CARE
HOSPITALS

BRIDGING THE GAP OF QUALITY HEALTHCARE

2022

ANNUAL REPORT

Quality CARE India Limited

QUALITY CARE INDIA LIMITED

30th (THIRTIETH) ANNUAL REPORT 2021-22

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. Vikas Rastogi - Chief Financial Officer

Mrs. Gayathri Chandramoulieswaran – Company Secretary

BOARD COMMITTEES

Audit Committee

Mr. Kewal Kundanlal Handa - Chairman
Ms. Ekta Bahl - Member
Mr. Mahadevan Narayanamoni - Member

Nomination and Remuneration Committee

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

Corporate Social Responsibility Committee

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

Operating Committee

Mr. Mahadevan Narayanamoni - Chairman
Mr. Jasdeep Singh - Member
Mr. Massimiliano Colella - 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, 8th 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
The Hongkong and Shanghai Banking Corporation Limited, Hyderabad

QUALITY CARE INDIA LIMITED

Regd. Office: 6-3-248/2, Road No.1, Banjara Hills, Hyderabad-500 034;
CIN: U85110TG1992PLC014728; **Email**:Info@carehospitals.com,
Website: www.carehospitals.com; **contact no.**: 040-30418888, 040-68306565, 040-68106565

NOTICE

NOTICE is hereby given that the Thirtieth Annual General Meeting of the Company will be held on Wednesday, the 28th day of September, 2022 at 01.00 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 receive, 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 31st March 2022 and the reports of the Auditors and Board of Directors thereon.

2. To reappoint Mr. Vishal Bali (DIN: 01457380) as a director, who retires by rotation and being eligible, offers himself for re-appointment.

3. To reappoint Mr. Massimiliano Colella (DIN: 08729468) 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 2023, who shall 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."

For and on behalf of the Board
QUALITY CARE INDIA LIMITED

Quality Care India Limited
Hyderabad

Place: Hyderabad, India
Date: 25.08.2022

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

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. 14/2020 dated 08.04.2020, 17/2020 dated 13.04.2020, 22/2020 dated 15.06.2020, 33/2020 dated 28.09.2020 and 39/2020 dated 31.12.2020 and 10/2021 dated 23.06.2021, read with circulars No. 21/2021 dated 8.12.2021 and General circular no. 2/2022 dated 05.05.2022 (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 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 requested 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

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

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.

Zoom Link :

Topic: *QCIL Annual General Meeting 2022*
Time: *Sep 28, 2022 01:00 PM India*

Join Zoom Meeting
https://us02web.zoom.us/j/85229940599?pwd=VEJGZkqzcjhDMGYyekphMnM4WTdxdz09

Meeting ID: *852 2994 0599*

Passcode: *025061*

Find your local number: https://us02web.zoom.us/u/kpvxso1Ef

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 and type

Meeting ID: 852 2994 0599

Passcode: 025061

iii) Click **Join**

In case of any technical difficulties write to - udaykumar.bellapu@carehospitals.com; or cs.office@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.

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

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. The Annual Report of the Company including the Notice convening the AGM circulated to the members of the Company will be available on the Company's website at https://www.carehospitals.com/annual-reports

14. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

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, 2023.

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, 2023.

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

For and on behalf of the Board
QUALITY CARE INDIA LIMITED

Quality Care India Limited
Hyderabad

Place: Hyderabad, India
Date: 25.08.2022

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

BOARD'S REPORT

To
The Members,

On behalf of Board, We take pleasure in presenting the **Thirtieth** 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, 2022.

1. FINANCIAL HIGHLIGHTS: [Rule 8(5)(i) of Companies (Accounts) Rules, 2014]

(Rs. In millions)

	QCIL(CARE standalone)		***QCIL(CARE Consolidated)***	
Particulars	**Rs. in Lakhs**		**Rs. in Lakhs**	
	31-Mar-22	**31-Mar-21**	**31-Mar-22**	**31-Mar-21**
Net Sales /Income from:				
Business Operations	10,223.07	8,141.13	13,181.61	10,532.66
Other Income	59.64	75.55	98.56	113.56
Total Income	**10,282.71**	**8,216.68**	**13,280.17**	**10,646.22**
Less: Expenditure	**8,069.83**	**6,697.49**	**10,564.40**	**8,746.18**
EBITDA	**2,212.88**	**1,519.19**	**2,715.77**	**1,900.04**
Less: Finance costs	336.02	417.45	420.63	511.26
Less Depreciation	715.03	684.81	905.67	869.24
Less: Impairment Losses	-	26.28	-	26.28
Profit before share of loss of a Joint venture	**1,161.83**	**390.65**	**1,389.47**	**493.26**
Less: Share of loss of a Joint Venture	-	-	0.01	0.01
Profit before tax	**1,161.83**	**390.65**	**1,389.46**	**493.25**
Less: Current Income Tax	245.00	118.51	302.84	135.43
Less: Income tax relating to earlier periods	22.15	45.69	22.15	45.69
Less: Deferred Tax Expense /(Benefit)	(160.57)	(380.25)	(164.44)	(367.91)
Profit/(loss) for the year	**1055.25**	**606.70**	**1,228.91**	**680.04**
Other Comprehensive income: 1. Items that will not be reclassified subsequently to profit or loss a. Re-measurement of defined benefit plan	(4.44)	(5.79)	(7.08)	(6.94)
2. Income tax relating to items that will not be reclassified to profit or loss	1.52	2.02	2.19	2.32
Total Comprehensive Income/(Loss) for the year	**1052.33**	**602.93**	**1,224.02**	**675.42**
Earnings per share Basic	25.43	14.62	27.90	15.80
Earnings per share Diluted	25.43	14.56	27.79	15.73

2. CHANGE IN THE NATURE OF BUSINESS [Rule 895)(ii) of Companies (Accounts) Rules, 2014]

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 [Section 134 (3) (l)]**

During the year under review –

a. The Company has raised the Authorised Share Capital from Rs. 79,50,000/- (Rupees Seventy Nine Crores and Fifty Lakhs Only) to Rs. 95,00,00,000/- (Rupees Ninety Five Crores only) divided into 7,95,00,000 Equity shares of Rs. 10/- each and 1,55,00,000 Compulsory Convertible Preference Shares of Rs. 10/- each vide Extra Ordinary General Meeting dated 25.03.2022.

b. The Company allotted 75,45,290 0.001% Compulsory Convertible Preference Shares (CCPS) of Rs. 10/- each at a price of Rs. 452.30/- including premium of Rs. 442.30/- per CCPS vide Circular resolution dated 24.06.2022.

c. The Company allotted 70,27,190 0.001% Compulsory Convertible Preference Shares (CCPS) of Rs. 10/- each at a price of Rs. 452.30/- including premium of Rs. 442.30/- per CCPS vide Circular resolution dated 25.07.2022 .

4. **DIVIDEND [Section 134 (3) (k)]**

The Board of Directors of your Company has not recommended any dividend for the financial year 2021-22. 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 2020-21.

6. **TRANSFER TO RESERVES [Section 134 (3) (j)]**

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 2022 and Note No 4.13(b) of the financial statements enclosed herewith.

7. **DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES [Rule 8(5)(iv) of Companies Accounts) Rules, 2014]**

The Company has four subsidiaries and one associate company as on 31st March 2022. There has been no material change in the nature of the business of the subsidiaries.

During the current Financial Year 2022-23 the Company has acquired 2 Companies as its subsidiaries by acquiring a stake of 95% in Convenient Hospitals Limited and 76% in United CIIGMA Institute of Medical Sciences Private Limited.

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

8. DETAILS RELATING TO DEPOSITS [Rule 8(5) (v) of Companies Accounts) Rules, 2014]

The Company has not accepted/renewed any deposits during the financial year 2021-22.

Details relating to deposits covered under Chapter V of the act –

a. Accepted during the year; - NIL
b. Remained unpaid or unclaimed as at the end of the year; - NIL
c. Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved- None

i. At the beginning of the year; - NA
ii. Maximum during the year; - NA
iii. At the end of the year; - NA

There are no deposits which are not in compliance with the requirements of Chapter V of the Act;

9. SHARE CAPITAL

The Authorised Share Capital as on 31st March 2022 was Rs. 95,00,00,000/- consisting of 7,95,00,000 equity shares of Rs. 10/- (Rupees Ten Only) each and 1,55,00,000 Compulsorily Convertible Preference Shares of Rs. 10/- (Rupees Ten Only) each. The paid up Equity Share Capital as on 31st March 2022 was Rs. 41,49,68,940/- consisting of 4,14,96,894 equity shares of Rs. 10/- each.

Increase in Authorized Share Capital –
During the year under review, at the Extra-Ordinary General Meeting held on March 25, 2022, the Company increased its Authorized share capital from Rs.79,50,00,000/- (Rupees Seventy Nine Crores and Fifty Lakhs Only) consisting of 7,95,00,000 (Seven Crores and Ninety Five Lakhs Only) Equity Shares of Rs. 10/- (Ten Only) each to Rs. 95,00,00,000/- (Rupees Ninety Five Crores only) divided into 7,95,00,000 Equity Shares of Rs. 10/- (Rupees Ten only) each and 1,55,00,000 (One Crore and Fifty Five Lakhs Only) Compulsory Convertible Preference Shares of Rs. 10/- (Rupees Ten only) each by addition of Rs. 15,50,00,000/- (Rupees Fifteen Crores and Fifty Lakhs only) divided into 1,55,00,000 (One Crore and Fifty Five Lakhs Only) Compulsory Convertible Preference Shares of Rs. 10/- (Rupees Ten only)

During the year under review, the Company has issued 99,50,000 (Ninety Nine Lakh Fifty Thousand Only) 0.001% Compulsorily Convertible Preference shares (CCPS) of Rs. 10/- each at a price of Rs. 452.30/- including a premium of Rs. 442.30/- per 0.001% Compulsorily Convertible Preference shares aggregating to Rs. 4,500,385,000/- (Rupees Four Hundred & Fifty Crores Three Lakhs and Eighty Five Thousand Only) for cash through private placement to 'Touch Healthcare Private Limited' on 25.03.2022.

During the current year, the following events had taken place post issuance of the above-mentioned CCPS –

- Allotment of 75,45,290 0.001% Compulsorily Convertible Preference shares of Rs. 10/- each at a price of Rs. 452.30/- including a premium of Rs. 442.30/- per 0.001% CCPS aggregating to Rs. 3,41,27,34,667/- to Touch Healthcare Private Limited on **June 24, 2022.**

- Withdrawal and abandonment of 24,04,710 0.001% Compulsorily Convertible Preference Shares ("CCPS") of Rs. 10/- each aggregating to Rs. 2,40,47,100 /- out of 99,50,000 0.001% Compulsorily Convertible Preference Shares of Rs. 10/- each offered which were offered during the year to 'Touch Healthcare Private Limited' on **July 08, 2022.**

- Issuance of 79,54,710 0.001% Compulsorily Convertible Preference Shares of Rs. 10/- each at a price of Rs. 452.30/- including a premium of Rs. 442.30 per 0.001% Compulsory Convertible Preference Shares ("CCPS") aggregating to Rs. 3,59,79,15,333/- for cash through private placement to 'Touch Healthcare Private Limited' on **July 08, 2022.**

- Allotment of 70,27,190 0.001% Compulsorily Convertible Preference Shares of Rs. 10/- each at a price of Rs. 452.30/- including a premium of Rs. 442.30 per 0.001% CCPS aggregating to Rs. 3,17,83,98,037/- to Touch Healthcare Private Limited on **July 25, 2022.**

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.

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

However the Company vide Special Resolution dated 25.03.2022 discontinued the ESOPs 2013 Scheme and Share Warrants 2016 Scheme and approved payment of Ex-Gratia to vested holders of Eligible ESOPs holder under ESOPs 2013 Scheme and Share Warrants 2016 Scheme respectively.

10. DIRECTORS RESPONSIBILITY STATEMENT [Section 134(3) (c) and 134(5)]:

In accordance with the provisions of 134(3)(c) and Section 134(5) of the Companies Act, the Board of Directors, to the best of their knowledge and ability, submit their responsibility statement:

i. In the preparation of the annual accounts for the Financial year ending 31st March, 2022, the applicable accounting standards have been followed and there are no material departures

ii. 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 2021-22 and of the profit of the Company for that period;

iii. 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;

iv. Prepared the annual accounts on a "**Going Concern**" basis;

v. Laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;

vi. 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 [Rule 8(5)(iii) of Companies Accounts) Rules, 2014]:

DIRECTORS:

In accordance with the provisions of Articles of Association Mr. Vishal Bali (DIN: 01457380) and Mr. Massimiliano Colella (DIN: 08729468), Directors are liable to retire by rotation and being eligible offers themselves for reappointment.

During the Financial year 2020-21 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. 19th October, 2020 for a period of 5 years and during the year under review, on subsequent approval from the Members at the 29th Annual General Meeting held on 28th September, 2021, he was appointed as a Director of the Company w.e.f. 28th September, 2021.

During the year under review, Mr.Vaughan Erris Firman (DIN: 08787748) has resigned as a Director from the Board with effect from 04th February, 2022.

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 changes in the Key Managerial personnel's have taken place:

- Resignation of Mr. Sandeep Kumar as Group Chief Financial Officer (CFO) w.e.f. 24th May, 2021.
- Appointment of Mr. Vikas Rastogi as Group Chief Financial Officer (CFO) w.e.f. 24th 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 : [Section 134(3)(b)]:

A total of Seven (7) Board Meetings were held during the Financial Year 2021-22. 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 [Section 134 (3) (d) & 149(6)]

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. STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR. [Rule 8(5)(iiia) of Companies (Accounts) Rule, 2014].

The Company has 2 Independent Directors, Mr. Kewal Kundanlal Handa and Ms. Ekta Bahl and in the opinion of the Board, both of them possess requisite expertise, integrity and experience (including proficiency).

15. 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 [Section 134(3)(e) and 178 (3)]

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.

16. MECHANISM FOR EVALUATION OF BOARD [Rule 8(4) of Companies Accounts) Rules, 2014]:

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

17. CORPORATE SOCIAL RESPONSIBILITY, STATEMENT UNDER SECTION 135[Rule 8(1) of Companies (CSR Policy) Rules, 2014 read with Rule 9 of Companies (Accounts) Rule, 2014::

The Company was required to spend CSR amount in FY 2021-22 and the Company is committed to taking up Corporate Social Responsibility activities. The Company constituted Corporate Social Responsibility Committee as required under the provisions of Section 135 of the Companies Act, 2013. The Corporate Social Responsibility Report including brief details of CSR Policy is enclosed to this Board report as **Annexure III**

18. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEES GIVEN AND SECURITIES PROVIDED UNDER SECTION 186[Section 134(3)(g)]:

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.

19. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES PURSUANT TO SECTION 188 OF THE COMPANIES ACT 2013 [Section 134(3)(h)].:

During the year under review, the company entered only into 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.**

20. COPY OF ANNUAL RETURN [Section 134(3)(a)]

The Annual Return of the Company as on 31st March, 2022 is available on the Company's Website and can be accessed at https://www.carehospitals.com/about-care/investors-2/

21. RISK MANAGEMENT POLICY [Section 134(3)(n)]

The Company has adequate internal financial control system in place which operates effectively. Risks are re-viewed from time to time and controls are put in place with specific responsibility of the concerned officer of the company. According to the Directors of your Company, elements of risks that threaten the existence of your Company are very minimal.

22. EMPLOYEE STOCK OPTION SCHEME 2013 AND SHARE WARRANT SCHEME -2016 [Rule 12(9) of Companies (Share Capital and Debentures) Rule, 2014]

During the year under review, the Company has discontinued the 'Employee Stock Option Sheme-2013' and 'Share Warrant Scheme-2016' and approved payment of Ex-Gratia to vested holders of Eligible ESOPs holder under ESOPs 2013 Scheme and Share Warrants 2016 Scheme respectively by passing Special Resolution in the Extra Ordinary General Meeting held on 25.03.2022

23. EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE. [SECTION 134(3)(F)] :

23.1. STATUTORY AUDITORS

Members at their Twenty Eighth Annual General Meeting held on 24th 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

23.2. 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 2021-22 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 2021-22. The Secretarial Auditor's report is annexed as **Annexure IV** and is a part of this report.

23.3. 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 2021-22.

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.

DISCLOSURE, AS TO WHETHER MAINTENANCE OF COST RECORDS [RULE 8(5)(ix) of Companies (Accounts) Rule, 2014].

In accordance with the provisions of Section 148(1) of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, the Company has maintained cost records.

23.4. INTERNAL AUDIT [RULE 8(5)(viii) of Companies (Accounts) Rule, 2014].

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 2021-22.

24. 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 [Section 134(3)(ca)];

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.

25. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS [Rule (5)(vii) of Companies (Accounts) Rule, 2014]

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.

26. VIGIL MECHANISM [Rule 7 of Companies (Meeting of Board and its Powers) Rule, 2014]

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

27. SECRETARIAL STANDARDS:

The Company has complied with the applicable secretarial standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings and approved by Central Government.

28. 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 [Rule 8(5)(vii) of Companies (Accounts) Rule, 2014]

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

29. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR [Rule 8(5)(xi) of Companies (Accounts) Rule, 2014].

The Company has one pending proceeding against it under the Insolvency and Bankruptcy Code, 2016 which was filed by Soniks Consultancy Services Private Limited alleging non-payment of un-entitlement claim for incomplete services provided by them. The proceedings of the case are pending for adjudication.

30. INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSA) ACT, 2013 [Rule 8(5)(x) of Companies (Accounts) Rule, 2014].

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:

S. No	Particulars	
(a)	number of complaints received during FY 2021-22	5
(b)	number of complaints disposed of during the FY 2021-22	5
(c)	number of cases pending for more than ninety days	Nil

31. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO [Section 134(3)(m)] with Rule 8(3) of Companies (Accounts) Rule, 2014]

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

<table>
<tr><td colspan="2">A. CONSERVATION OF ENERGY:</td></tr>
<tr><td>1. The steps taken or impact on conservation of energy.</td><td rowspan="2">The company is making all efforts to conserve energy by monitoring energy costs and periodically reviews the consumption of energy.
The Company has also taken appropriate steps to reduce the consumption through efficiency in usage and timely maintenance/installation/ upgradation of all the energy saving devices. The company has successfully implemented and is working on renewable energy options and conservation projects like solar energy, Heat pumps & Energy efficient air conditioning solutions with internal expertise and association with external agencies.

The conservation initiatives has resulted in migration of traditional hot water generators using diesel fuel / conventional Geysers to Heat pump technology thus saving fossil fuel and hot water generation cost.

Two hospitals units have upgraded to LED lightings from conventional lightings savings.
Installed energy efficient air conditioning equipment.</td></tr>
<tr><td>2. The steps taken by the Company for utilizing alternate sources of energy</td></tr>
<tr><td>3. The Capital investment on energy conservation equipment's</td><td>All efforts have been taken in order to maintain the equipment in optimum working condition to increase the life span and to decrease the energy consumption without compromising the safety and comfort of patients and customers.</td></tr>
<tr><td colspan="2">B. TECHNOLOGY ABSORPTION:</td></tr>
<tr><td>1. The Efforts made towards technology absorption</td><td rowspan="4">The company does not have in-house Research & Development department. However, the company continuously makes efforts towards sourcing medical & other equipment from vendors who adopt the latest state of art technology in their products/services.

This endeavor ensures that the company always benefits in terms of cost reduction and improving efficiencies.

Further no technology was imported by the Company during the year under review.</td></tr>
<tr><td>2. The Benefits derived like product improvement, cost reduction, product development or import substitution</td></tr>
<tr><td>3. Details of technology imported during the past 3 years</td></tr>
<tr><td>4. The expenditure incurred on Research and Development</td></tr>
<tr><td colspan="2">C. FOREIGN EXCHANGE EARNINGS AND OUT GO</td></tr>
<tr><td>Foreign Exchange earned in terms of actual inflows</td><td>INR 80,28,771</td></tr>
<tr><td>Foreign Exchange outgo in terms of actual outflows</td><td>INR 44,31,884</td></tr>
</table>

CARE HOSPITALS

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

Mr. Massimiliano Colella	**Mr. Jasdeep Singh**
Director	**Director & Group CEO**
DIN: 08729468	**DIN: 02705303**
Date: 25.08.2022	**Date: 25.08.2022**
Place: Dubai, UAE	**Place: Hyderabad, India**

Quality Care India Limited
Hyderabad

ANNEXURE 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	01/04/2021 To 31/03/2022	01/04/2021 To 31/03/2022	01/04/2021 To 31/03/2022	01/04/2021 To 31/03/2022
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 (Mn)
4.	Share capital	118.63	14.98	0.21	0.10
5.	Reserves & surplus	328.25	687.55	175.09	(0.10)
6.	Total assets	630.63	1646.53	332.65	0.04
7.	Total Liabilities	630.63	1646.53	332.65	0.04
8.	Investments	5.70	-	-	-
9.	Turnover	424.35	2193.50	384.30	0
10.	Profit before taxation	39.76	190.12	(2.24)	0
11.	Provision for taxation	10.32	43.66	(0.01)	0
12.	Profit after taxation	29.44	146.46	(2.23)	0
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-2022
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.- Quality Care Health Services India Private Limited
2. Names of associates or joint ventures which have been liquidated or sold during the year.- None

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

For and on behalf of the Board

Mr. Massimiliano Colella
Director
DIN: 08729468
Date: 25.08.2022
Place: Dubai, UAE

Quality Care India Limited
Hyderabad

Mr. Jasdeep Singh
Director & Group CEO
DIN: 02705303
Date: 25.08.2022
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	Asia Healthcare Holdings Advisory LLP.	Akna Medical Private Limited	Evercare Group Management Limited	Galaxy Care Multispeciality Hospital Private Limited	India Medtronic Private Limited
ii	Nature of contracts/arrangements/transactions	Enterprise where Director is interested – Ankur Thadani	Enterprise where Director is interested – Mahadevan Narayanamoni	Enterprise where Director is interested – Massimiliano Colella	Subsidiary Company	Enterprise where Director is interested – Madan Rohini Krishnan
iii	Duration of the contracts / arrangements/transactions	July 2021 Onwards till Project completion date	On-going transaction	On-going transaction	From 1 April 2021 to 31 December 2021.	On-going transaction
iv	Salient terms of the contracts or arrangements or transactions including the value, if any	Availing of Project Management Consultancy Services	Purchase of consumables	Professional Services rendered by QCIL	Sale and Purchase of goods (vaccination)	Purchase of capital goods/implants/drugs pharmacy etc.
v	Date(s) of approval by the Board, if any	None, Approved by audit committee on 24/08/2021	30/03/2022	30/03/2022	30/03/2022	30/03/2022
vi	Amount paid as advances, if any	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board

Mr. Massimiliano Colella
Director
DIN: 08729468
Date: 25.08.2022
Place: Dubai, UAE

Mr. Jasdeep Singh
Director & Group CEO
DIN: 02705303
Date: 25.08.2022
Place: Hyderabad, India

Quality Care India Limited
Hyderabad

ANNEXURE III

ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIALYEAR 2021-22

1. **Brief outline on CSR Policy of the Company:** Corporate Social Responsibility (CSR) is the Company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical.

The Company is committed to undertake CSR activities in accordance with the provisions of Section 135 of the Companies Act, 2013 read with relevant Rules.

The Company believes that corporate development has to be inclusive and every corporate has to be responsible for the development of a just and humane society that can build a national enterprise. The Company commits itself to contribute to the society in ways possible for the organization

AIMS & OBJECTIVES

- To develop a long-term vision and strategy for Company's CSR objectives (Long term and otherwise)
- Establish relevance of potential CSR activities to Company's core business and create an overview of activities to be undertaken, in line with Schedule VII of the Companies Act, 2013.
- Company shall promote projects that are :

(a) Sustainable and create an impact both long term and otherwise;

(b) Have specific and measurable goals in alignment with Company's philosophy;

(c) Address the most deserving cause or beneficiaries.

- To establish process and mechanism for the implementation and monitoring of the CSR activities for Company.

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Kewal Kundanlal Handa	Chairman/Non-Executive Independent Director	1	1
2	Ms. Ekta Bahl	Member/Non-Executive Independent Director	1	1
3	Mr. Arunprakash Srinivasarao Korati	Member/Non-Executive Director	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. - https://www.carehospitals.com/csr-policy

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). – **Not applicable**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any - **NIL**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set-off for the financial year, if any (in Rs.)
1	-	-	-
2	-	-	-
3	-	-	-
	TOTAL	-	-

6. Average net profit of the company as per section 135(5) – **Rs. 2,60,60,238/-**

7. (a) Two percent of average net profit of the company as per section 135(5) - **Rs. 5,21,205/-**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - **Nil**

(c) Amount required to be set off for the financial year, if any - **Nil**

(d) Total CSR obligation for the financial year (7a+7b-7c) – **Rs. 5,21,205/-**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
Rs. 5,21,205/-	NA	NA	Nil	Nil	Nil

(b) Details of CSR amount spent against **ongoing projects** for the financial year: **Nil**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1.												
2.												
3.												
	Total											

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Telangana Sikh Society	Eradicating hunger, poverty and malnutrition	Yes	Telangana	Hyderabad	5,21,205/-	No	Telangana Sikh Society	CSR00024103
	TOTAL					**5,21,205/-**			

(d) Amount spent in Administrative Overheads- **Nil**

(e) Amount spent on Impact Assessment, if applicable – **Not applicable**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – Rs. 5,21,205/-

(g) Excess amount for set off, if any – **Nil**

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 5,21,205/-
(ii)	Total amount spent for the Financial Year	Rs. 5,21,205/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or	Nil
(v)	Amount available for set off in succeeding financial years	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years: **Nil**

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the Reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.							
2.							
3.							

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s): **Nil**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project. Completed /Ongoing.
	TOTAL							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year - **NA**

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). – NA**

Mr. Jasdeep Singh **Director & Group CEO** **(DIN: 02705303)**	**Ekta Bahl** **(Chairman CSR Committee)**

Quality Care India Limited Hyderabad

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 31st MARCH, 2022

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 **31st March, 2022** 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 **31st March, 2022** 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 and Takeovers) Regulations, 2011; - **Not Applicable**

RVR & ASSOCIATES COMPANY SECRETARIES HYDERABAD
G.V.S. Ravi Kumar
Associate partner
C.P. No: 17178

(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.

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.

RVR & ASSOCIATES COMPANY SECRETARIES
G.V.S. Ravi Kumar
Associate partner
C.P. No: 17178
HYDERABAD

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 exists 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. Mr. Vaughan Erris Firman has resigned as Director of the Company w.e.f 04.02.2022.

2. Mr. Jasdeep Singh has been Appointed as Director of the Company at the AGM held on 28.09.2021.

3. The Company has Increased its Authorized Share Capital from Rs. 79,50,00,000 to Rs. 95,00,00,000 divided into

   a. 7,95,00,000 Equity shares of Rs. 10/- (Rupees Ten Only) each.

   b. 1,55,00,000 Compulsorily Convertible Preference Shares of Rs. 10/- (Rupees Ten Only each.

   by passing Special Resolution in the Extra Ordinary General Meeting held on 25.03.2022.

4. The Company has Altered Clause V i.e., Capital Clause of Memorandum of Association (MOA) in accordance with the provisions of Companies Act, 2013.

5. The Company has Altered its Articles of Association (AOA) for inclusion of Article 2.12 i.e., Compulsorily Convertible Preference Shares in accordance with the provisions of Companies Act, 2013.

6. The Company issued 99,50,000 (Ninety Nine Lakh Fifty Thousand Only) 0.001% Compulsorily Convertible Preference shares of Rs. 10/- each at a price of Rs. 452.30/- including a premium of Rs. 442.30/- per 0.001% Compulsorily Convertible Preference shares aggregating to Rs. 4,500,385,000/- (Rupees Four Hundred & Fifty Crores Three Lakhs and Eighty Five Thousand Only) for cash through private placement on 25.03.2022.

7. The Company has discontinued the 'Employee Stock Option Sheme-2013' and 'Share Warrant Scheme-2016' by passing Special Resolution in the Extra Ordinary General Meeting held on 25.03.2022.

RVR & ASSOCIATES COMPANY SECRETARIES * HYDERABAD *
G.V.S. Ravi Kumar
Associate partner
C.P. No: 17178

8. The Company was in default in filling up the vacancy created by resignation of Company Secretary on 06.01.2020. The vacancy ought to have been filled on or before 05.07.2020. The Company appointed Company Secretary on 21.01.2021 and hence had violated the provisions of Section 203(4) of the Companies Act, 2013. 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 11.05.2022.

