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COMMITMENT.  
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EXCELLENCE.



Quality Care India Limited

Annual Report  
2021

# **QUALITY CARE INDIA LIMITED**

**29<sup>th</sup> (TWENTY NINTH) ANNUAL REPORT 2020-21**

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

**Mr. Jasdeep Singh – Director and Chief Executive Officer**

**Mr. Kewal Kundanlal Handa – Independent Non-Executive Director**

**Ms. Ekta Bahl – Independent Non-Executive Director**

**Mr. Arunprakash Srinivasarao Korati – Non-Executive Director**

**Mr. Vishal Bali – Non-Executive Director**

**Mr. Ankur Nand Thadani – Non-Executive Director**

**Mr. Mahadevan Narayanamoni – Non-Executive Director**

**Mr. Madan Rohinikrishnan – Non-Executive Director**

**Mr. Massimiliano Colella – Non-Executive Director**

**Mr. Vaughan Erris Firman - Non-Executive Director**

**Mr. Vikas Rastogi - Chief Financial Officer**

**Mrs. Gayathri Chandramoulieswaran – Company Secretary**

## **BOARD COMMITTEES**

### **Audit Committee**

Mr. Kewal Kundanlal Handa - Chairman  
Ms. Ekta Bahl - Member  
Mr. Vaughan Erris Firman - Member

### **Nomination and Remuneration Committee**

Mr. Vaughan Erris Firman - Chairman  
Mr. Kewal Kundanlal Handa - Member  
Mr. Vishal Bali - Member  
Ms. Ekta Bahl - Member

### **Corporate Social Responsibility Committee**

Mr. Kewal Kundanlal Handa - Chairman  
Mr. Arunprakash Srinivasarao Korati - Member  
Ms. Ekta Bahl - Member

### **Operating Committee**

Mr. Vaughan Erris Firman - Chairman  
Mr. Jasdeep Singh - Member  
Mr. Mahadevan Narayanamoni - Member

**REGISTERED OFFICE**

6-3-248/2, Road No.1  
Banjara Hills  
Hyderabad – 500 034

**CORPORATE OFFICE**

CARE Corporate Office  
1st Floor, Kohinoor building, Road No 2, Banjara Hills,  
Hyderabad -500034 Telangana

**STATUTORY AUDITORS**

M/s. Price Waterhouse Chartered Accountants LLP  
Unit -2B, 8<sup>th</sup> Floor, Octave Block, Block E1, Parcel-4,  
Salarpuria Sattva Knowledge City,  
Raidurg, Hyderabad – 500 081 Telangana

**INTERNAL AUDITORS**

Ernst & Young LLP  
18, iLabs Centre, Madhapur,  
Hyderabad – 500 081 Telangana

**COST AUDITORS**

M/s.Nageswara Rao & Co  
Cost Accountants  
H.No.30-1569/2, Plot No.35, Anantanagar Colony  
Neredmet, Secunderabad.

**SECRETARIAL AUDITORS**

RVR & ASSOCIATES  
Company Secretaries  
D.No #1-10-18/G1, Lakshmi Sree Park View Apartments,  
Opp. Municipal Park, Ashok Nagar,  
Hyderabad- 500020, Telangana

**BANKERS**

Union Bank of India, Banjara Hills Branch, Hyderabad  
NIIF Infrastructure Finance Limited  
Axis Bank Limited, Corporate Banking branch, Hyderabad

## NOTICE

Notice is hereby given that the Twenty Ninth Annual General Meeting of the Company will be held on Tuesday, the 28<sup>th</sup> day of September, 2021 at 02.30 P.M through Video Conferencing (VC)/Other Audio Visual means (OAVM) facility at the Board Room, Corporate Office, 1st Floor, Kohinoor building, Road No 2, Banjara Hills, Hyderabad - 500034 Telangana to transact the following business:

### ORDINARY BUSINESS:

1. To Consider and adopt the audited Financial Statements i.e. Balance Sheet and the statement of Profit & Loss (including the Consolidated Financial Statements) and the Cash Flow Statement of the Company for the Financial Year ended 31<sup>st</sup> March 2021 and the reports of the Board of Directors and Auditors thereon.
2. To reappoint Mr. Mahadevan Narayanamoni (DIN: 07128788) as a director, who retires by rotation and being eligible, offers himself for re-appointment.
3. To reappoint Mr. Arunprakash Srinivasarao Korati (DIN: 00027783) as a director, who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

#### 4. To Ratify the Remuneration Payable to Cost Auditors:

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Cost Auditors, M/s. Nageswara Rao & Co, Cost Accountants having Firm Registration No: 000332 appointed by the Board of Directors of the Company as Cost Auditors, to conduct the audit of the cost records of the Company for the Financial year ending 31 March 2022, be paid a remuneration of Rs. 1,25,000/- (Rupees One Lakh Twenty Five Thousand Only) Per Annum plus applicable taxes and out of pocket expenses at actual.

**RESOLVED FURTHER THAT** Board of Directors, be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, proper, expedient, required or incidental thereto, in this regard including but not limited to filing of requisite application/forms/ reports, etc. with the Ministry of Corporate Affairs or with such other authorities as may be required for the purpose of giving effect to this resolution."

**QUALITY CARE INDIA LIMITED**

**CIN: U85110TG1992PLC014728**

**evercare group**

#### CARE HOSPITALS

Banjara Hills: 6-3-248/2, Road No.1, Hyderabad - 500034, Telangana, T: (040)-61656565, F: (040)-30418488

Banjara Hills - CARE Outpatient Centre: Road No 10, Hyderabad - 500034, Telangana, T: (040)-61656565, F: (040)-3931 0140

E: info@carehospitals.com | W: carehospitals.com

#### REGISTERED OFFICE

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T: (040)-30418888, (040)-23234444 | F: 040-30418488 |

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#### CORPORATE OFFICE

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T: (040)-61806565 | E: Info@carehospitals.com | W: carehospitals.com

**5. To Appoint Mr. Jasdeep Singh (DIN: 02705303) as a Director and approval for appointment as Executive Director and Chief Executive Officer**

To consider and if thought fit, to pass the following resolution with or without modification as an Special Resolution


**“RESOLVED THAT** pursuant to Section 152 and any other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with the Articles of Association of the company, Mr. Jasdeep Singh (DIN: 02705303), who was appointed as an Additional Director of the Company w.e.f. 19<sup>th</sup> October, 2020, by the Board of Directors in terms of Section 161 of the Act and as recommended by the Nomination and Remuneration committee and Board of Directors & who holds such office until the conclusion of this Annual General Meeting be and is hereby appointed as a Director of the Company, who shall be liable to retire by rotation.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 196, 197, 188 and 203 read with Schedule V and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications) thereto or re-enactment thereof for the time being in force) and subject to any other approval as may be required, the ratification of appointment of Mr. Jasdeep Singh as Chief Executive Officer of the Company for a period of 5 years w.e.f. 19<sup>th</sup> October, 2020, with a remuneration of Rs. 2,50,00,000/- P.a. (Rupees Two Crores Fifty Lakhs per annum) for a period of 3 years be and is hereby confirmed and approved.

**RESOLVED FURTHER THAT** Board of Directors be and are hereby authorised to vary and /or revise the remuneration of Mr. Jasdeep Singh within limits permissible under the Companies Act, 2013 and rules made thereunder and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, proper, expedient, required or incidental thereto, in this regard including but not limited to filing of requisite application/forms/ reports, etc. with the Ministry of Corporate Affairs or with such other authorities as may be required for the purpose of giving effect to this resolution”.

**For and on behalf of the Board  
QUALITY CARE INDIA LIMITED**

**Place: Hyderabad, India  
Date: 24.08.2021**

  
**Mr. Jasdeep Singh  
Director & Group Chief Executive Officer  
DIN: 02705303**

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**Notes:**

1. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 relating to Special Business to be transacted at Annual General Meeting is annexed hereto.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide General circular No. 02/2021 dated 13<sup>th</sup> January, 2021, read with circulars dated May 5, 2020, April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act") and MCA Circulars and relevant circulars and other applicable provisions, the 29<sup>th</sup> AGM of the Company is being held through VC / OAVM
3. The VC/OAVM facility for members to join the meeting, shall be kept open 30 minutes before the start of the AGM and shall be closed on expiry of 30 minutes after the conclusion of the AGM. Members can attend the AGM through VC/OAVM by following the instructions mentioned in this notice.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
6. Members desiring to seek any information/clarifications on the annual accounts are request to write to the Company at least seven (7) days before the Annual General Meeting to enable the management to keep the information ready.
7. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its certified true copy of Board or governing body Resolution/Authorization/Power of Attorney etc., alongwith the specimen signature of the authorized representative who is authorized to attend the AGM on its behalf and to vote. The said Resolution/Authorization shall be sent to the Company by email through its registered email address to [cs.office@carehospitals.com](mailto:cs.office@carehospitals.com)

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8. Members holding shares in physical/dematerialized mode, who have not registered/updated their email addresses with the Company are requested to register/update their email addresses by writing to the Company along with their details and folio number at [cs.office@carehospitals.com](mailto:cs.office@carehospitals.com)
9. Members whose email ids are already registered with the Company or with Registrar and Share transfer agent will receive the Zoom Link (for video conferencing) for attending the Annual General Meeting which is also given below; Members are requested to attend the meeting through the given link and In case any member has not received the link via email then they are requested to send a mail from their E-mail account and write to [cs.office@carehospitals.com](mailto:cs.office@carehospitals.com).

**Zoom Link :**

**Topic:** QCIL Annual General Meeting 2021

**Time:** Sep 28, 2021 02:30 PM India

**Join Zoom Meeting**

<https://us02web.zoom.us/j/89764460270?pwd=c1V5RmIMdG54WTF0d3c3UG5NaDVKZz09>

**Meeting ID:** 897 6446 0270

**Passcode:** 024824

***One tap mobile***

0008000401530,,89764460270#,,,,\*024824# India Toll-free

0008000505050,,89764460270#,,,,\*024824# India Toll-free

***Dial by your location***

000 800 040 1530 India Toll-free

000 800 050 5050 India Toll-free

800 035 704 555 The United Arab Emirates Toll-free

800 0491 0899 The United Arab Emirates Toll-free

800 035 704 239 The United Arab Emirates Toll-free

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**Meeting ID:** 897 6446 0270

**Passcode:** 024824

Find your local number: <https://us02web.zoom.us/j/89764460270>

**Instructions:**

a) Type the exact link given above in the web address bar and enter

Or

b) i) open Google Chrome/Mozilla Firefox/Internet Explorer

ii) Go to [join.zoom.us](https://join.zoom.us) and type

Meeting ID: 897 6446 0270

Passcode: 024824

iii) Click **Join**

In case of any technical difficulties write to -  
[venkateswarlu.dadagopu@carehospitals.com](mailto:venkateswarlu.dadagopu@carehospitals.com); or [irfan.baiq@carehospitals.com](mailto:irfan.baiq@carehospitals.com);

10. In keeping with Ministry of Corporate Affairs' Green initiative measures, the Company hereby requests members who have not registered their email addresses so far, to register their email addresses for receiving all communication including annual report, notices, circulars, etc. from the Company electronically by writing to [cs.office@carehospitals.com](mailto:cs.office@carehospitals.com).
11. The statutory registers including register of directors and key managerial personnel and their shareholding, the register of contracts or arrangements in which directors are interested maintained under the Companies Act, 2013 and all other documents referred to in the notice will be available for inspection in electronic mode. Members who wish to inspect the register are requested to write to the company by sending e-mail to [cs.office@carehospitals.com](mailto:cs.office@carehospitals.com)
12. All shareholders attending the AGM will have the option to post their comments/queries through a dedicated chat box, which will be made available.
13. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

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## **EXPLANATORY STATEMENT**

(Pursuant to Section 102 of the Companies Act 2013)

### **Item No 4**

The Board has approved the re-appointment of the Cost Auditors, M/s. Nageswara Rao & Co. at a remuneration of Rs. 1,25,000/- (Rupees One Lakh Twenty Five Thousand Only) per annum plus applicable taxes and out of pocket expenses at actuals, to conduct the audit of the cost records of the Company for the financial year ending 31 March, 2022.

In accordance with the provisions of the Section 148 of the Companies Act 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31 March, 2022.

None of the Directors / Key Managerial Personnel / their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

Your Board recommends the resolution set forth in the item no.4 of the Notice for approval of the Members

### **Item No 5**

Mr. Jasdeep Singh was appointed as an Executive Additional Director of the Company by the Board with effect from 19th October, 2020, and holds office till ensuing Annual General Meeting with the terms and conditions as detailed hereunder, subject to the approval of members:

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## A. SALARY:

Salary and Allowances:	
Particulars	Per Annum (Rs.)
Basic Salary	88,15,236
HRA	36,73,020
Conveyance	22,03,812
Driver's Salary	3,00,000
Fuel & Maintenance	3,00,000
National Pension Scheme (NPS)	4,15,680
Meal Coupon	26,400
Car Lease	13,20,000
Car Maintenance & Insurance	1,80,000
Provident Fund	13,22,280
Gratuity	4,24,572
Group Mediclaim Policy (GMC)	19,000
Residence Phone & internet	0
Other Allowances	0
Leave Travel Assistance	0
Medical Reimbursement	0
<b>Total Base Pay</b>	<b>1,90,00,000</b>

### Note:

1. Target Performance Bonus- Annual INR 60,00,000/- & Joining bonus of INR 30,00,000/-
2. Leased Company car as per the rules of the Company.- Yes
3. Contribution to the Provident Fund (12% of Basic salary). -Yes
4. Coverage under Group Mediclaim Policy (Self and Dependents – Parents, Spouse, Two Children). -Yes
5. Coverage under Group Personal Accident Policy (24 hours). –Yes
6. Gratuity as per Company Policy.-Yes
7. Leave encashment as per the rules of the Company.-Yes

## B. Minimum Remuneration

Notwithstanding anything herein above stated, where in any financial year, during the tenure of Mr. Jasdeep Singh as Director & Chief Executive Officer, the Company incurs a loss or its profits are inadequate, Mr. Jasdeep Singh shall be paid the above-mentioned remuneration by way of salary, allowances and perquisites and the same shall be considered as the minimum remuneration for the purposes of provisions of the Act and the Rules made thereunder.

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No Director, Key Managerial Personnel or their relatives, except Mr. Jasdeep Singh, to whom the resolution relates, is interested or concerned in the resolution.

The nomination and remuneration committee has approved and recommended the above remuneration in its meeting held on 24<sup>th</sup> August, 2021.

A statement as required under Section II of Schedule V of the Act, has been annexed along with this notice.

The Board recommends the resolution set forth in Item No. 5 for the approval of members by way of a **Special Resolution**.

**EXPLANATORY STATEMENT PURSUANT TO SECRETARIAL STANDARD-2 ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA DETAILING INFORMATION ABOUT THE DIRECTOR PROPOSED TO BE APPOINTED IN THE TERMS OF REMUNERATION OF DIRECTOR:**

<b>Particulars</b>	<b>Mr. Jasdeep Singh</b>
<b>Date of Birth</b>	23/08/1977
<b>Date of first appointment on Board</b>	19/10/2020
<b>Qualification</b>	Bachelor in Hotel Management and MBA
<b>Experience (years)</b>	21 Years
<b>Remuneration sought to be paid</b>	Rs. 2,50,00,000/-
<b>Last drawn remuneration</b>	Rs. 1,15,00,000/-
<b>Shareholding in the Company</b>	Nil
<b>Relationship with other Directors, Managers / KMPs</b>	No relation
<b>Number of meetings of the Board attended during the year</b>	4
<b>Other Directorships</b>	Director in the following companies:- 1) Ramkrishna Care Medical Sciences Private Limited 2) Galaxy Care Multispeciality Hospital Private Limited 3) Quality Care Health Services India Private Limited 4) Ganga Care Hospital Limited 5) Quality Care Jharsuguda Private Limited
<b>Memberships / Chairmanships of committees of other Boards</b>	Memberships – 1) Operating committee

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**STATEMENT PURSUANT TO THE PROVISIONS OF PART II SECTION II (B) (iv) OF SCHEDULE V OF THE COMPANIES ACT, 2013 IN RESPECT TO ITEM NOS. 5 OF THE NOTICE**

**I. GENERAL INFORMATION:**

**(1) Nature of industry:**

Healthcare has become one of India's largest sector, both in terms of revenue and employment. Healthcare comprises hospitals, medical devices, clinical trials, outsourcing, telemedicine, medical tourism, health insurance and medical equipment. The Indian healthcare sector is growing at a brisk pace due to its strengthening coverage, services and increasing expenditure by public as well private players.

Indian healthcare delivery system is categorised into two major components public and private. The Government, i.e. public healthcare system, comprises limited secondary and tertiary care institutions in key cities and focuses on providing basic healthcare facilities in the form of primary healthcare centres (PHCs) in rural areas. The private sector provides majority of secondary, tertiary, and quaternary care institutions with major concentration in metros and tier I and tier II cities.

India's competitive advantage lies in its large pool of well-trained medical professionals. India is also cost competitive compared to its peers in Asia and Western countries. The cost of surgery in India is about one-tenth of that in the US or Western Europe.

**Company Information:**

The Company was originally incorporated as a public limited company under the name and style of 'A. K. Diagnostics Limited' in the State of Andhra Pradesh on 07<sup>th</sup> September, 1992 vide Company Number 01-14728. Later on, the Company changed its name to 'Quality Care India Limited' and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Andhra Pradesh on 03<sup>rd</sup> December, 1999.

**(2) Date of commencement of commercial production:**

The Company has commenced commercial operations in 1992

**QUALITY CARE INDIA LIMITED**

**CIN: U85110TG1992PLC014728**

**evercare group**

**CARE HOSPITALS**

Banjara Hills: 6-3-248/2, Road No.1, Hyderabad - 500034, Telangana, T: (040)-61656565, F: (040)-30418488

Banjara Hills - CARE Outpatient Centre: Road No 10, Hyderabad - 500034, Telangana, T: (040)-61656565, F: (040)-3931 0140

E: info@carehospitals.com | W: carehospitals.com

**REGISTERED OFFICE**

H. No. 6-3-248/2, Road No.1, Banjara Hills, Hyderabad - 500034, Telangana

T: (040)-30418888, (040)-23234444 | F: 040-30418488 |

E: info@carehospitals.com | W: carehospitals.com

**CORPORATE OFFICE**

H. No. 8-2-12/86/10, 1st Floor, Kohinoor Building, Road No. 2, Banjara Hills, Hyderabad - 5000634, Telangana

T: (040)-61806565 | E: info@carehospitals.com | W: carehospitals.com



**(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

Not applicable

**(4) Financial performance based on given indicators:**

Past financial performance:

Particulars	(Rs. in Million)		
	FY 2020-2021	FY 2019-20	FY 2018-19
Net sales	8,141.13	7,444.67	7,349.05
Profit before tax and exceptional items	390.65	90.53	41.93
Profit / (Loss) after tax	606.70	139.85	(290.96)

**(5) investments or collaborators, if any:**

The Company has not entered into any foreign collaboration. 95.87% of the total paid up share capital of the Company is held by Touch Healthcare Private Limited, the holding company.

## II. INFORMATION ABOUT THE APPOINTEE:

### A) Jasdeep Singh

#### (1) Background details

Jasdeep Singh is Group Chief Executive officer of Quality Care India Limited. He brings more than 20 years of healthcare experience to CARE Hospitals and has been responsible for hospital operations in some of the leading hospital chains in the country. His most recent position was Group Chief Operating Officer, Columbia Asia Hospitals, with accountability for 11 hospitals and a total of 1,200 beds across India. Prior to that he was CEO of Milan IVF.

He Joined Fortis Healthcare in 2002 until 2016, where he held a variety of management roles enabling him to develop and hone his healthcare leadership skills as he worked with clinical and management teams across India's second largest hospital chain. Throughout his career Mr. Jasdeep has continuously demonstrated his expertise in operational effectiveness, clinical program expansion, process redesign and creating cultures of patient centricity.

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**(2) Past remuneration**

Sl. No.	Company	Year	Last drawn remuneration
1	Columbia Asia Hospitals	2017-2020	Rs. 1,15,00,000/-

**(3 & 4) Recognition or awards & Job profile and his suitability**

He has been appointed as a Director and Chief Executive Officer of the Company and is responsible for management of day to day affairs and overall operations of the Company under supervision and control of the Board of Directors.

His experience and credibility mentioned herein substantiate his suitability for the proposed appointment-

- He brings more than 20 years of healthcare experience to CARE Hospitals and has been responsible for hospital operations in some of the leading hospital chains in the country.
- His most recent position was Group Chief Operating Officer, Columbia Asia Hospitals, with accountability for 11 hospitals and a total of 1,200 beds across India.
- Prior to that he was CEO of Milan IVF.
- He Joined Fortis Healthcare in 2002 until 2016, where he held a variety of management roles enabling him to develop and hone his healthcare leadership skills as he worked with clinical and management teams across India's second largest hospital chain.

**(5) Remuneration proposed**

The remuneration proposed to be paid for the FY 2021-22 is total base pay of Rs. 1,90,00,000/-plus perquisites and benefits as detailed above in the explanatory statement.

**(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.**

The proposed remuneration is comparable and competitive, considering the industry, size of the Company, the managerial position and the credentials of the Chief Executive Officer.

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**(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any**

Except the remuneration as stated above, he has no other direct or indirect pecuniary relationship with the Company.

**III Other Information - NA**

1. Reasons of loss or inadequate profits
2. Steps taken or proposed to be taken for improvement
3. Expected Increase in Productivity and profit in measurable terms.

**IV. Disclosures**

Not applicable, since the Company is unlisted entity Corporate.

Hence, your Directors are of the view that the Company would be immensely benefited by the varied experience of Mr. Jasdeep Singh and therefore recommended for approval of the resolution(s) contained therein.

**For and on behalf of the Board  
QUALITY CARE INDIA LIMITED**

**Place: Hyderabad, India  
Date: 24.08.2021**

  
**Mr. Jasdeep Singh  
Director & Group Chief Executive Officer  
DIN: 02705303**

**CARE HOSPITALS**

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## DIRECTORS' REPORT

To  
The Members,

On behalf of Board, We take pleasure in presenting the **Twenty Ninth** Annual Report on the business and operations of your Company along with the standalone and consolidated summary financial statements for the year ended 31 March, 2021.

### 1. FINANCIAL HIGHLIGHTS:

	<b>QCIL(CARE standalone)</b>		<b>QCIL(CARE Consolidated)</b>	
	<b>Rs. in Lakhs</b>		<b>Rs. in Lakhs</b>	
<b>Particulars</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
<b>Net Sales /Income from:</b>				
Business Operations	8,141.13	7,444.67	10,532.66	9,851.44
Other Income	75.55	228.62	113.56	257.69
<b>Total Income</b>	<b>8,216.68</b>	<b>7,673.29</b>	<b>10,646.22</b>	<b>10,109.13</b>
<b>Less: Expenditure</b>	<b>6,697.49</b>	<b>6,470.25</b>	<b>8,746.18</b>	<b>8,496.96</b>
<b>EBITDA</b>	<b>1,519.19</b>	<b>1,203.04</b>	<b>1,900.04</b>	<b>1,612.17</b>
Less: Finance costs	417.45	442.12	511.26	552.05
Less Depreciation	684.81	670.39	869.24	860.97
Less: Impairment Losses	26.28	-	26.28	-
<b>Profit before Tax</b>	<b>390.65</b>	<b>90.53</b>	<b>493.25</b>	<b>199.14</b>
Less: Current Income Tax	118.51	25.78	135.43	83.71
Less: Income tax relating to earlier periods	45.69	-	45.69	1.53
Less: Deferred Tax Expense / (Benefit)	(380.25)	(75.10)	(367.91)	(80.52)
<b>Profit/(loss) for the year</b>	<b>606.70</b>	<b>139.85</b>	<b>680.04</b>	<b>194.42</b>
<b>Other Comprehensive income:</b>				
1. Items that will not be reclassified subsequently to profit or loss				
a. Re-measurement of defined benefit plan	(5.79)	(15.58)	(6.94)	(17.76)
2. Income tax relating to items that will not be reclassified to profit or loss	2.02	5.44	2.32	6.00
<b>Total Comprehensive Income/(Loss) for the year</b>	<b>602.93</b>	<b>129.71</b>	<b>675.42</b>	<b>182.66</b>
Earnings per share Basic	14.62	3.37	15.80	3.67
Earnings per share Diluted	14.56	3.36	15.73	3.66

## **2. CHANGE IN THE NATURE OF BUSINESS**

During the Financial year under review, there was no change in the business of the Company.

## **3. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

No material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company to which this financial statements relate on the date of this report

## **4. DIVIDEND**

The Board of Directors of your Company has not recommended any dividend for the financial year 2020-21. The current year profits are ploughed back for expansion plans of the Company.

## **5. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

The provisions of Section 125(2) of the Companies Act, 2013 does not apply as there was no dividend declared and paid in the previous Financial Year 2019-20.

## **6. RESERVES**

The details of the amount transferred to the reserves and surplus is detailed in Statement of changes in Equity for the year ended 31 March 2021 and Note No 4.13(b) of the financial statements enclosed herewith.

