) 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 due date during the current and the previous years.

20 Provisions

	(Rs. in crores)	
	March 31, 2024	March 31, 2023
Current		
Provision for compensated absences	10.76	8.31
	<u>10.76</u>	<u>8.31</u>

21 Other current liabilities

	(Rs. in crores)	
	March 31, 2024	March 31, 2023
Deferred income	-	0.07
Statutory dues	8.87	8.80
Advance received from customer [refer note 23(b)]	8.12	8.57
	<u>16.99</u>	<u>17.44</u>

22 Current tax liabilities (net)

	(Rs. in crores)	
	March 31, 2024	March 31, 2023
Current tax liabilities (net)	0.47	5.32
	<u>0.47</u>	<u>5.32</u>



23	Revenue from operations	(Rs. in crores)	
		March 31, 2024	March 31, 2023
	Hospital services	1,821.26	1,578.74
	Pharmacy sales	62.22	50.70
	Less: Discounts	(105.62)	(180.72)
	Total (a)	1,777.86	1,448.72
	Other operating revenues		
	Rental income	1.82	0.54
	Parking charges	0.53	0.20
	Others	7.60	7.37
	Total (b)	9.95	8.11
	Total (a+b)	1,787.81	1,456.83
a)	The revenue from contracts with customer at disaggregation is provided above.		
b)	Changes in contract liabilities- Advance received from customers		
		(Rs. in crores)	
		March 31, 2024	March 31, 2023
	Balance at the beginning of the year	8.57	6.62
	Less: Revenue recognised that was included in the balance at the beginning of the year (refer note 21)	(8.57)	(6.62)
	Add: Increase due to advance from patients received (refer note 21)	8.12	8.57
	Balance at the end of the year	8.12	8.57
	Expected revenue recognition from remaining performance obligations:		
	- Within one year	8.12	8.57
c)	Contract balances		
		(Rs. in crores)	
		March 31, 2024	March 31, 2023
	Receivables		
	- Trade receivables	84.31	76.40
	Contract liabilities		
	- Advance received from customer	8.12	8.57
	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 company 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 company has taken the practical expedient related to performance obligation disclosure as provided by Ind AS 115.		
24	Other income	(Rs. in crores)	
		March 31, 2024	March 31, 2023
	Profit on sale of investments in mutual funds (net)	11.35	10.92
	Fair value gain on financial instruments at FVTPL	2.26	-
	Profit on sale of property, plant and equipment (net)	2.37	-
	Interest income on income tax refund	1.26	2.15
	Others	-	0.24
		17.24	13.31
25	Finance income	(Rs. in crores)	
		March 31, 2024	March 31, 2023
	Interest on inter corporate deposit (Refer note 32)	10.74	12.59
	Interest income on financial assets at amortised cost	0.72	0.77
	Interest income on bank deposits	1.38	1.67
		12.84	15.03
26	Changes in inventories of medical consumables and pharmacy items	(Rs. in crores)	
		March 31, 2024	March 31, 2023
	Pharmacy items		
	Inventory at the beginning of the year	11.74	9.42
	Less: Inventory at the end of the year	(13.01)	(11.74)
		(1.27)	(2.32)
	Other medical consumables		
	Inventory at the beginning of the year	15.96	14.64
	Less: Inventory at the end of the year	(14.26)	(15.96)
		1.70	(1.32)
		0.43	(3.64)



Manipal Hospitals Private Limited
Notes to financial statements for the year ended March 31, 2024

27	Employee benefits expense *	(Rs. in crores)	
		March 31, 2024	March 31, 2023
	Salaries, wages and bonus	180.14	156.84
	Contribution to provident and other funds (refer note 35)	12.40	10.32
	Gratuity expenses (refer note 35)	2.52	2.38
	Staff welfare expenses	14.65	11.23
		209.71	180.77

* includes transactions with related parties (refer note 32)

28	Finance costs	(Rs. in crores)	
		March 31, 2024	March 31, 2023
	Bank charges	8.71	7.13
	Interest		
	- on bank loan	34.53	32.13
	- on defined benefit obligation (refer note 35)	0.46	0.44
	- on leases	66.28	57.98
	- on vehicle loan	0.11	0.01
	- on self-assessment tax	0.13	-
	- on others	11.59	-
	Loan processing fees		
	- on financial liabilities measured at amortised cost	1.89	1.98
	Total finance costs	114.99	92.54
		123.70	99.67