For RVR & Associates
Company Secretaries
PR. No. P2015TL082000

RVR & ASSOCIATES COMPANY SECRETARIES * HYDERABAD *
G.V.S. Ravi Kumar
Associate partner
C.P. No: 17178

Date: 25/08/2022
Place: Hyderabad

G.V.S Ravi Kumar
Associate Partner
C P No: 17178
PR. No. 1242/2021
UDIN : F008529D000849160

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 2021-22, all the documents, records and other information were verified and checked electronically as provided by the management.
10. We further report that during the audit report there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulation, guidelines, standards, etc.
11. 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

RVR & ASSOCIATES COMPANY SECRETARIES
G.V.S. Ravi Kumar
Associate partner
C.P. No: 17178
HYDERABAD

(e) The Pharmacy Act, 1948
(f) Bio-Medical Waste (Management and Handling) Rules, 1998
(g) Food Safety and Standards Act, 2016 and rules

12. 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

For RVR & Associates
Company Secretaries
PR. No. P2015TL082000

RVR & ASSOCIATES COMPANY SECRETARIES
G.V.S. Ravi Kumar
Associate partner
C.P. No: 17178
HYDERABAD

Date: 25/08/2022
Place: Hyderabad

G.V.S Ravi Kumar
Associate Partner
C P No.: 17178
PR. No. 1242/2021
UDIN : F008529D000849160

Annexure V to Director's Report - 2022

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 Six 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 28/09/2021
Mr. Arunprakash Srinivasarao Korati	00027783	Non-Executive Director	No
Mr. Kewal Kundanlal Handa	00056826	Independent Non-Executive Director	No
Mr. Vishal Bali	01457380	Non-Executive Director	No
Mr. Ankur Nand Thadani	03566737	Non-Executive Director	No
Mr. Mahadevan Narayanamoni	07128788	Non-Executive Director	No
Mr. Madan Rohinikrishnan	07426734	Non-Executive Director	No
Ms. Ekta Bahl	01437166	Independent Non-Executive Director	Yes
Mr. Massimiliano Collela	08729468	Non-Executive Director	No
Mr. Vaughan Erris Firman[1]	08787748	Non-Executive Director	No
Mr. Jasdeep Singh	02705303	Executive Director	Yes

[1] Resigned w.e.f.04th February 2022

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 2021-22								
S. No.	**Director's name**	**24-05-21**	**24-08-21**	**28-10-21**	**13-12-21**	**17-03-22**	**24-03-22**	**30-03-22**
1	Arunprakash Srinivasarao Korati	YES (VC)	YES (VC)	YES (VC)	YES (VC)	YES (VC)	YES	YES (VC)
2	Kewal Kundanlal Handa	YES (VC)	YES (VC)	YES (VC)	YES (VC)	YES (VC)	YES (VC)	YES (VC)
3	Vishal Bali	YES (VC)	YES (VC)	YES (VC)	YES (VC)	YES (VC)	YES	YES (VC)
4	Ankur Nand Thadani	YES (VC)	YES (VC)	YES (VC)	YES (VC)	YES (VC)	YES (VC)	LOA
5	Mahadevan Narayanamoni	YES (VC)	YES	YES (VC)	YES (VC)	YES (VC)	YES	YES (VC)
6	Madan Rohini Krishnan	YES (VC)	YES (VC)	YES (VC)	YES (VC)	YES (VC)	YES (VC)	YES (VC)
7	Ekta Bahl	YES (VC)	YES (VC)	YES (VC)	YES (VC)	YES (VC)	YES	YES (VC)
8	Massimiliano Colella	YES (VC)	YES (VC)	LOA	YES (VC)	YES (VC)	YES	LOA
9	Vaughan Erris Firman*	YES (VC)	YES (VC)	YES (VC)	YES (VC)	NA	NA	NA
10	Jasdeep Singh	YES (VC)	YES	YES	YES	YES	YES	YES

(VC=video conferencing; LOA – Leave of absence)
*Resigned w.e.f. 04.02.2022

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 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 AC 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. Mahadevan Narayanamoni	Non-Executive Director	Appointed w.e.f. 17.03.2022

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. 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^{st} July 2020 and Resigned w.e.f. 04.02.2022
4	Mr. Mahadevan Narayanamoni	Non-Executive Director	Appointed w.e.f. 17.03.2022

Attendance of members at the audit committee meetings held during the financial year 2021-22			
S. No.	Name of the member	24/08/2021	13/12/2021
1	Mr. Kewal Kundanlal Handa	YES (VC)	YES (VC)
2	Ms. Ekta Bahl	YES (VC)	YES (VC)
3	Mr. Vaughan Erris Firman	YES (VC)	YES (VC)
4	Mr. Mahadevan Narayanamoni	NA	NA

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 2021-22:

S.No	Name	Designation	Remarks
1	Mr. Mahadevan Narayanamoni	Non-Executive Director	Appointed w.e.f. 21.06.2019
2	Mr. Jasdeep Singh	Director & Group CEO	Appointed w.e.f. 19.10.2020
3	Mr. Massimiliano Colella	Non-Executive Director	Appointed w.e.f. 17.03.2022

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. 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 & Resigned w.e.f. 04.02.2022
Mr. Jasdeep Singh	Director & Group CEO	Appointed w.e.f. 19.10.2020
Mr. Massimiliano Colella	Non-Executive Director	Appointed w.e.f. 17.03.2022

Attendance of members at the Operating committee meetings held during the financial year 2021-22												
Operating Committee	22-04-21	31-05-21	24-06-21	22-07-21	26-08-21	23-09-21	28-10-21	30-11-21	16-12-21	27-01-22	21-02-22	24-03-22
Mahadevan Narayanamoni	YES	YES (VC)	YES	YES	YES (VC)	YES	YES (VC)	YES	LOA	YES (VC)	YES	YES
Vaughan Erris Firman (Resgn w.e.f. 04.02.2022)	YES (VC)	YES (VC)	YES (VC)	YES (VC)	YES (VC)	YES (VC)	YES (VC)	YES (VC)	YES (VC)	YES (VC)	NA	NA
Jasdeep Singh	YES	YES (VC)	YES	YES	YES	YES	YES	YES	YES	YES (VC)	YES	YES
Massimiliano Colella (Member w.e.f 17.03.2022)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	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 NRC 2**.

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. Arunprakash Srinivas Rao Korati	Non-Executive Director	Appointed w.e.f. 17.03.2022

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. 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 Errirs Firman	Non-Executive Director	Appointed w.e.f 31.07.2020 and Resigned w.e.f. 04.02.2022
Mr. Arunprakash Srinivas Rao Korati	Non-Executive Director	Appointed w.e.f. 17.03.2022

Attendance of members at the meetings of NRC held during the Financial year 2021-22				
S. No.	**Members**	**19/04/2021**	**24/05/2021**	**13/12/2021**
1	Mr. Kewal Kundanlal Handa	YES (VC)	YES (VC)	YES (VC)
2	Mr. Vishal Bali	YES (VC)	YES (VC)	YES (VC)
3	Ms. Ekta Bahl	YES	YES (VC)	YES (VC)
4	Mr. Vaughan Erris Firman	YES (VC)	YES (VC)	YES (VC)
5	Mr. Arunprakash Srinivas Rao Korati	NA	NA	NA

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/csr-policy

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 2021-22		
S. No.	**Members**	**30/03/2022**
1	Mr. Kewal Kundanlal Handa	YES (VC)
2	Ms. Ekta Bahl	YES (VC)
3	Mr. Arunprakash Srinivasarao Korati	YES (VC)

INDEPENDENT DIRECTOR'S MEETING:

The details of the meeting of Independent Directors of the Company held during the year under review are:

Attendance of members at the Independent Directors meeting held during the financial year 2021-22		
S. No.	**Members**	**30/03/2022**
1	Mr. Kewal Kundanlal Handa	YES (VC)
2	Ms. Ekta Bahl	YES (VC)

GENERAL BODY MEETINGS:

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

Year	Date And Time	Whether Special resolutions passed
2020-21	28th September, 2021 @ 2:30 PM	Yes
2019-20	24th September, 2020 @ 2:00 PM	No
2018-19	23rd September 2019 @ 3:00 PM	No

The Annual General Meeting held for the FY 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 – 500034.

The Annual General Meeting for FY 2019-20 and FY 2020-21 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 2021-22

Annual General Meeting:

AGM Date, time and venue : 28th September, 2022 at 01:00 PM through Video Conferencing (VC)/Other Audio Visual means (OAVM) facility at Board Room, Corporate Office, 1st Floor, Kohinoor building, Road No 2, Banjara Hills, Hyderabad -500034 Telangana

Financial Calendar : 1st April to 31st March

International Securities Identification Number (ISIN) -

1) Equity Shares - INE108N01016
2) 0.001% Compulsorily Convertible Preference Shares – INE108N03012
3) 0.001% Compulsorily Convertible Preference Shares – INE108N03020

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

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

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

Mr. Massimiliano Colella	**Mr. Jasdeep Singh**
Director	**Director & Group CEO**
DIN: 08729468	**DIN: 02705303**
Date: 25.08.2022	**Date: 25.08.2022**
Place: Dubai, UAE	**Place: Hyderabad, India**

Quality Care India Limited
Hyderabad

Annexure AC-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 or its Subsidiaries or Associates Company (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.

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.

C. The Committee shall accord omnibus approval to the related party transactions, which are in ordinary course of business and are at arm's length basis, as detail in the Related Party Policy of the Company.

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 NRC-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.

5.3 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.

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

5.5 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/WTD/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/WTD/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

Independent Auditor's Report
To the Members of Quality Care India Limited
Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Quality Care India Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2022, the Standalone Statement of Profit and Loss (including Other Comprehensive Loss), the Standalone Statement of Changes in Equity, the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 state of affairs of the Company as at March 31, 2022, total comprehensive income (comprising of profit and other comprehensive loss), changes in equity and its 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 Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

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

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

10. 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.

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Report on other legal and regulatory requirements

11. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

12. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive loss), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company 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 Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 4.37 to the standalone financial statements;

      ii. The Company was not required to recognise a provision as at March 31, 2022 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Company did not have any derivative contracts as at March 31, 2022.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022.

      iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 4.45(vii) to the standalone financial statements);

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(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 4.45(vii) to the standalone financial statements); and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

13. The Company has 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: 012754N/N500016

Sunit Kumar Basu
Partner
Membership Number: 55000
UDIN: 22055000APVVQD3249

Place: Hyderabad
Date: August 25, 2022

Annexure A to Independent Auditor's Report

Referred to in paragraph 12(f) of the Independent Auditor's Report of even date to the members of Quality Care India Limited on the standalone financial statements for the year ended March 31, 2022

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. We have audited the internal financial controls with reference to financial statements of Quality Care India Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls 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 ("the Guidance Note") 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 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 and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act 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 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.

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Annexure A to Independent Auditor's Report

Referred to in paragraph 12(f) of the Independent Auditor's Report of even date to the members of Quality Care India Limited on the standalone financial statements for the year ended March 31, 2022

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, 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, 2022, 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 issued by ICAI.

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

Sunit Kumar Basu
Partner
Membership Number: 55000
UDIN: 22055000APVVQD3249

Place: Hyderabad
Date: August 25, 2022

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Quality Care India Limited on the standalone financial statements as of and for the year ended March 31, 2022

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 4.1 to the standalone financial statements, are held in the name of the Company, except for the following:

Description of property	**Gross carrying value (INR in millions)**	**Held in the name of**	**Whether promoter, director or their relative or employee**	**Period held -indicate range, where appropriate**	**Reason for not being held in the name of the Company***
Land	105.55	Andhra Pradesh Industrial Infrastructure Corporation Lim4ited	No	From 2009	Refer note 4.44 to the Standalone Financial Statements

(d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on (or) are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.

ii. (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
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Hyderabad

(b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account (Also refer Note 4.45(ii) to the standalone financial statements)

iii. The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund and employees' state insurance, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including sales tax, income tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of duty of customs, duty of excise, value added tax, cess, goods and services tax which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

Price Waterhouse Chartered Accountants LLP
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★ Hyderabad ★

Annexure B to Independent Auditors' Report
Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Quality Care India Limited on the standalone financial statements for the year ended March 31, 2022

Name of the statute	Nature of dues	Total Amount of dispute (INR in millions)	Amount paid under protest (INR in millions)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income tax	22.91	-	AY 2013-14	ITAT
	Income tax	0.51	-	AY 2017-18	Assessing officer
	Income tax	4.36	-	AY 2018-19	CIT (A), Hyderabad
Andhra Pradesh General Sales Tax Act, 1957	Sales tax	3.56	1.78	FY 2003-04 and 2004-05	High Court, Telangana
Andhra Pradesh Luxury Tax Act, 1987	Luxury tax	16.86	8.35	FY 2004-05 and 2005-06	High Court, Telangana
	Luxury tax	21.78	21.78	FY 2006-07 to 2013-14	Appellate Tribunal, Hyderabad
	Luxury tax	78.58	19.64	FY 2014-15 to 2015-16	High Court, Telangana
The Finance Act, 1994	Service tax	4.57	1.47	July 2010 to April 2011	Commissioner Appeals, CESTAT, Visakhapatnam
	Service tax	8.10	-	FY 2014-15 to June 2017	Additional Commissioner of Customs, Central Excise, & Service tax, Hyderabad
	Service tax	27.47*	1.25	FY Oct 2012 to March 2017	
	Service tax	28.01	-	FY 2009-10 to 2013-14	CESTAT, Hyderabad
Minimum Wages Act, 1948	Minimum Wages	3.19	0.53	FY 2001-02	High Court, Telangana
Expenditure Tax Act, 1987	Expenditure tax	7.83	3.57	FY 1990-91 to 1993-94	CBDT, Hyderabad
Employees State Insurance Act, 1948	ESI	1.26	0.42	FY 1990-91 to 1996-97	High Court, Telangana
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Employees' Provident Fund	8.77	3.51	October 2008-August 2009	High Court, Telangana
Total		**237.76**	**62.29**		

* This amount does not include interest liability.
** Out of the total amount paid under protest, Rs. 3.63 million was charged to the Statement of Profit and Loss in earlier years.