## **7. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES**

The Company has four subsidiaries and one associate company as on 31<sup>st</sup> March 2021. There has been no material change in the nature of the business of the subsidiaries.

Pursuant to the provisions of Section 139 (3) of the Companies Act 2013, a statement containing the salient features of the subsidiaries in Form No. AOC-1 is attached to the financial statements of the Company as **Annexure- I**

## **8. DEPOSITS**

The Company has not accepted/renewed any deposits during the financial year 2020-21.

## 9. SHARE CAPITAL

The Authorised Share Capital as on 31st March 2021 was Rs. 79,50,00,000/- consisting of 7,95,00,000 equity shares of Rs. 10/- each. The paid up Equity Share Capital as on 31st March 2021 was Rs. 41,49,68,940/- consisting of 4,14,96,894 equity shares of Rs. 10/- each.

During the year under review, the Company has not issued shares with differential voting rights.

During the year under review, the company has not undertaken any of the following transactions.

Increase in capital	Buy Back of Securities	Sweat Equity	Bonus Shares	Employees Stock Option
Nil	Nil	Nil	Nil	Nil

## 10. DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act, the Board of Directors, to the best of their knowledge and ability, submit their responsibility statement:

- In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures
- Selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- Taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- Prepared the annual accounts on a going concern basis;
- Laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- Devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 11. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### DIRECTORS:

In accordance with the provisions of Articles of Association Mr. Mahadevan Narayanamoni (DIN: 07128788) and Mr. Arunprakash Srinivasarao Korati (DIN: 00027783), Directors are liable to retire by rotation and being eligible offers themselves for reappointment.

During the year under review and in accordance with the provisions of Section 161 of the Companies Act, 2013, Board appointed Mr. Jasdeep Singh as an Executive Additional Director of the Company w.e.f. 19<sup>th</sup> October, 2020 for a period of 5 years subject to the approval of members at the ensuing Annual General Meeting and your Board recommends his appointment as a Director.

During the financial year 2019-20 and in accordance with the provisions of Section 161 of the Companies Act, 2013, Board appointed Ms. Ekta Bahl (DIN: 01437166) as an Independent Additional Director of the Company w.e.f. 17<sup>th</sup> December, 2019 for a period of 5 years and on subsequent approval from the Members at the 28<sup>th</sup> Annual General Meeting held on 24<sup>th</sup> September, 2020, she was appointed as an Independent Director.

During the financial year 2019-20 and in accordance with the provisions of Section 161 of the Companies Act, 2013, Board appointed Mr. Massimiliano Collela (DIN: 08729468) as an Additional Director of the Company w.e.f. 23<sup>rd</sup> March, 2020 and Mr. Vaughan Erris Firman (DIN: 08787748) an Additional Director of the Company w.e.f. 31<sup>st</sup> July, 2020, who held office till the conclusion of 28<sup>th</sup> Annual General Meeting held on 24<sup>th</sup> September, 2020 and on subsequent approval from the Members were appointed as Directors of the Company:

During the year under review, Mr. Andrew Kenneth Currie (DIN: 08120177) has resigned as a Director from the Board with effect from 31<sup>st</sup> July, 2020 and Dr. Raajiv Singhal has resigned as a Director from the Board with effect from 15<sup>th</sup> October, 2020.

**KEY MANAGERIAL PERSONNEL's (KMP's):**

During the year under review and in accordance with the provisions of Section 203 of the Companies Act, 2013, the following Key Managerial personnel's changes have taken place:

- Resignation of Dr. Raajiv Singhal as Group Chief Executive Officer (CEO) w.e.f. 15<sup>th</sup> October, 2020.
- Appointment of Mr. Jasdeep Singh as Group Chief Executive Officer (CEO) w.e.f. 19<sup>th</sup> October, 2020.
- Resignation of Mrs. Madhavi Darbha as Group Financial Officer (CFO) w.e.f. 31<sup>st</sup> October, 2020.
- Appointment of Mr. Sandeep Kumar as Group Financial Officer (CFO) w.e.f. 27<sup>th</sup> October 2020.
- Appointment of Mrs. Gayathri Chandramoulieswaran as Company Secretary (CS) w.e.f. 21<sup>st</sup> January, 2021.

During the current financial year (FY 2021-22) and in accordance with the provisions of Section 203 of the Companies Act, 2013, the following Key Managerial personnel's changes have taken place:

- Resignation of Mr. Sandeep Kumar as Group Financial Officer (CFO) w.e.f. 24<sup>th</sup> May, 2021.
- Appointment of Mr. Vikas Rastogi as Group Financial Officer (CFO) w.e.f. 24<sup>th</sup> May, 2021.



The performance of KMP is evaluated annually by the Nomination and Remuneration Committee (NRC).

The details pertaining to the Board Committees viz Composition, meeting dates and the Policy (if any) are covered separately in the Corporate Governance Report attached to this report as **Annexure V**.

## **12. NUMBER OF BOARD MEETINGS:**

A total of Six (6) Board Meetings were held during the Financial Year 2020-21. The details of the said meetings of the Board are placed in the Corporate Governance report, which is forming part of this report.

## **13. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SECTION 149(6) OF THE COMPANIES ACT, 2013**

Your Company has received declarations from all independent directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section 6 of section 149 of the Companies Act, 2013. The independent Directors have duly complied with the code for Independent Directors prescribed in Schedule IV to the Act.

## **14. COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS UNDER SECTION 178 OF THE COMPANIES ACT, 2013**

Your Company has a duly constituted Nomination and Remuneration Committee (NRC) which is a sub-committee of the Board. Your company has put in place the relevant framework and a Nomination & Remuneration Policy as required under section 178 of the Companies Act 2013. The NRC policy is given in the Corporate Governance report which is annexed to this report.

## **15. MECHANISM FOR EVALUATION OF BOARD:**

In terms of the provisions of the Companies Act, 2013 read with Rules issued there under, formal Annual Performance process has been carried out for evaluating the performance of the Board, the Committees of the Board and Individual Directors

A note on performance evaluation was duly circulated and placed before the Board.

Detailed information on the Directors is provided in the Corporate Governance Report

## **16. CORPORATE SOCIAL RESPONSIBILITY:**

In the past three Financial Years Company started being profitable only in FY 2019-20 and incurred losses in FY 2017-18 and 2018-19. Hence no CSR amount is required to be spent for financial year 2020-21.

**17. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEES GIVEN AND SECURITIES PROVIDED:**

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the standalone financial statements. Please refer to the standalone financials.

**18. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES PURSUANT TO SECTION 188 OF THE COMPANIES ACT 2013:**

During the year under review, the company entered only into those related party transactions which were in the ordinary course of business

The particulars of contracts or arrangements with related parties referred to in Section 188(1), as prescribed in Form AOC-2 of the rules prescribed under Chapter IX relating to Accounts of Companies under the Companies Act, 2013 is enclosed to this report as **Annexure II**.

**19. COPY OF ANNUAL RETURN**

The Annual Return of the Company as on 31st March, 2021 is available on the Company's Website and can be accessed at <https://www.carehospitals.com/about-care/investors-2/>  
An extract of Annual Return is enclosed as a part of this Annual Report as **Annexure-III**

**20. RISK MANAGEMENT**

The Company has adequate internal financial control system in place which operates effectively. However, your Company has constituted a Risk and Compliance Committee and the details of the composition and the terms of reference are given in the Corporate Governance Report. According to the Directors of your Company, elements of risks that threaten the existence of your Company are very minimal.

**21. EMPLOYEE STOCK OPTION SCHEME 2013**

The company has a scheme of stock option "ESOP 2013" which was approved by the members at their meeting held on 27<sup>th</sup> July, 2013. The details of the vested options are given in the enclosed financial statements.

**22. AUDITORS :**

**22.1. STATUTORY AUDITORS**

Members at their Twenty Eighth Annual General Meeting held on 24<sup>th</sup> September, 2020 appointed M/s. Price Waterhouse Chartered Accountants LLP (FRN: 012754N/N500016), as Statutory Auditors of the Company for a period of 5 years till the conclusion of the Annual General Meeting to be held in 2025.

### **REPLY TO COMMENTS IN AUDITORS' REPORT**

As required to be stated under section 134 (3)(f) of the Act, there are no qualifications, reservations or adverse remarks made by the Auditors in their independent auditor's report. The auditors' report and notes to accounts forming part of financial statements are self-explanatory and do not call for further explanation.

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report

### **22.2. SECRETARIAL AUDIT**

The Board has appointed M/s RVR & Associates, Practicing Company Secretaries for conducting the Secretarial Audit of the Company for the Financial year 2020-21 in accordance with the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

There are no qualifications, reservations or adverse remarks in the Secretarial Audit Report for the Financial Year 2020-21. The Secretarial Auditor's report is annexed as **Annexure IV** and is a part of this report.

### **22.3. COST AUDIT**

Pursuant to Section 148 of the Companies Act, 2013, Company has appointed M/s. Nageswara Rao & Co, Cost Accountants as the Cost auditors for the Company for conducting the cost audit for the Financial Year 2020-21.

The remuneration of the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors is required to be ratified subsequently by the Shareholders. Hence the resolution at Item no. 4 of the Notice of the Annual General Meeting (AGM) is recommended by the Board for members approval

### **22.4. INTERNAL AUDIT**

The internal audit function is adequately resourced commensurate with the operations of the Company. The provisions of section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014 regarding appointment of internal auditor are applicable to the Company and as per the provisions the Board has appointed M/s. EY LLP, Chartered Accountants as Internal Auditors of the Company for conducting the internal audit for the financial year 2020-21.

### **23. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT;**

During the year under review, the statutory auditors have not reported any instances of fraud by its officers or employees against the Company to the Audit Committee, the details of which would need to be mentioned in the Board's report as required under section 143(12) of the Companies Act, 2013.

## **24. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Company has well established policies and procedures for internal financial controls commensurate with its size and operations to safeguard and ensure prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following generally accepted accounting principles and Ind Accounting Standards for properly maintaining the books of accounts and reporting financial statements.

The Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

## **25. VIGIL MECHANISM**

Pursuant to section 177 (9) of Companies Act, 2013, the company formulated Whistle Blower Policy.

The Whistle Blower Policy/ Vigil Mechanism provides a mechanism for the director/employee to report violations without fear of victimisation of any unethical behaviour, suspected or actual fraud etc. which are detrimental to the organisation's interest. The mechanism protects whistle blower from any kind of discrimination, harassment, victimisation or any other unfair employment practice.

The Directors and employees in appropriate or exceptional cases will have direct access to the Chairman of the Audit Committee.

## **26. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

## **27. INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSA) ACT, 2013**

The Company has adopted a policy with the name "Policy on Prevention, Prohibition and Redressal of Sexual Harassment". The policy is applicable to all the employees of the organization, which includes corporate office, Units etc.

An Internal Complaints Committee has also been set up to redress complaints received on sexual harassment as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 the information required to be disclosed under the provisions of the said Act are as follows:

<b>S. No</b>	<b>Particulars</b>	
(a)	number of complaints received during FY 2020-21	9
(b)	number of complaints disposed of during the FY 2020-21	9
(c)	number of cases pending for more than ninety days	Nil

## **28. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are as follows:



- a) Conservation of Energy: Your Company gives high priority in conservation of energy and it is making efforts to utilize various energy conservation mechanisms.
- b) Technology Absorption: The Company is not doing any R&D and hence no expenditure was incurred in this regard. Further no technology was imported by the Company during the year under review.
- c) Foreign Exchange Earnings and Outgo during the year:

Foreign Exchange earned in terms of actual inflows	Rs.1,38,65,350/-
Foreign Exchange outgo in terms of actual outflows	Rs.98,00,381/-



### **ACKNOWLEDGEMENTS:**

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners/associates, financial institutions and Central and State Governments for their consistent support and encouragement to the Company. I am sure you will join our Directors in conveying our sincere appreciation to all employees of the Company and its subsidiaries and Associates for their hard work and commitment. Their dedication and competence has ensured that the Company continues to be a significant and leading player in the Health Care Services.

**For and on behalf of the Board**

**Vaughan Erris Finner**  
Director  
DIN: 08787748  
Date: 24.08.2021  
Place: Dubai, UAE

**Mr. Jasdeep Singh**  
Director & Group CEO  
DIN: 02705303  
Date: 24.08.2021  
Place: Hyderabad, India

**NNEXURE I**

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

**Part “A”: Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details			
1.	Name of the subsidiary	Ganga Care Hospital Limited	Ramkrishna Care Medical Sciences Private Limited	Galaxy Care Multispeciality Hospital Private Limited	Quality Care Jharsuguda Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2020 To 31/03/2021	01/04/2020 To 31/03/2021	01/04/2020 To 31/03/2021	01/04/2020 To 31/03/2021
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR (Mn)	INR (Mn)	INR (Mn)	INR
4.	Share capital	118.63	14.98	0.21	100000
5.	Reserves & surplus	299.42	542.29	177.48	(101898)
6.	Total assets	594.83	1610.91	362.50	44662
7.	Total Liabilities	594.83	1610.91	362.50	44662
8.	Investments	5.47	-	-	-
9.	Turnover	391.27	1755.54	287.55	0
10.	Profit before taxation	69.82	45.32	(12.21)	(5000)
11.	Provision for taxation	17.26	15.38	(3.38)	0
12.	Profit after taxation	52.56	29.94	(8.83)	(5000)
13.	Proposed Dividend	0	0	0	0
14.	% of shareholding	74.13	56.33	76	100



**Notes:** The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations - Quality Care Jharsuguda Private Limited
2. Names of subsidiaries which have been liquidated or sold during the year – None

**Part “B”: Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of associates/Joint Ventures	Quality Care Health Services India Private Limited
1. Latest audited Balance Sheet Date	31-March-2021
2. Shares of Associate/Joint Ventures held by the company on the year end	5000
Amount of Investment in Associates/Joint Venture	5,000
Extend of Holding%	50%
3. Description of how there is significant influence	Control over composition of Board
4. Reason why the associate/joint venture is not consolidated	Operations of the company not yet started
5. Net worth attributable to shareholding as per latest audited Balance Sheet	Not Applicable
6. Profit/Loss for the year	Not Applicable
i. Considered in Consolidation	
ii. Not Considered in Consolidation	NIL

1. Names of associates or joint ventures which are yet to commence operations.
2. Names of associates or joint ventures which have been liquidated or sold during the year.

**Note:** This Form is to be certified in the same manner in which the Balance Sheet is to be certified

  
**Vaughan Erris Firman**  
Director  
DIN: 08787748  
Date: 24.08.2021  
Place: Dubai, UAE



  
**Mr. Jasdeep Singh**  
Director & Group CEO  
DIN: 02705303  
Date: 24.08.2021  
Place: Hyderabad, India



**ANNEXURE II**

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

There are no contracts or arrangements or transactions which were not on arm's length basis

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

S.No	Description	Details of the Contracts
i	Name(s) of the related party and nature of relationships	Ramkrishna Care Medical Sciences Private Limited (Subsidiary Company)
ii	Nature of contracts/arrangements/transactions	Rendering of services (Appointment of Mr. Sandeep Kumar as Interim Hospital Chief Operating Officer of Ramkrishna Care)
iii	Duration of the contracts / arrangements/transactions	April 15, 2020 – November 25, 2020
iv	Salient terms of the contracts or arrangements or transactions including the value, if any	Reimbursement of annual cost by Ramkrishna Care to Quality Care India Limited
v	Date(s) of approval by the Board, if any	01/06/2020
vi	Amount paid as advances, if any	Nil

**For and on behalf of the Board**

  
**Vaughan Erris Firman**  
Director  
DIN: 08787748  
Date: 24.08.2021  
Place: Dubai, UAE

  
**Mr. Jasdeep Singh**  
Director & Group CEO  
DIN: 02705303  
Date: 24.08.2021  
Place: Hyderabad, India

**ANNEXURE III**

**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2021**

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	U85110TG1992PLC014728
2.	Registration Date	7 <sup>th</sup> September ,1992
3.	Name of the Company	Quality Care India Limited
4.	Category/Sub-category of the Company	Company limited by Shares Non-govt company
5.	Address of the Registered office & contact details	6-3-248/2, Road No.1, Banjara Hills, Hyderabad-500034 Telangana
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Venture Capital and Corporate Investments Private Limited # 12-10-167, Bharat Nagar, Hyderabad-500 018 Tel: +91-40-23818475/76 Fax: +91-40-23868024 Email: <a href="mailto:info@vccipl.com">info@vccipl.com</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Hospital Services	86100	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

Sl. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% Of Shares Held	Applicable Section
1	Touch Healthcare Private Limited	C108065	Holding	95.87	2(46)
2	Ganga Care Hospital Limited 3 Farmland, Panchsheel Square Ramdaspet, Wardha Road Nagpur – 440012	U85110MH2005PLC1508 11	Subsidiary	74.13%	2(87)
3	Ramkrishna Care Medical Sciences Private Limited 9/284, Budhapara, Raipur 492001	U85110CT1998PTC0130 35	Subsidiary	56.33%	2(87)

4	Galaxy Care Multispeciality Hospital Private Limited Renuka Kalarang Hsg Socpatwardhan Baug, Pune, 411004	U85110PN2005PTC 20122	Subsidiary	76.00%	2(87)
5	Quality Care Health Services India Private Limited 6-3-248/2, Road No.1, Banjara Hills, Hyderabad-34	U85100TG2008PTC0582 64	Joint Venture	50.00%	2(87)
6	Quality Care Jharsuguda Private Limited 6-3-248/2, Road No.1, Banjara Hills, Hyderabad-34	U85300TG2016PTC1127 46	Subsidiary	100.00%	2(87)

**IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**(A) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2020]				No. of Shares held at the end of the year [As on 31-March-2021]				% Change During the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
(1) Indian									
a) Individual/ HUF	0	0	0	0.00%	0	0	0	0.00%	0.00
b) Central Govt	0	0	0	0.00%	0	0	0	0.00%	0.00
c) State Govt(s)	0	0	0	0.00%	0	0	0	0.00%	0.00
d) Bodies Corp.	0	0	0	0.00%	0	0	0	0.00%	0.00
e) Banks / FI	0	0	0	0.00%	0	0	0	0.00%	0.00
f) Any other	0	0	0	0.00%	0	0	0	0.00%	0.00
<b>Total shareholding of Promoter (A)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
1. Institutions	0	0	-	0.00%	0	0	-	0.00%	0.00

a) Mutual Funds	0	0	-	0.00%	0	0	-	0.00%	0.00
b) Banks / FI	0	0	-	0.00%	0	0	-	0.00%	0.00
c) Central Govt	0	0	-	0.00%	0	0	-	0.00%	0.00
d) State Govt(s)	0	0	-	0.00%	0	0	-	0.00%	0.00
e) Venture Capital Funds	0	0	-	0.00%	0	0	-	0.00%	0.00
f) Insurance Companies	0	0	-	0.00%	0	0	-	0.00%	0.00
g) FIs	0	0	-	0.00%	0	0	-	0.00%	0.00
h) Foreign Venture Capital Funds	0	0	-	0.00%	0	0	-	0.00%	0.00
i) Others (specify)	0	0	-	0.00%	0	0	-	0.00%	0.00
<b>Sub-total (B)(1):-</b>	0	0	0	<b>0.00%</b>	0	0	0	<b>0.00%</b>	<b>0.00</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	1,043,475	0	1,043,475	2.51%	1,043,475	0	1,043,475	2.51%	0.00
ii) Overseas	39,782,603	0	39,782,603	95.87%	39,782,603	0	39,782,603	95.87%	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	23,329	77,408	1,00,737	0.24%	23,329	77,408	1,00,737	0.24%	0.00
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	305,251	242,265	547,516	1.33%	305,251	242,265	547,516	1.33%	0.00
c) Others (specify)	0	0	-	0.00%	0	0	-	0.00%	0.00
Non Resident Indians	0	22563	22,563	0.05%	0	22563	22,563	0.05%	0.00
Overseas Corporate Bodies	0	0	-	0.00%	0	0	-	0.00%	0.00

Foreign Nationals	0	0	-	0.00%	0	0	-	0.00%	0.00
Clearing Members	0	0	-	0.00%	0	0	-	0.00%	0.00
Trusts	0	0	-	0.00%	0	0	-	0.00%	0.00
Foreign Bodies - D R	0	0	-	0.00%	0	0	-	0.00%	0.00
<b>Sub-total (B)(2):-</b>	<b>41,154,658</b>	<b>342,236</b>	<b>41,496,894</b>	<b>100%</b>	<b>41,154,658</b>	<b>342,236</b>	<b>41,496,894</b>	<b>100%</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>41,154,658</b>	<b>342,236</b>	<b>41,496,894</b>	<b>100%</b>	<b>41,154,658</b>	<b>342,236</b>	<b>41,496,894</b>	<b>100%</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>41,154,658</b>	<b>342,236</b>	<b>41,496,894</b>	<b>100%</b>	<b>41,154,658</b>	<b>342,236</b>	<b>41,496,894</b>	<b>100%</b>	<b>0.00</b>

**B) Shareholding of Promoter- NIL**

Shareholding of Promoter								
S.No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	-	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**C) Change in Promoters' Shareholding (please specify, if there is no change – No Change)**

Change in Shareholding of Promoter				
S. No	Shareholder's Name	Shareholding at the beginning of the year	Shareholding at the end of the year	% change in shareholding during the year



		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbere d to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbere d to total shares	
1	-	<b>No change</b>						-

**D) Shareholding Pattern of top ten Shareholders:**

**(Other than Directors, Promoters and Holders of GDRs and ADRs):**

S NO	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Touch Healthcare Private Limited				
	At the beginning of the year	39782603	95.87%	39782603	95.87%
	Change during the year	No change			
	At the end of the year	39782603	95.87%		
2	M/s.SNR Investments Private Limited				
	At the beginning of the year	208695	0.50%	208695	0.50%
	Change During the Year	No change			
	At the end of the year	208695	0.50%		
3	M/s. Veeyes Investments Pvt Ltd.				
	At the beginning of the year	208695	0.50%	208695	0.50%
	Change During the Year	No change			
	At the end of the year	208695	0.50%		
4	M/s. Highgrace Investments Pvt Ltd				
	At the beginning of the year	208695	0.50%	208695	0.50%
	Change During the Year	No change			
	At the end of the year	208695	0.50%		

5	M/s. Elem Investments Pvt. Ltd				
	At the beginning of the year	208695	0.50%	208695	0.50%
	Change During the Year	No change			
	At the end of the year	208695	0.50%		
6	M/s. Finciti Investments Pvt. Ltd.				
	At the beginning of the year	208695	0.50%	208695	0.50%
	Change During the Year	No change			
	At the end of the year	208695	0.50%		
7	Mr. Suresh Devineni				
	At the beginning of the year	70972	0.17%	70972	0.17%
	Change During the year	No change			
	At the end of the year	70972	0.17%		
8	Kutumba Srinivasa Sastry Bhagavatula				
	At the beginning of the year	62779	0.15%	62779	0.15%
	Change During the year	No change			
	At the end of the year	62779	0.15%		
9	B Soma Raju				
	At the beginning of the year	59000	0.14%	59000	0.14%
	Change During the year	No change			
	At the end of the year	59000	0.14%		
10	N Krishna Reddy				
	At the beginning of the year	50000	0.12%	50000	0.12%
	Change During the year	No change			
	At the end of the year	50000	0.12%		

**E) Shareholding of Directors and Key Managerial Personnel: No change**

S.No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company

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**V. INDEBTEDNESS** - Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2,22,00,00,000	0	0	2,22,00,00,000
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>2,22,00,00,000</b>	<b>0</b>	<b>0</b>	<b>2,22,00,00,000</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	0	0	0	0
* Reduction	13,50,00,000	0	0	13,50,00,000
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2,08,50,00,000	0	0	2,08,50,00,000
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>2,08,50,00,000</b>	<b>0</b>	<b>0</b>	<b>2,08,50,00,000</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		-	-
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify	-	-
	<b>Total (A)</b>	<b>-</b>	<b>-</b>

Ceiling as per the Act		
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**B. REMUNERATION TO OTHER DIRECTORS**

SN.	Particulars of Remuneration	Name of Directors		Total Amount
		Kewal Kundanlal Handa	Ekta Bahl	
1	Independent Directors	6,25,000	6,25,000	12,50,000
	Fee for attending board committee meetings			
	Commission	-	-	-
	Others, please specify	-	-	-
	<b>Total (1)</b>	<b>6,25,000</b>	<b>6,25,000</b>	<b>12,50,000</b>
2	Other Non-Executive Directors	Nil	Nil	Nil
	Fee for attending board committee meetings			
	Commission	-	-	-
	Others, please specify	-	-	-
	<b>Total (2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Total (B)=(1+2)</b>	<b>6,25,000</b>	<b>6,25,000</b>	<b>12,50,000</b>
	Total Managerial Remuneration			
	Overall Ceiling as per the Act			