29	Depreciation and amortisation expense	(Rs. in crores)	
		March 31, 2024	March 31, 2023
	Depreciation of property, plant and equipment (refer note 3.1)	71.57	60.16
	Amortisation of right of use assets (refer note 4.1)	21.66	22.94
	Amortisation of intangible assets (refer note 4.2)	12.25	3.79
		105.48	86.89

30	Other expenses	(Rs. in crores)	
		March 31, 2024	March 31, 2023
	Doctors professional fees	438.84	370.44
	House keeping, including consumables	24.09	33.03
	Power and fuel and other utilities	35.34	33.62
	Security charges	12.06	5.73
	Rent (refer note 30.1)	19.24	15.65
	Contractual manpower	39.25	12.23
	Rates and taxes	19.02	1.61
	Insurance	2.93	1.58
	Repairs and maintenance		
	- Buildings	2.16	4.78
	- Plant and machinery	17.94	17.31
	- Others	25.10	33.37
	Corporate social responsibility (refer note 40)	2.45	1.00
	Advertising and sales promotion	60.86	38.06
	Travelling and conveyance	6.08	4.28
	Communication costs	2.21	1.77
	Printing and stationery	6.57	5.73
	Legal and professional fees**	16.44	28.03
	Payment to auditors	1.06	0.93
	Bad debts/advances written off	12.58	7.30
	Loss allowance on trade receivables (net of reversals)	(0.64)	4.45
	Loss allowance on other receivables (net of reversals)	0.00*	-
	Fair value loss on financial instruments at FVTPL	-	0.18
	Foreign exchange loss (net)	0.10	0.04
	Miscellaneous expenses	2.95	2.42
		746.63	623.54

* Represents value less than Rs.0.01 crore

** includes transactions with related parties (refer note 32)

30.1 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 2.2(g).

30.2 **Payment to auditors***

	(Rs. in crores)	
	March 31, 2024	March 31, 2023
Audit fees	1.06	0.77
Limited review	-	0.16
	1.06	0.93

*Amount inclusive of Goods and Service Tax (GST).



31 Earnings per share (EPS)

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

	(Rs. in crores)	
	March 31, 2024	March 31, 2023
Profit/ (Loss) attributable to the equity shareholders for basic EPS	233.97	171.45
Weighted average number of equity shares	1,02,52,97,268	1,02,52,97,268
Earnings per share - Basic and diluted - Rs	2.28	1.67

32 Related party transactions

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

Holding Company	- Manipal Health Enterprises Private Limited ('MHEPL')
Subsidiary	- AMRI Hospitals Private Limited (formerly known as AMRI Hospitals Limited) (w.e.f September 20, 2023)

(b) Names of other related parties as per Ind AS 24 with whom transactions have taken place during the year:

Fellow subsidiaries	- Manipal Hospitals (Jaipur) Private Limited (upto July 17, 2023) - Manipal Hospitals (Dwarka) Private Limited - Manipal Hospitals (Bengaluru) Private Limited
Other related parties (Enterprises under significant influence of ultimate holding company/holding company upto July 13, 2023) (Enterprise over which KMP of holding company has significant influence from July 13, 2023)	- Manipal Cigna Health Insurance Company Limited - Manipal Foundation - MEMG International India Pvt Ltd
Key management personnel: Directors	- Dr. H. Sudarshan Ballal, Director - Mr. Karthik Rajagopal, Director - Mr. Sameer Agarwal, Director

(d) Names of additional related parties as per Companies Act, 2013:

Company Secretary	- Ms. Khadija G Vahora
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Transactions with the above related parties during the year ended:

Name of related party	Nature of transaction	(Rs. in crores)	
		March 31, 2024	March 31, 2023
Remuneration to key management personnel (KMP)	Employee Benefits	0.11	0.11
Manipal Health Enterprises Private Limited	Healthcare Services received	12.93	7.41
	Purchase of medical consumables	1.67	3.56
	Expenses incurred on behalf of the company	206.78	122.80
	Healthcare Services rendered	1.56	-
	Purchase of Asset	-	0.09
	Sale of Asset	0.06	-
	Recovery of expenses incurred on behalf of other company	17.71	3.19
	Sale of medical pharmacies/consumables (net of returns)	0.26	1.88
	Amount paid to related party	198.92	113.75
	Manipal Hospitals (Jaipur) Private Limited	Sale of medical pharmacies/consumables (net of returns)	-
Reimbursement received from Related party		-	0.16
Manipal Cigna Health Insurance Company Limited	Insurance expenses	1.81	1.12
Manipal Hospitals (Dwarka) Private Limited	ICD given	-	259.80
	Interest on ICD Loan	9.12	12.59
	Repayment of ICD	259.80	-
	Interest received on ICD	19.54	-
	Amount paid to related party	0.08	-
	Recovery of expenses incurred on behalf of the related party	0.08	-
	Reimbursement of expenses incurred on behalf of the Company	0.13	-
MEMG International India Pvt Ltd	Royalty charges/Back office charges (included under legal and professional expense)	8.66	8.64
Manipal Foundation	Corporate Social Responsibility Expenditure	2.45	1.00
Manipal Hospitals (Bengaluru) Private Limited	Purchase of Asset	0.01	0.01
	Reimbursement of expenses incurred on behalf of the Related party	3.14	-
	Expense incurred on behalf of the Related party	1.88	0.03



Manipal Hospitals Private Limited
Notes to financial statements for the year ended March 31, 2024

AMRI Hospitals Private Limited (formerly known as AMRI Hospitals Limited)	Investment in equity shares	396.00	-
	Investment in compulsory convertible debentures	314.57	-
	Interest on ICD Loan	1.62	-
	Healthcare Services rendered	0.05	-
	Healthcare Services received	0.09	-

*Represents value less than Rs. 0.01 crore

Balances receivable from/payable to related parties are as follows:

		(Rs. in crores)	
Name of related party	Nature of balances	March 31, 2024	March 31, 2023
Manipal Health Enterprises Private Limited	Trade Payables	17.01	14.01
ManipalCigna Health Insurance Company Limited	Prepaid expenses	1.78	1.5
Manipal Hospitals (Dwarka) Private Limited	ICD	-	259.80
	Interest accrued on ICD	-	11.33
	Other receivables	0.03	-
MEMG International India Pvt Ltd	Trade Payables	1.78	1.50
Manipal Hospitals (Bengaluru) Private Limited	Other receivables	0.02	0.03
	Other Payables	1.26	0.01
AMRI Hospitals Private Limited (formerly known as AMRI Hospitals Limited)	ICD	33.46	-
	Interest accrued on ICD	1.46	-
	Trade Payables	0.04	-

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. 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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33 Contingent liabilities

	(Rs. in crores)	
	March 31, 2024	March 31, 2023
(A) Claims against the Company not acknowledged as debts		
i) Patient Compensation	3.45	2.37
ii) Indirect Tax		
Goods and Service Tax Act, 2017	10.83	35.20
Finance Act, 1994	11.40	11.40
(B) Guarantees		
i) Bank guarantees	0.43	0.37
	26.11	49.34

(i) 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 financial statements.

The Company is confident that its position will be upheld for above litigations and accordingly no provision has been made in the Financial Statements.

(ii) Indirect Tax Demand

Goods and Service Tax Act, 2017

(a) The Company 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, the company 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, the Company 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, 2024 is Rs. 10.71 crores (As on 31st March 2023: 9.35 crores).

(b) During the year 2016-17, while filing TRAN-1- Transitional ITC for CENVAT Credit and Value Added Tax (VAT) credit, the Company 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, the Company has voluntarily remitted back the same amount. Subsequently, the department issued notice for difference in credit claimed as per TRANS-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. The Company has thereafter made payment of the interest in 2021. Considering the above fact, that the Company has already remitted the impugned amount even before the authorities identified along with the interest, the company believes it has a good case and the penalty imposed would be set aside.

(c) 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 the Company 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 Company 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) and the same was shown as contingent liability for the year ended March 31, 2023. 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.

Finance Act, 1994

(a) 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. The Company 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 Company has filed the appeal with CESTAT on 18th April 2022.

(b) 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 the Company payable under Section 68(2) of the Finance Act, 1994 for an amount of Rs. 1.30 crores (March 31, 2023: 1.30 crores) including interest and penalty. The Company 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 Company has 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.