Price Waterhouse Chartered Accountants LLP
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★ Hyderabad ★

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained. (Also refer Note 4.46(ii) to the standalone financial statements)

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint ventures. The Company does not have any associates.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures. The Company does not have any associates.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Hyderabad

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.

xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 4.45(xi) to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Hyderabad

the date of Balance Sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date will get discharged by the Company as and when they fall due.

xx. As at Balance Sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

xxi The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Sunit Kumar Basu
Partner
Membership Number: 55000
UDIN: 22055000APVVQD3249

Place: Hyderabad
Date: August 25, 2022

Quality Care India Limited
Standalone Balance Sheet
(All amounts in ₹ millions, except share data and where otherwise stated)

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
ASSETS			
A. Non-current assets			
(a) Property, plant and equipment	4.1 (a)	4,253.80	4,203.55
(b) Right-of-use assets	4.1 (b)	1,030.80	1,353.54
(c) Capital work-in-progress	4.2	587.08	544.60
(d) Goodwill	4.3	266.71	266.71
(e) Other intangible assets	4.3	73.24	80.91
(f) Intangible assets under development	4.4	-	26.59
(g) Investments	4.5 (a)	442.31	442.31
(h) Financial assets			
(i) Other financial assets	4.6 (a)	163.70	182.13
(i) Deferred tax assets (net)	4.7 (a)	839.62	677.53
(j) Non-current tax assets (net)	4.7 (b)	616.96	574.56
(k) Other non-current assets	4.8 (a)	169.47	93.60
Total non-current assets (A)		**8,443.69**	**8,446.03**
B. Current assets			
(a) Inventories	4.9	117.96	114.55
(b) Financial assets			
(i) Investments	4.5 (b)	1,023.65	-
(ii) Trade receivables	4.10	883.81	858.21
(iii) Cash and cash equivalents	4.11 (a)	223.99	572.03
(iv) Bank balances other than above	4.11 (b)	238.53	356.06
(v) Loans	4.12	0.18	1.80
(vi) Other financial assets	4.6 (b)	182.22	99.55
(c) Other current assets	4.8 (b)	71.98	56.77
Total current assets (B)		**2,742.32**	**2,058.97**
Total assets (A+B)		**11,186.01**	**10,505.00**
EQUITY AND LIABILITIES			
Equity			
A. Equity			
(a) Equity share capital	4.13 (a)	414.97	414.97
(b) Other equity			
(i) Reserves and surplus	4.13 (b)	6,112.10	5,074.35
Total equity (A)		**6,527.07**	**5,489.32**
Liabilities			
B. Non-Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	4.14	1,557.73	1,764.44
(ii) Lease liabilities	4.38	1,013.48	1,192.26
(b) Employee benefit obligations	4.15 (a)	119.53	121.67
Total non-current liabilities (B)		**2,690.74**	**3,078.37**
C. Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	4.16	292.25	286.30
(ii) Lease liabilities	4.38	227.51	349.58
(iii) Trade payables			
(a) total outstanding dues of micro and small enterprises	4.17 (a)	21.67	21.97
(b) total outstanding dues other than (iii) (a) above	4.17 (b)	1,135.05	971.07
(iv) Other financial liabilities	4.18	138.73	176.58
(b) Employee benefit obligations	4.15 (b)	74.27	53.79
(c) Other current liabilities	4.19	78.72	78.02
Total current liabilities (C)		**1,968.20**	**1,937.31**
Total liabilities (B+C)		**4,658.94**	**5,015.68**
Total equity and liabilities (A+B+C)		**11,186.01**	**10,505.00**

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

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

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

Sunit Kumar Basu
Partner
Membership No: 55000

Place: Hyderabad, India
Date: 25th August, 2022

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

Massimiliano Colella
Director
DIN: 08729468
Place : Dubai, UAE

Date: 25th August, 2022

Jasdeep Singh
Director and Chief Executive Officer
DIN: 02705303
Place : Hyderabad

Vikas Rastogi
Chief Financial Officer
AFEPR8865H
Place : Hyderabad

Gayathri Chandramoulieswaran
Company Secretary
AQSPC2418C
Membership No.: A41863
Place: Hyderabad
Date: 25th August, 2022

Quality Care India Limited
Standalone Statement of Profit and Loss
(All amounts in ₹ millions, except share data and where otherwise stated)

Particulars	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
I Revenue from operations	4.20	10,223.07	8,141.13
II Other income	4.21	59.64	75.55
III Total income (I+II)		**10,282.71**	**8,216.68**
IV Expenses			
(i) Purchases of medical consumables and pharmacy items		2,366.96	1,858.73
(ii) Changes in inventories of medical consumables and pharmacy items	4.22	(0.38)	76.35
(iii) Employee benefits expense	4.23	1,576.98	1,329.56
(iv) Other expenses	4.24	4,126.27	3,401.50
Total expenses (IV)		**8,069.83**	**6,666.14**
V Earnings before interest, tax, depreciation and amortisation (EBITDA) (III-IV)		**2,212.88**	**1,550.54**
(i) Finance costs	4.25	336.02	448.80
(ii) Depreciation and amortisation expense	4.26	715.03	684.81
(iii) Impairment of intangible assets	4.3	-	26.28
VI Profit before tax		**1,161.83**	**390.65**
VII Income Tax expense/(benefit):			
(i) Current tax expense	4.27	245.00	118.51
(ii) Income tax relating to earlier periods	4.27	22.15	45.69
(iii) Deferred tax expense	4.7 (a)	(160.57)	(380.25)
Total tax expense		**106.58**	**(216.05)**
VIII Profit for the year (VI-VII)		**1,055.25**	**606.70**
IX Other comprehensive income:			
(i) Items that will not be reclassified to Statement of Profit and Loss			
(a) Remeasurement of post-employment benefit obligations	4.32	(4.44)	(5.79)
(ii) Income tax relating to these items	4.7 (a)	1.52	2.02
Other Comprehensive loss for the year, net of tax (IX)		**(2.92)**	**(3.77)**
X Total comprehensive income for the year (VIII+IX)		**1,052.33**	**602.93**
Earnings per equity share (Nominal value of equity share ₹10 (31 March 2021 : ₹10))			
Basic Earnings per equity share (in ₹)	4.28	25.43	14.62
Diluted Earnings per equity share (in ₹)		25.43	14.56

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

This is the Standalone 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

Sunit Kumar Basu
Partner
Membership No: 55000

Place: Hyderabad, India
Date: 25th August, 2022

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

Massimiliano Colella
Director
DIN: 08729468
Place : Dubai, UAE

Date: 25th August, 2022

Jasdeep Singh
Director and Chief Executive Officer
DIN: 02705303
Place : Hyderabad

Vikas Rastogi
Chief Financial Officer
AFEPR8865H
Place : Hyderabad

Gayathri Chandramoulieswaran
Company Secretary
AQSPC2418C
Membership No.: A41863
Place: Hyderabad
Date: 25th August, 2022

Quality Care India Limited
Standalone Statement of Cash Flows
(All amounts in ₹ millions, except share data and where otherwise stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flow from operating activities		
Profit before tax	**1,161.83**	**390.65**
Adjustments:		
Changes in fair value of financial assets at fair value through profit or loss	(26.95)	-
Depreciation and amortisation expense	715.03	684.81
Impairment losses of intangible assets	-	26.28
Provision for doubtful trade receivables	50.87	116.88
Property, plant and equipment written off	5.29	17.75
Loss on sale of Property, plant and equipment	2.48	-
Advances and loans written off	-	2.10
Share based compensation expense	(14.58)	-
Income/liabilities written back from operating activities	-	(1.05)
Interest income	(23.59)	(54.70)
Finance costs	300.60	417.45
Change in operating assets and liabilities:	**2,170.98**	**1,600.17**
(Increase)/decrease in inventories	(3.41)	76.67
(Increase)/decrease in trade receivables	(76.47)	(157.47)
(Increase)/decrease in loans	11.43	(14.51)
(Increase)/decrease in other assets	38.05	37.03
(Increase)/decrease in other financial assets	(91.32)	(15.33)
Increase/(decrease) in trade payables	148.80	67.90
Increase/(decrease) in provisions	13.90	(8.11)
Increase/(decrease) in other financial liabilities	(42.31)	77.40
Increase/(decrease) in other liabilities	0.70	(62.63)
Cash generated from operations	**2,170.35**	**1,601.12**
Income tax (paid)/refund, net	(309.55)	9.28
Net cash inflow from operating activities (A)	**1,860.80**	**1,610.40**
Cash flow from investing activities		
Payments for property, plant and equipment	(595.59)	(272.59)
Proceeds from sale of Property, plant and equipment	50.97	-
Purchase of mutual funds	(1,349.93)	-
Sale of mutual funds	353.23	-
Interest received on fixed deposits	20.70	13.40
Interest received on income tax refund	-	21.26
Movement in other bank balances, net	224.39	(279.93)
Net cash outflow from investing activities (B)	**(1,296.23)**	**(517.86)**

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Hyderabad

Quality Care India Limited
Hyderabad

Quality Care India Limited
Standalone Statement of Cash Flows
(All amounts in ₹ millions, except share data and where otherwise stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flow from financing activities		
Proceeds from long-term borrowings	85.53	1,075.86
Repayments of long-term borrowings	(286.29)	(1,210.86)
Proceeds/(Repayments) from short term borrowings, net	-	(298.63)
Interest paid	(169.02)	(218.94)
Payment of lease liabilities	(402.99)	(354.37)
Net cash inflow (outflow) from financing activities (C)	**(772.77)**	**(1,006.94)**
Net increase/(decrease) in cash and cash equivalents(A + B + C)	**(208.20)**	**85.60**
Cash and cash equivalents at the beginning of the year	432.19	346.59
Cash and cash equivalents at the end of the year (note 1)	**223.99**	**432.19**

	As at 31 March 2022	As at 31 March 2021
Note 1:		
Cash and cash equivalents as per above comprise of the following		
- Included in cash and cash equivalents (refer note 4.11(a))		
Cash on hand	6.64	7.90
Balances with banks in cash credit accounts	88.94	-
Balances with banks in current accounts	128.41	424.29
Balances as per Statement of Cash Flows	**223.99**	**432.19**

This is the Standalone Statement of Cash Flows referred to in our report of even date.

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

Sunit Kumar Basu
Partner
Membership No: 55000

Place: Hyderabad, India
Date: 25th August, 2022

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

Massimiliano Colella
Director
DIN: 08729468
Place : Dubai, UAE

Date: 25th August, 2022

Jasdeep Singh
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Place : Hyderabad

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Chief Financial Officer
AFEPR8865H
Place : Hyderabad

Gayathri Chandramoulieswaran
Company Secretary
AQSPC2418C
Membership No.: A41863
Place: Hyderabad
Date: 25th August, 2022

Quality Care India Limited
Standalone Statement of changes in Equity
(All amounts in ₹ millions, except share data and where otherwise stated)

A. Equity share capital

Particulars	Notes	Number of shares	Amount in millions
Balance at 1 April 2020		**41,496,894**	**414.97**
Changes in equity share capital	4.13 (a)	-	-
Balance at 31 March 2021		**41,496,894**	**414.97**
Changes in equity share capital	4.13 (a)	-	-
Balance as at 31 March 2022		**41,496,894**	**414.97**

B. Other equity

Particulars	Attributable to owners of Quality Care India Limited					Total
	Reserves and surplus					
	Securities premium	Capital reserve	Share options outstanding account	Share warrants reserve	Retained earnings	
Balance at 1 April 2020	4,457.24	11.31	7.51	7.07	(11.71)	**4,471.42**
Profit for the year	-	-	-	-	606.70	**606.70**
Other comprehensive loss	-	-	-	-	(3.77)	**(3.77)**
Balance at 31 March 2021	**4,457.24**	**11.31**	**7.51**	**7.07**	**591.22**	**5,074.35**
Profit for the year	-	-	-	-	1,055.25	**1,055.25**
Other comprehensive loss, net of tax	-	-	-	-	(2.92)	**(2.92)**
Stock option compensation for the year	-	-	(7.51)	(7.07)	-	**(14.58)**
Balance at 31 March 2022	**4,457.24**	**11.31**	-	-	**1,643.55**	**6,112.10**

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

This is the Standalone Statement of changes in Equity referred to in our report of even date.

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

Sunit Kumar Basu
Partner
Membership No: 55000

Place: Hyderabad, India
Date: 25th August, 2022

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

Massimiliano Colella
Director
DIN: 08729468
Place : Dubai, UAE
Date : 25th August, 2022

Jasdeep Singh
Director and Chief Executive Officer
DIN: 02705303
Place : Hyderabad
Date : 25th August, 2022

Vikas Rastogi
Chief Financial Officer
AFEPR8865H
Place : Hyderabad
Date : 25th August, 2022

Gayathri Chandramouleeswaran
Company Secretary
AQSPC2418C
Membership No.: A41863
Place : Hyderabad
Date : 25th August, 2022

Quality Care India Limited
Notes to the standalone financial statements
(All amounts in ₹ millions, except share data and where otherwise stated)

1. Corporate information

The standalone financial statements of "Quality Care India Limited" ("the Company" or "QCIL") are for the year ended 31 March 2022. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at #6-3-248/2, Road no. 1, Banjara Hills, Hyderabad - 500034.

Incorporated in 1992, Quality Care India Limited is primarily engaged in providing healthcare and related services. The Company 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 Islands.

The standalone financial statements were approved for issue in accordance with a resolution of the Board of Directors on 25 August 2022.

2. Basis of preparation of Financial Statements

a) Statement of Compliance

The standalone financial statements of the Company have been prepared and presented in accordance with all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

Details of accounting policies are included in Note 3.

b) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

c) Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021.

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The company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below:

(Rs. in millions)

Balance sheet (extract)	31 March 2021 (As previously reported)	Increase/ (Decrease)	31 March 2021 (Restated)
Financial assets - Loans (current)	8.63	(6.83)	1.80
Financial assets -Other financial assets (current)	92.72	6.83	99.55
Financial assets - Loans (non-current)	170.89	(170.89)	-
Financial assets -Other financial assets (non-current)	11.24	170.89	182.13

d) Basis for measurement

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

- certain financial assets and financial 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.

e) Functional and presentation currency

The standalone 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.

f) Current and non-current classification

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

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in 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.

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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 Company has identified twelve months as its operating cycle.

3A. Significant accounting policies

a. Foreign currencies

The Company's financial statements are presented in Indian Rupees, which is also its 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. Exchange differences arising on settlement or translation of monetary items are recognised in 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 other compreOCI or profit or loss are also recognised in Other Comprehensive Income (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.

b. Fair value measurement

The Company 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 Company.

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.

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The Company 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 Company 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 Company'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 decided upon 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 Company'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 Company 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.

c. 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.