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

SN	Particulars of Remuneration	Key Managerial Personnel					Total
		Dr. Raajiv Singhal CEO (Resigned w.e.f. 15.10.2020)	Jasdeep Singh CEO (Apptd. W.e.f. 19.10.2020)	Madhavi Darbha CFO (Resigned w.e.f. 31.10.2020)	Sandeep Kumar CFO (Apptd. W.e.f. 27.10.2020)	Gayathri Chandramoulieswaran CS (Apptd. W.e.f. 21.01.2021)	
1	Gross salary	11879442	6785673	4000002	5044810	142585	27852512
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0	0	0
2	Stock Option	0	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0	0
4	Commission	0	0	0	0	0	0
	- as % of profit	0	0	0	0	0	0

	others, specify...	0	0	0	0	0	0
5	Others, please specify	0	0	0	0	0	0
	I. Joining Bonus	0	3000000	0	0	0	3000000
	II. Settlement Amount	12837464	0	666667	0	0	13504131
	III. Earned Leave	1171543	0	394478	0	0	1566021
	IV. Variable Pay	0	0	791667	0	0	791667
	V. Gratuity	2000000	0	0	0	0	2000000
	<b>Total</b>	<b>27888448</b>	<b>9785673</b>	<b>5852814</b>	<b>5044810</b>	<b>142585</b>	<b>48714330</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees Imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Section 96 (1) & 99	Delay in Conducting of Annual General Meeting	Compounding fees of Rs. 2,00,000/- was imposed and paid by the Company	Regional Director, South East Region, Hyderabad	NA
Adjudication	Section 173(1) 118(10)	Delay in conducting Board Meeting and gap between two Board Meetings was 159 days	Penalty of Rs. 25,000/- was imposed and paid by the Company	Regional Director, South East Region, Hyderabad	NA
Adjudication	Section 203	Appointment of Key Managerial Personnel	Rs. 5,00,000/-	Regional Director, South East Region, Hyderabad	Appeal filed for which resulted in reduction of penalty to Rs. 2,00,000/- Same was paid vide SRN: U61376034 on 11.02.2020
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	Section 96 (1) & 99	Delay in Conducting of Annual General Meeting	Compounding fees of Rs. 1,00,000/- was imposed and paid by then Managing Director	Regional Director, South East Region, Hyderabad	NA
Adjudication	Section 173(1)	Delay in	Penalty of Rs.	Regional	NA

	118(10)	conducting Board Meeting and gap between two Board Meetings was 159 days	5,000/- was imposed and paid by then Managing Director	Director, South East Region, Hyderabad	
Adjudication	Section 203	Appointment of Key Managerial Personnel	Rs.5,00,000/-	Regional Director, South East Region, Hyderabad	Appeal filed for which resulted in reduction of penalty to Rs. 75,000/- Same was paid vide SRN: U61586459 on 14.02.2020
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	Section 96 (1) & 99	Delay in Conducting of Annual General Meeting	Rs. 1,00,000/- each imposed and paid by then CS, CEO, CFO (Aggregate Rs. 3,00,000/-)	NIL	NA
Adjudication	Section 173(1) 118(10)	Delay in conducting Board Meeting and gap between two Board Meetings was 159 days	Penalty of Rs. 25,000/- and Rs. 5,000/- was imposed and paid by then Company Secretary.	NIL	NA
Adjudication	Section 203	Appointment of Key Managerial Personnel	Rs.5,00,000/-	Regional Director, South East Region, Hyderabad	Appeal filed for which resulted in reduction of penalty to Rs. 75,000/- Same was paid vide SRN: U61586459 on 14.02.2020

For and on behalf of the Board

  
**Vaughan Erris Finneran**  
Director  
DIN: 08787748  
Date: 24.08.2021  
Place: Dubai, UAE



  
**Mr. Jasdeep Singh**  
Director & Group CEO  
DIN: 02705303  
Date: 24.08.2021  
Place: Hyderabad, India



**Annexure IV**

**Secretarial Audit Report**



**Form No. MR-3**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2021**

To,  
The Members,  
**Quality Care India Limited**  
Hyderabad

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. **Quality Care India Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2021** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s **Quality Care India Limited** and relied on the information, explanations provided by the management and its officers for the financial year ended on **31<sup>st</sup> March, 2021** according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; - **Not Applicable.**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, and External Commercial Borrowings -;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares Takeovers) Regulations, 2011; - **Not Applicable**

Door No. 1-10-18 Flat # G1-1st Floor, Lakshmi Sri Park View Apartments,  
Near Ashok Nagar Circle, Ashok Nagar, Hyderabad - 500020 Telangana, India

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✉ [rvrassociates@gmail.com](mailto:rvrassociates@gmail.com) 🌐 [www.csvrassociates.com](http://www.csvrassociates.com)



- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992/ SEBI(Prohibition of Insider Trading) Regulations, 2015; - **Not Applicable**
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - **Not Applicable**
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ SEBI (Share Based Employee Benefits) Regulations, 2014; - **Not Applicable**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not Applicable.**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - **Not Applicable**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - **Not Applicable and**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not Applicable**
- (vi) (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 - **Not Applicable.**

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with effect from July 01, 2015.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange - **Not Applicable.**

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. Further, we report that there was unreasonable delay in filling of vacancy of Company Secretary during the year 2020-21 for a period of 6 months and 15 days and the Company has filed adjudication application with Regional Director, Hyderabad on 03.08.2021 which is pending for approval.

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors have taken place during the period under review.

- a. Adequate notice was given to all directors to schedule the Board/ Committee Meetings, agenda and detailed notes on agenda were sent as per the provisions of the Act, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.



- b. During the period under review, resolutions were carried through majority. As confirmed by the Management, there were no dissenting views expressed by any of the members on any business transacted at the meeting held during the period under review.
- c. Based on the information, documents provided and the representations made by the Company, its officers during our audit process and also on review of the compliance of provisions of the applicable Acts, in our opinion, there are adequate systems and processes exist in the Company to commensurate with the size and operations of the Company, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- d. The compliance by the Company of the applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed by us since the same have been subject to review by statutory auditors and other professionals.

We further report that during the audit period, the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations and guidelines;

A. Other major events:

1. The Company was in default of holding the AGM as per Section 96 with a delay of 4 months and 2 days from the date of extension of AGM (31.12.2018) granted by the Registrar of Companies for the Financial Year ending on 31.03.2018. However the Company has rectified the non-compliance by filing Compounding Application and received order from the Regional Director, SE Region, Hyderabad approving the Compounding on 12.04.2021.
2. The Company failed to comply with the provisions of Section 173(1) and Section 118(10) in respect of number of board meetings to be held during a financial year 2018-19. However the Company has rectified the non-compliance by filing Compounding Application and received order from the Registrar of Companies, Hyderabad approving the Compounding on 02.09.2020.

Date: 27.08.2021  
Place: Hyderabad



For RVR & Associates  
Company Secretaries  
PR. No. P2015TL082000

*G.V.S.*  
CS Ravi Kumar G.V.S  
Associate Partner  
C P No: 17178  
PR. No. 1242/2021  
UDIN : F008529C000848214

Note: This report is to be read with our letter of even date which is annexed as 'Annexure' and forms an integral part of this report.

**'Annexure'**

To,  
The Members,  
**Quality Care India Limited**  
Hyderabad

Our report of even date is to be read along with this letter:

1. Maintenance of Secretarial records is the responsibility of the Management of the Company. Our responsibility is to express as opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of applicable laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, secretarial standards issued by ICSI is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.
7. We further report that, based on the information provided by the Company, its officers, authorized representatives during the conduct of the audit and also on the review of quarterly compliance report by the respective departmental heads/ Company Secretary/ Managing Director taken on record by the Board of the Company, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like labour laws & Environment Laws and Data protection policy.
8. We further report that the compliance by the Company of applicable fiscal laws like Direct & Indirect tax laws have not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.
9. Under the situation of COVID-19 Pandemic prevailing during the period when the audit was conducted for the year 2020-21, all the documents, records and other information were verified and checked electronically as provided by the management.
10. We further report that, the Company has identified the following Industry specified laws which are applicable to them:
  - (a) The Drug and Cosmetic Act, 1945 and Rules
  - (b) The Drug and Magic Remedies Act, 1954
  - (c) Narcotic Drugs and Psychotropic Substances Act, 1985
  - (d) The Hazardous Waste (Management & Handling) Rules 1989 under the Environment Protection Act, 1986
  - (e) The Pharmacy Act, 1948

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(f) Bio-Medical Waste (Management and Handling) Rules, 1998

(g) Food Safety and Standards Act, 2016 and rules

11. We further report that, the Company has identified the following general laws which are applicable to them:

- I. The Minimum Wages Act, 1948
- II. The Payment of Wages Act, 1936
- III. The Employees' Provident Funds & Misc. Provisions Act 1952 and E.P.F Scheme 1952
- IV. The Employees' State Insurance Act, 1948 and Employees' State Insurance (General) Regulations 1950
- V. The Payment of Gratuity Act 1972 and The A.P. Payment of Gratuity Rules, 1972
- VI. The Contract Labour (Regulation and Abolition) Act, 1970
- VII. The Employment Exchanges (Compulsory Notification of vacancies) Act, 1959
- VIII. The National Festival and Other Holidays Act, 1974
- IX. The Maternity Benefit Act, 1961
- X. The Payment of Bonus Act, 1965
- XI. The Shops & Establishment Act, 1988
- XII. The Labour Welfare Fund Act, 1987
- XIII. The Equal Remuneration Act, 1976
- XIV. The Child Labour(Regulation & Prohibition) Act, 1986
- XV. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- XVI. The Workmen Compensation Act
- XVII. The Employee Compensation Act, 1923
- XVIII. The Motor Vehicle Act, 1988

Date: 27.08.2021  
Place: Hyderabad



For RVR & Associates  
Company Secretaries  
PR. No. P2015TL082000

*Glob*  
CS Ravi Kumar G.V.S  
Associate Partner  
C P No: 17178  
PR. No. 1242/2021  
UDIN : F008529C000848214

**Annexure V to Director's Report - 2021**

**CORPORATE GOVERNANCE REPORT**

**Company's Philosophy on Corporate Governance**

Corporate governance refers to the set of systems, principles and processes by which a company is governed. They provide the guidelines as to how the company can be directed or controlled such that it can fulfil its goals and objectives in a manner that adds to the value of the company and is also beneficial for all stakeholders in the long term. Stakeholders in this case would include everyone ranging from the board of directors, management, shareholders to customers, employees and society. The management of the company hence assumes the role of a trustee for all the others.

**Board of Directors Composition**

The Company has an optimum combination of executive and non-executive directors. The Board comprises of One Executive Director, Two Non-Executive Independent director and Seven Non-Executive Directors. The composition of the Board is as follows:

Name of the Director	Director Identification Number (DIN)	Category of Directorship	Whether attended the AGM on 24/09/2020
Dr Raajiv Singhal <sup>3</sup>	03476950	Executive Director	No
Mr. Andrew Kenneth Currie <sup>1</sup>	08120177	Non-Executive Director	No
Mr. Arunprakash Srinivasarao Korati	00027783	Non-Executive Additional Director	No
Mr. Kewal Kundanlal Handa	00056826	Independent Non-Executive Director	No
Mr. Vishal Bali	01457380	Non-Executive Additional Director	No
Mr. Ankur Nand Thadani	03566737	Non-Executive Additional Director	No
Mr. Mahadevan Narayanamoni	07128788	Non-Executive Additional Director	No
Mr. Madan Rohinikrishnan	07426734	Non-Executive Additional Director	No
Ms. Ekta Bahl	01437166	Independent Non-Executive Director	No
Mr. Massimiliano Collela	08729468	Non-Executive Additional Director	No
Mr. Vaughan Erris Firman <sup>2</sup>	08787748	Non-Executive Additional Director	No
Mr. Jasdeep Singh <sup>4</sup>	02705303	Executive Director	NA

<sup>1</sup> Resigned w.e.f.31<sup>st</sup> July 2020

<sup>2</sup> Appointed w.e.f. 31<sup>st</sup> July 2020

<sup>3</sup> Resigned w.e.f. 15.10.2020

<sup>4</sup> Appointed w.e.f. 19.10.2020





### Board Meetings

The Board Meetings are conducted in accordance with the provisions of the Companies Act 2013, the rules made thereunder and Secretarial Standard for Meeting of Board of Directors issued by the Institute of Company Secretaries of India. The attendances of the Directors in the said Board Meetings are as follows:

Attendance of Directors at the Board meetings held during the financial year 2020-21							
S. No.	Director's name	13/08/20	24/08/20	22/10/20	21/01/21	18/03/21	30/03/21
1	Arunprakash Srinivasarao Korati	YES (VC)	YES (VC)	YES (VC)	YES (VC)	YES (VC)	YES (VC)
2	Kewal Kundanlal Handa	YES (VC)	YES (VC)	YES (VC)	YES (VC)	YES (VC)	YES (VC)
3	Vishal Bali	YES (VC)	YES (VC)	YES (VC)	YES	YES	YES (VC)
4	Raajiv Singhal**	YES	YES (VC)	NA	NA	NA	NA
5	Ankur Nand Thadani	YES (VC)	LOA	YES (VC)	YES (VC)	YES (VC)	YES (VC)
6	Mahadevan Narayanamoni	YES (VC)	YES (VC)	YES (VC)	YES	YES	YES
7	Madan Rohini Krishnan	YES (VC)	YES (VC)	YES (VC)	YES (VC)	YES (VC)	YES (VC)
8	Andrew Kenneth Currie*	NA	NA	NA	NA	NA	NA
9	Ekta Bahl	YES (VC)	YES (VC)	YES (VC)	YES (VC)	YES	YES
10	Massimiliano Colella	YES (VC)	YES (VC)	YES (VC)	YES (VC)	YES (VC)	YES (VC)
11	Vaughan Erris Firman***	YES (VC)	YES (VC)	YES (VC)	YES (VC)	YES (VC)	YES (VC)
12	Jasdeep Singh****	NA	NA	YES	YES	YES	YES

(VC=video conferencing; LOA – Leave of absence)

\*Resigned w.e.f. 31.07.2020

\*\* Resigned w.e.f. 15.10.2020

\*\*\*Appointed w.e.f. 31.07.2020

\*\*\*\*Appointed w.e.f. 19.10.2020

### BOARD COMMITTEES

The Board has constituted the following committees:

#### 1. AUDIT COMMITTEE:

The Audit Committee of the Company has been constituted in line with the provisions of section 177 of the Companies Act 2013.

The terms of reference of the Committee are as follows and the revised Audit committee charter is annexed as Annexure -1:

- a. To recommend the appointment, remuneration and terms of appointment of auditors (including internal auditors) of the Company.
- b. To review and monitor auditor's independence and performance and effectiveness of the audit process.
- c. To review the non-audit services, if any, being provided by the statutory auditors to the company or its related entities.
- d. To review the financial statements and auditor's report before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company.
- e. To approve transactions or any subsequent modification of transactions of the Company with related parties.
- f. To scrutinize the loans and investments by the Company, if any.
- g. To review and oversee the Valuation of undertakings or assets of the Company, wherever it is necessary.
- h. To recommend the appointment, scope and terms of appointment of the valuers of the Company
- i. To oversee the Company's financial reporting, internal and external audit requirements, evaluation of internal financial controls and risk management systems.
- j. To monitor the Company's compliance with external laws and regulations, and internal policies including its code of ethics.
- k. To monitor end use of funds raised through Public offers and related matters.
- l. To oversee the efficient functioning of the internal audit department and review its reports. The Committee will additionally monitor the progress made in rectification of irregularities and changes in processes wherever deficiencies have come to notice.

The Audit Committee charter of the company is enclosed as **Annexure 1**.

**Present composition of the audit committee after recent re-constitution of the committee during the year under review:**

S.No	Name	Designation	Remarks
1	Mr. Kewal Kundanlal Handa	Independent Non-Executive Director	Appointed w.e.f. 21.06.2019
2	Ms. Ekta Bahl	Independent Non-Executive Director	Appointed w.e.f. 17.12.2019
3	Mr. Vaughan Erris Firman	Non-Executive Director	Appointed w.e.f. 31.07.2020

**The changes in composition of the Committee during the year under review and the attendance details are as follows:**

S.No	Name	Designation	Remarks
1	Mr. Andrew Kenneth Currie	Non- Executive Director	Resigned as Member w.e.f. 10.06.2020 & Resigned as a Director w.e.f. 31 <sup>st</sup> July 2020
2	Mr. Kewal Kundanlal Handa	Independent Non-Executive Director	Appointed w.e.f. 21.06.2019
3	Ms. Ekta Bahl	Independent Non-Executive Director	Appointed w.e.f. 17.12.2019
4	Mr. Massimiliano Collela	Non-Executive Director	Appointed w.e.f. 10.06.2020 and resigned as member w.e.f. 31 <sup>st</sup> July 2020
5	Mr. Vaughan Erris Firman	Non-Executive Director	Appointed w.e.f. 31 <sup>st</sup> July 2020

Attendance of members at the audit committee meetings held during the financial year 2020-21					
S. No.	Name of the member	10/06/2020	13/08/2020	24/08/2020	20/01/2021
1	Mr. Kewal Kundanlal Handa	YES (VC)	YES (VC)	YES (VC)	YES (VC)
2	Mr. Andrew Kenneth Currie	YES (VC)	NA	NA	NA
3	Ms. Ekta Bahl	YES (VC)	YES (VC)	YES (VC)	YES (VC)
4	Mr. Massimiliano Colella	YES (VC)	NA	NA	NA
5	Mr. Vaughan Erris Firman	NA	YES (VC)	YES (VC)	YES (VC)

## 2. OPERATING COMMITTEE:

The Operating Committee is constituted for the operational effectiveness of the Company. The following are the terms of reference of the committee:

- I. To review the performance of the Company on a periodic basis;
- II. To borrow monies in terms of Section 179 of the Companies Act, 2013 not exceeding Rs.5 crores (Rupees Five Crores only) outstanding at any point of time;
- III. To authorize the executives to file legal cases in the ordinary course of business;
- IV. To authorize the executives of the Company to represent and make application / representation before various statutory authorities like Central Government, State Government, Municipal and local bodies;
- V. To operate any account (s) with such Bank or Banks as the Board may elect to sign, draw, accept, endorse or otherwise execute all cheques, promissory notes, drafts, hundis, orders, bills of exchange, bills of lading, Bank Guarantee and other negotiable instruments to make and give receipts, release and other discharges for monies payable to the Company and for the claims and demands of the Company to make contracts and to execute deeds in connection with the operations of the Company;

- VI. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debt due and of claims or demands by or against the Company and to appoint solicitors, advocates, counsel and other legal advisors for such purpose or for any other purposes and settle and pay their remunerations;
- VII. Such other terms of the reference as may be decided by the Board of Directors from time to time; and
- VIII. Such other matters falling under the prevalent delegation of authority as approved by Board from time to time

The composition of the Operating Committee and the attendance details for the meetings held during the year are as follows:

**Present composition of the Operating committee after re-constitution of the committee during the financial year 2020-21:**

S.No	Name	Designation	Remarks
1	Mr. Vaughan Erris Firman	Non-Executive Director	Appointed w.e.f. 31.07.2020
2	Mr. Jasdeep Singh	Director & Group CEO	Appointed w.e.f. 19.10.2020
3	Mr. Mahadevan Narayanamoni	Non-Executive Director	Appointed w.e.f. 21.06.2019

**The changes in composition of the Committee during the year under review and the attendance details are as follows:**

Name of the Director	Category of Directorship	Remarks
Mr. Andrew Kenneth Currie	Non-Executive Director	Resigned w.e.f. 31.07.2020
Dr. Raajiv Singhal	Director & Group CEO	Resigned w.e.f. 15.10.2020
Mr. Mahadevan Narayanamoni	Non-Executive Director	Appointed w.e.f. 21.06.2019
Mr. Vaughan Erris Firman	Non-Executive Director	Appointed w.e.f. 31.07.2020
Mr. Jasdeep Singh	Director & Group CEO	Appointed w.e.f. 19.10.2020

**Attendance of members at the Operating committee meetings held during the financial year 2020-21**

Members	29/06/20	22/07/20	24/09/20	22-10-20	26/11/20	17/12/20	21/01/21	25/02/21	25/03/21
Andrew Kenneth Currie	YES (VC)	NO	NA	NA	NA	NA	NA	NA	NA
Dr. Raajiv Singhal	YES	YES	LOA	NA	NA	NA	NA	NA	NA
Mahadevan Narayanamoni	YES (VC)	YES (VC)	YES (VC)	YES (VC)	YES	YES	YES	YES	LOA
Vaughan Erris Firman	YES	YES (VC)	YES (VC)	YES (VC)	YES (VC)	YES (VC)	YES (VC)	YES (VC)	YES (VC)
Jasdeep Singh	NA	NA	NA	YES	YES	YES	YES	YES	YES

### 3. NOMINATION & REMUNERATION COMMITTEE:

The Company has a Nomination & Remuneration Committee.

The terms of reference of the committee are as follows:

The Committee shall:

- i. Formulate criteria for determining qualifications, positive attributes and Independence of Director and recommend to the Board on the remuneration policies and practices for the Directors, Key Managerial personnel, senior management of the Company and its subsidiaries ("the Group") in general; and
- ii. Identify persons who are qualified to be Director, Key Managerial personnel or senior management personnel and make recommendations to the Board for their appointment and removal for the purpose of composition of the board and board Committees and to ensure that the board of directors consists of individuals who are equipped to fulfill the role of director of the Company.
- iii. specify the manner for effective evaluation of performance of Board, its committees and individual directors

The Nomination & Remuneration Committee Charter of the company is enclosed as **Annexure 2**.

During the Financial under review the committee met 2 (two) times.

**Present composition of the NRC after recent re-constitution of the committee during the financial year under review is as follows:**

S.No	Name	Designation	Remarks
1	Mr. Kewal Kundanlal Handa	Independent Non-Executive Director	Appointed w.e.f. 21.06.2019
2	Mr. Vishal Bali	Non-Executive Director	Appointed w.e.f. 21.06.2019
3	Ms. Ekta Bahl	Independent Non-Executive Director	Appointed w.e.f. 17.12.2019
4	Mr. Vaughan Erris Firman	Non-Executive Director	Appointed w.e.f. 31.07.2020

**The changes in composition of the Committee during the year under review and the attendance details are as follows:**

Name of the Director	Category of Directorship	Remarks
Mr. Andrew Kenneth Currie	Non-Executive Director	Resigned w.e.f. 31.07.2020
Mr. Kewal Kundanlal Handa	Independent Non-Executive Director	Appointed w.e.f. 21.06.2019
Mr. Vishal Bali	Non-Executive Director	Appointed w.e.f. 21.06.2019

Ms. Ekta Bahl	Independent Non-Executive Director	Appointed w.e.f. 17.12.2019
Mr. Vaughan Erris Firman	Non-Executive Director	Appointed w.e.f 31.07.2020

Attendance of members at the meetings of NRC held during the Financial year 2020-21			
S. No.	Members	22/10/2020	18/03/2021
1	Mr. Kewal Handa	YES (VC)	YES (VC)
2	Mr. Andrew Kenneth Currie	NA	NA
3	Mr. Vishal Bali	YES (VC)	YES
4	Ms. Ekta Bahl	YES (VC)	YES
5	Mr. Vaughan Erris Firman	YES (VC)	YES (VC)

#### 4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Company has a Corporate Social Responsibility Committee pursuant to the provisions of section 135 of the Companies Act 2013. The Committee functions according to the Corporate Social Responsibility Policy of the Company which is available on the website of the Company.

Web address:

<https://www.carehospitals.com/about-care/investors-2/?tab=Treatments%20Content>

The Corporate Social Responsibility Committee met 1 (one) time during the year.

**Present composition of the CSR committee is as follows:**

Name of the Member	Category of Directorship	Remarks
Mr. Kewal Kundanlal Handa	Independent Non-Executive Director	Appointed w.e.f. 21.06.2019
Mr. Arunprakash Srinivasarao Korati	Non-Executive Director	Appointed w.e.f. 21.06.2019
Ms. Ekta Bahl	Independent Non-Executive Director	Appointed w.e.f. 23.03.2020

There were no changes in composition of the Committee during the year under review and the attendance details are as follows:

Attendance of members at the CSR committee meeting held during the financial year 2020-21		
S. No.	Members	25/03/2021
1	Mr. Kewal Kundanlal Handa	YES (VC)
2	Ms. Ekta Bahl	YES (VC)
3	Mr. Arunprakash Srinivasarao Korati	YES (VC)

#### **INDEPENDENT DIRECTOR'S MEETING:**

No meeting of independent directors of the Company was held during the year under review.

#### **GENERAL BODY MEETINGS:**

The details of previous three years Annual General Meetings are as follows:

Year	Date And Time	Whether Special resolutions passed
2019-20	24 <sup>th</sup> September, 2020 @ 2:00 OM	No
2018-19	23 <sup>rd</sup> September 2019 @ 3:00 PM	No
2017-18	02 <sup>nd</sup> May 2019 @ 10:00 AM	No

The Annual General Meeting held for the FY 2017-18 & 2018-19 was held at the Corporate office of the Company PACE, #8-2-595/2/B, Care Convergence Centre, Road No. 10, Banjara Hills, Hyderabad – 500 034.