Based on the discussions, the Company had with the tax experts, they are of the view that the Company has good case on merits and has higher probability of winning the above cases, both under GST and Finance Act. Accordingly, it has been disclosed as a contingent liability.

(iii) The Company along with MHEPL, MHBPL, MHDPL and AMRI have offered covenant to pay 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. 3,883.13 crores availed by the Company, MHEPL, MHDPL, HCMCT (Silo) and AMRI from various lenders.

Pending resolution of the respective proceedings, it is not practicable for the company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

34 Capital Commitments and other commitments

As at March 31, 2024, the company has a commitment towards purchase of capital asset of Rs. 61.90 crores (March, 31 2023: Rs. 45.53 crores)



35 Employee benefit plan

(i) Defined contribution plan:

Amount recognised and included in note 27, 'Contribution to provident and other funds' in statement of profit and loss of Rs 12.40 crores (March 31, 2023: Rs 10.32 crores)

(ii) Defined benefit plan:

The Company 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 gratuity plan is a funded plan and the Company makes contributions to funds maintained with an insurance company.

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 crores)	
	March 31, 2024	March 31, 2023
a) Statement of profit and loss and other comprehensive income		
i) Net employee benefit expense recognized in the statement of profit or loss		
Current service cost	2.52	2.38
Interest cost on benefit obligation	0.80	0.75
Expected return on plan assets	(0.34)	(0.31)
Net benefit expense charged to statement of profit or loss	2.98	2.82
ii) Remeasurement		
Actuarial changes arising from changes in financial assumptions	0.38	(0.56)
Actuarial changes arising from changes in demographic assumptions	-	-
Experience adjustments	0.49	(0.24)
Return on plan assets excluding interest income	(0.04)	0.14
Total amount recognised in other comprehensive income	0.83	(0.66)
b) Balance Sheet		
Defined benefit obligation		
Present value of funded defined benefit obligation	12.75	11.09
Fair value of plan assets	5.04	4.66
Unfunded status	7.71	6.43
Net liability arising from defined benefit obligation		
Non current	7.71	6.43
Current	-	-
Plan Liability	7.71	6.43
c) Change in projected benefit obligations		
Defined benefit obligation at the beginning of the year	6.43	6.46
Fair value of plan assets at the beginning of the year	4.66	4.49
Current service cost	2.52	2.38
Past service cost	-	-
Interest cost	0.80	0.75
Benefits paid	(2.53)	(2.19)
Remeasurement of gain in other comprehensive income:		
Actuarial gain arising from change in financial assumptions	0.38	(0.56)
Actuarial loss arising from change in demographic assumptions	-	-
Actuarial (gain)/loss on account of experience adjustments	0.49	(0.24)
Fair value of plan assets at the end of the year	(5.04)	(4.66)
Obligations at end of the year	7.71	6.43
d) Movements in the fair value of plan assets are as follows		
Fair value of plan assets at the beginning of the year	4.66	4.49
Interest income	0.34	0.31
Actuarial gain/(loss) on plan assets	0.04	(0.14)
Contribution paid into the plan	2.53	2.19
Benefits paid	(2.53)	(2.19)
Fair value of plan assets at the end of the year	5.04	4.66

Defined plan asset

Plan assets consist of assets held in a "long-term benefit fund" for the sole purpose of making future benefit payments when they fall due. Plan assets include qualifying insurance policies and are not quoted in the market

The Company expects to pay Rs. 0.50 crore in contributions to its defined benefit plans in 2024-25

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

	7.20%	7.45%
Discount rate	6.00%	6.00%
Increase in compensation cost		
Retirement Age	60 years	60 years

Employee turnover

Age (Years)		Rate (p.a.)	
March 31, 2024	March 31, 2024	March 31, 2023	March 31, 2023
21 - 30	24.04%	21 - 30	24.04%
31 - 34	5.81%	31 - 34	5.81%
35 - 44	4.73%	35 - 44	4.73%
45 - 50	0.75%	45 - 50	0.75%
51 - 54	0.10%	51 - 54	0.10%
55 - 59	0.03%	55 - 59	0.03%

Mortality rates are as per Indian Assured lives Mortality (2012-14) Ult [March 31, 2023: Indian Assured lives Mortality (2012-14) 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.