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 Company expects to receive in exchange for those products or services.

The Company 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.

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The Company 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 Company's performance as the Company performs;
- the Company's performance creates or enhances an asset that the customer controls as the asset is created or
  enhanced; or
- the Company's performance does not create an asset with an alternative use to the Company 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 Company on its own account. Rather, it is tax collected by the Company 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 disallowances including claims.

Other operating revenue comprises revenue from various ancillary revenue generating activities such as clinical research, income from outsourced facilities and academic/training services. The revenue in respect of such arrangements is recognized as and when services are performed.

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 Company 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 Company's right to receive dividend is established.

d. 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 Company 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.

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 other comprehensive income (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 Company 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 Company will pay normal income tax during the specified period.

e. Property, plant and equipment ("PPE")

All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation is calculated using the straight-line method to allocate the cost of the assets, net of their residual values, over their estimated useful lives 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 improvements are depreciated over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term.

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

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The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

f. 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 Statement of Profit and Loss (SPL) when the assets are derecognised.

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.

g. 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.

h. Leases

As a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.
Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees

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- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Value Ind AS Retail Limited, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Company use that rate as a starting point to determine the incremental borrowing rate.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.
Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.
Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

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i. 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 Weighted Average Method. Stores and spares and other consumables are valued on the basis of Weighted Average 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.

j. Impairment of non-financial assets

The Company'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 company 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 Company 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.

k. Provision and contingencies

Provisions

Provisions are recognised when the Company 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 Company 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 Statement of Profit and Loss (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.

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.

l. 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 Statement of profit and loss ("SPL") for the year in which the contributions are due. The Company has no obligation, other than the contribution payable to the provident fund.

Gratuity: The Company 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 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".

m. Financial instruments

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

Financial assets

Initial recognition and measurement

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.

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<u>Subsequent measurement</u>

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)

<u>Debt instruments at amortised cost</u>

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 Statement of Profit and Loss (SPL). The losses arising from impairment are recognised in Statement of Profit and Loss (SPL).

<u>Debt instrument at FVTOCI</u>

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.

<u>Debt instrument at FVTPL</u>

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.

<u>Equity instruments</u>

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 Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company 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 Company may transfer the cumulative gain or loss within equity.

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De-recognition

A financial asset is primarily derecognised when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

Impairment of financial assets

In accordance with Ind AS 109, the Company 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.

The Company 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 Company 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 Company 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.

ECL is the difference between all contractual cash flows that are due to the Company 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:

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- 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 Statement of Profit and Loss (SPL). The Balance Sheet presentation for various financial instruments is described below:

- Financial assets measured 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 Company does not reduce impairment allowance from the gross carrying amount.

Financial liabilities

<u>Initial recognition and measurement</u>

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

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

<u>Subsequent measurement</u>

<u>Borrowings</u>

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

<u>Trade and other payables</u>

These amounts represent liabilities for goods and services provided to the Company 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.

<u>De-recognition</u>

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 Statement of Profit and Loss (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.

n. Earnings per 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.

o. 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 Company. 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, balances in cash credit accounts and short-term deposits with an original maturity of three months or less.

p. 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.

q. Investments in subsidiaries and joint venture

The Company has elected to recognise its investments in equity instruments in subsidiaries and joint venture at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'.

r. 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.

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s. 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 Company 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 Company includes other income but does not include depreciation and amortisation expense, impairment losses, finance cost and tax expense.

3B. Key accounting estimates and judgements

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 Company 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.

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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, for 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 Company uses judgements in making certain assumptions and selecting inputs to determine impairment of these trade receivables, based on the Company'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 Company should the same be decided against the Company.

The Management has assessed that no further provision/adjustment is required to be made in these Standalone 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 Company 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 Company 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 Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives.

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4.1 (a) 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
Gross carrying amount										
Opening gross carrying amount as at 1 April 2020	9.49	368.38	2,253.19	549.17	2,379.76	94.71	80.09	79.41	25.04	5,839.24
Additions	-	-	2.81	10.00	89.02	2.33	9.48	29.46	-	143.10
Disposals	-	-	-	(201.43)	-	-	-	-	-	(201.43)
Closing gross carrying amount as at 31 March 2021	**9.49**	**368.38**	**2,256.00**	**357.74**	**2,468.78**	**97.04**	**89.57**	**108.87**	**25.04**	**5,780.91**
Additions	-	-	41.90	77.75	226.33	6.19	13.63	20.72	-	386.52
Disposals	-	-	-	(0.36)	(52.40)	(0.62)	(2.27)	(0.90)	(2.19)	(58.74)
Closing gross carrying amount as at 31 March 2022	**9.49**	**368.38**	**2,297.90**	**435.13**	**2,642.71**	**102.61**	**100.93**	**128.69**	**22.85**	**6,108.69**
Accumulated Depreciation										
Opening accumulated depreciation as at 1 April 2020	0.84	-	155.01	314.68	813.52	49.62	53.25	49.18	7.93	1,444.03
Depreciation charge during the year	0.10	-	46.03	46.49	192.91	8.33	8.89	10.99	3.27	317.01
On disposals	-	-	-	(183.68)	-	-	-	-	-	(183.68)
Closing accumulated depreciation as at 31 March 2021	**0.94**	-	**201.04**	**177.49**	**1,006.43**	**57.95**	**62.14**	**60.17**	**11.20**	**1,577.36**
Depreciation charge during the year	0.10	-	46.26	47.64	192.42	8.32	7.82	18.10	3.03	323.69
On disposals	-	-	-	(0.22)	(40.32)	(0.56)	(2.10)	(0.90)	(2.06)	(46.16)
Closing accumulated depreciation as at 31 March 2022	**1.04**	-	**247.30**	**224.91**	**1,158.53**	**65.71**	**67.86**	**77.37**	**12.17**	**1,854.89**
Net carrying amount as at 31 March 2021	**8.55**	**368.38**	**2,054.96**	**180.25**	**1,462.35**	**39.09**	**27.43**	**48.70**	**13.84**	**4,203.55**
Net carrying amount as at 31 March 2022	**8.45**	**368.38**	**2,050.60**	**210.22**	**1,484.18**	**36.90**	**33.07**	**51.32**	**10.68**	**4,253.80**

(a) Refer note 4.14 and 4.11(a) for charge details on Property, plant and equipment.
(b) The title deeds of land aggregating to ₹105.55 (31 March 2021 : ₹105.55) are pending transfer to the Company's name. Refer note 4.44 for further details.

4.1 (b) Right-of-use assets

Particulars	Category of Right-of-use assets			Total
	Buildings	Plant and machinery	Vehicles	
Balance as at 1 April 2020	**1,278.02**	**274.28**	**2.82**	**1,555.12**
Additions	132.73	-	-	132.73
Other adjustments	(14.93)	-	-	(14.93)
Depreciation charge for the year	(215.99)	(101.58)	(1.81)	(319.38)
Balance as at 31 March 2021	**1,179.83**	**172.70**	**1.01**	**1,353.54**
Additions	65.88	-	-	65.88
Deletions	(59.91)	(0.81)	-	(60.72)
Other adjustments	(4.68)	-	-	(4.68)
Depreciation charge for the year	(228.53)	(93.68)	(1.01)	(323.22)
Balance as at 31 March 2022	**952.59**	**78.21**	-	**1,030.80**

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4.2 Capital work-in-progress

4.2 (a) Aging of CWIP:

Particulars	Amounts in capital work-in-progress for									
	As on 31st March, 2022					As on 31st March, 2021				
	Less than one year	1 – 2 years	2 – 3 years	More than 3 years	Total	Less than one year	1 – 2 years	2 – 3 years	More than 3 years	Total
(i) Projects in progress	106.37	26.85	453.86	-	587.08	67.86	476.74	-	-	544.60
(ii) Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-
Total	**106.37**	**26.85**	**453.86**	**-**	**587.08**	**67.86**	**476.74**	**-**	**-**	**544.60**

4.2 (b) Completion schedule for Capital work in progress whose completion is overdue is as below. There are no Capital work in progress which has exceeded its cost compared to its original plan:

Particulars	To be completed in					To be completed in				
	As on 31st March, 2022					As on 31st March, 2021				
	Less than one year	1 – 2 years	2 – 3 years	More than 3 years	Total	Less than one year	1 – 2 years	2 – 3 years	More than 3 years	Total
(i) Projects in progress										
Vizag Health City Project	564.17	-	-	-	564.17	-	476.64	-	-	476.64
Total	**564.17**	**-**	**-**	**-**	**564.17**	**-**	**476.64**	**-**	**-**	**476.64**

4.3 Goodwill and Other intangible assets

Particulars	Goodwill	Software	Total
Gross carrying amount			
Opening gross carrying amount as at 1 April 2020	266.71	177.84	444.55
Additions	-	35.55	35.55
Closing gross carrying amount as at 31 March 2021	**266.71**	**213.39**	**480.10**
Additions	-	60.45	60.45
Closing gross carrying amount as at 31 March 2022	**266.71**	**273.84**	**540.55**
Accumulated amortisation			
Opening accumulated amortisation as at 1 April 2020	-	57.78	57.78
Amortisation charge for the year	-	48.42	48.42
Impairment charge	-	26.28	26.28
Closing accumulated amortisation as at 31 March 2021	-	**132.48**	**132.48**
Amortisation charge for the year	-	68.12	68.12
Closing accumulated amortisation as at 31 March 2022	-	**200.60**	**200.60**
Closing net carrying amount as at 31 March 2021	**266.71**	**80.91**	**347.62**
Closing net carrying amount as at 31 March 2022	**266.71**	**73.24**	**339.95**

4.4 Intangible assets under development

Aging of Intangibles under development:

Particulars	Amounts in capital intangible assets under development for									
	As on 31st March, 2022					As on 31st March, 2021				
	Less than one year	1 – 2 years	2 – 3 years	More than 3 years	Total	Less than one year	1 – 2 years	2 – 3 years	More than 3 years	Total
(i) Projects in progress	-	-	-	-	-	16.74	9.85	-	-	26.59
(ii) Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**16.74**	**9.85**	**-**	**-**	**26.59**

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4.5 Investments

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Non-current		
Investment in equity instruments (fully paid up)		
Unquoted		
Investment in subsidiaries - at cost		
- 844,016 (31 March 2021: 844,016) equity shares in Ramkrishna Care Medical Sciences Private Limited	252.96	252.96
- 10,000 (31 March 2021: 10,000) equity shares in Quality Care Jharsuguda Private Limited	0.10	0.10
- 8,794,000 (31 March 2021: 8,794,000) equity shares in Ganga Care Hospital Limited	87.94	87.94
- 15,810 (31 March 2021: 15,810) equity shares in Galaxy Care Multispecialty Hospital Private Limited	101.26	101.26
Total	**442.26**	**442.26**
Unquoted		
Investment in Joint venture - at cost		
- 5,000 (31 March 2021: 5,000) equity shares in Quality Care Health Services India Private Limited	0.05	0.05
	0.05	**0.05**
Aggregate amount of unquoted investments (A)	**442.31**	**442.31**
(b) Current		
Investment in mutual funds		
Quoted		
- 23,33,355 (31 March 2021: NIL) units L&T Money Market Fund - Growth.	50.00	-
- 40,568 (31 March 2021: NIL) units UTI Money Market Fund - Growth.	100.10	-
- 2,63,003 (31 March 2021: NIL) units Nippon India Money Market Fund - Growth.	873.55	-
Total	**1,023.65**	-
Aggregate amount of quoted investments and market value thereof (B)	**1,023.65**	-
Aggregate amount of quoted & unquoted investments (A) + (B)	**1,465.96**	**442.31**

4.6 Other financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Non current		
Unsecured, considered good		
Security deposits	117.75	170.89
Fixed deposits with banks with more than 12 months maturity*	41.99	9.01
Interest accrued on fixed deposits with banks	3.96	2.23
Total	**163.70**	**182.13**
(b) Current		
Unsecured, considered good		
Security deposits	51.13	6.83
Interest accrued on fixed deposits with banks	3.78	12.43
Unbilled receivables	100.67	76.80
Others	26.64	3.49
Total	**182.22**	**99.55**

*Includes ₹25.24 (31 March 2021: ₹2.98) which are given as margin money to banks or against bank guarantees.

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4.7 (a) Deferred tax assets (net)

The following is the analysis of deferred tax assets, net recognised in the Statement of Profit and Loss and other comprehensive income

(i) Deferred tax assets/(liabilities) in relation to:	As at 1 April 2021	(Charged)/credited to Statement of Profit and Loss	(Charged)/credited to other comprehensive income	As at 31 March 2022
Property, plant and equipment ("PPE")	(1,036.39)	269.90	-	(766.49)
Borrowings measured at amortised cost	(12.55)	3.04	-	(9.51)
Provision for bad and doubtful trade receivables	158.25	15.75	-	174.00
Provision for bad and doubtful loans	23.00	-	-	23.00
Provision for employee benefits	74.96	19.17	1.52	95.65
Loss from specified business	1,408.24	(257.50)	-	1,150.74
Indexation benefit of land	-	78.78	-	78.78
Expenses allowable on deduction of TDS	-	20.00	-	20.00
Total (A)	**615.51**	**149.14**	**1.52**	**766.17**

Deferred tax assets/(liabilities) in relation to:	As at 1 April 2021	(Charged)/credited to Statement of Profit and Loss	(Charged)/credited to other comprehensive income	As at 31 March 2022
Right-of-use assets	(478.20)	118.00	-	(360.20)
Provision for lease liabilities	540.22	(106.57)	-	433.65
Total (B)	**62.02**	**11.43**	-	**73.45**
Total (A+B)	**677.53**	**160.57**	**1.52**	**839.62**

(ii) Deferred tax assets/(liabilities) in relation to:	As at 1 April 2020	(Charged)/credited to Statement of Profit and Loss	(Charged)/credited to other comprehensive income	As at 31 March 2021
Property, plant and equipment ("PPE")	(24.15)	(1,012.24)	-	(1,036.39)
Borrowings measured at amortised cost	(30.75)	18.20	-	(12.55)
Provision for bad and doubtful trade receivables	163.63	(5.38)	-	158.25
Provision for bad and doubtful loans	97.30	(74.30)	-	23.00
Provision for employee benefits	62.12	10.82	2.02	74.96
Loss from specified business	-	1,408.24	-	1,408.24
Total (A)	**268.15**	**345.34**	**2.02**	**615.51**

Deferred tax assets/(liabilities) in relation to:	As at 1 April 2020	(Charged)/credited to Statement of Profit and Loss	(Charged)/credited to other comprehensive income	As at 31 March 2021
Right-of-use assets	(543.42)	65.22	-	(478.20)
Provision for lease liabilities	570.53	(30.31)	-	540.22
Total (B)	**27.11**	**34.91**	-	**62.02**
Total (A+B)	**295.26**	**380.25**	**2.02**	**677.53**

Note:

The Company has recognised deferred tax asset on carried forward business loss of earlier years from specified business, as defined under Section 35AD of the Income Tax Act, 1961. The 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 Company. These losses can be carried forward for an indefinite period as per the provisions of Income Tax Act, 1961.