The Annual General Meeting for FY 2019-20 was held through Video Conferencing (VC)/Other Audio Visual means (OAVM) facility at the Board Room, Corporate Office, 1st Floor, Kohinoor building, Road No 2, Banjara Hills, Hyderabad -500034 Telangana

#### **POSTAL BALLOT:**

There was no business required to be transacted through postal Ballot during the financial year 2020-21

#### **Annual General Meeting:**

AGM Date, time and venue

28<sup>th</sup> September, 2021 at 02:30 PM through Video Conferencing (VC)/Other Audio Visual means (OAVM) facility at Board Room, Corporate Office, Opp: Hotel Park Hyatt, Road No 2, Banjara Hills, Hyderabad -500034.



Financial Calendar : 1st April to 31st March

International Securities Identification Number (ISIN) : **INE108N01016**

## **SHAREHOLDER INFORMATION**

### **Address for Correspondence**

All shareholders' correspondence should be forwarded to M/s. Venture Capital and Corporate Investments Private Limited, the Registrar and Transfer Agent of the Company or to the Compliance officer/Investor relation officer at the addresses mentioned below:

### **Registrar and Share Transfer Agent**

#### **Venture Capital and Corporate Investments Private Limited**

# 12-10-167, Bharat Nagar,  
Hyderabad-500 018  
Tel: +91-40-23818475/76  
Fax: +91-40-23868024  
Email: [info@vccipl.com](mailto:info@vccipl.com)

### **Compliance officer/Investor relation officer**

Mrs. Gayathri Chandramoulieswaran  
Company Secretary

### **Company Secretary Department**

H.NO.8-2-120 / 86 / 10, 10A, 11, 11A, 11B, 11C, & 11D  
1st Floor, GVK Kohinoor Building (New Star, Maa Building)  
Road No. 2, Banjara Hills,  
Hyderabad - 500034  
Opp. Park Hyatt hotel, near: L V Prasad Eye hospital  
Phone: 040-68106565  
Fax: 040-39116019  
Email: [cs.office@carehospitals.com](mailto:cs.office@carehospitals.com)

### **Change of address:**

Members holding equity shares in physical form are requested to notify the change of address, if any, to the company's Registrar and Transfer agent, at the address mentioned above.

### **Share Transfer System:**

All share transfers can be effected only in dematerialisation form. All shareholders are requested to immediately initiate the process for converting physically held shares into Dematerialisation form.

### **Investor Safeguards:**

In order to serve you better and enable you to avoid risks while dealing in securities. You are requested to follow the general safeguards as detailed hereunder:

**Update your address:**

To receive all communication promptly, please update your address registered with the Company.

**Consolidate your multiple folios:**

Members are requested to consolidate their shareholding held under multiple folios to save them from the burden of receiving multiple communications.

**Register Nomination:**

To help your successors get the share transmitted in their favour, please register your nomination. Member(s) desirous of availing this facility may submit nomination in Form 2B (Enclosed) Member(s) holding shares in dematerialized form are requested to register their nominations directly with their respective DPs.

**Prevention of Frauds:**

We urge you to exercise due diligence and notify us of any change in address / stay in abroad or demise of any shareholder as soon as possible. Do not leave your demat account dormant for long. Periodic statement of holding should be obtained from the concerned DP and holding should be verified.

**Confidentiality of Security Deposits:**

Members are requested not to disclose their Folio No. DP ID / Client ID or to handover signed blank transfer deeds / delivery instruction slip to any unknown person.

**Green Initiative:**

Pursuant to Circular No. 17/2011 dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011, Ministry of Corporate Affairs (MCA) has launched "Green Initiative in Corporate Governance" whereby the companies are allowed to send notices, documents and other communication to the shareholders in electronic mode.

Your Company encourages its shareholders to support the "Green Initiative" by registering their email addresses and intimate changes in the email address from time to time.

For and on behalf of the Board

	
	
<b>Vaughan Erris Firman</b> Director DIN: 08787748 Date: 24.08.2021 Place: Dubai, UAE	<b>Mr. Jasdeep Singh</b> Director & Group CEO DIN: 02705303 Date: 24.08.2021 Place: Hyderabad, India

Annexure 1

QUALITY CARE INDIA LIMITED

CHARTER

AUDIT COMMITTEE OF BOARD OF DIRECTORS

I. Authority and Purpose

- A. The Board of Directors ("Board") of Quality Care India Limited ("QCIL", or the "Company") constituted an Audit Committee ("Committee") to assist the Board in fulfilling its statutory and fiduciary responsibility:
- To recommend the appointment, remuneration and terms of appointment of auditors (including internal auditors) of the Company.
  - To review and monitor auditor's independence and performance and effectiveness of the audit process.
  - To review the non-audit services, if any, being provided by the statutory auditors to the company or its related entities.
  - To review the financial statements and auditor's report before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company.
  - To approve transactions or any subsequent modification of transactions of the Company with related parties.
  - To scrutinize the loans and investments by the Company, if any.
  - To review and oversee the Valuation of undertakings or assets of the Company, wherever it is necessary.
  - To recommend the appointment, scope and terms of appointment of the valuers of the Company
  - To oversee the Company's financial reporting, internal and external audit requirements, evaluation of internal financial controls and risk management systems.
  - To monitor the Company's compliance with external laws and regulations, and internal policies including its code of ethics.
  - To monitor end use of funds raised through Public offers and related matters.
  - To oversee the efficient functioning of the internal audit department and review its reports. The Committee will additionally monitor the progress made in rectification of irregularities and changes in processes wherever deficiencies have come to notice.

As such, the Committee exercises the authorities and powers delegated to it and the powers imposed by law, regulations and/or regulatory authorities within the jurisdiction.

- B. Members of the Committee should be conversant with the various responsibilities placed upon them by Section 177 of the Act and rules made there under and as amended from time to time. The relevant extracts of Section 177 of the Act are included in **Appendix 1**.
- C. The Committee shall comply with the various provisions, regulations or guidelines as may be applicable and amended from time to time. Further, the Committee shall review and update this Charter once in the financial year, to give effect to such amendments and recommend the revised Charter to the Board for its approval.
- D. This amended Charter shall substitute and supersede all previous Charters of the Committee.
- E.

## II. Constitution of the Committee

- A. *Size of the Committee:* The Committee shall consist of at least three (3) members ("**Members**") and shall only comprise Directors from the Board. At all times, majority shall be of the Independent Directors.
- B. *Appointment and removal of Members:* The Members will be appointed by the Board and will continue until their successors are duly appointed by the Board. The majority of members of the Audit Committee including its Chairperson shall be persons with ability to read and understand financial statements.

In the event of any amendment to the Companies Act and rules made there under, the composition of the Committee will be amended accordingly to ensure compliance with the amendments.

- C. *Election of a Chairperson:* The Members shall elect a Chairperson of the Committee ("**Chairperson**") from among themselves from time to time, by a majority vote. The Board shall formally appoint the Chairperson of the Committee.
- D. *Appointment of a Committee Secretary:* The Company Secretary shall act as the Secretary of the Committee ("**Committee Secretary**") but shall not be a Member. The Committee Secretary shall be responsible to provide support to the Committee members in his/her role and to ensure proper execution of the required processes.
- E. *Invitees to the Committee:* Subject to the approval by the Chairperson, the Committee may invite members of the management as it considers necessary to be present at the Meetings of the Committee but such executives shall have no voting rights.
- F. *Key Managerial Personnel:* The Key Managerial Personnel shall have a right to be heard at the Meetings but shall have no voting rights, when the Committee considers the auditor's report.
- G. *Qualification of the Members and the Chairperson:* All Members shall be financially literate and at least one Member shall have accounting or related financial management expertise. The Chairperson shall be an independent non-executive director of the Board and shall be a person with a strong financial analysis background.
- H. *Independence:* The Committee should be constituted to ensure its independence and objectivity.

## III. Role of the Committee

- A. The responsibilities of the Committee is to carry out the purpose laid down in Section I of this Charter. These responsibilities should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional or different policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions.
- B. To act as a Compliance Committee to discuss the level of compliance in the Company and any associated risks and to monitor and report to the Board on any significant compliance breaches.
- C. The Committee shall also have such further powers as may be delegated to it by the Board from time to time, in relation to the purpose of the Committee as outlined in Section I of this Charter.
- D. The responsibilities of the Committee, as prescribed under the Act and rules made there under, and other delegations as prescribed by the Board of Directors.

## IV. Powers of the Committee

- A. The recommendations of the Committee, on any matter relating to financial management, including the audit report, shall be reported to the Board.

- B. In performance of its responsibilities and obligations described in Section I and Section III, the powers of the Committee shall include the following:
- i. The right to ask a member of the management of the Company who is responsible for an area commented upon on reports presented to the Committee, to be present when the Committee reviews such report.
  - ii. Investigate any matter in relation to its roles and responsibilities, to items specified in Section 177(4) or referred to it by the Board.
  - iii. Seek information from any employee of the Company.
  - iv. Have full access to information contained in the records of the Company and obtain outside legal or other professional advice if necessary.
  - v. Call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and about their review of the financial statements before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
  - vi. Have oversight on the procedures and processes established to attend to issues relating to maintenance of books of account, administration procedures, transactions and other matters having a bearing on the financial position of the insurer, whether raised by the auditors or by any other person.

#### **V. Proceedings of the Committee Meetings**

- A. *Frequency of Meetings:* The Committee shall meet at least two times every year. The Committee may meet as often as it deems necessary or appropriate in its judgment, in person or audio visual, and at such times and places as the Committee determines.
- B. *Quorum:* The quorum for a Meeting shall be either two (2) Members or one third (1/3rd) of the Members whichever is greater. The quorum shall comprise of at least two (2) Members, with one (1) Member representing the JV Partner, present in person or through video conferencing or by other audio visual means.
- C. *Notice:* All notices to be issued by the Committee will be in accordance with the Act.
- D. *Voting:* Each Member shall have one (1) vote and all matters submitted to the Committee for approval shall require approval of a majority of the Members present and voting. Non-Members shall have no voting rights.
- E. *Non-Members:* Subject to the approval by the Chairperson, the Committee may invite non-Members to the Meetings to attend and to participate at the Meetings, but such non-Members shall have no voting rights.
- F. *Invitees:* The Company's Chief Executive Officer, Chief Financial Officer and shall be permanent invitees to the Meetings of the Committee but shall have no voting rights. Any of the key managerial personnel of the Company shall have a right to be heard in the meetings of the Audit Committee but shall not have the right to vote.
- G. *Statutory Auditors:* The statutory auditors of the Company shall attend and participate in the Committee Meetings convened for the purpose of approving annual (audited) financial statements, but shall have no voting rights. The statutory auditors shall have access to the Board through the Committee.
- H. *Executive Session:* The Committee has the right to hold private sessions with the management, the Directors or the external and internal auditors, as required by applicable law, regulation, and in such other circumstances as the Committee may deem appropriate.
- I. *Circulation of agenda, supporting papers and resolutions:* The agenda papers along with requisite supporting documents and resolution shall be sent to all Members at least seven (7) days before the Meetings. A resolution proposed to be passed by circulation should be sent, together with necessary papers, to all the Members.
- J. *Minutes:* In accordance with the Board protocols, the minutes of the Committee Meetings shall be completed within fifteen (15) days of such Meeting and shall be circulated to all Members and other relevant personnel as deemed necessary by the Committee.
- K. *Necessary support:* The Company's Secretary shall provide the necessary support and assistance for conducting the Committee Meetings.

- L. *Reporting to the Board:* The Chairperson shall present to the Board an update on the Committee Meetings.
- M. *Annual General Meeting:* The Chairperson of the Committee shall attend the Annual General Meetings of the Company to provide any clarifications on audit-related matters.

#### VI. Disclosure

- A. The Committee will disclose in the Company's Director Report whether or not, with respect to the concerned fiscal year:
  - i. The management has reviewed the audited financial statements with the Committee, including a discussion of the appropriateness of the accounting principles as applied and significant judgments affecting the Company's financial statements.
  - ii. The independent auditors have discussed with the Committee their judgment of the appropriateness of those principles as applied and judgments referred to the above, under the circumstances.
  - iii. The Members have discussed among themselves without the management or the independent auditors being present, the information disclosed to the Committee.
  - iv. There are any material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the Director's report.
  - v. The internal financial controls are adequate.
- B. To the extent required by the law, the Committee shall ensure that the following items are disclosed in the annual report:
  - i. Number of Meetings held in a financial year.
  - ii. The composition of the mandated committees, setting out the name, qualification, field of specialization, status of directorship held.
  - iii. Number of Meetings attended by the Directors and Members.
  - iv. Details of the remuneration paid, if any, to Independent Directors.
  - v. Where the Board has not accepted any recommendation of the Audit Committee, the same shall be disclosed in the annual report along with the reasons thereof.

**Appendix 1: Extracts from Companies Act 2013**

**177. Audit Committee**

1. The Board of Directors of every listed Company and such other class or classes of companies, as may be prescribed, shall constitute an Audit Committee.
2. The Audit Committee shall consist of a minimum of three Directors with Independent Directors forming a majority: Provided that majority of Members of Audit Committee including its Chairperson shall be persons with ability to read and understand, the financial statement.
3. Every Audit Committee of a Company existing immediately before the commencement of this Act shall, within one year of such commencement, be reconstituted in accordance with sub-section (2).
4. Every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, *inter alia*, include, —
  - i. the recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
  - ii. review and monitor the auditor's independence and performance, and effectiveness of audit process;
  - iii. examination of the financial statement and the auditors' report thereon;
  - iv. approval or any subsequent modification of transactions of the Company with related parties;
  - v. scrutiny of inter-corporate loans and investments;
  - vi. valuation of undertakings or assets of the Company, wherever it is necessary;
  - vii. evaluation of internal financial controls and risk management systems;
  - viii. monitoring the end use of funds raised through public offers and related matters.
5. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company.
6. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in sub-section (4) or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company.
7. The auditors of a Company and the key managerial personnel shall have a right to be heard in the Meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote.
8. The Board's report under sub-section (3) of section 134 shall disclose the composition of an Audit Committee and where the Board had not accepted any recommendation of the Audit Committee, the same shall be disclosed in such report along with the reasons therefore.
9. Every listed Company or such class or classes of companies, as may be prescribed, shall establish a vigil mechanism for Directors and employees to report genuine concerns in such manner as may be prescribed.
10. The vigil mechanism under sub-section (9) shall provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. Provided that the details of establishment of such mechanism shall be disclosed by the Company on its website, if any, and in the Board's report.



**Annexure 2**

**QUALITY CARE INDIA LIMITED**  
**Nomination & Remuneration Committee Charter**

**Quality Care India Limited**

**("the Company")**

**NOMINATION & REMUNERATION COMMITTEE CHARTER**

**("the Committee")**

**TERMS OF REFERENCE**

**1. CONSTITUTION**

The Committee is constituted as a Nomination and Remuneration Committee of the board in terms of the section 178 and other applicable provisions, if any, of the Companies Act, 2013, the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with the relevant articles of the Articles of Association of the Company.

**2. PURPOSE**

The purpose of the Committee is to provide an independent and objective body that will:

- (a) Formulate criteria for determining qualifications, positive attributes and Independence of Director and recommend to the Board on the remuneration policies and practices for the Directors, Key Managerial personnel, senior management of the Company and its subsidiaries ("the Group") in general; and
- (b) identify persons who are qualified to be Director, Key Managerial personnel or senior management personnel and make recommendations to the Board for their appointment and removal for the purpose of composition of the board and board Committees and to ensure that the board of directors consists of individuals who are equipped to fulfil the role of director of the Company.
- (c) specify the manner for effective evaluation of performance of Board, its committees and individual directors

**3. MEMBERSHIP/QUORUM**

- 3.1 The Committee shall be constituted by the board from among the non-executive directors, provided it shall consist of three or more non-executive director out of whom at least half of the members of Independent Directors. The members as a whole must have sufficient qualifications and experience to fulfil their duties. The Chairperson of the Company (whether executive or non-executive may be the member of the Committee. However, he shall not be Chairperson for this committee.
- 3.2 Notwithstanding the above, the board shall have the power at any time to reconstitute the Committee including removing any members from the Committee and to fill any vacancies so created
- 3.3 The board shall, from time to time, review and revise the composition of the Committee, taking into account the need for an adequate combination of skills and knowledge.
- 3.4 Provision shall be made for an induction programme and suitable training for all members of the committee.
- 3.5 The company secretary or a person approved by the Chairman shall act as secretary to the Committee.

#### **4. MEETINGS**

##### **4.1 Attendance**

- A quorum of the meeting of the Committee shall be higher of two (2) Members or one-third (1/3) of the Members of the Committee.
- The chief executive officer, the chief financial officer, chief operating officer, chief medical officer and head of human resources or other members of senior management as may be required shall be in attendance at meetings of the Committee (as invitees) and shall have unrestricted access to the chairperson or any other member of the Committee as is required in relation to any matter falling within the remit of the Committee. Other board members may also attend at the invitation of the Committee. Such Invitees shall have no voting rights.
- In the absence of the chairman of the Committee and/or an appointed deputy, the remaining members present shall elect among themselves a Chairman of the meeting subject to the other clauses of this terms of reference
- Suitably qualified persons may be co-opted onto the Committee when necessary to render such specialist services as may be necessary to assist the Committee in its deliberations on any matter but shall have no voting rights.
- No invited attendee shall have a vote at the meetings of the Committee.

##### **4.2 Frequency of meetings**

- Meetings of the Committee shall be held as frequently as the Committee, in consultation with the company secretary, considers appropriate, but it shall normally meet not less than twice (2) a year. Sufficient time should be allowed to enable the Committee to undertake a full discussion as may be required and a sufficient interval should be allowed between Committee meetings and board meetings to allow for the Committee to undertake such work as is necessary in preparation for each board meeting. Further meetings may be called by the board or any member thereof, including all members of the Committee.

#### **5. PROCEEDINGS**

- 5.1 The Committee must establish an annual work plan for each year to ensure that all relevant matters are covered by the agendas of the meetings planned for the year. The annual plan must ensure proper coverage of the matters laid out in these terms of reference: the more critical matters will need to be attended to each year while other matters may be dealt with on a rotation basis over a three-year period. The number, timing and length of meetings, and the agendas are to be determined in accordance with the annual plan.
- 5.2 A detailed agenda, together with supporting documentation, must be circulated, at least seven days (7) prior to each meeting to the members of the board and other invitees and the committee shall observe applicable Secretarial Standards i.e. SS-1 in relation to all its meetings.
- 5.4 The secretary of the Committee shall take minutes of all meetings, which minutes shall be circulated as follows:
- Within 10 business days of the meeting generally, but not later than 15 days - to the executive and chairperson of the Committee;
  - once approved by the Committee - to the subsequent meeting of the board of directors of the company.

The minutes shall record the issues, the salient features pertaining to the issues and the decisions of the Committee.

5.5 The secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

5.6 The chairperson of the Committee shall report on the Committee's proceedings and findings to the next meeting of the board.

## **6. REMUNERATION**

6.1 Non-executive members of the Committee shall be paid a sitting fee and other remuneration as may be permitted under the provisions of the Companies Act, 2013 and rules made thereunder including remuneration with respect to the committee meetings attended by them.

6.2 The above fees shall be subject to review by the board from time to time.

## **7. RESPONSIBILITIES**

### **7.1 Human Resources related matters**

The duties of the Committee shall be to work on behalf of the board and be responsible to it for recommendations in respect of human resources matters:

- Laying down criteria for appointments of Directors, MD/CEO/ED/WTG/KMP and Senior Management and recommend to the Board their appointment and removal as per requirements of the Companies Act 2013
- Evaluating performances of the Directors and other personnel as per requirements of the Companies Act 2013
- Formulate criteria for determining qualifications, positive attributes, independence etc of the Directors and other personnel.
- Recommend to the Board a policy/ Terms of Reference, relating to remuneration packages and any other compensation payment for the Directors, MD/CEO/ED/WTG/KMP/SM I and other employees
- ensure alignment of the remuneration and human resources strategies and policies with the Group's business strategy and the desired culture;
- determine the Group's general policy on executive and senior management remuneration;
- consider and recommend for approval by the board the remuneration of the chief executive, executive directors, KMP and Senior Management;
- consider and recommend for approval by the board the setting of KPA's for performance bonus purposes for executive directors and the ratification thereof of other senior employees;
- consider and recommend to the board the achievements of the above KPA's and the approval of payment of performance bonuses of senior management;
- determine any grants to executive directors and other senior employees made pursuant to the Group's management share option scheme;
- regularly review incentive schemes to ensure continued contribution to shareholder value and that these are administered in terms of the rules;
- consider the appropriateness of early vesting of share-based schemes at the end of employment;
- ensure the adequacy of retirement and health care funding for executives and senior management;
- ensure adequate succession plans for the executive and senior management; and
- ensure compliance to all statutory and best practice requirements regarding labour and industrial relations management.

Note: Job grades provided for reference:

CEO:	Grade F2
Executive Directors:	Grade F1 (COO, CFO & CMO)
Senior Management:	Grade E1 (All Group Managers)

## **7.2 Board and nomination related matters**

### **. This is not allowed under section 178**

The Committee shall have the following responsibilities:

- make recommendations to the board on the appointment of the chief executive officer, new executives and non-executive directors, including making recommendations on the composition of the board generally and the balance between executive and non-executive directors appointed to the board;
- regularly review the board structure, size and composition and make recommendations to the board with regards to any adjustments that are deemed necessary;
- identify and nominate candidates for the approval of the board to fill board vacancies as and when they arise, as well as put in place plans for succession for the board, in particular for the chief executive and CFO;
- recommend directors that are retiring by rotation, for re-election;
- consider recommendations by management in relation to non-executive director remuneration for final recommendation by the board to shareholders;
- oversee the development of a formal induction programme for directors;
- ensure that inexperienced directors are developed through a mentorship programme;
- oversee the development and implementation of continuing professional development programmes for directors;
- ensure that directors receive regular briefings on changes to in risks, laws and the environment in which the company operates; and
- consider the performance of the directors and take steps necessary to remove directors who do not make an appropriate contribution.

## **8. GOVERNANCE**

- 8.1 The Committee is authorised by the board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee of the group and all employees are directed to co-operate with any request made by the Committee. Such requests will be channelled through the Company's chief executive officer.
- 8.2 The Committee is authorised by the board to, at the company's expense, obtain outside legal, accounting or other independent professional advice as it considers necessary to carry out its duties and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.
- 8.3 The Committee has reasonable access to the company's records, facilities and any other resources necessary to discharge its duties and responsibilities.

## **9. DISCLOSURE**

The Committee shall ensure that the following is disclosed in the annual report to the extent required by law:

- Number of meetings held in a financial year
- The composition of the Committee, setting out the name, status of directorship held.
- Number of meetings attended by the directors and Members
- Details of the remuneration paid, if any, to Independent directors

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Members of Quality Care India Limited

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

#### Opinion

1. We have audited the accompanying consolidated financial statements of Quality Care India Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and a joint venture (refer Note 1(b) to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2021, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records. (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, and a joint venture as at March 31, 2021, of consolidated total comprehensive income (comprising of profit and other comprehensive income)] consolidated changes in equity and its consolidated cash flows for the year then ended.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 14 of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

4. We draw your attention to Note 4.44 to the accompanying consolidated financial statements regarding rejection by Andhra Pradesh Industrial Infrastructure Corporation ("APIIC") of timeline extension requested by the Company for completion of Project, on account of non-compliance with the terms and conditions of the agreement and consequential uncertainty related to the registration of land allotted to the Company. Pending final outcome of the writ petition filed by the Company with the Hon'ble High Court of Andhra Pradesh to set aside the aforesaid rejection, the impact on the consolidated financial statements is presently unascertainable. Our opinion is not modified in respect of this matter.



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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N).

# Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT  
To the Members of Quality Care India Limited  
Report on the Consolidated Financial Statements

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## Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 14 below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint venture 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of the Group and of joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or its joint venture or to cease operations, or has no realistic alternative but to do so.
8. The respective Board of Directors of the companies included in the Group and of joint venture are responsible for overseeing the financial reporting process of the Group and of its joint venture.



# Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT  
To the Members of Quality Care India Limited  
Report on the Consolidated Financial Statements

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

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
11. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Members of Quality Care India Limited  
Report on the Consolidated Financial Statements

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

### Other Matters

13. The consolidated financial statements of the Company for the year ended March 31, 2020, were audited by another firm of chartered accountants under the Act who, vide their report dated August 24, 2020, expressed an unmodified opinion on those financial statements.
14. We did not audit the financial statements of one subsidiary whose financial statements reflect total assets of Rs. 0.04 million and net assets of Rs. 0.00 million as at March 31, 2021, total revenue of Rs. Nil, total comprehensive income (comprising of loss and other comprehensive income) of Rs. 0.00 million and net cash flows amounting to Rs 0.00 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of loss and other comprehensive income) of Rs. 0.01 million for the year ended March 31, 2021 as considered in the consolidated financial statements, in respect of one joint venture whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this subsidiary and joint venture and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiary and joint venture, is based solely on the reports of the other auditors.