Sensitivity analysis

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

	March 31, 2024		March 31, 2023	
	0.5% Increase (5.79%)	0.5% Decrease 6.34%	0.5% Increase (5.79%)	0.5% Decrease 6.34%
Discount rate				
Future salary growth	6.39%	(5.88%)	6.40%	(5.90%)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Maturity profile of defined benefit obligation:

Within 1 year	0.67	0.62
Between 2 and 5 years	3.33	2.70
Between 6 and 10 years	3.75	3.12
Beyond 10 years	29.94	27.55

The average duration of the defined benefit planned obligations at the end of the reporting period is 12.11 years (March 31, 2023 : 12.12 years)



36 Fair values and hierarchy

Accounting classification and fair value of financial instruments is as follows. The Company 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 Company:

Quantitative disclosures fair value measurement hierarchy valued as at March 31, 2024:

March 31, 2024	(Rs. in crores)			
	Level 1	Level 2	Level 3	Total
Financial assets (at FVTPL)				
Investment in mutual funds (quoted) (non-current)	14.95	-	-	14.95
Investment in mutual funds (quoted) (current)	61.40	-	-	61.40
	76.35	-	-	76.35

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

March 31, 2023	(Rs. in crores)			
	Level 1	Level 2	Level 3	Total
Financial assets (at FVTPL)				
Investment in mutual funds (quoted) (non-current)	15.00	-	-	15.00
Investment in mutual funds (quoted) (current)	208.10	-	-	208.10
	223.10	-	-	223.10

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, 2024

	Note	(Rs. in crores)		
		Carrying value		
		FVTPL	Amortised Cost	Total
Financial assets:				
Investment in mutual funds (quoted) (non-current)	5.1	14.95	-	14.95
Loans (non-current)	5.2	-	33.46	33.46
Other Financial assets (non-current)	5.3	-	24.69	24.69
Investment in mutual funds (quoted) (current)	10.1	61.40	-	61.40
Trade receivables	10.2	-	84.31	84.31
Cash and cash equivalents	10.3	-	60.94	60.94
Other bank balances	10.4	-	7.90	7.90
Loans (current)	10.5	-	0.20	0.20
Other financial assets (current)	10.6	-	3.89	3.89
		76.35	215.39	291.74
Financial liabilities:				
Borrowings (includes current maturities of long-term borrowings)	14.1	-	429.10	429.10
Lease liabilities (Non-current and current)	14.2	-	569.51	569.51
Trade payables	18.2	-	357.66	357.66
Other current financial liabilities	19	-	8.56	8.56
		-	1,364.83	1,364.83



Manipal Hospitals Private Limited
Notes to financial statements for the year ended March 31, 2024

As at March 31, 2023

		(Rs. in crores)		
		Carrying value		
	Note	FVTPL	Amortised Cost	Total
Financial assets:				
Investment in mutual funds (quoted) (non-current)	5.1	15.00	-	15.00
Loans (non-current)	5.2	-	259.80	259.80
Other financial assets (non-current)	5.3	-	36.45	36.45
Investment in mutual funds (quoted)	10.1	208.10	-	208.10
Trade receivables	10.2	-	76.40	76.40
Cash and cash equivalents	10.3	-	20.77	20.77
Other bank balances	10.4	-	19.94	19.94
Loans (current)	10.5	-	0.20	0.20
Other Financial assets (current)	10.6	-	2.50	2.50
		223.10	416.06	639.16
Financial liabilities:				
Borrowings (includes current maturities of long-term borrowings)	14.1	-	375.61	375.61
Lease liabilities (Non-current and current)	14.2	-	537.45	537.45
Trade payables	18.2	-	243.45	243.45
Other current financial liabilities	19	-	24.70	24.70
		-	1,181.21	1,181.21

The Company does not have any financial instruments which are measured at FVTOCI

There have been no transfers among Level 1, Level 2 and Level 3 during the year ended 31st March 2024 and year ended 31st March 2023

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.

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37 Financial risk management

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, investments, trade and other receivables and cash and cash equivalents that are derived directly from its operations. The Company's activities expose it to market risk, credit risk and liquidity risk. The Company'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, 2024 and March 31, 2023. 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, 2024 and March 31, 2023.