4.7 (b) Non- current tax assets (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance income tax (net of provision for taxation)	616.96	574.56
Total	**616.96**	**574.56**

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4.8 Other assets

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Non-current		
Unsecured, considered good		
Statutory dues paid under protest	58.66	58.66
Capital advances	103.77	27.78
Others	7.04	7.16
Total	**169.47**	**93.60**
(b) Current		
Unsecured, considered good		
Prepaid expenses	29.63	39.80
Advances to vendors	39.68	13.98
Others	2.67	2.99
Total	**71.98**	**56.77**

4.9 Inventories*

Particulars	As at 31 March 2022	As at 31 March 2021
Medical consumables and pharmacy items	106.88	106.50
Other consumables	11.08	8.05
Total	**117.96**	**114.55**

* Refer note 4.14 and 4.11 for details of inventories pledged/hypothecated as security, if any.

4.10 Trade receivables

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables from contract with customers – billed	1,256.52	1,311.09
Trade receivables from contract with customers – unbilled	100.67	76.80
Total	**1,357.19**	**1,387.89**
Less: Allowance for bad and doubtful trade receivables*	(372.71)	(452.88)
Total trade receivables and unbilled revenue	**984.48**	**935.01**
Trade receivables	883.81	858.21
Unbilled revenue recognised in other financial assets (refer note 4.6(b))	100.67	76.80

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables considered good - unsecured	984.48	935.01
Trade receivables which have significant increase in credit risk	372.71	452.88
Total	**1,357.19**	**1,387.89**
Less: Allowance for bad and doubtful trade receivables*	(372.71)	(452.88)
Total trade receivables and unbilled revenue	**984.48**	**935.01**

*The movement in the allowance for bad and doubtful trade receivables for the year ended 31 March 2022 and 31 March 2021 is as follows:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance at beginning of the year	452.88	468.26
Provision made during the year (refer note 4.24)	50.87	116.88
Bad debts written off during the year	(131.04)	(132.26)
Closing balance at end of the year	**372.71**	**452.88**

Ageing of trade receivables and unbilled as at March 31, 2022

Particulars	Unbilled	Not due	Outstanding for following periods from the due date					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables and unbilled								
-Considered good	100.67	327.23	483.70	72.89	-	-	-	984.48
-which have significant increase in credit risk	-	61.91	109.03	45.26	69.30	53.65	33.56	372.71
-Allowance for bad and doubtful trade receivables	-	(61.91)	(109.03)	(45.26)	(69.30)	(53.65)	(33.56)	(372.71)
Total	**100.67**	**327.23**	**483.70**	**72.89**	-	-	-	**984.48**

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Notes to the standalone financial statements

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

Ageing of trade receivables and unbilled as at March 31, 2021

Particulars	Unbilled	Not due	Outstanding for following periods from the due date					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables and unbilled								
-Considered good	76.80	337.32	434.10	86.79	-	-	-	935.01
-which have significant increase in credit risk	-	53.85	77.25	21.80	142.87	51.93	105.18	452.88
-Allowance for bad and doubtful trade receivables	-	(53.85)	(77.25)	(21.80)	(142.87)	(51.93)	(105.18)	(452.88)
Total	**76.80**	**337.32**	**434.10**	**86.79**	-	-	-	**935.01**

4.11 Cash and bank balances

Particulars	As at 31 March 2022	As at 31 March 2021
a) Cash and cash equivalents		
Balances with banks		
-in current accounts	128.41	424.29
-in cash credit accounts*	88.94	139.84
Cash on hand	6.64	7.90
	223.99	**572.03**
b) Other bank balances		
Deposits with maturity of more than 3 months but less than 12 months**	224.44	341.97
Earmarked balances with bank in current account***	14.09	14.09
	238.53	**356.06**
Total	**462.52**	**928.09**

*The Company has availed cash credit facilities amounting to ₹ Nil (31 March 2021: ₹ Nil) from Union Bank of India (formerly Andhra Bank). Cash credit is secured against first charge on inventory and trade receivables and second charge on Property, plant and equipment of the Company. The cash credit is repayable on demand and carries an interest rate of one year MCLR + 0.6% per annum.

**Includes ₹32.43 (31 March 2021: ₹2.59) which are given as margin money to banks or against bank guarantees.

***Balances in current account includes ₹14.09 (31 March 2021: ₹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 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. (Also refer note 4.18)

4.12 Loans

Particulars	As at 31 March 2022	As at 31 March 2021
Non-Current		
Unsecured, significant increase in credit risk		
Loans to related parties	65.83	65.83
	65.83	**65.83**
Less: Loss allowance	(65.83)	(65.83)
Total	-	-
Current		
Unsecured, considered good		
Advances to employees	0.18	0.28
Advances to related parties	-	1.52
Total	**0.18**	**1.80**

4.13 (a) Equity share capital

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised Share capital		
79,500,000 (31 March 2021: 79,500,000) Equity shares of ₹10 each	795.00	795.00
Total authorised share capital	**795.00**	**795.00**
Issued, subscribed and fully paid up shares		
41,496,894 (31 March 2021: 41,496,894) Equity shares of ₹10 each	414.97	414.97
Total issued, subscribed and fully paid-up shares	**414.97**	**414.97**

Notes:

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

Equity Shares

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount (in millions)	Number of shares	Amount (in millions)
At the beginning of the year	41,496,894	414.97	41,496,894	414.97
Issued during the year	-	-	-	-
Balance at the end of the year	**41,496,894**	**414.97**	**41,496,894**	**414.97**

(ii) 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.

(iii) Equity shares held by the Holding Company

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount (in millions)	Number of shares	Amount (in millions)
Touch Healthcare Private Limited, Mauritius	39,782,603	397.83	39,782,603	397.83

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

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of shares	% holding	Number of shares	% holding
Touch Healthcare Private Limited, Mauritius	39,782,603	95.87%	39,782,603	95.87%

(v) The Company has not bought back any equity shares during the period of five years immediately preceding the Balance Sheet date.

(vi) 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.

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(vii) 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 of the Company, refer note 4.39 and 4.40.

(viii) Details of shareholdings by the Promoter/Promoter Group

Promoter/Promoter Group Name	31 March 2022		31 March 2021		% Change during the year *
	Number of Shares	% holding	Number of Shares	% holding	
Touch Healthcare Private Limited, Mauritius	39,782,603	95.87%	39,782,603	95.87%	-
Total	**39,782,603**	**95.87%**	**39,782,603**	**95.87%**	-

* % change during the year has been computed on the basis of the number of shares at the beginning of the year.

4.13 (b) Other equity

Particulars	Reserves and surplus					Total
	Securities	Capital reserve	Share options	Share warrants	Retained	
Balance at 1 April 2020	4,457.24	11.31	7.51	7.07	(11.71)	**4,471.42**
Profit for the year	-	-	-	-	606.70	**606.70**
Other comprehensive loss	-	-	-	-	(3.77)	**(3.77)**
Balance at 1 April 2021	**4,457.24**	**11.31**	**7.51**	**7.07**	**591.22**	**5,074.35**
Profit for the year	-	-	-	-	1,055.25	**1,055.25**
Other comprehensive loss, net of tax	-	-	-	-	(2.92)	**(2.92)**
Stock option compensation for the year	-	-	(7.51)	(7.07)	-	**(14.58)**
Balance at 31 March 2022	**4,457.24**	**11.31**	-	-	**1,643.55**	**6,112.10**

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.

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4.14 Long-term borrowings

	As at 31 March 2022		As at 31 March 2021	
	Non-current	Current*	Non-current	Current*
Secured - at amortised cost				
Term loans from banks				
- HSBC - Term loan (refer note i)	85.53	-	-	-
- Axis Bank - Term loan I (refer note ii)	259.13	52.17	311.30	51.30
- Axis Bank - Term loan II (refer note iii)	492.58	99.18	591.76	97.52
Term loans from banks (A)	**837.24**	**151.35**	**903.06**	**148.82**
Term loans from financial institutions				
- NIIF Infrastructure Finance Limited (refer note iv)	720.49	140.90	861.38	137.48
Term loans from financial institutions (B)	**720.49**	**140.90**	**861.38**	**137.48**
Total (A+B)	**1,557.73**	**292.25**	**1,764.44**	**286.30**

Notes:
*Refer note 4.16 for details.

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

	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance at beginning of the year	2,050.74	2,129.74
Proceeds from long-term borrowings	85.53	1,075.86
Repayments of long-term borrowings	(286.29)	(1,210.86)
Others	-	56.00
Closing balance at end of the year	1,849.98	2,050.74

**Borrowings include current and non-current portions of term loans from banks and financial institutions.

Reconciliation of interest accrued on above borrowings

	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance at beginning of the year	-	3.17
Interest expenses	169.02	271.75
Interest paid	(169.02)	(218.94)
Others	-	(55.98)
Closing balance at end of the year	-	-

i HSBC Bank Term Loan- Secured by first pari passu charge on immovable & movable Property, plant and equipment all present and future asset. Second pari passu charge on stocks & receivables all present and future assets towards overdraft and working capital loan facilities.
The loan is repayable in 8 years (Frequency of Repayment: Monthly) carries an interest rate of repo rate + 3% p.a (31 March 2022: 7.00% p.a.) (31 March 2021: Nil per annum) payable at monthly intervals and moratorium period of 2 years.

ii Axis Bank term loan - 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 assets of the Company. The said loan is repayable in 6 years and 7 months (frequency of repayment: monthly instalments ranging from ₹2.17 to ₹5.22) and carries an interest rate of repo rate + 3% p.a. (31 March 2022: 7.00% p.a.) (31 March 2021: 7% p.a) payable at monthly intervals.

iii Axis Bank term loan - 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 instalments ranging from ₹4.13 to ₹9.92) and carries an interest rate of repo rate + 3% p.a. (31 March 2022: 7.00% p.a.) (31 March 2021: 7.00% p.a.) payable at monthly intervals.

iv NIIF Infrastructure Finance Limited - 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 assets of the Company. The loan carries an interest rate of five year NIIF IFL benchmark rate + 0.4% (frequency: monthly instalments ranging from ₹6.19 to ₹14.86) (As on 31 March 2022: 9.30% per annum, As on 31 March 2021: 9.30% per annum).

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4.15 Employee benefit obligations

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Non-current		
Provision for employee benefits		
Gratuity (refer note 4.32)	91.86	96.35
Compensated absences	27.67	25.32
Total	**119.53**	**121.67**
(b) Current		
Provision for employee benefits		
Gratuity (refer note 4.32)	54.25	41.89
Compensated absences	20.02	11.90
	74.27	**53.79**

4.16 Short-term borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Secured - at amortised cost		
Current maturities of term loans from banks (refer note 4.14)	151.35	148.82
Current maturities of term loans from financial institutions (refer note 4.14)	140.90	137.48
	292.25	**286.30**

Notes:

4.17 Trade payables

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Trade payable : Micro and small enterprises; (refer note 4.31)	21.67	21.97
Subtotal (a)	**21.67**	**21.97**
(b) Trade payable : others	1,113.76	959.44
(c) Trade payable to related parties; (refer note 4.33)	21.29	11.63
Subtotal (b)	**1,135.05**	**971.07**
	1,156.72	**993.04**

Aging of trade payables as on March 31, 2022:

Particulars	Unbilled	Not due	Outstanding for following periods from the due date				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables							
Micro enterprises and small enterprises	-	19.01	2.48	0.17	-	0.01	21.67
Others	226.50	773.82	100.27	17.44	4.95	12.07	1,135.05
Total	**226.50**	**792.83**	**102.75**	**17.61**	**4.95**	**12.08**	**1,156.72**

Aging of trade payables as on March 31, 2021:

Particulars	Unbilled	Not due	Outstanding for following periods from the due date				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables							
Micro enterprises and small enterprises	-	-	21.97	-	-	-	21.97
Others	118.26	793.08	37.61	12.81	4.38	4.93	971.07
Total	**118.26**	**793.08**	**59.58**	**12.81**	**4.38**	**4.93**	**993.04**

4.18 Other financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Capital creditors	20.56	16.11
Dues to related parties	-	55.37
Employee benefit payables	96.65	72.66
Retention money and deposits	6.38	7.19
Other payables*	15.14	25.25
Total	**138.73**	**176.58**

*Other payables includes ₹14.09 (31 March 2021: ₹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 4.11).

4.19 Other liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Current		
Statutory tax payables	73.74	44.60
Unearned revenue (refer note 4.43)	4.98	33.42
	78.72	**78.02**

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4.20 Revenue from operations

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from healthcare services	9,648.39	7,660.20
Revenue from outpatient pharmacy	537.49	441.96
Other operating income	37.19	38.97
Total	**10,223.07**	**8,141.13**

Revenue disaggregation geography wise is as follows:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
India	10,202.69	8,127.42
Other than India	20.38	13.71
	10,223.07	**8,141.13**

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from healthcare services, gross	9,773.62	7,759.79
Less: Expected disallowances	(125.23)	(99.59)
Revenue from healthcare services	**9,648.39**	**7,660.20**

4.21 Other income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Interest income		
on financial assets (bank deposits) measured at amortised cost	13.78	25.91
on income tax refund	-	21.26
on financial assets carried at amortised cost	9.81	7.53
(b) Other non-operating income		
Net gain arising on mutual funds designated at FVTPL	26.95	-
Lease remeasurement Gain/Loss	2.06	-
Government grant*	-	3.06
Miscellaneous income	7.04	16.74
(c) Income/liabilities written back from operating activities**	-	1.05
Total	**59.64**	**75.55**

*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 ₹ Nil (31 March 2021: ₹1.05). These operating expenses were adjusted in computation of the Company's EBIDTA for such years.