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

### Report on Other Legal and Regulatory Requirements

15. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.





# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Members of Quality Care India Limited  
Report on the Consolidated Financial Statements

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- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, and joint venture incorporated in India, none of the directors of the Group companies, its and joint venture incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of internal financial controls with reference to financial statements of the Group and its joint venture and the operating effectiveness of such controls, refer to our separate report in Annexure A.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group and joint venture- Refer Note 4.37 to the consolidated financial statements.
    - ii. The Group, and its joint venture did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. During the year ended March 31, 2021, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and joint venture incorporated in India.
    - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group and its joint venture for the year ended March 31, 2021.
16. The Group and joint venture incorporated as public companies in India have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: (FRN 012754N/N500016)



Sunit Kumar Basu

Partner  
Membership Number: 055000

UDIN: 21055000AAAAJN4431  
Hyderabad  
August 24, 2021

# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditors' Report

Referred to in paragraph [15(f)] of the Independent Auditors' Report of even date to the members of Quality Care India Limited on the consolidated financial statements for the year ended March 31, 2021

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### Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to financial statements of Quality Care India Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, and Joint Venture, which are companies incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company, its subsidiary companies, and Joint Venture, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "internal control over financial reporting 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditor's Responsibility

3. 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.



# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditors' Report

Referred to in paragraph [15(f)] of the Independent Auditors' Report of even date to the members of Quality Care India Limited on the consolidated financial statements for the year ended March 31, 2021

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### Meaning of Internal Financial Controls with reference to financial statements

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

### Inherent Limitations of Internal Financial Controls with reference to financial statements

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

### Opinion

8. In our opinion, the Holding Company, its subsidiary companies, and Joint Venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting 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.

### Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company and one Joint Venture, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: (FRN 012754N/N500016)



Sunil Kumar Basu  
Partner  
Membership Number 055000

Hyderabad  
August 24, 2021  
UDIN: 21055000AAAAJN4431

Quality Care India Limited

Consolidated Balance Sheet as at 31 March 2021

All amounts in ₹ millions, except share data and where otherwise stated

	Notes	As at 31 March 2021	31 March 2020
<b>ASSETS</b>			
<b>A. Non-current assets</b>			
(a) Property, plant and equipment	4.1	5,266.40	5,565.30
(b) Capital work in progress	4.2	601.14	589.44
(c) Goodwill	4.3(a)	330.51	330.51
(d) Other intangible assets	4.3(a)	81.34	120.76
(e) Right-of-use assets	4.3(b)	1,752.71	1,987.42
(f) Intangible assets under development	4.4	26.59	9.85
(g) Financial assets			
(i) Investments	4.5	0.03	0.04
(ii) Loans	4.6	192.47	172.39
(iii) Other financial assets	4.7	11.64	67.84
(h) Deferred tax assets (net)	4.8 (a)	738.99	368.74
(i) Non-current tax assets (net)	4.8 (b)	645.46	810.01
(j) Other non-current assets	4.9	112.29	98.33
Total non-current assets (A)		<b>9,759.57</b>	<b>10,040.63</b>
<b>B. Current assets</b>			
(a) Inventories	4.10	143.12	255.95
(b) Financial assets			
(i) Investments	4.5	5.47	5.16
(ii) Trade receivables	4.11	1,128.06	1,103.22
(iii) Cash and cash equivalents	4.12 (a)	686.28	404.32
(iv) Bank balances other than (iii) above	4.12 (b)	700.46	395.72
(v) Loans	4.6	7.96	7.35
(vi) Other financial assets	4.7	144.12	125.13
(c) Other current assets	4.9	62.92	37.82
Total current assets (B)		<b>2,878.39</b>	<b>2,334.67</b>
Total assets (A+B)		<b>12,637.96</b>	<b>12,375.30</b>
<b>EQUITY AND LIABILITIES</b>			
<b>A. Equity</b>			
(a) Equity share capital	4.13 (a)	414.97	414.97
(b) Other equity	4.13 (b)	5,397.75	4,746.54
Equity attributable to the owners of the Company		<b>5,812.72</b>	<b>5,161.51</b>
(c) Non-controlling interest		450.56	426.35
Total equity (A)		<b>6,263.28</b>	<b>5,587.86</b>
<b>B. Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	4.14	2,199.20	2,553.83
(ii) Lease liabilities	4.38	1,595.69	1,814.17
(b) Provisions	4.15	153.99	154.53
Total non-current liabilities (B)		<b>3,948.88</b>	<b>4,522.53</b>
<b>C. Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	4.16	-	208.17
(ii) Trade payables	4.17	-	-
-total outstanding dues of micro enterprises and small enterprises		27.32	82.24
-total outstanding dues of creditors other than micro enterprises and small enterprises		1,229.27	1,104.57
(iii) Lease liabilities	4.38	390.27	273.81
(iv) Other financial liabilities	4.18	564.31	349.40
(b) Other current liabilities	4.19	146.84	180.29
(c) Provisions	4.15	67.79	66.43
Total current liabilities (C)		<b>2,425.80</b>	<b>1,864.91</b>
Total equity and liabilities (A+B+C)		<b>12,637.96</b>	<b>12,375.30</b>

The accompanying notes referred to above form an integral part of the consolidated financial statements

This is the Consolidated Balance Sheet referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP  
Firm's Registration No: 012754N/N500016

  
**Sunil Kumar Bazu**  
Partner  
Membership No: 055000

For and on behalf of Board of Directors  
Quality Care India Limited  
CIN: U85110TG1992PLC014728

  
**Vaughan Eriss Firman**  
Director  
DIN: 08787748

  
**Jyoti Singh**  
Director and Chief Executive Officer  
DIN: 02765403

  
**Vikas Rastogi**  
Chief Financial Officer  
ATTORNEY AT LAW  
  
**Chandramouleeswaran**  
Company Secretary  
Membership No : A41863  
Place: Hyderabad, India  
Date: 24 August 2021

Place: Hyderabad, India  
Date: 24 August 2021

Place: Dubai, UAE  
Date: 24 August 2021

Quality Care India Limited

Consolidated Statement of Profit and Loss for the year ended 31 March 2021

(All amounts in ₹ millions, except share data and where otherwise stated)

	Notes	For the year ended	
		31 March 2021	31 March 2020
I Revenue from operations	4.20	10,532.66	9,851.44
II Other income	4.21	113.56	257.69
III Total income (I+II)		<b>10,646.22</b>	<b>10,109.13</b>
IV Expenses			
(i) Purchases of medical consumables and pharmacy items		2,395.21	2,385.01
(ii) Changes in inventories of medical consumables and pharmacy items	4.22	112.83	(117.47)
(iii) Employee benefits expense	4.23	1,677.44	1,690.23
(iv) Other expenses	4.24	4,560.70	4,539.19
Total expenses (IV)		<b>8,746.18</b>	<b>8,496.96</b>
V Earnings before interest, tax, depreciation and amortisation (EBITDA) (III-IV)		<b>1,900.04</b>	<b>1,612.17</b>
(v) Finance costs	4.25	511.26	552.05
(vi) Depreciation and amortisation expense	4.26	869.24	860.97
(vii) Impairment losses	4.1, 4.2	26.28	-
VI Profit before share of loss of a joint venture		<b>493.26</b>	<b>199.15</b>
(i) Share of loss of a joint venture	4.42	0.01	0.01
VII Profit before tax		<b>493.25</b>	<b>199.14</b>
VIII Tax expense:			
(i) Current tax expense	4.27	135.43	83.71
(ii) Income tax relating to earlier periods	4.27	45.69	1.53
(iii) Deferred tax expense / (benefit)	4.8 (a)	(367.91)	(80.52)
Income tax expense (VIII)		<b>(186.79)</b>	<b>4.72</b>
IX Profit for the year (VII-VIII)		<b>680.04</b>	<b>194.42</b>
X Other Comprehensive Income:			
(i) Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurement of defined benefit plan		(6.94)	(17.76)
(ii) Income tax relating to items that will not be reclassified to profit or loss	4.8 (a)	2.32	6.00
Total Other Comprehensive loss (X)		<b>(4.62)</b>	<b>(11.76)</b>
XI Total comprehensive income for the year (IX+X)		<b>675.42</b>	<b>182.66</b>
XII Profit for the year attributable to:			
Owners of the parent		655.49	152.38
Non-controlling interests		24.55	42.04
XIII Other comprehensive loss attributable to:			
Owners of the parent		(4.28)	(11.29)
Non-controlling interest		(0.34)	(0.47)
XIV Total comprehensive income attributable to:			
Owners of the parent		651.21	141.08
Non-controlling interests		24.21	41.58
XV Earnings per equity share (Nominal value of equity share ₹10 (31 March 2020 : ₹10))	4.28		
Basic Earnings per equity share		15.80	3.67
Diluted Earnings per equity share		15.73	3.66

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

This is the Consolidated Statement of Profit and Loss referred to in our report of even date


For Price Waterhouse Chartered Accountants LLP  
Firm's Registration No: 012754N/N500016


  
Sumit Kumar Basu  
Partner  
Membership No: 055000

For and on behalf of Board of Directors of  
Quality Care India Limited  
CIN: U85110TG1992PLC014728

  
Vaughan Erris Firman  
Director  
DIN: 08787748

  
Jyoti Singh  
Director and Chief Executive Officer  
DIN: 02783383

  
Vikas Rastogi  
Chief Financial Officer  
AFTPRASH

  
Gwalhari Chandramouleeswarar  
Company Secretary  
Membership No: A41863  
Place: Hyderabad, India  
Date: 24 August 2021

Place: Hyderabad, India  
Date: 24 August 2021

Place: Dubai, UAE  
Date: 24 August 2021

**Quality Care India Limited**  
**Consolidated Statement of changes in Equity for the year ended 31 March 2021**  
 (All amounts in ₹ millions, except share data and where otherwise stated)

**A. Equity share capital**

Particulars	Notes	Number of shares	Amount
Balance as at 31 March 2019		41,496,894	414.97
Changes in equity share capital during 2019-20	4.13 (a)	-	-
Balance as at 31 March 2020		41,496,894	414.97
Changes in equity share capital during 2020-21	4.13 (a)	-	-
Balance as at 31 March 2021		41,496,894	414.97

**B. Other Equity**

Particulars	Reserves and surplus				Money received against share warrants	Total other equity attributable to equity holders	Non-controlling Interest (NCI)
	Securities premium	Debt redemption reserve	Capital reserve	Share options outstanding account	Share warrants reserve	Retained earnings	
Balance as at 31 March 2019	4,457.24	128.33	4.25	7.21	5.43	6.56	410.49
Profit for the year	-	-	-	-	-	152.38	42.04
Transfer to/from Other reserves	-	(128.33)	7.06	-	-	128.33	-
Payment of dividend by subsidiary company	-	-	-	-	-	-	(21.33)
Dividend distribution tax	-	-	-	-	-	(12.57)	(4.38)
Stock option compensation for the year	-	-	-	0.30	1.64	(11.29)	-
Other comprehensive loss, net of tax	-	-	-	-	-	263.41	(0.47)
Balance as at 31 March 2020	4,457.24	-	11.31	7.51	7.07	655.49	426.35
Profit for the year	-	-	-	-	-	-	24.55
Transfer to/from Other reserves	-	-	-	-	-	-	-
Payment of dividend by subsidiary company	-	-	-	-	-	-	-
Dividend distribution tax	-	-	-	-	-	-	-
Stock option compensation for the year	-	-	-	-	-	(4.28)	-
Other comprehensive loss, net of tax	-	-	-	-	-	-	(0.34)
Balance as at 31 March 2021	4,457.24	-	11.31	7.51	7.07	914.62	450.56

The accompanying notes are an integral part of the consolidated financial statements  
 This is the Consolidated Statement of changes in Equity referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP  
 Firm's Registration No: 012754N/NS00016

*Sunit Kumar Basu*

Sunit Kumar Basu  
 Partner  
 Membership No: 055000

For and on behalf of Board of Directors of  
 Quality Care India Limited  
 CIN: U55110TG1992PE-C014728

Vaughan Erris Firman  
 Director  
 DIN: 08787748

*faw*

Place: Hyderabad, India  
 Date: 24 August 2021

Place: Dubai, UAE  
 Date: 24 August 2021

*Jandev Singh*  
 Jandev Singh  
 Director  
 DIN: 02705303

Vikas Narang  
 Chief Financial Officer

*Chandramouleswaran*  
 Chandramouleswaran  
 Company Secretary  
 Membership No: A41863

Place: Hyderabad, India  
 Date: 24 August 2021

**Quality Care India Limited**
**Consolidated Statement of Cash Flows for the year ended 31 March 2021**

(All amounts in ₹ millions, except share data and where otherwise stated)

	For the year ended	
	31 March 2021	31 March 2020
<b>Cash flow from operating activities</b>		
Profit/(loss) before tax	493.25	199.14
<b>Adjustments:</b>		
Net gain arising on mutual funds designated as FVTPL	(0.32)	(58.91)
Share of loss of a joint venture	0.01	0.01
Depreciation and amortization expense	869.24	860.97
Impairment losses	26.28	-
Provision for doubtful trade receivables	136.16	109.83
PPE written-off	17.75	-
Advances and loans written-off	2.10	1.89
Share based compensation expense	-	1.94
Income/liabilities written back from operating activities	(5.52)	(78.27)
Interest income	(70.74)	(72.38)
Finance costs	511.26	594.51
Loss on sale of property, plant and equipment ("PPE")	1.08	4.75
<b>Operating profits before working capital changes</b>	<b>1,980.55</b>	<b>1,563.48</b>
Changes in inventories	112.83	(117.47)
Changes in trade receivables	(157.07)	(218.41)
Changes in loans	(16.31)	(22.84)
Changes in other assets	31.27	0.98
Changes in other financial assets	(7.59)	51.05
Changes in trade payables	70.46	90.17
Changes in provisions	(6.06)	(16.10)
Changes in other financial liabilities	42.14	(69.65)
Changes in other liabilities	(10.78)	(35.01)
<b>Cash generated from operating activities</b>	<b>2,039.44</b>	<b>1,226.21</b>
Income taxes paid, net	(16.57)	(87.48)
<b>Net cash generated from operating activities (A)</b>	<b>2,022.87</b>	<b>1,138.72</b>
<b>Cash flow from investing activities</b>		
Purchase of PPE and other intangible assets including capital work in progress and intangible assets under development	(327.13)	(369.79)
Proceeds from sale of PPE	-	14.67
Sale of investment in equity instruments	-	0.05
Sale of mutual funds, net	-	58.53
Interest received on fixed deposits	30.67	31.00
Interest received on income tax refund	21.26	-
Movement in other bank balances, net	(248.20)	(61.57)
<b>Net cash used in investing activities (B)</b>	<b>(523.40)</b>	<b>(327.11)</b>



**Quality Care India Limited****Consolidated Statement of Cash Flows for the year ended 31 March 2021**

(All amounts in ₹ millions, except share data and where otherwise stated)

	<b>For the year ended</b>	
	<b>31 March 2021</b>	<b>31 March 2020</b>
<b>Cash flow from financing activities</b>		
Proceeds from long-term borrowings, net	1,075.86	-
Repayments of long-term borrowings	(1,315.38)	(190.83)
Proceeds from short-term borrowings, net	(331.13)	36.26
Processing fee paid	-	(36.76)
Dividend paid	(82.65)	-
Payment of lease liabilities	(425.05)	(408.30)
Interest paid	(262.12)	(380.27)
<b>Net cash used in financing activities (C)</b>	<b>(1,340.47)</b>	<b>(979.90)</b>
<b>Net increase/ (decrease) in cash and cash equivalents during the year (A + B + C)</b>	<b>159.00</b>	<b>(168.29)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>387.44</b>	<b>555.73</b>
<b>Cash and cash equivalents at the end of the year (note 1)</b>	<b>546.44</b>	<b>387.44</b>

	<b>As at</b>	
	<b>31 March 2021</b>	<b>31 March 2020</b>
<b>Note 1:</b>		
<b>Cash and cash equivalents includes</b>		
- Included in cash and cash equivalents (refer note 4.12(a))		
Cash on hand	11.30	8.53
Balances with banks in current accounts	535.14	128.91
Deposits with original maturity upto 3 months	-	250.00
	<b>546.44</b>	<b>387.44</b>

The accompanying notes are an integral part of the consolidated financial statements.  
This is the Consolidated Statement of Cash Flows  
referred to in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**  
Firm's Registration No: 012754N/N500016

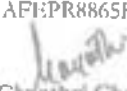
For and on behalf of Board of Directors of  
**Quality Care India Limited**  
CIN: U85110TG1992PLC014728

  
**Sunit Kumar Basu**  
Partner  
Membership No: 055000

  
**Vaughan Erris Firman**  
Director  
DIN: 08787748

  
**Jasdeep Singh**  
Director and Chief Executive Officer  
DIN: 02705303

  
**Vikas Rastogi**  
Chief Financial Officer  
AFEP8865H

  
**Gayathri Chandramoulieswaran**  
Company Secretary  
Membership No.: A41863  
Place: Hyderabad, India  
Date: 24 August 2021

Place: Hyderabad, India  
Date: 24 August 2021

Place: Dubai, UAE  
Date: 24 August 2021



**Quality Care India Limited**  
**Notes to the Consolidated Financial Statements**  
**(All amounts in ₹ millions, except share data and where otherwise stated)**

**0. Corporate information**

The consolidated financial statements of "Quality Care India Limited" ("the Company" or "QCIL" or "Parent Company" or "Parent") and its subsidiaries (collectively referred to as "Group") and a joint venture are for the year ended 31 March 2021. The Company is a public company domiciled in India and is incorporated under the erstwhile provisions of the Companies Act, 1956 applicable in India. The registered office of the Company is located at #6-3-248/2, Road no. 1, Banjara Hills, Hyderabad - 500034.

The Group is primarily engaged in providing healthcare and related services. The Group has a network of multi-speciality hospitals across various cities in India.

The Holding Company of QCIL is Touch Healthcare Private Limited and the Ultimate Holding Company upto 21 June 2019 was Abraaj Growth Markets Health Fund General Partner Limited, United Arab Emirates ("UAE"). With effect from 21 June 2019, the Ultimate Holding Company of QCIL has changed to Evercare Health Fund, L.P, Cayman Island.

The consolidated financial statements were approved for issue in accordance with a resolution of the Board of Directors on 24 August 2021.

**1. Summary of significant accounting policies**

**a. Basis of preparation**

The consolidated financial statements of the Group have been prepared and presented in accordance with all the material aspects of the Indian Accounting Standards ('Ind AS') as notified under section 133 of the Companies Act 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules 2015 (issued by the Ministry of Corporate Affairs ('MCA')). The Group has uniformly applied the accounting policies during the periods presented.

The consolidated financial statements have been prepared on a going concern basis under historical cost, except for the following:

- certain financial assets and liabilities are measured either at fair value or at amortised cost depending on the classification;
- Liabilities for cash-settled share-based payment arrangements; and
- employee defined benefit liability are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation.

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

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use or for the purpose of better presentation of financial statements. Management evaluates all recently issued or revised Accounting Standards on an ongoing basis and accordingly changes the Accounting policies as applicable.



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**b. Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries and a joint venture.

**List of subsidiaries and joint venture included in the consolidated financial statement is as under:**

Name of the entity	Relationship	Country of incorporation	Proportion of ownership interest as at	
			31 March 2021	31 March 2020
Ganga Care Hospital Limited (GCHL)	Subsidiary	India	74.13	74.13
Ramkrishna Care Medical Sciences Private Limited (RCMSPL)	Subsidiary	India	56.33	56.33
Galaxy Care Multispecialty Hospital Private Limited (GCMHPL)	Subsidiary	India	76.00	76.00
Quality Care Jharsuguda Private Limited (QCJPL)	Subsidiary	India	100.00	100.00
Quality Care Health Services India Private Limited (QCHSPL)	Joint venture	India	50.00	50.00

**(i) Business combinations**

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

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

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in the Statement of profit and loss or Other Comprehensive Income ('OCI'), as appropriate.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired



## **Quality Care India Limited**

### **Notes to the Consolidated Financial Statements**

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the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in the Statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

#### **(ii) Subsidiaries and joint venture**

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

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

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements;
- the Group's voting rights and potential voting rights; and
- the size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

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

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those



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adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

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

Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill or capital reserve.
- (c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intra-group losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.

Profit or loss and each component of OCI are attributed to the equity holders of the Parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

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

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

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The results and assets and liabilities of joint venture is incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture.

Distributions received from a joint venture reduces the carrying amount of the investment. The carrying amount of the investment includes goodwill identified on acquisition, net of any accumulated impairment losses.





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losses. When the Group's share of losses of a joint venture exceeds its interest in that joint venture, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has obligations or has made payments on behalf of the joint venture. An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture and discontinues from the date when the investment ceases to be a joint venture, or when the investment is classified as held for sale.

The difference between the carrying amount of the joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the joint venture is included in the determination of the gain or loss on disposal of the joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that joint venture on the same basis as would be required if that joint venture had directly disposed off the related assets or liabilities. When a Group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

**c. Current versus non-current classification**

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

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in 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 current when:

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

All other liabilities are classified as non-current.

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

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

**d. Foreign currencies**

The functional currency of the Parent Company, its subsidiaries and joint venture is Indian rupee (INR). These financial statements are presented in Indian rupees, which is Parent Company's functional currency.

Transactions in foreign currency are initially recorded at exchange rates prevailing on the date of transactions. Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the end of reporting period, are translated at the functional currency spot rate of exchange at the reporting date.



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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

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

Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of profit and loss, except those relating to long-term foreign currency monetary items.

**e. Fair value measurement**

The Group measures financial instruments at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

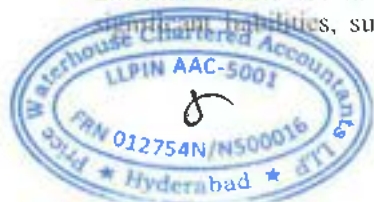
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value, and for non-recurring measurement.

External valuers are involved for valuation of significant assets, such as unquoted financial assets and significant liabilities, such as contingent consideration. Involvement of external valuers is disclosed in the



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annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to relevant documents.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**f. Revenue recognition**

Revenue primarily comprises fees charged under contract for inpatient and/or outpatient hospital services and includes sale of medical and non-medical items. Hospital services include charges for accommodation, medical professional services, equipment, radiology, laboratory, pharmaceutical goods among others, used in treatments provided to the patients.

Effective 1 April 2018, the Group adopted Ind AS 115, Revenue from Contracts with Customers, using the modified retrospective application method. The application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the consolidated financial statements of the Group.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use to the Group and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Goods and services tax is not received by the Group on its own account. Rather, it is tax collected by the Group on behalf of the Government. Accordingly, it is excluded from revenue.

**Revenue from health care services and related activities**

Income from healthcare services is recognised as revenue when the related services are rendered unless significant future uncertainties exists. Revenue is also recognised in relation to the services rendered, to the patients who are undergoing treatment/observation on the balance sheet date to the extent of services rendered. Revenue is recognised net of discounts and concessions, if any, given to the patients and including claims.



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**Unbilled receivables and Unearned revenue**

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Other contract assets have been disclosed as contract assets within other assets.

Unearned revenue ("contract liability") is recognised when there are billings in excess of revenues. The billing schedules agreed with customers could include periodic performance-based payments and/or milestone-based progress payments. Invoices are payable within contractually agreed credit period. Advances received for services are reported as liabilities until all conditions for revenue recognition are met.

Contract modifications - Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

**Revenue from sale of pharmacy**

Revenue from sale of pharmacy is recognised when control is transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection.

**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 Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included under other income in the Statement of profit and loss.

**Dividend Income**

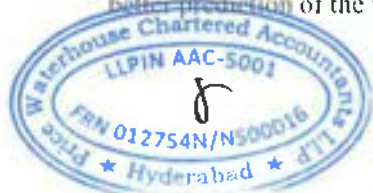
Dividend income is recognized when the Group's right to receive dividend is established.

**g. 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. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income 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 considers whether it is probable that a taxation authority will accept as uncertain tax treatment. The Group measures its tax balances either based at the most likely amount or expected value, depending on which method provides a better prediction of the resolution of the uncertainty.





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**Deferred tax**

Deferred tax is provided using the Balance Sheet approach 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 when the 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.

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.

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.

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

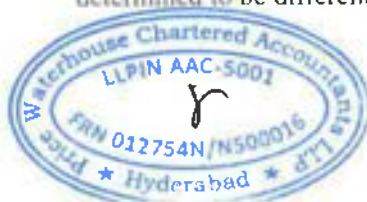
Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent it is reasonably certain that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal income tax during the specified period.

**h. Property, plant and equipment ("PPE")**

Property plant and equipment and Capital Work in progress are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price (net of discounts and rebates), borrowing costs if capitalization criteria are met and any attributable cost of bringing the asset to its working condition and location for the intended use. Repairs and maintenance costs are recognised in the Statement of profit and loss as incurred.