(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.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments are as follows:

	(Rs. in crores)	
	March 31, 2024	March 31, 2023
Fixed rate instruments		
Financial asset		
Margin money deposits with banks	2.81	-
Bank deposits due to mature within twelve months from the reporting date	7.90	19.94
Deposits with banks due to mature after twelve months from the reporting date	6.78	11.10
Deposits with original maturity of less than three months	10.00	-

	(Rs. in crores)	
	March 31, 2024	March 31, 2023
Variable rate instruments		
Financial asset		
Inter Corporate Deposit given to related parties	33.46	259.80
Investments in mutual funds (quoted)	76.35	223.10
Financial liability		
Borrowings (non-current and current)	429.10	375.61

Sensitivity analysis for fixed rate instruments

Based on the closing balance of variable 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. 0.27 crores (year ended March 31, 2023: Rs. 0.31 crores).

Sensitivity analysis for variable rate instruments

Based on the closing balance of variable 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. 5.39 crores (year ended March 31, 2023: Rs. 5.99 crores).

(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 Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

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

Particulars	March 31, 2024		March 31, 2023	
	USD (million)	(Rs. in crores)	USD million	(Rs. in crores)
Import trade payable (USD)	-	-	0.02	0.15
Capital creditors	0.06	0.48	0.07	0.57
Advances to suppliers	-	-	0.01	0.06
Capital advances	0.01	0.04	0.08	0.67

Foreign currency risk sensitivity

The sensitivity of profit or loss to changes in exchange rates arises mainly from foreign currency denominated financial instruments. The following table demonstrates 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, 2023: Nil) 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 trade receivables, cash and cash equivalents and financial assets.

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.

(i) Trade and other receivables:

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and 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. 84.13 crores (March 31, 2023 Rs. 76.40 crores). The movement in allowance for impairment in respect of trade and other receivables during the year was as follows:

	(Rs. in crores)	
	March 31, 2024	March 31, 2023
Opening balance	14.87	10.73
Loss allowance (net of reversals)	(0.35)	4.14
Closing balance	14.52	14.87

There is no significant concentration of credit risk and no single customer accounted for more than 10% of the revenue as of March 31, 2024 and March 31, 2023.



(iii) Financial instruments and deposits:

Credit risk on cash and cash equivalents is limited as the Company 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 and fixed deposits who meet the minimum threshold requirements under the counterparty risk assessment process.

C. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Also, the Company has unutilized credit limits with banks.

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

	(Rs. in crores)		
	March 31, 2024		
	Less than 1 year	More than 1 year	Total
Borrowings (includes current maturities of long-term borrowings)	89.62	505.84	595.45
Lease liabilities (non-current and current)	68.86	2,062.13	2,130.99
Trade payables	357.66	-	357.66
Other current financial liabilities	8.56	-	8.56
	March 31, 2023		
	Less than 1 year	More than 1 year	Total
Borrowings (includes current maturities of long-term borrowings)	79.27	426.98	506.25
Lease liabilities (non-current and current)	62.26	2,085.27	2,147.53
Trade payables	243.45	-	243.45
Other current financial liabilities	24.70	-	24.70

38A Capital management

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

The Company 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 holder.

	(Rs. in crores)	
	March 31, 2024	March 31, 2023
Borrowings (note 14.1)	429.10	375.61
Lease liabilities (note 14.2)	569.51	537.45
Less: Cash and cash equivalents (note 10.3)	(60.94)	(20.77)
Less: Investment in mutual funds (quoted) (refer note 5.1 & 10.1)	(76.35)	(223.10)
Net debt (A)	861.32	669.19
Total equity attributable to the equity share holders of the Company (excluding share based incentive reserve) (note 12 and note 13)	920.43	687.08
Total capital (B)	920.43	687.08
Capital and net debt (C = A+B)	1,781.75	1,356.27
Gearing ratio (D = A / C)	48%	49%

38B During the year ended March 31, 2023, the Income tax department conducted a search under section 132 of the Income tax Act, 1961 at the registered office of the Company and one hospital location. During the course of the search proceedings, certain information and documents were sought by the department. On March 29, 2024, Company has received assessment orders, with respect of abovementioned matter, comprising demand u/s 156 of the Income-tax Act, 1961 for the Assessment Year (AY) 2019-20 amounting to Rs.1.69 crores (including interest) and AY 2022-23 amounting to Rs.0.37 crores (including interest) towards disallowance of certain expenses. The company has filed an appeals with CIT (A).

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



39 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 Company's performance and allocates resources based on an analysis of healthcare services in India.