4.22 Changes in inventories of medical consumables and pharmacy items

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventory at the beginning of the year	106.50	182.85
Inventory at the end of the year	106.88	106.50
Total	**(0.38)**	**76.35**

4.23 Employee benefits expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus	1,352.79	1,193.66
Share based compensation expense	68.32	-
Contribution to provident and other funds (refer note (a) below)	87.34	75.51
Gratuity and compensated absences	45.05	25.11
Staff welfare expenses	23.48	35.28
Total	**1,576.98**	**1,329.56**

*Net of amount capitalised (refer note 4.29)

(a) For the year ended 31 March 2022, the amount recognised as an expense towards contribution to provident fund aggregates to ₹79.01 (31 March 2021: ₹69.88) and towards employee state insurance scheme aggregates to ₹8.33 (31 March 2021: ₹5.63).

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4.24 Other expenses*

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Power and fuel	210.86	202.09
Rent (refer note 4.38)	12.68	7.33
Repairs and Maintenance		
- Buildings	39.26	36.77
- Plant and machinery and others	298.35	186.72
Hospital maintenance	75.71	79.07
Housekeeping charges	259.09	222.64
Security charges	94.86	86.15
Insurance	8.09	10.83
Water charges	22.53	24.63
Books and periodicals	5.59	6.39
Rates and taxes, excluding taxes on income	111.29	141.63
Travelling and conveyance	38.65	18.74
Communication expense	30.59	27.53
Marketing and business promotion expense	214.60	146.95
Allowance for bad and doubtful trade receivables	50.87	116.88
Advances and loans written off	-	2.10
Printing and stationery	32.02	25.36
Payments to the auditor (refer note (a) below)	5.50	5.53
Legal and professional charges	75.02	53.76
Catering charges, net	111.57	96.98
Diagnostics expenses	55.14	48.42
Contribution towards Corporate social responsibility (refer note (b) below)	0.52	-
Professional charges to doctors	2,353.69	1,811.95
Property, plant and equipment written-off	5.29	17.75
Loss on sale of Property, plant and equipment net	2.48	-
Bank charges	5.80	5.52
Miscellaneous expenditure	6.22	19.78
Total	**4,126.27**	**3,401.50**

*Net of amount capitalised (refer note 4.29)

Note (a): Details of payments to auditors

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
For audit	5.50	5.50
For reimbursement of expenses	-	0.03
	5.50	**5.53**

Note (b): Details of Corporate social responsibility

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Contribution to Telengana Sikh Society - Eradicating Hunger by donation of food	0.52	-
Accrual towards unspent obligations in relation to:		
Ongoing project	-	-
Other than ongoing projects	-	-
Total	**0.52**	-

Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

Balance as at 1st April, 2021	Amount deposited in specified fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance as at 31st March, 2022
NIL	NIL	0.52	0.52	NIL

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4.25 Finance costs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest on borrowings	169.02	271.75
Interest on lease liabilities (refer note 4.38)	131.58	145.70
Others	35.42	31.35
Total	**336.02**	**448.80**

4.26 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on property, plant and equipment	323.69	317.01
Amortisation on other intangible assets	68.12	48.42
Depreciation on right-of-use assets	323.22	319.38
Total	**715.03**	**684.81**

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4.27 Income tax expense/ (benefit)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Income tax expense/(benefit) reported in the Statement of Profit and Loss		
Tax expense comprises of:		
Current tax expense	245.00	118.51
Income tax relating to earlier periods	22.15	45.69
Deferred tax expense/(benefit)	(160.57)	(380.25)
	106.58	**(216.05)**

Reconciliation of tax expense/ (benefit) and the accounting profit multiplied by India's tax rate:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit before tax	1,161.83	390.65
Tax at the Indian tax rate 34.944% (31 March 2021: 34.944%)	405.99	136.51
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Effect of income not subject to tax under the Income Tax Act, 1961	(3.43)	(2.63)
Previously unrecognised tax losses from specified business, as defined under Section 35AD of the Income Tax Act, 1961, now recognised (net of deferred tax liability)	(257.45)	(371.85)
Effect of taxable profits from specified business, as defined under Section 35AD of the Income Tax Act, 1961, adjusted against brought forward specified business tax losses	-	(94.37)
Adjustments for advance written-off not allowed under the Income Tax Act, 1961	-	74.30
Indexation benefit on land	(78.78)	-
Income tax pertaining to earlier years	22.15	45.69
Other adjustments	18.10	(3.70)
Tax expense	**106.58**	**(216.05)**

4.28 Earnings per equity share (EPES)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit for the year	1,055.25	606.70
Number of equity shares outstanding at the beginning of the year	41,496,894	41,496,894
Total number of equity shares outstanding at the end of the year	**41,496,894**	**41,496,894**
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
Weighted average number of equity shares considered in computation of Dilutive EPES	**41,496,894**	**41,662,131**
Basic Earnings per equity share in ₹ (absolute number)	**25.43**	**14.62**
Diluted Earnings per equity share in ₹ (absolute number)	**25.43**	**14.56**

Note:
Outstanding employee stock options and warrants has been settled during the year ended 31 March 2022.

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4.29 Incidental expenditure during the construction period

During the year ended 31 March 2022, the Company 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 Company.

Particulars	As at 31 March 2022	As at 31 March 2021
Opening Balance (A)	**187.18**	**183.36**
Employee benefits expense (refer note 4.23)		
Salaries and wages	0.26	-
Total (B)	**0.26**	-
Other expenses (refer note 4.24)		
Rates and taxes	2.58	2.60
Others	1.76	1.22
Total (C)	**4.34**	**3.82**
Total (D=A+B+C)	**191.78**	**187.18**
Amount capitalized to Property, plant and equipment (E)	-	-
Balance carried forward to Capital work in progress (F=D-E)	**191.78**	**187.18**

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 Company 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 standalone financial statements. Further 100% of Company's non-current assets as at 31 March 2022 and 31 March 2021 were located in India.

Major customers

The Company has no single customer who has contributed more than 10% of the Company's total revenue during the year ended 31 March 2022 and 31 March 2021.

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 Company. Disclosures in respect of the amounts payable to such parties are given below:

	Particulars	As at 31 March 2022	As at 31 March 2021
(i)	The principal amount remaining unpaid as at end of the year	21.67	21.97
(ii)	The amount of interest accrued and remaining unpaid on (i) above	-	-
(iii)	Amount of interest paid by the Company 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 has been determined to the extent such parties have been identified on the basis of information available with the Company.

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4.32 Employee benefits

Defined benefit plan

The Company 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 Company 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 Company's standalone financial statements as at the reporting dates:

Particulars	As at 31 March 2022	As at 31 March 2021
Defined benefit obligation	153.09	143.05
Fair value of plan assets	6.98	4.81
Net defined benefit liability	**146.11**	**138.24**
Non-current	91.86	96.35
Current	54.25	41.89

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 2022	As at 31 March 2021
Defined benefit obligation at the beginning of the year	143.05	133.97
Benefit payments from plan assets	(21.24)	(22.04)
Current service cost	18.59	18.17
Interest expense	9.15	8.37
Actuarial losses/(gains)		
- changes in financial assumptions	(1.38)	(0.37)
- experience adjustments	4.92	4.95
Defined benefit obligation at the closing of the year	**153.09**	**143.05**

ii) Reconciliation of fair value of plan assets

Particulars	As at 31 March 2022	As at 31 March 2021
Plan assets at the beginning of the year	4.81	3.79
Contributions	23.89	23.95
Benefits paid	(21.24)	(22.04)
Interest income	0.42	0.32
Actuarial (losses)/gains	(0.90)	(1.21)
Plan assets at the closing of the year	**6.98**	**4.81**
iii) Net defined benefit liability	**146.11**	**138.24**

C Expense recognised in the Statement of Profit and Loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current service cost	18.59	18.17
Interest on net defined liability / (asset)	8.73	8.05
Total cost, included in 'employee benefits expense'	**27.32**	**26.22**

4.32 Employee benefits (continued)

D Remeasurements recognised in other comprehensive income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Actuarial gain/(loss) on defined benefit obligation	(3.54)	(4.58)
Actuarial gain/(loss) on plan assets	(0.90)	(1.21)
Total cost recognised in the other comprehensive income	**(4.44)**	**(5.79)**

E Actuarial assumptions

The following are the principal actuarial assumptions:

Particulars	As at 31 March 2022	As at 31 March 2021
Attrition rate	40.00%	33.00%
Discount rate	7.34%	6.91%
Salary escalation rate	5.00%	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 2022	As at 31 March 2021
Within 1 Year	54.25	41.89
2 to 5 years	99.11	93.05
6 to 10 years	26.36	33.26
	179.72	**168.20**

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 2022 (%)	As at 31 March 2021 (%)
Discount rate (+ 1% movement)	(2.00)	(2.50)
Discount rate (- 1% movement)	2.10	2.60
Salary escalation (+ 1% movement)	2.50	3.00
Salary escalation (- 1% movement)	(2.40)	(2.80)

H The Company expects to contribute ₹30.00 as its contribution to gratuity within one year from the year ended 31 March 2022.

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4.33 Related party disclosure

(a) Name of related parties and nature of relationship

Nature of relationship	Names
Subsidiaries	Ganga Care Hospital Limited
	Ramkrishna Care Medical Sciences Private Limited
	Galaxy Care Multispecialty Hospital Private Limited
	Quality Care Jharsuguda Private Limited
Key Management Personnel (KMP)	Madhavi Darbha, Group Financial Officer (upto 31 October 2020)
	Dr. Raajiv Singhal, Group Chief Executive Officer (upto 15 October 2020) Jasdeep Singh, Chief Executive Officer (w.e.f 19 October 2020)
	Sandeep Kumar, Chief Financial Officer (w.e.f. 27 October 2020 and upto 24 May 2021)
	Vikas Rastogi, Chief Financial Officer (w.e.f. 24 May 2021)
	Gayathri Chandramoulieswaran, Company Secretary (w.e.f. 21 January 2021)
Holding Company and Ultimate Holding Company	Touch Healthcare Private Limited, Mauritius, Holding Company
	Evercare Health Fund, L.P, Cayman Islands, Ultimate Holding Company
Entities in which Director is interested	AKNA Medical Private Limited Indian Medtronic Private Limited Asia Healthcare Holding Advisory LLP
Sister entity of ultimate holding company	Evercare Group Management Ltd
Joint venture	Quality Care Health Services India Private Limited

(b) Transactions

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Transactions during the year		
1. Galaxy Care Multispeciality Hospital Private Limited		
Purchase of drugs and consumables (COVID Vaccine)	3.90	-
Sale of drugs and consumables (COVID Vaccine)	0.80	-
2. Ganga Care Hospital Limited		
Reimbursement of expenses	-	17.85
Repayment of loan	55.37	-
3. Ramkrishna Care Medical Sciences Private Limited		
Professional and business services	-	4.95
Purchase of Property, plant and equipment	0.06	-
4. AKNA Medical Private Limited		
Purchase of drugs and consumables	4.07	0.78
5. Indian Medtronic Private Limited		
Purchase of drugs and consumables	43.38	25.71
6. Asia Healthcare Holding Advisory LLP		
Professional and business services	3.87	-
7. Madhavi Darbha		
Short-term and post employment benefits*	-	5.85
8. Vikas Rastogi		
Short-term and post employment benefits*	7.64	-
9. Dr. Raajiv Singhal		
Short-term and post employment benefits*	-	27.89
10. Jasdeep Singh		
Short-term and post employment benefits*	42.94	9.79
11. Sandeep Kumar		
Short-term and post employment benefits*	6.52	5.04
12. Gayathri Chandramoulieswaran		
Short-term and post employment benefits*	0.97	0.14
13. Evercare Group Management Ltd		
Revenue from professional services	17.50	20.03

(c) Balances outstanding from/ to the related parties

Particulars	As at 31 March 2022	As at 31 March 2021
Balances outstanding from/ to the related parties as at 31 Mar 2022		
1. Ganga Care Hospital Limited		
Advances payable	-	55.37
2. Galaxy Care Multispecialty Hospital Private Limited		
Advance receivable	-	1.51
Trade payable	1.58	-
3. Quality Care Health Services India Private Limited		
Loans receivable**	65.83	65.83
4. Quality Care Jharsuguda Private Limited		
Advance receivable	-	0.01
5. AKNA Medical Private Limited		
Trade payable	0.14	0.74
6. Indian Medtronic Private Limited		
Trade payable	19.57	10.89
6. Evercare Group Management Ltd		
Revenue from professional services	3.56	-

* Short-term and post employment benefits, disclosed above, does not include those benefits which are computed for the Company as a whole.
** The outstanding amount as at 31 March 2022 aggregating to ₹65.83 (31 March 2021: ₹65.83) is provided for in the books (refer note 4.12)

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4.34 Categories of financial instruments and their fair values

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

Categories of financial instruments

	As at 31 March 2022			As at 31 March 2021		
	FVTPL*	FVTOCI#	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investments	1,023.65	-	-	-	-	-
Trade receivables	-	-	984.48	-	-	935.01
Cash and cash equivalents	-	-	223.99	-	-	572.03
Other bank balances	-	-	238.53	-	-	356.06
Loans	-	-	0.18	-	-	1.80
Other financial assets	-	-	345.92	-	-	281.68
Total financial assets	**1,023.65**	**-**	**1,793.10**	**-**	**-**	**2,146.58**

	As at 31 March 2022			As at 31 March 2021		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial liabilities						
Borrowings	-	-	1,849.98	-	-	2,050.74
Trade payables	-	-	1,156.72	-	-	993.04
Lease liabilities	-	-	1,240.99	-	-	1,541.84
Other financial liabilities	-	-	138.73	-	-	176.58
Total financial liabilities	**-**	**-**	**4,386.42**	**-**	**-**	**4,762.20**

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.

***FVTPL - Fair value through Profit and Loss**
#FVTOCI - Fair value through Other Comprehensive Income

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4.35 Financial instruments risk management

Financial Risk Management Framework

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

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

The Company 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 Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

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 Company 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 ₹2,716.08 and ₹2,069.78 as of 31 March 2022 and 31 March 2021 respectively, being the total of the carrying amount of financial assets.

Financial assets that are neither past due nor impaired
None of the Company's cash equivalents, including fixed deposits, were either past due or impaired as at 31 March 2022 and 31 March 2021.