Depreciation is provided on the basis of straight line method, except for RCMSPIL where depreciation is provided on the basis of written down value method. Depreciation is provided using the useful lives and in the manner prescribed in Schedule II of the Act, except in respect of the following assets wherein based on technical assessment made by technical expert and management estimate, the assessed useful lives are determined to be different from those prescribed under the Schedule II of the Act. Management believes that



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these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

- i) Plant and machinery used in medical and surgical operations other than those mentioned in IV(ii)(i)(1) of the Schedule II and General plant and machinery: Useful life is considered to be 13 years. Useful life of each asset is determined based on internal and external technical evaluation.
- ii) Computers and data processing units mentioned in XII(i) of the Schedule II: Useful life is considered to be 3 years. Useful life of each asset is determined based on internal and external technical evaluation.

The useful life provided for different asset classes under Schedule II of the Act is as follows:

Asset class	Useful life (years)
Buildings	60
Plant and Machinery used in medical and surgical operations	13
Furniture and Fixtures	10
Vehicles	8
Office Equipment	5
Computer equipment (end user devices)	3

Leasehold land is depreciated over the tenure of lease. Lease hold improvements are depreciated over the useful life of 10 years, which represents shorter of useful life of such assets or remaining tenure of the lease, which are renewal by nature.

Depreciation on assets which are available for use during the year is charged on pro -rata basis from the date of their availability.

An item of Property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of a PPE is measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of profit and loss ("SPL") when the asset is derecognised.

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.

**i. Goodwill and other intangible assets**

Other intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, other intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the Statement of profit and loss in the period in which the expenditure is incurred.

Other intangible assets are amortised on straight line basis over the estimated useful economic life. The estimated useful life of other intangible assets is mentioned below:

Asset	Useful life (years)
Software	3 to 5

Gains or losses arising from de-recognition of other intangible assets are measured as the difference between the net disposal proceeds and the carrying amounts of the assets and are recognised in the SPL when they are derecognised.



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Goodwill arising on business combination is recorded at excess of the consideration paid over the fair value of the net assets taken-over and is subsequently measured at cost less accumulated impairment losses, if any.

**j. Borrowing cost**

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use 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.

**k. Leases**

**The Group as a lessee**

The Group's lease asset classes primarily consist of leases for buildings, plant and machinery and vehicles. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Group changes its assessment of whether it will exercise an extension or a termination option.

**The Group as a lessor**

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.



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**l. Inventories**

Inventory of medical supplies, drugs, and other consumables are valued at lower of cost or net realizable value. Cost of medical supplies and drugs is determined on the basis of specific identification method. Stores and spares and other consumables are valued on the basis of first-in-first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

Cost of inventories include purchase price, import duties and other taxes excluding taxes those are subsequently recoverable from the concerned authorities, freight inwards and other expenditure incurred in bringing the inventories to their present location and condition.

**m. Impairment of non-financial assets**

The Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are companied together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

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.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of profit and loss.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**n. Provision and contingencies**

**Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a 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.

When the Group expects some or all of a provision to be reimbursed, reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the SPL net of 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.





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**Contingencies**

Contingent liabilities is identified and disclosed with respect to following:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognised because:
  - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets are neither recognized nor disclosed, unless inflow of economic benefits is probable. However, when realization of income is virtually certain, related asset is recognized.

**o. Employee benefits**

**Short term benefits**

Short Term Employee Benefits are accounted for in the period during which the services have been rendered.

**Post-employment benefits and other long term employee benefits**

**Provident Fund:** Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund administered by the Central Government under the Provident Fund Act, 1952, are charged to the SPL for the year in which the contributions are due. The Group has no obligation, other than the contribution payable to the provident fund.

**Gratuity:** The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising mainly of actuarial gains and losses, 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.

**Leave Encashment:** Accrued liability for leave encashment including sick leave is determined on actuarial valuation basis using Projected Unit Credit (PUC) Method at the end of the year and provided completely in profit and loss account as per Ind AS - 19 "Employee Benefits".

**p. 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.



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**Financial assets**

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

**Subsequent measurement**

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**Debt instruments at amortised cost**

A 'debt instrument' 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.

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 SPL. The losses arising from impairment are recognised in SPL.

**Debt instrument at FVTOCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

**Equity instruments**

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group decides to classify them either as at FVTOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. Classification is made on initial recognition and is irrevocable.



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If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

**De-recognition**

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group 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 Group could be required to repay.

**Impairment of financial assets**

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables, unbilled receivables and bank balances.
- Lease receivables under Ind AS 116

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables that do not contain a significant financing component.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.



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ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in SPL. The Balance Sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

#### Financial liabilities

##### Initial recognition and measurement

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

The Group's financial liabilities include trade and other payables and borrowings.

##### Subsequent measurement

##### Borrowings

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in SPL 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 in the Statement of profit and loss.

##### Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per agreed terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

##### De-recognition

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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in SPL.





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**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.

**q. Earnings per equity share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period 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.

**r. Cash flow statement**

The cash flow statement is prepared as per the Indirect Method. Cash Flow Statements present the cash flows by operating, financing and investing activities of the Group. Operating cash flows are arrived by adjusting profit or loss before tax for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

For the purpose of Cash flow statement, cash and cash equivalents consist of cash on hand and balances with banks in current accounts and short-term deposits with an original maturity of three months or less, and excludes balances maintained in cash credit accounts, as they are not considered to be an integral part of the Group's cash management.

**s. 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.

**t. Share-based payment transactions**

The grant date fair value of equity settled share-based payment awards/warrants granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards/ warrants. The amount recognised as expense is based on the estimate of the number of awards/ warrants for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards/warrants that do meet the related service and non-market vesting conditions at the vesting date. For share-based payment awards/warrants with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

**u. Measurement of profit/Earnings before interest, tax, depreciation and amortisation (EBITDA)**

As permitted by the Guidance Note on division II – Ind AS Schedule III to the Act, the Group has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the Statement of profit and loss.

In its measurement of EBITDA, the Group includes other income but does not include depreciation and amortisation expense, impairment losses, finance cost and tax expense.



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**2. Key accounting estimates and judgements**

**2.1 Critical accounting estimates**

**a. Defined benefit plans and other long-term benefit plan**

The cost and present value of the defined benefit gratuity plan and leave encashment (other long-term benefit plan) are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation and other long-term benefits are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**b. Useful lives of depreciable and amortisable assets**

The Group reviews the estimated useful lives and residual value of Property, plant and equipment and intangible assets at the end of each reporting period. The factors such as changes in the expected level of usage, technological developments and product life-cycle, could significantly impact the economic useful lives and the residual values of these assets. Consequently, the future depreciation and amortization charge could be revised and thereby could have an impact on the future years.

**c. Impairment of Goodwill**

Goodwill with indefinite life is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell.

The goodwill impairment test is performed at the level of the cash-generating unit which are benefiting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes. Market related information and estimates are used to determine the recoverable amount.

**d. Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

**e. Share-based payments**

The grant date fair value of employee stock options/warrants granted is recognised as an employee expense over the period that the employee/holder becomes unconditionally entitled to the options/warrants. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimation requires determination of the most appropriate inputs to the valuation model including the expected life of the share option/warrant, volatility, risk free interest rate and making assumptions about them.

**f. Impairment of non-financial assets, apart from Goodwill**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length.



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similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model.

**g. Recognition and measurement of provisions**

The recognition and measurement of provisions is based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known as at the Balance Sheet date. Therefore, the actual outflow of resources at a future date may vary.

**h. Expected Credit Loss**

The impairment provision for trade receivables and unbilled receivables is based on assumptions about risk of default and expected loss rates. The Group uses judgements in making certain assumptions and selecting inputs to determine impairment of these trade receivables, based on the Group's historical experience towards potential billing adjustments, delays and defaults at the end of each reporting period.

**i. Deferred tax assets**

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits. The amount of total deferred tax assets could change if estimates of projected future taxable income or if tax regulations undergo a change.

**j. Income Taxes**

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty.

**k. Assessment of claims and litigations disclosed as contingent liabilities**

There are certain claims and litigations which have been assessed as contingent liabilities by the Management which may have an effect on the operations of the Group should the same be decided against the Group.

The Management has assessed that no further provision / adjustment is required to be made in these Consolidated Financial Statements for the above matters, other than what has been already recorded, as they expect a favourable decision based on their assessment and the advice given by the external legal counsels / professional advisors.

**l. Leases**

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



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**3. (a) New and amended standards adopted by the Company**

The Group has applied the following amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2020:

- Definition of Material – amendments to Ind AS 1 and Ind AS 8
- Definition of a Business – amendments to Ind AS 103
- COVID-19 related concessions – amendments to Ind AS 116
- Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

**(b) Recent pronouncements**

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. The Group is evaluating the effect of the amendments on its consolidated financial statements.





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4.1 Property, plant and equipment

Particulars	Leasehold land	Freehold land (Refer (b) below)	Buildings	Leasehold improvements	Plant and machinery	Furniture and fixtures	Office equipment	Computer equipment	Vehicles	Total
<b>Gross block</b>										
Balance as at 31 March 2019	114.41	368.38	2,757.36	862.09	2,885.94	148.66	100.58	66.95	22.40	7,326.77
Additions	-	-	10.80	32.38	136.17	1.89	8.07	33.64	10.19	233.14
Disposals	-	-	-	(1.53)	(54.84)	-	(0.15)	-	(1.88)	(58.40)
<b>Balance as at 31 March 2020</b>	<b>114.41</b>	<b>368.38</b>	<b>2,768.16</b>	<b>892.94</b>	<b>2,967.27</b>	<b>150.55</b>	<b>108.50</b>	<b>100.59</b>	<b>30.71</b>	<b>7,501.51</b>
Additions	-	-	7.33	11.41	101.20	3.39	11.38	33.14	2.29	170.14
Disposals	-	-	(0.01)	(201.43)	(4.41)	(0.01)	(0.03)	(0.40)	(1.40)	(207.69)
<b>Balance as at 31 March 2021</b>	<b>114.41</b>	<b>368.38</b>	<b>2,775.48</b>	<b>702.92</b>	<b>3,064.06</b>	<b>153.93</b>	<b>119.85</b>	<b>133.33</b>	<b>31.60</b>	<b>7,463.96</b>
<b>Accumulated Depreciation</b>										
Up to 31 March 2019	0.74	-	144.21	359.90	834.56	61.41	57.28	47.79	9.67	1,515.56
Charge for the year	0.10	-	69.21	78.67	262.59	17.40	15.16	13.13	3.37	459.63
On disposals	-	-	-	(0.32)	(37.26)	-	(0.12)	-	(1.28)	(38.98)
<b>Up to 31 March 2020</b>	<b>0.84</b>	<b>-</b>	<b>213.42</b>	<b>438.25</b>	<b>1,059.89</b>	<b>78.81</b>	<b>72.32</b>	<b>60.92</b>	<b>11.76</b>	<b>1,936.21</b>
Charge for the year	0.10	-	68.42	83.53	249.39	14.62	12.69	16.13	4.30	449.18
On disposals	-	-	-	(183.69)	(2.80)	(0.01)	(0.03)	(0.14)	(1.17)	(187.83)
<b>Up to 31 March 2021</b>	<b>0.94</b>	<b>-</b>	<b>281.84</b>	<b>338.09</b>	<b>1,306.48</b>	<b>93.42</b>	<b>84.98</b>	<b>76.91</b>	<b>14.89</b>	<b>2,197.56</b>
<b>As at 31 March 2020</b>	<b>113.57</b>	<b>368.38</b>	<b>2,554.74</b>	<b>454.69</b>	<b>1,907.38</b>	<b>71.74</b>	<b>36.18</b>	<b>39.67</b>	<b>18.95</b>	<b>5,565.30</b>
<b>As at 31 March 2021</b>	<b>113.47</b>	<b>368.38</b>	<b>2,493.64</b>	<b>364.83</b>	<b>1,757.58</b>	<b>60.51</b>	<b>34.87</b>	<b>56.42</b>	<b>16.71</b>	<b>5,266.40</b>

(a) Refer note 4.14 and 4.16 for charge details on Property, plant and equipment.

(b) The title deeds of land aggregating to ₹105.55 (31 March 2020 : ₹105.55) are pending transfer to the Parent Company's name. Refer note 4.44 (a) for further details.

4.2 Capital work in progress

Capital work in progress as at 31 March 2021 is ₹601.14 (31 March 2020: ₹509.44). Capital work in progress includes cost incurred by the Parent Company towards Vishakhapatnam project aggregating to ₹476.74 as at 31 March 2021 (31 March 2020: ₹447.87). Refer note 4.44 for further details.



#### 4.3 (b) Right-of-use assets

development

Intangible assets under development as at 31 March 2021 is ₹26.59 (31 March 2020: ₹9.85)

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**4.5 Investments**

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Non-current</b>		
Unquoted investments (at fully paid)		
(i) Investment in equity instruments		
Investment in Joint venture		
- 5,000 (31 March 2020: 5,000) equity shares of ₹10 each in Quality Care Health Services India Private Limited	0.03	0.04
	<b>0.03</b>	<b>0.04</b>
<b>AGGREGATE AMOUNT OF UNQUOTED NON-CURRENT INVESTMENTS (A)</b>	<b>0.03</b>	<b>0.04</b>
<b>Current</b>		
Unquoted investments (at fully paid)		
(i) Investment in mutual funds - at fair value through profit and loss (FVTPL)	5.47	5.16
<b>AGGREGATE AMOUNT OF UNQUOTED CURRENT INVESTMENTS (B)</b>	<b>5.47</b>	<b>5.16</b>
<b>AGGREGATE AMOUNT OF UNQUOTED INVESTMENTS (A) + (B)</b>	<b>5.50</b>	<b>5.20</b>
<b>AGGREGATE AMOUNT OF IMPAIRMENT IN VALUE OF INVESTMENTS</b>	-	-

**4.6 Loans**

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Non-current</b>		
<u>Unsecured, considered good</u>		
Security deposits	192.47	172.39
<b>Total (A)</b>	<b>192.47</b>	<b>172.39</b>
<u>Unsecured, significant increase in credit risk</u>		
Loans to related parties	65.83	65.83
Loans to others	-	212.62
	<b>65.83</b>	<b>278.45</b>
Less: Allowance for bad and doubtful loans (refer note a below)	(65.83)	(278.45)
<b>Total (B)</b>	<b>-</b>	<b>-</b>
<b>Total (A+B)</b>	<b>192.47</b>	<b>172.39</b>
<b>Current</b>		
<u>Unsecured, considered good</u>		
Advances to employees	1.13	2.21
Security Deposits	6.83	2.21
Other advances	-	2.93
<b>Total</b>	<b>7.96</b>	<b>7.35</b>

Note a:

The movement in the allowance for bad and doubtful loans for the year ended 31 March 2021 and 31 March 2020 is as follows:

	For the year ended	
	31 March 2021	31 March 2020
Opening balance at beginning of the year	278.45	290.39
Loans written off during the year	(212.62)	(11.94)
Closing balance at end of the year	<b>65.83</b>	<b>278.45</b>

**4.7 Other financial assets**

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Non-current</b>		
<u>Unsecured, considered good</u>		
Fixed deposits with banks with more than 12 months maturity*	9.41	65.94
Interest accrued on fixed deposits with banks	2.23	1.90
<b>Total</b>	<b>11.64</b>	<b>67.84</b>
<b>Current</b>		
<u>Unsecured, considered good</u>		
Interest accrued on fixed deposits with banks	21.09	19.39
Unbilled receivables	116.85	80.96
Others	6.18	24.78
<b>Total</b>	<b>144.12</b>	<b>125.13</b>

\*Includes ₹3.18 (31 March 2020: ₹0.95) which are given as margin money to banks or against bank guarantees.



**Quality Care India Limited**
**Notes to the Consolidated Financial Statements**

(All amounts in ₹ millions, except share data and where otherwise stated)

**4.8 (a) Deferred tax assets (net)**

The following is the analysis of deferred tax assets, net recognised in the Statement of Profit and Loss ("SPL") and OCI

Deferred tax assets/(liabilities) in relation to:	As at 31 March 2020	Charged/recognised to SPL	Charged/recognised to OCI	As at 31 March 2021
Property, plant and equipment	(34.70)	(1,013.55)	-	(1,048.25)
Borrowings measured at amortised cost	(30.76)	18.21	-	(12.55)
Provision for bad and doubtful trade receivables	229.35	(49.63)	-	179.72
Provision for bad and doubtful loans	97.30	(74.30)	-	23.00
Provision for employee benefits	74.64	11.21	2.32	88.17
Loss from specified business	-	1,408.22	-	1,408.24
Others	-	27.13	-	27.13
<b>Total (A)</b>	<b>335.83</b>	<b>327.29</b>	<b>2.32</b>	<b>665.46</b>
Right-of-use assets	(655.04)	73.62	-	(581.42)
Provision for lease liabilities	687.95	(33.00)	-	654.95
<b>Total (B)</b>	<b>32.91</b>	<b>40.62</b>	<b>-</b>	<b>73.53</b>
<b>Total (A+B)</b>	<b>368.74</b>	<b>367.91</b>	<b>2.32</b>	<b>738.99</b>

Deferred tax assets/(liabilities) in relation to:	As at 31 March 2019	Charged/recognised to SPL	Charged/recognised to OCI	As at 31 March 2020
Property, plant and equipment	(85.83)	51.13	-	(34.70)
Borrowings measured at amortised cost	(23.54)	(7.22)	-	(30.76)
Provision for bad and doubtful trade receivables	200.52	28.83	-	229.35
Provision for bad and doubtful loans	101.47	(4.17)	-	97.30
Provision for employee benefits	77.69	(9.05)	6.00	74.64
Others	11.91	(11.91)	-	-
<b>Total (A)</b>	<b>282.22</b>	<b>47.61</b>	<b>6.00</b>	<b>335.83</b>
Right-of-use assets	(571.19)	(83.85)	-	(655.04)
Provision for lease liabilities	571.19	116.76	-	687.95
<b>Total (B)</b>	<b>-</b>	<b>32.91</b>	<b>-</b>	<b>32.91</b>
<b>Total (A+B)</b>	<b>282.22</b>	<b>80.52</b>	<b>6.00</b>	<b>368.74</b>

**Note:**

The Parent Company has recognised deferred tax asset on carried forward business loss of earlier years from specified business, as defined under Section 35AD of the IT Act, 1961. The Parent Company has earned profits on specified business in the current year and previous year. The management has concluded that such deferred tax asset will be recoverable using the estimated future taxable income based on approved business plans and budgets of the Parent Company. These losses can be carried forward for an indefinite period as per the provisions of IT Act, 1961.

**4.8 (b) Non-current tax assets (net)**

Particulars	As at 31 March 2021	As at 31 March 2020
Advance income tax (net of provision for taxation)	645.46	810.01
<b>Total</b>	<b>645.46</b>	<b>810.01</b>





**Quality Care India Limited****Notes to the Consolidated Financial Statements**

(All amounts in ₹ millions, except share data and where otherwise stated)

**4.9 Other assets**

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Non-current</b>		
<u>Unsecured, considered good</u>		
Statutory dues paid under protest	60.22	60.93
Capital advances	40.50	25.88
Prepaid expenses	4.08	4.25
Others	7.49	7.27
<b>Total</b>	<b>112.29</b>	<b>98.33</b>
<b>Current</b>		
<u>Unsecured, considered good</u>		
Prepaid expenses	45.16	22.09
Advances to vendors	14.75	12.51
Others	3.01	3.22
<b>Total</b>	<b>62.92</b>	<b>37.82</b>

**4.10 Inventories\***

Particulars	As at 31 March 2021	As at 31 March 2020
Medical consumables and pharmacy items	133.96	245.17
Other consumables	9.16	10.78
<b>Total</b>	<b>143.12</b>	<b>255.95</b>

\* Refer note 4.14 and 4.16 for details of inventories pledged as security/hypothecated, if any.

**4.11 Trade receivables**

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Current</b>		
Unsecured, considered good	1,128.06	1,103.22
Unsecured, significant increase in credit risk	537.99	726.34
<b>Total</b>	<b>1,666.05</b>	<b>1,829.56</b>
Less: Allowance for bad and doubtful trade receivables*	(537.99)	(726.34)
<b>Total</b>	<b>1,128.06</b>	<b>1,103.22</b>

The movement in the allowance for trade receivables with significant increase in the credit risk for the year ended 31 March 2021 and 31 March 2020 is as follows:

	For the year ended	
	31 March 2021	31 March 2020
Opening balance at beginning of the year	726.34	617.87
Provision made during the year	136.16	109.83
Bad debts written off during the year	(324.51)	(1.36)
Closing balance at end of the year	<b>537.99</b>	<b>726.34</b>



**Quality Care India Limited****Notes to the Consolidated Financial Statements**

(All amounts in ₹ millions, except share data and where otherwise stated)

**4.12 Cash and bank balances**

Particulars	As at 31 March 2021	As at 31 March 2020
<b>a) Cash and cash equivalents</b>		
Balances with banks		
-in current accounts	535.14	128.91
-in cash credit accounts (refer note 1(r) and 4.16)	139.84	16.88
Cash on hand	11.30	8.53
Deposits with original maturity upto 3 months	-	250.00
<b>Total</b>	<b>686.28</b>	<b>404.32</b>
<b>b) Other bank balances</b>		
Deposits with maturity of more than 3 months but less than 12 months**	686.16	381.63
Earmarked balances with bank in current account*	14.09	14.09
Unpaid dividend account	0.21	-
	<b>700.46</b>	<b>395.72</b>
<b>Total</b>	<b>1,386.74</b>	<b>800.04</b>

\*Balances in current account includes ₹14.09 (31 March 2020: ₹14.09) which are restrictive in nature as they are earmarked funds payable to the minority share holders of Care Institute of Medical Sciences Limited, which was amalgamated with the Parent Company with effect from 1 April 2016 in accordance with the terms of the scheme of amalgamation sanctioned by the National Company Law Tribunal, Hyderabad vide its Order dated 5 May 2017.

\*\*Includes ₹4.59 (31 March 2020: ₹5.98) which are given as margin money or against bank guarantees.

*This space has been intentionally left blank.*



# Quality Care India Limited

## Notes to the Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

### 4.13 (a) Equity share capital

	As at 31 March 2021	As at 31 March 2020
<b>Authorised Share capital</b>		
79,500,000 (31 March 2020: 79,500,000) Equity shares of ₹10 each	795.00	795.00
<b>Total authorised share capital</b>	<b>795.00</b>	<b>795.00</b>
<b>Issued, subscribed and fully paid-up shares</b>		
41,496,894 (31 March 2020: 41,496,894) Equity shares of ₹10 each	414.97	414.97
<b>Total issued, subscribed and fully paid up shares</b>	<b>414.97</b>	<b>414.97</b>

#### Notes:

(a) Reconciliation of the shares outstanding at the beginning and end of the reporting year

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number	Amount	Number	Amount
At the beginning of the year	41,496,894	414.97	41,496,894	414.97
Issued during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>41,496,894</b>	<b>414.97</b>	<b>41,496,894</b>	<b>414.97</b>

### (b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. Where dividend is proposed by the Board of Directors, it is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

### (c) Equity shares held by the Holding Company

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number	Amount	Number	Amount
Touch Healthcare Private Limited	39,782,603	397.83	39,782,603	397.83

### (d) Particulars of shareholders holding more than 5% equity shares

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number	% holding	Number	% holding
Touch Healthcare Private Limited	39,782,603	95.87%	39,782,603	95.87%

(e) The Company has not bought back any equity shares during the period of five years immediately preceding the balance sheet date.

(f) The Company has not issued any bonus shares or shares for consideration other than cash during the period of five years immediately preceding the last balance sheet date.

(g) **Equity shares reserved under the Employee Stock Option Plan and Share warrant plan:** For details of shares reserved for issue under the employee stock option plan (ESOP) and share warrant plan, refer note 4.39 and 4.40.



**4.13 (b) Other equity**

Particulars	As at 31 March 2021	As at 31 March 2020
<b>(I) Reserves and Surplus</b>		
(A) Securities premium	4,457.24	4,457.24
(B) Share options outstanding account	7.51	7.51
(C) Capital reserve	11.31	11.31
(D) Retained earnings	914.62	263.41
(E) Debenture redemption reserve	-	-
(F) Share warrants reserve	7.07	7.07
<b>Total</b>	<b>5,397.75</b>	<b>4,746.54</b>

**Nature and purpose of reserves****Securities premium**

Securities premium is used to record the premium on issue of equity shares. It is utilised in accordance with provisions of the Companies Act, 2013 ("the Act").

**Capital reserve**

Capital reserves comprises of:

- (i) ₹4.25 towards excess of net assets taken over the consideration paid as part of business combination. This was created in accordance with the composite scheme of amalgamation, sanctioned by the High Court for the States of Telangana and Andhra Pradesh vide its Order dated 18 August 2016, for the amalgamation of Quality Care Hi-tech City Private Limited, wholly owned subsidiary, with the Company during the year ended 31 March 2016.
- (ii) ₹7.06 represents forfeited money received against share warrants in the earlier years.

**Share options outstanding account**

The fair value of the equity settled share based payment options is recognised to share options outstanding account over the vesting period of such options. The Company transfers the proportionate amounts, outstanding in this account, in relation to options exercised to securities premium on the date of exercise of such options.