The Company is primarily engaged in a single segment (business and geographical) i.e., Healthcare services in India. As the Company's business activity primarily falls within a single business and geographical segment, there are no additional disclosures to be provided in terms of Ind AS 108 on 'Operating Segments'.

40 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.

(a) Gross amount required to be spent by the Company during the year is Rs. 2.45 crores (March 31, 2023: Rs. 1 crore).

(b) Amount spent:

Promoting healthcare, education, gender equality, ensuring environment sustainability, training for rural sports and rural development objects.

	(Rs. in crores)		
	In cash	Yet to be paid in cash	Total
Year ended March 31, 2024	2.45	-	2.45
Year ended March 31, 2023	1.00	-	1.00

(c) Details related to spent / unspent obligations:

(i) Contribution to Public Trust

(ii) Contribution to Charitable Trust (refer note 32)

(iii) Unspent amount in relation to:

- Ongoing project
- Other than ongoing project

	(Rs. in crores)	
	March 31, 2024	March 31, 2023
(i) Contribution to Public Trust	-	-
(ii) Contribution to Charitable Trust (refer note 32)	2.45	1.00
(iii) Unspent amount in relation to:	-	-
- Ongoing project	-	-
- Other than ongoing project	-	-
	2.45	1.00

Details of other than ongoing project

As on March 31, 2024

	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
Opening balance	-	2.45	2.45	-

As on March 31, 2023

	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
Opening balance	-	1.00	1.00	-

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

	(Rs. in crores)			
	Term loans	Lease liability	Loan for purchase of capital asset	Total
Debt as at April 01, 2023	375.11	537.45	0.50	913.06
Interest accrued but not due as at March 31, 2023	1.33	-	-	1.33
Addition during the year	-	33.40	-	33.40
Cash flows including interest paid	-	-	-	-
- Cash flows (net)	52.13	(8.17)	1.36	45.32
- Interest paid	(37.66)	(57.22)	(0.11)	(94.99)
Non-cash changes	-	-	-	-
- Leases reversal/Adjustments	-	(2.23)	-	(2.23)
- Interest expense	36.42	66.28	0.11	102.81
- Interest capitalised	-	-	-	-
Interest accrued but not due as at March 31, 2024	(0.09)	-	-	(0.09)
Debt as at March 31, 2024	427.24	569.51	1.86	998.61
Debt as at April 01, 2022	299.86	530.60	-	830.46
Interest accrued but not due as at March 31, 2022	0.23	-	-	0.23
Addition during the year	-	4.22	-	4.22
Cash flows including interest paid	-	-	-	-
- Cash flows (net)	75.25	-	0.50	75.75
- Interest paid	(33.01)	(56.48)	(0.01)	(89.50)
Non-cash changes	-	-	-	-
- Leases reversal/Adjustments	-	(5.43)	-	(5.43)
- Interest expense	34.11	57.98	0.01	92.10
- Interest capitalised	-	6.56	-	6.56
Interest accrued but not due as at March 31, 2023	(1.33)	-	-	(1.33)
Debt as at March 31, 2023	375.11	537.45	0.50	913.06

42 Below are the details of subsidiary along with proportion of ownership interest held and country of incorporation

Investment in subsidiary:

Name of the Company	Country of Incorporation	Percentage of ownership interest held (directly and indirectly) and voting rights held as at	
		March 31, 2024	March 31, 2023
AMRI Hospitals Private Limited (formerly known as AMRI Hospitals Limited)	India	84.07%	-



43 Accounting ratios

i) Current ratio

The current ratio is used to assess a company's short term liquidity. It is calculated by dividing the current assets by current liabilities.

ii) Debt-equity ratio

"Total debt" is defined as aggregate of non-current borrowings and current maturities of long term-borrowings and total equity includes issued capital and all other equity reserves

iii) Debt service coverage ratio

The Debt Service Coverage Ratio (DSCR) measures the ability of a company to use its operating income to repay all its debt obligations, including repayment of principal and interest on both short-term and long-term debt. It is calculated by dividing net operating income by the total debt service (Interest and principal).

iv) Return on equity ratio

Equal to profit for the year divided by the equity during that period, and is expressed as a percentage.

v) Inventory turnover ratio

Inventory turnover indicates the rate at which a company sells and replaces its stock of goods during a particular period. The inventory turnover ratio formula is the cost of goods sold divided by the average inventory for the same period.