**Share warrants reserve**

The fair value of the equity warrants is recognised to share warrants reserve over the vesting period of such warrants. The Company transfers the proportionate amounts, outstanding in this reserve, in relation to warrants exercised to securities premium on the date of exercise of such warrants.



**Quality Care India Limited**
**Notes to the Consolidated Financial Statements**

(All amounts in ₹ millions, except share data and where otherwise stated)

**4.14 Long-term borrowings**

	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current*	Non-current	Current*
<b>Secured - at amortised cost</b>				
<b>Term loans from banks</b>				
- HDFC Bank term loan - I (refer note i)	420.68	117.65	518.74	93.76
- HDFC Bank term loan - 2 (refer note ii)	11.96	9.79	17.77	7.07
- HDFC Bank term loan - 3 (refer note iii)	2.12	2.19	3.69	1.59
- RBL Bank (refer note iv)	-	-	348.37	19.72
- Indusind Bank (refer note v)	-	-	666.27	38.57
- Axis Bank - Term loan I (refer note vi)	311.30	51.30	-	-
- Axis Bank - Term loan II (refer note vii)	591.76	97.52	-	-
<b>Term loans from banks (A)</b>	<b>1,337.82</b>	<b>278.45</b>	<b>1,554.84</b>	<b>160.71</b>
<b>Term loans from financial institutions</b>				
- NIF Infrastructure Finance Limited (refer note viii)	861.38	137.48	998.99	57.82
<b>Term loans from financial institutions (B)</b>	<b>861.38</b>	<b>137.48</b>	<b>998.99</b>	<b>57.82</b>
<b>Total (A+B)</b>	<b>2,199.20</b>	<b>415.93</b>	<b>2,553.83</b>	<b>218.53</b>

\*Refer note 4.18 for details

Notes:

**Reconciliation of liabilities arising from financial activities excluding interest accrued\*\***

	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening balance as at beginning of the year	2,772.36	2,986.29
Proceeds from long term borrowings	1,075.86	-
Repayments of long term borrowings	(1,301.14)	(190.83)
Others	68.05	(23.10)
Closing balance as at end of the year	2,615.13	2,772.36

\*\*Borrowings include current and non-current portions of term loans from banks, financial institutions and debentures

**Reconciliation of interest accrued on above borrowings**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening balance as at beginning of the year	8.03	5.34
Interest expense	324.76	354.16
Interest paid	(262.12)	(337.81)
Others	(66.87)	(13.66)
Closing balance as at end of the year	3.80	8.03

- i) HDFC Term Loan -I and Cash Credit Facility of Ramkrishna Care Medical Sciences Private Limited ("RCMSPL") - The term loan and cash credit facility of RCMSPL is secured by
- (i) equitable mortgage of hospital land and building of RCMSPL,
  - (ii) first exclusive charge on the entire assets of RCMSPL (fixed assets/ movable assets) created out of bank finance both present and future excluding medical equipments specifically financed by another financier,
  - (iii) first and exclusive charge on all present and future current assets of the RCMSPL; and
  - (iv) personal guarantee of the Dr. Sandeep Dave to the extent of RCMSPL hospital building owned by him which was subsequently removed in FY 20
  - (v) certain personal properties of the doctors Dr. Sandeep Dave and Mrs. Samidha Dave which were mortgaged in 2019 were released by bank during FY 20
- The loan is repayable in 53 months and carries interest at rate of MCLR (1 year) plus 0.50% p.a. As at 31 March 2021, the rate of interest is 8.20 p.a. (31 March 2020: 9.20 p.a.)

- ii) HDFC bank term loan -2 of Galaxy Care Multispeciality Hospital Private Limited ("GCMHPL") The loan is secured by

- first charge on the unencumbered fixed assets of the GCMHPL,
- first charge on the current assets of the GCMHPL,
- personal guarantee of Dr. Shailesh P. Puntambekar and N. Krishna Reddy,
- comfort letter given by the Parent Company to the extent of sanctioned limits.

As at 31 March 2021, the loan is repayable in 26 months with monthly equated installments of INR 0.94 and carries an interest rate of 1.30% spread. As at 31 March 2021, interest rate is 8.70% p.a. (31 March 2020: 9.95% p.a.)





## Quality Care India Limited

### Notes to the Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

#### 4.14 Long term borrowings (continued)

- iii HDFC bank term loan - 3 of GCMHPL: The loan is secured by first charge on the medical equipment purchased out of the sanctioned facility of GCMHPL. As at 31 March 2021, the loan is repayable in 23 months with monthly equated installments of INR 0.2 lakhs and carries an interest rate of MCLR rate + 1.50 % spread. As at 31 March 2021, interest rate is 9.35% p.a. (31 March 2020: 10.35% p.a.).
- iv RBL Bank term loan of Parent Company - Secured by first pari passu charge over all movable and immovable property, plant and equipment, present and future of the Company, excluding MRI machine taken on lease exclusively charged to Siemens Financial Services Private Limited. (Refer note 4.38)
- Second pari passu charge over all present and future current asset of the Company. The loan was repayable in ten years including moratorium period of two years (frequency: monthly installments ranging from ₹0.22 to ₹5.22) and carried an interest rate of one month RBL MCLR + 0.2% (As on 31 March 2021: Nil per annum, As on 31 March 2020: 9.10% per annum). During the year ended 31 March 2021, the said term loan has been repaid in its entirety.
- v IndusInd Bank term loan of Parent Company- Secured by first pari passu charge over all movable and immovable property, plant and equipment, present and future of the Company, excluding MRI machine taken on lease exclusively charged to Siemens Financial Services Private Limited. (Refer note 4.38)
- Second pari passu charge over all present and future current asset of the Company. The loan was repayable in ten years including moratorium period of two years (frequency: monthly installments ranging from ₹4.13 to ₹9.92) and carried an interest rate of one year IBL MCLR (As on 31 March 2021: Nil per annum, As on 31 March 2020: 9.55% per annum). During the year ended 31 March 2020, IndusInd Bank has partially has downsold the loan to the extent of ₹1,100 to NIIF Infrastructure Finance Limited which has been approved by the Board of Directors of the Company by resolution dated 6 March 2020. Monthly installments details, presented above, are after taking into consideration of such downselling arrangement between the banks.
- During the year ended 31 March 2021, the said term loan has been repaid in its entirety.
- vi Axis Bank term loan of Parent Company- Secured by first pari passu charge over all movable and immovable property, plant and equipment, present and future of the Company and also hypothecation of entire movable fixed assets both present and future of the Company.
- Second pari passu charge over all present and future current asset of the Company. The said loan is repayable in 6 years and 7 months (frequency of repayment: monthly installments ranging from ₹2.17 to ₹5.22) and carries an interest rate of repo rate + 3% p.a. (31 March 2021: 7.00% p.a.) (31 March 2020: Nil per annum) payable at monthly intervals.
- vii Axis Bank term loan of Parent Company - Secured by first pari passu charge over all movable and immovable property, plant and equipment, present and future of the Company and also hypothecation of entire movable fixed assets both present and future of the Company.
- Second pari passu charge over all present and future current asset of the Company. The said loan is repayable in 6 years and 7 months (frequency of repayment: monthly installments ranging from ₹4.13 to ₹9.92) and carries an interest rate of repo rate + 3% p.a. (31 March 2021: 7.00% p.a.) (31 March 2020: Nil per annum) payable at monthly intervals.
- viii NIIF Infrastructure Finance Limited of Parent Company- The loan is secured by first pari passu charge over all movable and immovable property, plant and equipment, present and future of the Company, excluding MRI machine exclusively charged to Siemens Financial Services Private Limited.
- Second pari passu charge over all present and future current asset of the Company. During the year ended 31 March 2020, loan to the extent of ₹1,100 was downsold by IndusInd Bank to NIIF Infrastructure Finance Limited, which has been approved by the Board of Directors of the Company by resolution dated 6 March 2020. The loan carries an interest rate of five year NIIF IFL benchmark rate + 0.4% (frequency: monthly installments ranging from ₹6.19 to ₹14.86) (As on 31 March 2021: 9.30% per annum. As on 31 March 2020: 9.30% per annum).



**Quality Care India Limited**
**Notes to the Consolidated Financial Statements**

(All amounts in ₹ millions, except share data and where otherwise stated)

**4.15 Provisions**

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Non-current</b>		
<b>Provision for employee benefits</b>		
Gratuity (refer note 4.32)	121.57	114.64
Compensated absences	32.42	39.89
	<b>153.99</b>	<b>154.53</b>
<b>Current</b>		
<b>Provision for employee benefits</b>		
Gratuity (refer note 4.32)	52.87	47.23
Compensated absences	14.92	19.20
	<b>67.79</b>	<b>66.43</b>

**4.16 Short-term borrowings**

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Secured - at amortised cost</b>		
Cash credit facilities from banks		
- Union Bank of India - (refer note i)	-	175.67
- HDFC Bank (refer note ii)	-	32.50
	-	<b>208.17</b>

**Notes:**

- i The Parent Company has availed cash credit facilities amounting to ₹ Nil (31 March 2020: ₹175.67) from Union Bank of India (formerly Andhra Bank). Cash credit is secured against first charge on inventory and trade receivables and second charge on fixed assets of the Company. The cash credit is repayable on demand and carries an interest rate of one year MCLR + 0.6% per annum (31 March 2021: Nil per annum; 31 March 2020: 9.35% per annum).
- ii The RCMSPL has availed cash credit facilities amounting to INR Nil (31 March 2020: INR 32.50) from HDFC bank having floating interest rate which is MCLR(1 year) plus 0.85% per annum (31 March 2020: MCLR(1 year) plus 0.85% per annum). The current rate of interest as on 31 March 2021 is 8.20 % p.a. (31 March 2020 : 9.00% p.a ) The loan is renewable annually and the interest is payable on monthly rest. The loan is secured by first charge on entire current assets and fixed assets of the RCMSPL.

**4.17 Trade payables**

Particulars	As at 31 March 2021	As at 31 March 2020
(a) Total outstanding dues of micro enterprises and small enterprises; (refer note 4.31)	27.32	82.24
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,229.27	1,104.57
	<b>1,256.59</b>	<b>1,186.81</b>

**4.18 Other financial liabilities**

Particulars	As at 31 March 2021	As at 31 March 2020
Current maturities of term loans from banks (refer note 4.14)	278.45	160.71
Current maturities of term loans from financial institutions (refer note 4.14)	137.48	57.82
Creditors for capital goods	25.29	22.06
Interest accrued but not due on borrowings	3.80	8.03
Employee related payables	72.66	53.29
Retention money and deposits	7.19	8.26
Others*	39.44	39.23
	<b>564.31</b>	<b>349.40</b>

\*Other payables includes ₹14.09 (31 March 2020: ₹14.09) payable to the minority share holders of Care Institute of Medical Sciences Limited, which was amalgamated with the Company with effect from 1 April 2016 in accordance with the terms of the scheme of amalgamation sanctioned by the National Company Law Tribunal, Hyderabad vide its Order dated 5 May 2017 (refer note 4.12).

**4.19 Other liabilities**

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Current</b>		
Statutory dues payable	60.20	76.61
Unearned revenue (refer note 4.43)	86.38	82.31
Dividend payable to minority shareholders	0.21	21.33
	<b>146.79</b>	<b>180.25</b>



**Quality Care India Limited**

**Notes to the Consolidated Financial Statements**

(All amounts in ₹ millions, except share data and where otherwise stated)

**4.20 Revenue from operations**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from healthcare services	9,961.97	9,158.72
Revenue from outpatient pharmacy	531.72	667.26
Other operating revenue	38.97	25.46
<b>Total</b>	<b>10,532.66</b>	<b>9,851.44</b>

**Revenue disaggregation geography wise is as follows:**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
India	10,518.95	9,841.67
Other than India	13.71	9.78
<b>Total</b>	<b>10,532.66</b>	<b>9,851.44</b>

**Reconciliation of contract price to revenue recognised from healthcare services is as follows:**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from healthcare services, gross	10,098.50	9,251.17
Less: Expected disallowances	136.53	92.45
<b>Revenue from healthcare services</b>	<b>9,961.97</b>	<b>9,158.72</b>

**4.21 Other Income**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
(a) <b>Interest income</b>		
on bank deposits	41.95	33.43
on income tax refund	25.36	30.77
on financial assets carried at amortised cost	7.53	8.18
(b) <b>Other non-operating income</b>		
Net gain arising on mutual funds designated at FVTPL	0.32	58.91
Government grant*	3.06	-
Miscellaneous income	29.82	48.13
(c) <b>Income/liabilities written back from operating activities**</b>	<b>5.52</b>	<b>78.27</b>
<b>Total</b>	<b>113.56</b>	<b>257.69</b>

\*Government grant relates to reimbursement against expense incurred for Covid-19 related response. There are no unfulfilled conditions or other contingencies attached to these grants.

\*\*Represents operating liabilities and provisions no longer required written back amounting to ₹5.52 (31 March 2020: ₹78.27). These operating expenses were adjusted in computation of the Group's EBITDA for such years.

**4.22 Changes in inventories of medical consumables and pharmacy items**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Inventory at the beginning of the year	255.95	138.48
Inventory at the end of the year	143.12	255.95
<b>Total</b>	<b>112.83</b>	<b>(117.47)</b>

**4.23 Employee benefits expense\***

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries and wages	1,506.36	1,479.54
Share based compensation expense	-	1.94
Contribution to provident and other funds (refer note (a) below)	96.81	110.19
Gratuity and compensated absences	31.48	53.16





**Quality Care India Limited**
**Notes to the Consolidated Financial Statements**

(All amounts in ₹ millions, except share data and where otherwise stated)

**4.24 Other expenses\***

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Power and fuel	255.60	277.75
Rent (refer note 4.38)	44.25	47.91
Repairs and Maintenance		
- Buildings	43.27	34.38
- Plant and machinery and others	237.72	180.67
Hospital maintenance	108.91	95.07
Housekeeping charges	316.15	300.29
Security charges	115.39	123.87
Insurance	11.08	7.22
Water charges	25.45	28.92
Books and periodicals	6.39	5.69
Rates and taxes, excluding taxes on income	165.70	156.75
Travelling and conveyance	22.95	45.50
Communication expense	30.57	29.81
Marketing and business promotion expense	160.58	215.95
Allowance for bad and doubtful trade receivables (refer note (a) below)	136.16	111.72
Advances and loans written-off	2.10	-
Printing and stationery	34.27	37.10
Payments to the auditor (refer note (b) below)	7.13	5.71
Legal and professional charges	67.72	88.43
Catering consumption charges, net	137.90	157.75
Diagnostics expenses	94.87	76.59
Contribution towards Corporate social responsibility	2.41	3.60
Professional charges to doctors	2,445.08	2,437.99
PPE Written off	17.75	-
Loss on sale of PPE, net	1.56	4.75
Miscellaneous expenditure	69.74	65.77
<b>Total</b>	<b>4,560.70</b>	<b>4,539.19</b>

\*Net of amount capitalised (refer note 4.29)

**Note (a):**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Allowance for bad and doubtful trade receivables	442.99	113.08
Bad debts written off	(306.83)	(1.36)
	<b>136.16</b>	<b>111.72</b>

**Note (b):**

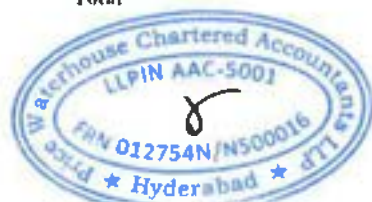
Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
For audit	7.00	5.64
For reimbursement of expenses	0.13	0.07

**4.25 Finance costs**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest on borrowings calculated using effective interest method	324.76	354.16
Interest on lease liabilities (refer note 4.38)	186.50	197.89
<b>Total</b>	<b>511.26</b>	<b>552.05</b>

**4.26 Depreciation and amortisation expense**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation of Property, plant and equipment	449.18	459.63
Amortisation of other intangible assets	48.82	27.43
Depreciation of Right-of-use assets	371.24	373.91
<b>Total</b>	<b>869.24</b>	<b>860.97</b>



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**4.27 Income tax expense**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Income tax expense reported in the Statement of Profit and Loss</b>		
Tax expense comprises of:		
Current tax expense	135.43	83.71
Income tax relating to earlier periods	45.69	1.53
Deferred tax expense/(benefit)	(367.91)	(80.52)
	<b>(186.79)</b>	<b>4.72</b>

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Parent Company at 34.944% (31 March 2020: 34.944%) and the reported tax expense in the Statement of profit and loss is as follows:

**Reconciliation of tax expense and the accounting profit multiplied by Parent Company's tax rate:**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit before tax	493.25	199.14
Expected tax at the Parent Company's tax rate	172.36	69.59
<b>Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:</b>		
Effect of income not subject to tax under the IT Act, 1961	(2.63)	(24.22)
Adjustment to/Effect of tax losses from specified business, as defined under Section 35AD of the IT Act, 1961 and capital losses not recognised as deferred tax assets	-	(27.86)
Previously unrecognised tax losses from specified business, as defined under Section 35AD of the IT Act, 1961, now recognised (net of deferred tax liability)	(371.85)	-
Effect of taxable profits from specified business, as defined under Section 35AD of the IT Act, 1961, adjusted against brought forward specified business tax losses	(94.37)	(34.09)
Adjustments for advance written-off not allowed under the IT Act, 1961	74.30	-
Income tax pertaining to earlier years	45.69	-
Effect of difference in applicable tax rates to subsidiary companies	10.39	-
Other adjustments	(20.68)	21.30
<b>Total</b>	<b>(186.79)</b>	<b>4.72</b>

**4.28 Earnings per equity share (EPES)**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit for the year attributable to equity shareholders of the Parent Company	655.49	152.38
Number of equity shares outstanding at the beginning of the year	41,496,894	41,496,894
Add: Equity shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	<b>41,496,894</b>	<b>41,496,894</b>
Weighted average number of equity shares considered in computation of Basic EPES	41,496,894	41,496,894
Dilutive effect of outstanding stock options and warrants	165,237	173,361
Weighted average number of equity shares considered in computation of Dilutive EPES	<b>41,662,131</b>	<b>41,670,255</b>
Basic EPES	<b>15.80</b>	<b>3.67</b>
Diluted EPES	<b>15.73</b>	<b>3.66</b>

**Note:**

Outstanding employee stock options and warrants had an anti dilutive impact on EPES for the year ended 31 March 2021.



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**4.29 Incidental expenditure during the construction period**

During the year ended 31 March 2021, the Group has capitalised the following amounts to the cost of Property, plant and equipment / Capital work in progress (CWIP). Consequently, amounts disclosed under the respective notes are after adjusting amounts capitalised by the Group.

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Opening Balance (A)</b>	<b>183.36</b>	<b>174.01</b>
<b>Employee benefits expense (refer note 4.23)</b>		
Salaries and wages	-	6.00
<b>Total (B)</b>	<b>-</b>	<b>6.00</b>
<b>Other expenses (refer note 4.24)</b>		
Rates and taxes	2.60	2.39
Others	1.22	0.96
<b>Total (C)</b>	<b>3.82</b>	<b>3.35</b>
<b>Total (D=A+B+C)</b>	<b>187.18</b>	<b>183.36</b>
<b>Amount capitalized to Property, plant and equipment (E)</b>	<b>-</b>	<b>-</b>
<b>Balance carried forward to Capital work in progress (F=D-E)</b>	<b>187.18</b>	<b>183.36</b>

**4.30 Segment Information**

The management has assessed the identification of reportable segments in accordance with the requirements of Ind AS 108 "Operating Segment" ("Ind AS 108") and believes that the Group has only one reportable segment namely 'Medical and Health care services'.

**Geographical information**

Revenue disaggregation geography wise information has been disclosed under note 4.20 to the consolidated financial statements. Further 100% of Group's non-current assets as at 31 March 2021 and 31 March 2020 were located in India.

**Major customers**

The Group has no single customer who has contributed more than 10% of the Group's total revenue during the year ended 31 March 2021 and 31 March 2020.

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

The creditors covered by Micro, Small and Medium Enterprises Development Act, 2006 ("the MSMED Act, 2006") have been identified on the basis of information available with the Group. Disclosures in respect of the amounts payable to such parties are given below:

Particulars	As at 31 March 2021	As at 31 March 2020
(i) The principal amount remaining unpaid as at end of the year	27.32	82.24
(ii) The amount of interest accrued and remaining unpaid on (i) above	-	-
(iii) Amount of interest paid by the Group in terms of Section 16, of the MSMED Act, 2006 along with the amounts of payments made beyond the appointed date during the year	-	-
(iv) The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
(v) The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-

**Notes:**

- (a) Explanation- The terms 'appointed day', 'buyer', 'enterprise', 'micro enterprise', 'small enterprise' and 'supplier', shall have the same meaning as assigned to them under clauses (b), (d), (e), (h), (m) and (n) respectively of section 2 of "the MSMED Act, 2006."
- (b) This information required to be disclosed has been determined to the extent such parties have been identified on the basis of information available with the Group. The auditors have placed reliance on the information provided by the management.



**Quality Care India Limited****Notes to the Consolidated Financial Statements**

(All amounts in ₹ millions, except share data and where otherwise stated)

**4.32 Employee benefits****Defined benefit plan**

The Group provides its employees with benefits under a defined benefit plan, referred to as the "Gratuity Plan". The Gratuity Plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days salary for each year of completed service at the time of retirement/ exit in accordance with Payment of Gratuity Act, 1972. The plan is managed by Life Insurance Corporation of India. The Group accrues gratuity as per the provisions of the payment of Gratuity Act, 1972 as applicable as at the balance sheet date and accordingly the maximum payment is restricted to ₹2 per employee.

**A Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Group's consolidated financial statements as at the reporting dates:**

Particulars	As at 31 March 2021	As at 31 March 2020
Defined benefit obligation liability	209.03	195.28
Plan assets	(34.59)	(33.41)
<b>Net defined benefit liability</b>	<b>174.44</b>	<b>161.87</b>
Non-current	121.57	114.64
Current	52.87	47.23

**B Reconciliation of net defined benefit liability**

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

**i) Reconciliation of present value of defined benefit obligation**

Particulars	As at 31 March 2021	As at 31 March 2020
Defined benefit obligation at the beginning of the year	195.28	189.91
Benefit payments from plan assets	(25.31)	(43.93)
Current service cost	23.12	22.53
Interest cost	10.47	10.65
Actuarial losses/(gains)	5.47	16.12
<b>Defined benefit obligation at the closing of the year</b>	<b>209.03</b>	<b>195.28</b>

**ii) Reconciliation of fair value of plan assets**

Particulars	As at 31 March 2021	As at 31 March 2020
Plan assets at the beginning of the year	33.41	37.36
Contributions paid into the plan	27.57	41.13
Benefits paid	(25.31)	(43.92)
Interest income	0.39	0.48
Actuarial losses	(1.47)	(1.64)
<b>Plan assets at the closing of the year</b>	<b>34.59</b>	<b>33.41</b>
<b>iii) Net defined benefit liability</b>	<b>174.44</b>	<b>161.87</b>

**C Expense recognised in the Statement of profit and loss**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	23.12	22.53
Interest cost, net	10.08	10.17
<b>Total cost, included in 'employee benefits expense'</b>	<b>33.20</b>	<b>32.70</b>



**Quality Care India Limited****Notes to the Consolidated Financial Statements**

(All amounts in ₹ millions, except share data and where otherwise stated)

**4.32 Employee benefits (continued)****D Remeasurements recognised in OCI**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Actuarial loss, net	6.94	17.76
<b>Total cost recognised in the OCI</b>	<b>6.94</b>	<b>17.76</b>

**E Actuarial assumptions**

The following are the principal actuarial assumptions:

Particulars	As at 31 March 2021	As at 31 March 2020
Attrition rate	23.50% to 35.00%	23.50% to 35.00%
Discount rate	6.91%	6.81%
Salary escalation rate	4.00% to 5.00%	4.00% to 5.00%
Retirement age	58 years	58 years

**Note:**

a) 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.

**F Maturity profile of defined benefit obligation is as follows:**

Particulars	As at 31 March 2021	As at 31 March 2020
Within 1 Year	52.87	47.23
2 to 5 years	114.48	106.49
6 to 10 years	43.98	41.13
	<b>211.33</b>	<b>194.85</b>

**G Sensitivity analysis**

Reasonably possible changes to one of the relevant actuarial assumptions, holding other assumptions constant, can affect the defined benefit obligation by the amounts shown below:

Particulars	As at 31 March 2021	As at 31 March 2020
Discount rate (+ 1% movement)	(4.66)	(4.38)
Discount rate (- 1% movement)	4.92	4.65
Salary escalation (+ 1% movement)	5.55	5.21
Salary escalation (- 1% movement)	(5.35)	(5.02)

**H** The Group expects to contribute ₹172.81 (31 March 2020: ₹80.94) as its contribution to gratuity within one year from the year ended 31 March 2021.



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(All amounts in ₹ millions, except share data and where otherwise stated)

**4.33 Related party disclosure**
**(a) Name of related parties and nature of relationship**

Nature of relationship	Names
Key Management Personnel (KMP)	Dr. B. Soma Raju, Chairman and Managing Director (upto 12 April 2019) Madhavi Darbha, Chief Financial Officer (upto 31 October 2020) Dr. Raajiv Singhal, Chief Executive Officer (upto 15 October 2020) Jasdeep Singh, Chief Executive Officer (with effect from 19 October 2020) Sandeep Kumar, Chief Financial Officer (with effect from 27 October 2020 and upto 24 May 2021) Vikas Rastogi, Chief Financial Officer (with effect from 24 May 2021) Gayathri Chandramoulieswaran, Company Secretary (with effect from 21 January 2021)
Holding Company and Ultimate Holding Company	Touch Healthcare Private Limited, Mauritius (Holding Company) Abraaj Growth Markets Health Fund General Partner Limited (Ultimate Holding Company) (upto 21 June 2019), United Arab Emirates Evercare Health Fund, L.P. (with effect from 21 June 2019) (Ultimate Holding Company), Cayman Islands
Relatives of KMP	B. Kasi Raju (upto 12 April 2019)
Joint venture	Quality Care Health Services India Private Limited
Enterprises where KMP exercise significant influence	CARE Foundation (upto 12 April 2019), India Andhra Cardiology Associates Private Limited (upto 12 April 2019), India Relisys Medical Devices Limited (upto 12 April 2019), India Care Institute of Health Sciences Limited ("CIHS") (upto 12 April 2019), India

**(b) Nature of transactions and year end balances**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Transactions during the year</b>		
<b>1. Relisys Medical Devices Limited</b>		
Purchase of goods	-	0.85
<b>2. Andhra Cardiology Associates Private Limited</b>		
Professional fees	-	6.36
<b>3. Madhavi Darbha</b>		
Short-term and post employment benefits*	5.85	8.28
<b>4. Dr. Raajiv Singhal</b>		
Short-term and post employment benefits*	27.89	20.36
<b>5. Jasdeep Singh</b>		
Short-term and post employment benefits*	9.79	-
<b>6. Sandeep Kumar</b>		
Short-term and post employment benefits*	5.04	-
<b>7. Gayathri Chandramoulieswaran</b>		
Short-term and post employment benefits*	0.14	-

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Balances outstanding from/ to the related parties</b>		
<b>1. Relisys Medical Devices Limited</b>		
Trade payable	-	0.02
<b>2. Quality Care Health Services India Private Limited</b>		
Loan receivable	65.83	65.83

\* Short-term and post employment benefits, disclosed above, does not include those benefits which are computed for the Group as a whole.



**Quality Care India Limited****Notes to the Consolidated Financial Statements**

(All amounts in ₹ millions, except share data and where otherwise stated)

**4.34 Categories of financial instruments and their fair values**

The carrying amount of all financial assets and financial liabilities appearing in the consolidated financial statements are reasonable approximation of their fair values.

**Categories of financial instruments**

	As at 31 March 2021			As at 31 March 2020		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
<b>Financial assets</b>						
Unquoted equity shares	-	-	-	-	-	-
Mutual funds	5.47	-	-	5.16	-	-
Trade receivables	-	-	1,128.06	-	-	1,103.22
Cash and cash equivalents	-	-	686.28	-	-	404.32
Other bank balances	-	-	700.46	-	-	395.72
Loans	-	-	200.43	-	-	179.74
Other financial assets	-	-	155.76	-	-	192.97
<b>Total financial assets</b>	<b>5.47</b>	<b>-</b>	<b>2,870.99</b>	<b>5.16</b>	<b>-</b>	<b>2,275.97</b>

	As at 31 March 2021			As at 31 March 2020		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
<b>Financial liabilities</b>						
Borrowings	-	-	2,615.13	-	-	2,980.53
Trade payables	-	-	1,256.59	-	-	1,186.81
Lease liabilities	-	-	1,985.96	-	-	2,088
Other financial liabilities*	-	-	148.38	-	-	130.87
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>6,006.06</b>	<b>-</b>	<b>-</b>	<b>6,386.19</b>

\*excludes current maturities of long term borrowings.

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



**4.35 Financial instruments risk management****Financial Risk Management Framework**

The respective Board of Directors of the Companies included in the Group have an overall responsibility for the establishment and oversight of the Group's risk management framework. The Group has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The Committee reports regularly to the Board of Directors of respective companies in the Group on its activities.

The Group's principal financial liabilities, comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments, loans, trade and other receivables, and cash and bank balances that the Group derives directly from its operations. The Group also holds FVTOCI/FVTPL investments.

The Group is exposed primarily to Credit Risk, Liquidity Risk and Market risk (fluctuations in interest rates and foreign currency rates), which may adversely impact the fair value of its financial instruments. The Group assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Group.

**A. Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk arises primarily from financial assets such as trade receivables, investments, balances with banks, loans and other receivables.

Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Group result in material concentration of the credit risk.

**Exposure to credit risk:**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹2,876.46 and ₹2,281.13 as of 31 March 2021 and 31 March 2020 respectively, being the total of the carrying amount of financial assets.

**Financial assets that are neither past due nor impaired**

None of the Group's cash equivalents, including fixed deposits, were either past due or impaired as at 31 March 2021 and 31 March 2020.

**Financial assets that are past due but not impaired**

The Group's credit period for customers generally ranges from 0 - 60 days. The ageing of trade receivables that are past due but not impaired is given below:

	As at	
	31 March 2021	31 March 2020
Not due:	467.55	387.69
Past due not impaired		
0-180 days	580.17	552.08
Greater than 180 days	80.34	163.45
	<b>1,128.06</b>	<b>1,103.22</b>

Ind AS requires expected credit losses to be measured through a loss allowance. The Group assesses at each Balance Sheet date whether a financial asset or a group of financial assets are impaired. Expected credit losses are measured at an amount equal to 12 months expected credit loss or at an amount equal to the life time expected credit losses if the credit risk on the financial assets have increased significantly since the initial recognition. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.





**4.35 Financial instruments risk management (continued)****B. Liquidity risk**

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure that funds are available for meeting due obligation of the Group. The Group manages liquidity risk by maintaining adequate reserves, banking facilities, continuously monitoring forecast and actual cash flows, and matching the maturity profiles of financial assets and financial liabilities.

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

As at 31 March 2021	On demand	Up to 1 year	More than 1 year	Total
Borrowings	-	415.93	2,199.20	2,615.13
Trade payables	-	1,256.59	-	1,256.59
Lease liabilities	-	390.27	1,595.69	1,985.96
Other financial liabilities (excluding current maturities of long-term borrowings)	-	148.38	-	148.38
<b>Total</b>	-	<b>2,211.17</b>	<b>3,794.89</b>	<b>6,006.06</b>

As at 31 March 2020	On demand	Up to 1 year	More than 1 year	Total
Borrowings	208.17	218.53	2,553.83	2,980.53
Trade payables	-	1,186.81	-	1,186.81
Lease liabilities	-	273.81	1,814	2,087.98
Other financial liabilities (excluding current maturities of long-term borrowings)	-	130.87	-	130.87
<b>Total</b>	<b>208.17</b>	<b>1,810.02</b>	<b>4,368.00</b>	<b>6,386.19</b>

**C. Market risk:**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, such as foreign currency denominated receivables and payables and variable interest rates of short-term and long-term borrowings. Market risk comprises two types of risk: interest rate risk and currency risk.

**i. Interest rate risk:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument shall fluctuate because of changes in the market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates.

For the years ended 31 March 2021 and 31 March 2020, every 50 basis point decrease in the floating interest rate component applicable to the Group's borrowings would have increased the profit before tax by ₹13.08 and ₹15.15 respectively. A 50 basis point increase in floating interest rate would have led to an equal but opposite effect.



**4.35 Financial instruments risk management (continued)****ii. Foreign currency risk:**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure shall fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense including capital expenditure is denominated in a foreign currency). The exposure of entity to foreign currency risk is very limited on account of limited transactions in foreign currencies.

The carrying amount of the Group's foreign currency denominated monetary items in ₹ as at 31 March 2021 and 31 March 2020 are as follows:

<b>Financial assets - Others</b>	
	As at
	31 March 2021
	As at
	31 March 2020
- United States Dollar (USD)	6.40
<b>Financial liabilities - Trade payables</b>	
	As at
	31 March 2021
	As at
	31 March 2020
- United States Dollar (USD)	1.22

**Foreign currency sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in USD exchange rate, with all other variables held constant.

<b>Particulars</b>	<b>Impact on profit/(loss) before tax for the year ended</b>	
	31 March 2021	31 March 2020
<i>(USD) sensitivity</i>		
₹/USD - Increase by 5%	-	0.26
₹/USD - Decrease by 5%	-	(0.26)

**4.36 Capital risk management**

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholders value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payments to the shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is not debt divided by total equity plus net debt. The Group's policy is to keep the gearing ratio below 35%. The Group includes within net debt, borrowings (long and short term), less cash and cash equivalents.

	<b>As at</b>	
	31 March 2021	31 March 2020
Borrowings (note 4.14 and 4.16)	2,615.13	2,980.53
Less: Cash and cash equivalents (note 4.12(a))	(686.28)	(404.32)
<b>Net debt (A)</b>	<b>1,928.85</b>	<b>2,576.21</b>
<b>Total equity (B)</b>	<b>6,263.28</b>	<b>5,587.86</b>
Net debt and total equity (A) - (B)	8,192.13	8,164.07
Gearing ratio (%)	23.55%	31.56%

The Group's overall objective, the Group's capital management, amongst other things, aims to ensure that it meets the financial covenants attached to the borrowings. Breaches in meeting the financial covenants would result in the lenders to immediately call back the borrowings. There has been no breaches in the financial covenants of any borrowings during the year ended 31 March 2021 and 31 March 2020.

The Group's objectives, policies or processes for managing the capital during the years ended 31 March 2021 and 31 March 2020



**Quality Care India Limited**
**Notes to the Consolidated Financial Statements**

(All amounts in ₹ millions, except share data and where otherwise stated)

**4.37 Contingent liabilities and commitments**
**(a) Contingent liabilities**

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Claims against the Group not acknowledged as debts</b>		
- Disputed disallowances, deemed dividend under Section 2(22)(c) and deemed income under Section 56(2)(viib) of the Income Tax Act, 1961	74.46	118.38
- Disputed levy of sales tax on medical supplies under the Andhra Pradesh General Sales Tax Act, 1957	3.56	3.56
- Disputed wages of specific employees under the Minimum Wages Act, 1948	3.19	3.19
- Disputed luxury tax levied on bed charges under the Telangana Tax on Luxuries Act, 1987	117.22	117.22
- Disputed levy of service tax on clinical research, cosmetic surgeries, health care services rendered to specific categories of patients and other services and disputed availment of input credit on certain items under the Finance Act, 1994	67.62	67.62
- Disputed levy of Employee state insurance provisions on certain employees under the Employees' State Insurance Act, 1948	1.26	1.26
- Disputed levy of Provident fund provisions on certain employees under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952	8.77	8.77
- Disputed tax levied on specific building of the Group under the Expenditure Tax Act, 1987	7.83	7.83
Patient legal claims are pending with various Consumer Disputes Redressal Commission	176.50	236.04
Other legal claims pending under the various Statutory Acts	79.13	76.58
<b>Guarantees excluding financial guarantees</b>	<b>7.39</b>	<b>12.06</b>

**(b) Commitments**

Particulars	As at 31 March 2021	As at 31 March 2020
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	183.65	72.90

**4.38 Leases**

The Group has taken hospital buildings, plant and machinery and vehicles on operating lease having a term ranging from 1 year to 25 years. The lease has an escalation clause in the range of 5% to 20% per annum. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

The Group also has certain lease of building with lease terms of 12 months or less. The Group applies the 'short term lease' recognition exemption for these leases.

**Carrying amount of lease liabilities and movement during the year**

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	2,087.98	1,819.38
Additions during the year	151.46	479.01
Finance cost accrued during the year	186.50	197.89
Other adjustments	14.93	-
Payment of lease liabilities	425.05	408.30
<b>Lease liabilities as at 31 March 2021</b>	<b>1,985.96</b>	<b>2,087.98</b>
Current lease liabilities	390.27	273.81
Non-current lease liabilities	1,595.69	1,814.17



**Quality Care India Limited****Notes to the Consolidated Financial Statements**

(All amounts in ₹ millions, except share data and where otherwise stated)

**4.38 Leases (continued)****Following amounts have been recognised in the Consolidated Statement of profit and loss for the year ended 31 March 2021 and 31 March 2020:**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on Right-of-use assets	371.24	373.91
Interest on lease liabilities	186.50	197.89
<b>Total amount recognised in the Consolidated Statement of profit and loss</b>	<b>557.74</b>	<b>571.80</b>

**Details of the contractual maturities of lease liabilities as at 31 March 2021 and 31 March 2020 on an undiscounted basis are as follows:**

Particulars	As at 31 March 2021	As at 31 March 2020
Less than one year	469.09	445.08
One to five years	1,396.93	1,460.19
More than five years	1,042.62	1,238.69
<b>Total</b>	<b>2,908.64</b>	<b>3,143.96</b>

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was ₹44.25 for the year ended 31 March 2021 (31 March 2020: ₹47.90)

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#### 4.39 Employee Stock Option Plan

Pursuant to a special resolution passed by the members in their meeting held on 27 July 2013, the Parent Company instituted an Employee Stock Option Plan (the ESOP Scheme 2013). The said scheme has been formulated in consultation with the Board of Directors of the Parent Company, and accordingly the Parent Company had reserved 1,150,000 equity shares of ₹10 each. The options granted under the said scheme shall vest within a span of four years in the ratio of 10%, 20%, 30% and 40 % each year from the date of grant. These options can be exercised upon satisfaction of conditions attached to such issue and shall be equity settled.

In addition to above, pursuant to the resolution passed in the Compensation Committee in the meetings held on various dates during the year ended 31 March 2016, the Parent Company had granted 134,000 stock options to medical professionals.

Further, pursuant to a special resolution passed by the members in their meeting held on 20 February 2016, the Parent Company instituted an Employee Stock Option Scheme 2016. The Parent Company has reserved 1,000,000 equity shares of ₹10 each. No options were granted under the scheme.

The details of activity under the Plan have been summarised below:

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	212,080	212	309,040	212
Forfeited during the year	12,880	212	68,720	212
Cancelled during the year	-	212	28,240	212
Outstanding at the end of the year	199,200	212	212,080	212
Vested and exercisable at the end of the year	199,200	212	212,080	212

The details of exercise price for stock options outstanding as at reporting dates:

The share options outstanding as at 31 March 2021 has an exercise price of ₹212 (31 March 2020: ₹212), and a weighted average remaining contractual life of Nil years (31 March 2020: Nil years).

The fair value of options was estimated at the date of grant using the Black-Scholes-Merton model with the following assumptions:

Particulars	
Exercise price	₹212
Expected Volatility	35.99% to 40.09%
Life of the options granted (Vesting and exercise period) in years	7.13 years to 9.63 years
Average risk-free interest rate	7.40% to 7.58%



#### Quality Care India Limited

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#### 4.40 Share warrants

On 30 April 2013, 20 February 2016, and 30 September 2016, the Parent Company established share warrant plans that entitle the warrant holders an option to convert the warrants into equity shares of the Parent Company at the relevant exercise price. The key terms and conditions related to the grants under these plans are as follows; all warrants are to be settled by the delivery of equity shares

Grant date/ holder of grant	Number of warrants	Exercise price of warrants	Vesting conditions
Warrants granted on 30 April 2013 to Promoters of the Company	3,777,760	212.70	The warrants granted can be exercised only on IPO or can be tagged along during an exit of an existing investor
Warrants granted on 20 February 2016 to Healthcare Professionals Trust	4,480,000	430.40	The warrants granted can be exercised only on IPO or can be tagged along during an exit of an existing investor
Warrants granted on 30 September 2016 to multiple individuals	973,450	430.40	The warrants granted shall vest within a span of four years in the ratio of 10%, 20%, 30% and 40 % each year from the date of grant i.e. graded vesting
<b>Total</b>	<b>9,231,210</b>		

The details of activity under the Plan have been summarised below:

Particulars	As at 31 March 2021			As at 31 March 2020		
	Number of warrants	Weighted average exercise price (₹)		Number of warrants	Weighted average exercise price (₹)	
Outstanding at the beginning of the year	726,050	430.40		8,035,104	360.45	
Forfeited during the year	13,720	430.40		139,850	430.40	
Cancelled during the year	-	430.40		7,169,204	352.01	
Exercised during the year	-	430.40		-	-	
Outstanding at the end of the year	712,330	430.40		726,050	430.40	
Vested and exercisable at the end of the year	712,330	430.40		435,630	430.40	

The details of exercise price for stock options outstanding as at reporting dates:

The warrants outstanding as at 31 March 2021 has an exercise price of ₹430.40 (31 March 2020: ₹430.40), and a weighted average remaining contractual life of Nil years (31 March 2020: 0.05 years)

The fair value of warrants was estimated at the date of grant using the Black-Scholes-Merton model with the following assumptions:

Particulars	
Exercise price	₹430.40
Expected Volatility	35.32%
Life of the options granted (Vesting and exercise period) in	6.5 years
Average risk-free interest rate	6.71%





## Quality Care India Limited

### Notes to the Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

#### 4.41 Transfer Pricing

The Group has entered into commercial transactions with its associated enterprises which are subject to assessment and test of being transactions carried out at an "arm's length price," in accordance with the provisions of chapter X of the Income Tax Act, 1961.

The Group has established a comprehensive system of maintenance and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961. Management is of the opinion that its transactions with associated enterprises are at arm's length. Therefore, the legislation shall not have any impact on the consolidated financial statements.

#### 4.42 Interest in joint venture:

The Group has interest in a joint venture which, in the opinion of the Company's Board of Directors, is immaterial to the Group. The Group's share of the loss for the year and other comprehensive income is ₹0.01 (31 March 2020: ₹0.01) and ₹Nil (31 March 2020: ₹Nil) respective of such joint venture.

#### 4.43 Unearned revenue

The following table discloses the movement in the unearned revenue during the year ended 31 March 2021 and 31 March 2020:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Balance at the beginning of the year	82.31	112.92
Revenue recognised during the year	82.31	112.92
Invoiced during the year	86.38	82.31
Balance at the end of the year	86.38	82.31

4.44 a) In 2009, the Parent Company had entered into an agreement with Andhra Pradesh Industrial Infrastructure Corporation Limited ("APIIC") to acquire a land parcel and development of a Health City along with allied infrastructure ("Project") in Visakhapatnam, Andhra Pradesh. Pursuant to the terms of the said agreement, the APIIC has allotted 4.18 acres of land to the Parent Company upon payment of INR 105.55 and included in Property, plant and equipment (refer note 4.1 (a)) subjected to conditional registration of land in favor of the Parent Company upon completion of the Project by 30 June 2020. In view of the COVID - 19 pandemic, the Parent Company submitted letter dated 3 April 2020 to grant extension of time upto 30 June 2022. However, APIIC has rejected such request of extension of time through the order dated 30 July 2020. In response to the rejection order, the Parent Company has filed a writ petition requesting the High Court of Judicature for the state of Andhra Pradesh ("the High Court") to set aside the aforesaid order. In response, the High Court granted an interim stay order dated 19 August 2020 directing APIIC to allow the Parent Company to possess the property which has been extended by the High Court vide order dated 18 February 2021 until further orders from the High Court.

b) Further, the Parent company has incurred sum aggregating ₹476.64 as at 31 March 2021 (31 March 2020 ₹447.87) towards land development and civil construction thereon which are included in Capital work in progress (refer note 4.2).

Based on internal legal evaluation, the management of the Parent Company is confident that the rejection order shall be set aside and an extension in timelines shall be granted, therefore no adjustment has been made to the Consolidated financial statements of the Parent Company on account of the aforesaid matter.

4.45 On 11 March 2020, the World Health Organization declared COVID-19 a global pandemic. The COVID-19 pandemic has impacted the revenues and profitability of the Group for the month of March 2020 and continued subsequently with a decline in occupancy impacting significantly the business revenues, profitability and cash flows. However, with a slew of cost saving measures the Group has been able to partly reduce the significant negative impact on business.

The Group has a well capitalized Balance Sheet and has managed its liquidity position via cost efficiency initiatives, better working capital management and external funding.

With the lockdown restrictions easing, the Group has begun to witness signs of gradual improvement in operations but would continue to see an impact on its consolidated financial statements till normalization of business.

The Group has made detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets comprising Property, plant and equipment, other intangible assets, trade receivables, inventories, investments among others as at the reporting date and has concluded that there are no material adjustments required to the consolidated financial statements. The management has considered the possible effects that may result from COVID-19 pandemic in preparation of the consolidated financial statements. In developing the assumptions and estimates relating to the uncertainties as at the reporting date in relation to the recoverable amounts of these assets, the Group's management has considered the global economic conditions prevailing at the reporting date in relation to these consolidated financial statements.





**Quality Care India Limited**

**Notes to the Consolidated Financial Statements**

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4.46 (a) As per the requirements of Section 203(1) of the Companies Act, 2013, the Parent Company was required to appoint Company Secretary by 5 July 2020. However the Parent Company could not do so, and subsequently appointed Company Secretary on 21 January 2021. The Parent Company has applied for adjudication application of the above non-compliance to the Regional Director and provided for the maximum penalty under the relevant section of the Companies Act, 2013.

(b) Note in subsidiary financial statements of Ganga Care Hospitals Limited:

The Subsidiary Company has applied for adjudication of the below non compliance to the Regional Director and provided for the maximum penalty under the relevant section of the Companies Act, 2013:

(i) As per the requirements of Section 203(1) of the Companies Act, 2013, the Subsidiary Company was required to appoint Company Secretary by July 5, 2020. However the Subsidiary Company could not do so, and subsequently appointed Company secretary on January 21, 2021.

(ii) As per the requirements of Section 149(4) of the Companies Act, 2013, the Subsidiary Company was required to appoint Independent directors by July 12, 2019. However the Subsidiary Company could not do so, and subsequently appointed Independent directors on March 23, 2021.

(iii) As per the requirements of Section 149(4) of the Companies Act, 2013, the Subsidiary Company was required to reconstitute Audit Committee and Nomination and Remuneration Committee by April 12, 2019. However the Subsidiary Company could not do so, and subsequently reconstituted Audit Committee and Nomination and Remuneration Committee on March 23, 2021.

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**Quality Care India Limited**

**Notes to the Consolidated Financial Statements**

(All amounts in ₹ millions, except share data and where otherwise stated)

**4.47 Additional disclosure as required under paragraph 2 of 'General Instructions for the preparation of Consolidated Financial Statements' of the Schedule III to the Act**

Name of the entity	For the year ended and as at 31 March 2021			For the year ended and as at 31 March 2020		
	Net assets As a % of consolidated net assets	Amount	Share in profit or loss As a % of consolidated profit	Net assets As a % of consolidated net assets	Amount	Share in profit or loss As a % of consolidated loss
<b>Parent company</b>						
Quality Care India Limited	94.44%	5,489.32	92.56%	94.67%	4,886.39	91.78%
<b>Subsidiaries</b>						
Ganga Care Hospital Limited	7.19%	418.05	8.02%	7.08%	365.55	30.56%
Ramkrishna Care Medical Sciences Private Limited	9.59%	557.27	4.57%	10.23%	528.02	44.54%
Galaxy Care Multispecialty Hospital Private Limited	3.06%	177.69	-1.35%	3.62%	186.62	0.97%
Quality Care Jhansuguda Private Limited	0.00%	0.01	0.00%	0.00%	0.01	-0.01%
Non-controlling interest	-7.75%	(450.56)	3.75%	-8.26%	(426.35)	27.59%
<b>Total</b>	<b>106.52%</b>	<b>6,191.78</b>	<b>107.54%</b>	<b>107.34%</b>	<b>5,540.24</b>	<b>195.43%</b>
Consolidation adjustments	-6.52%	(379.06)	-7.54%	-7.34%	(378.73)	-95.43%
<b>Net amount attributable to equity holders of Parent</b>	<b>100.00%</b>	<b>5,812.72</b>	<b>100.00%</b>	<b>100.00%</b>	<b>5,161.51</b>	<b>100.00%</b>
						<b>152.38</b>

The disclosure as above represents separate information for each of the consolidated entities before elimination of inter-company transactions. Based on the group structure, the management is of the view that the above disclosure is appropriate under the requirements of the Act.

**For Price Waterhouse Chartered Accountants LLP**

Firm's Registration No: 012754N/N500016

  
Sunit Kumar Bawa  
Partner


Membership No: 055000

For and on behalf of Board of Directors of  
Quality Care India Limited  
CIN: U85110TG1992PLC014728

  
Vaughan Erris Firman  
Director  
DIN: 08787748

  
Jaideep Singh  
Director and  
Chief Executive Officer  
DIN: 02465303

  
Vikas Rastogi  
Chief Financial Officer  
AFEP8865H

  
Jayathri Chandramouleswaran  
Company Secretary  
Membership No: A41863

Place: Hyderabad, India  
Date: 24 August 2021

Place: Dubai, UAE  
Date: 24 August 2021

Place: Hyderabad, India  
Date: 24 August 2021



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