vi) Trade receivables turnover ratio

Accounts receivable turnover ratio is calculated by dividing your revenue from operations by your average accounts receivable. The ratio is used to measure how effective a company is at extending credits and collecting debts.

vii) Trade payables turnover ratio

This ratio is used to measure the number of times the business is paying off its creditors or suppliers in an accounting period. It is computed by dividing the total purchases by average accounts payable.

viii) Net capital turnover ratio

It is calculated by dividing annual sales by average stockholder equity (net worth). The ratio indicates how much a company could grow its current capital investment level.

ix) Net profit ratio

The net profit percentage is the ratio of after-tax profits to net sales. It reveals the remaining profit after all costs of production, administration, and financing have been deducted from sales, and income taxes recognized.

x) Return on capital employed

Return on Capital Employed is calculated by dividing our EBIT during a given period by Capital Employed (net worth, total debt, deferred tax liability) during that period.

xi) Return on investment

Return on investment (ROI) is a performance measure used to evaluate the efficiency or profitability of an investment or compare the efficiency of a number of different investments. To calculate ROI, the benefit (or return) of an investment is divided by the cost of the investment.

Ratio	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	% change	Reason for variance
i) Current ratio	Current assets	Current liabilities	0.60	1.09	-45%	The change is majorly due to decrease in Investment as compared to prior years
ii) Debt-equity ratio	Total Debt	Total Equity	0.47	0.55	-15%	NA
iii) Debt service coverage ratio	Earnings available for debt service= Net Profit after tax+ Non cash operating expenses+ Interest + Other adjustments like loss on sale of fixed assets, etc	Debt service= Interest & lease payments + Principal Repayments	2.43	2.55	-4%	NA
iv) Return on equity ratio %	Net Profit after tax	Average Shareholders equity	0.29	0.29	-2%	NA
v) Inventory turnover ratio	Cost of Goods sold = opening inventory + purchases - closing inventory	Average Inventory	11.50	10.88	6%	NA
vi) Trade receivables turnover ratio	Revenue from operations	Average Accounts Receivable	22.25	23.19	-4%	NA
vii) Trade payables turnover ratio	Total Purchases	Average Trade Payables	1.05	1.29	-18%	NA
viii) Net capital turnover ratio	Net sales	Average Shareholders equity	2.22	2.42	-8%	NA
ix) Net profit ratio %	Net Profit	Net Sales	13.09%	11.77%	-11%	NA
x) Return on capital employed %	Earnings before interest and taxes	Capital Employed = Net Worth + Total Debt + Deferred Tax Liability	32.95%	29.86%	10%	NA
xi) Return on investment %	Interest (Finance Income)	Investment	5.02%	5.38%	-7%	NA



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

	(Rs. in crores)	
	March 31, 2024	March 31, 2024
(i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	5.40	5.89
(ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
(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	-	-

45 Other Statutory Information

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property
(ii) The Company 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, 2024	As at March 31, 2023	
T2K Fire & Security Private Limited	Retention Money	-	(0.01)	None

- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
(iv) The Company 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 Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
(vi) During the year ended March 31, 2024, no funds have been advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
(vii) The Company 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 Company shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
(viii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

46 During the year ended March 31, 2024, the Company has acquired 84.07% shareholding in AMRI Hospitals Private Limited (formerly known as AMRI Hospitals Limited) (AMRI) and consequently AMRI has become the subsidiary of the Company. The Company has not prepared the Consolidated Financial Statements for the period ended March 31, 2024 as required under Ind AS 110 - Consolidated Financial Statements. The Company has availed the exemption available under Ind AS 110 whereby AMRI shall be included in the consolidated financial statement of Manipal Health Enterprises Private Limited, Holding Company. For this purpose, the shareholders of the Company has provided consent for consolidation of AMRI in Manipal Health Enterprises Private Limited.

47 The Company has changed the presentation of the values in the financial statements from lakhs to the nearest crores.

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 Hospitals Private Limited



Mr. Sameer Agarwal
Director
DIN: 07554053

Mr. Karthik Rajagopal
Director
DIN: 06652382



Khadija G Vahora
Company Secretary
Membership number: A37266

Place : Bengaluru
Date : May 28, 2024

Place : Bengaluru
Date : May 28, 2024