Financial assets that are past due but not impaired : Refer note 4.10 - Trade Receivables

Ind AS requires expected credit losses to be measured through a loss allowance. The Company 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 Company 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

As at 31 March 2022	Up to 1 year	More than 1 year	Total
Borrowings	292.25	1,557.73	**1,849.98**
Trade payables	1,156.72	-	**1,156.72**
Lease liabilities	227.51	1,013.48	**1,240.99**
Other financial liabilities	138.73	-	**138.73**
Total	**1,815.21**	**2,571.21**	**4,386.42**

As at 31 March 2021	Up to 1 year	More than 1 year	Total
Borrowings	286.30	1,764.44	**2,050.74**
Trade payables	993.04	-	**993.04**
Lease liabilities	349.58	1,192.26	**1,541.84**
Other financial liabilities	176.58	-	**176.58**
Total	**1,805.50**	**2,956.70**	**4,762.20**

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 Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings with floating interest rates.

For the years ended 31 March 2022 and 31 March 2021, every 50 basis point decrease in the floating interest rate component applicable to the Company's borrowings would have increased the profit before tax approximately by ₹10.25 and ₹11.36 respectively. A 50 basis point increase in floating interest rate would have led to an equal but opposite effect.

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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 Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company'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 Company's foreign currency denominated monetary items in ₹ as at 31 March 2022 and 31 March 2021: NIL

4.36 Capital risk management

For the purpose of the Company'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 Company's capital management is to maximise the shareholders value.

The Company 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 Company may adjust the dividend payments to the shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. The Company's policy is to keep the gearing ratio below 30%. The Company includes within net debt, borrowings (long and short term), less cash and cash equivalents.

	As at	
	31 March 2022	**31 March 2021**
Borrowings (note 4.14 and 4.16)	1,849.98	2,050.74
Less: Cash and cash equivalents (note 4.12(a))	(223.99)	(572.03)
Less: Other bank balances (note 4.12(b))	(238.53)	(356.06)
Less: Investment in mutual funds (note 4.5(b))	(1,023.65)	-
Net debt (A)	**363.81**	**1,122.65**
Total equity (B)	6,527.07	5,489.32
Net debt and total equity (A) + (B)	6,890.88	6,611.97
Gearing ratio (%)	**5.28%**	**16.98%**

In order to achieve this overall objective, the Company'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 permit 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 2022 and 31 March 2021.

No changes were made in the objectives, policies or processes for managing the capital during the years ended 31 March 2022 and 31 March 2021.

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4.37 Contingent liabilities and commitments

(a) Contingent liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Claims against the Company not acknowledged as debts		
- Disputed disallowances, deemed dividend under Section 2(22)(e) and deemed income under Section 56(2)(viib) of the Income Tax Act, 1961	27.78	72.65
- 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	68.15	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 Company under the Expenditure Tax Act, 1987	7.83	7.83
Patient legal claims are pending with various Consumer Disputes Redressal Commission	203.08	74.95
Other legal claims pending under the various Statutory Acts	99.68	79.13
Guarantees excluding financial guarantees	**187.98**	**37.80**

(b) Commitments

Particulars	As at 31 March 2022	As at 31 March 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	431.17	182.82

4.38 Leases

The Company has taken hospital buildings, plant and machinery and vehicles on operating lease having a term ranging from 1 year to 15 years. The lease has an escalation clause in the range of 5% to 10% per annum. The Company obligations under its leases are secured by the lessor's title to the leased assets.

The Company also has certain lease of building with lease terms of 12 months or less. The Company 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 2022	As at 31 March 2021
Balance at the beginning of the year	1,541.84	1,632.71
Additions during the year	65.88	132.73
Deletions during the year	(67.83)	-
Finance cost accrued during the year	131.58	145.70
Other adjustments	(27.49)	(14.93)
Payment of lease liabilities	(402.99)	(354.37)
Lease liabilities as at the end of the year	**1,240.99**	**1,541.84**
Current lease liabilities	227.51	349.58
Non-current lease liabilities	1,013.48	1,192.26

The effective interest rate for lease liabilities is 9.55% with maturity between 2020-2034.

Following amounts have been recognised in the Statement of Profit and Loss:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on Right-of-use assets	323.22	319.38
Interest on lease liabilities	131.58	145.70
Total amount recognised in the Statement of profit and loss	**454.80**	**465.08**

Details of the contractual maturities of lease liabilities on an undiscounted basis are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Less than one year	335.06	391.18
One to five years	1,006.39	1,174.31
More than five years	371.71	546.86
Total	**1,713.16**	**2,112.35**

The Company 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 ₹12.68 for the year ended 31 March 2022 (31 March 2021: ₹7.33).

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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 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 Company, and accordingly the 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 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 Company instituted an Employee Stock Option Scheme 2016. The Company has reserved 1,000,000 equity shares of ₹10 each. No options were granted under the scheme.

Further, pursuant to special resolution passed by the members in their meeting held on 25th March, 2022, the company approved the payment of an ex-gratia amount as per ESOP (Employee Stock Option) to each of the vested option-holders of 'EMPLOYEE STOCK OPTION SCHEME - 2013' as per the details mentioned below:

No. of Vested ESOPS	Exercise Price	Fair Market Value	Ex-gratia amount paid as per ESOP
303,880	₹ 212/-	₹ 452.30/-	₹ 240.30/-

The details of activity under the Plan have been summarised below:

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	199,200	212	212,080	212
Forfeited during the year	-	-	12,880	212
Cancelled/Exercised during the year	199,200	212	-	212
Outstanding at the end of the year	-	-	199,200	212
Vested and exercisable at the end of the year	-	-	199,200	212

The details of exercise price for stock options outstanding as at reporting dates:
The share options outstanding as at 31 March 2022 has an exercise price of ₹Nil (31 March 2021: ₹212), and a weighted average remaining contractual life of Nil years (31 March 2021: 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	Nil
Expected Volatility	Nil
Life of the options granted (Vesting and exercise period) in years	Nil
Average risk-free interest rate	Nil

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4.40 Share warrants

On 30 April 2013, 20 February 2016, and 30 September 2016 the Company established share warrant plans that entitle the warrant holders an option to convert the warrants into equity shares of the 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.

Further, pursuant to special resolution passed by the members in their meeting held on 25th March, 2022, the company approved the payment of consideration to each of the vested eligible share warrants further allotted under the 'SHARE WARRANTS 2016 SCHEME' as per the details mentioned below:

No. of Vested warrants	Exercise Price	Fair Market Value	Ex-gratia amount paid as per Warrant
436,000	₹ 430.40/-	₹ 452.30/-	₹ 21.90/-

The details of activity under the Plan have been summarised below:

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of warrants	Weighted average exercise price (₹)	Number of warrants	Weighted average exercise price (₹)
Outstanding at the beginning of the year	712,330	430.40	726,050	430.40
Cancelled during the year	276,330	430.40	13,720	430.40
Exercised during the year	436,000	430.40	-	-
Outstanding at the end of the year	-	-	712,330	430.40
Vested and exercisable at the end of the year	-	-	712,330	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 ₹Nil (31 March 2021: ₹430.40) and a weighted average remaining contractual life of Nil years (31 March 2021: Nil 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	Nil
Expected Volatility	Nil
Life of the options granted (Vesting and exercise period) in years	Nil
Average risk-free interest rate	Nil

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4.41 Transfer pricing

The Company 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 Company 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 standalone financial statements.

4.42 Disclosure of Interest in subsidiaries and joint venture:

Particulars	Nature of relationship	Country of incorporation	Ownership interest in the Company (%)	
			As at 31 March 2022	As at 31 March 2021
Ganga Care Hospital Limited	Subsidiary	India	74.13%	74.13%
Ramkrishna Care Medical Sciences Private Limited	Subsidiary	India	56.33%	56.33%
Galaxy Care Multispecialty Hospital Private Limited	Subsidiary	India	76.00%	76.00%
Quality Care Jharsuguda Private Limited	Subsidiary	India	100.00%	100.00%
Quality Care Health Services India Private Limited	Joint venture	India	50.00%	50.00%

4.43 Unearned revenue

The following table discloses the movement in the unearned revenue during the year ended 31 March 2022 and 31 March 2021:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Balance at the beginning of the year	33.42	42.40
Revenue recognised during the year	33.42	42.40
Invoiced during the year	4.98	33.42
Balance at the end of the year	**4.98**	**33.42**

4.44 In 2009, the 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 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 Company upon completion of the Project by 30 June 2020. The company has received extension of timeline from APIIC till December, 2023. Further the company has incurred sum aggregating Rs. 564.17 (31 March 2021: Rs. 476.64) towards land development and civil construction there on which are included in capital work-in-progress (refer note 4.2). Based on internal evaluation, the management of the Company is confident of completing the project within stipulated timelines.

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Note 4.45 Additional regulatory information required by Schedule III

(i) Details of benami property held
No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets
The company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the company with banks and financial institutions are in agreement with the books of accounts.

(iii) Wilful defaulter
The company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iv) Relationship with struck off companies
The company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) Compliance with number of layers of companies
The company has complied with the number of layers prescribed under the Companies Act, 2013.

(vi) Compliance with approved scheme(s) of arrangements
The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vii) Utilisation of borrowed funds and share premium
The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(viii) Undisclosed income
There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) Details of crypto currency or virtual currency
The company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) Valuation of Property, plant and equipment, intangible asset and investment property
The company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

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Note 4.45(xi) Financial ratios

Particulars	Current year 2021-22	Current year ratio	Previous year 2020-21	Previous year ratio	Variance %	Reasons (if variance is more than 25%)
Current ratio						
Numerator - Current assets	2,742.32	1.39	2,058.97	1.06	31%	Due to investment in mutual funds for surplus funds generated during the year.
Denominator - Current liabilities	1,968.20		1,937.31			
Debt-equity ratio						
Numerator - Total debt	1,849.98	0.28	2,050.74	0.37	-24%	None
Denominator - Total Shareholders Equity	6,527.07		5,489.32			
Debt service coverage ratio						
Numerator - PAT + Depreciation and amortisations expense+ Interest + Loss on property, plant and equipment + Provision for doubtful balances	2,164.94	2.80	1,874.94	2.65	6%	None
Denominator - Interest & lease payments + principal repayments	772.77		708.31			
Return on equity ratio (in %)						
Numerator - Profit after tax	1,055.25	17.56%	606.70	11.69%	50%	Due to increase in profit after tax for the year
Denominator - Average shareholders equity	6,008.20		5,187.86			
Inventory turnover ratio (in times)						
Numerator - Cost of goods sold	2,366.58	20.36	1,935.08	12.66	61%	Due to increase in operations during the year.
Denominator - Average Inventory	116.26		152.89			
Trade receivables turnover ratio (in times)						
Numerator - Net credit sales	4,151.79	4.77	4,041.16	4.82	-1%	None
Denominator - Average trade receivables	871.01		837.92			
Trade payables turnover ratio (in times)						
Numerator - Net credit purchases	6,425.47	5.98	5,124.90	5.34	12%	None
Denominator - Average trade payables	1,074.88		959.62			
Net capital turnover ratio (in times)						
Numerator - Revenue from operations	10,223.07	22.82	8,141.13	(669.23)	-103%	Due to improvement in denominator mainly due to surplus generated from operations invested in mutual funds and also increase in revenue from
Denominator - Average working capital	447.89		(12.17)			
Net profit ratio (in %)						
Numerator - Profit for the year	1,055.25	10.32%	606.70	7.45%	39%	Due to increase in bed occupancy compared to previous year and absorption of fixed costs.
Denominator - Revenue from operations	10,223.07		8,141.13			
Return on capital employed (in %)						
Numerator - Earnings before interest and taxes	1,497.85	18.64%	839.45	11.67%	60%	Due to increase in profit during the year.
Denominator - Capital employed= Tangible net worth + Total debt + Deferred tax liability	8,037.10		7,192.44			
Return on investment (in %)						
Numerator - Earnings before interest and taxes	1,497.85	13.81%	839.45	8.12%	70%	Due to increase in profit during the year.
Denominator - Average total assets	10,845.51		10,340.17			

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4.46 Other regulatory information

(i) Title deeds of immovable properties not held in name of the company

The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in note 4.1 (a) to the financial statements, are held in the name of the company except for land aggregating to ₹105.55. (Refer note 4.44 for further details)

(ii) Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were was taken.

(iii) The company has not given loans/advances in the nature of loans to directors, promoters, KMPs or any other related parties which are repayable on demand or without specifying terms & conditions of repayment.

(iv) Registration of charges or satisfaction with Registrar of Companies which are yet to be registered with the Registrar of Companies beyond the statutory period;

Charge holder name	Charge ID	Date of creation	Amount in INR	Reason for delay
ICICI Bank Limited	10568516	02-Aug-14	1,100.00	This charge belongs to old acquired company which was merged into QCIL's Index of charges on merger, the satisfaction could not be filed as the acquired company was no longer in existence. The company is in the process of getting the same removed
Andhra Bank	10160606	11-May-09	45.00	
ICICI Bank Limited	90136844	08-Dec-01	180.00	Satisfaction of charge was done manually and the same was not reflected on conversion to electronic system on MCA portal. The company is in the process of getting the same removed
Industrial Development Bank Of India	90137502	19-May-93	49.50	
New Bank Of India	90137145	20-Feb-88	4.00	
IDIBI	90137107	15-May-87	10.00	
IFCI Bank Ltd	90137002	23-Jan-83	95.00	

4.47 Subsequent events

a. Subsequent to the year end the Company has acquired 95% shareholding in Convenient Hospitals Limited, Indore w.e.f June 29, 2022 for consideration of Rs. 3790 million and 76% shareholding in United Ciigma Institute of Medical Sciences Private Limited, Aurangabad w.e.f July 26, 2022 for a consideration of Rs. 3,805 million. Further the Company has also acquired one hospital in Hyderabad for a consideration of Rs. 200 million on slump sale basis w.e.f. April 25, 2022. The consideration for above acquisitions will be cash settled. These acquisitions are expected to add tremendously to the clinical depth and further strenghten the presence in non metro cities in India.

b. For the above acquisitions, subsequent to the year end the Company has issued 14,572,480 - 0.001% Compulsorily Convertible Preference Shares (CCPS) of face value of Rs. 10 each @ Rs. 452.30 per CCPS to the Holding Company amounting to Rs. 6,591 million which are convertible into equity shares on or before the end of 10 years.

For Price Waterhouse Chartered Accountants LLP
Firm registration number: 012754N/N500016

Sunit Kumar Basu
Partner
Memberhip number: 55000

Place: Hyderabad
Date: August 25, 2022

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

Massimiliano Colella
Director
DIN: 08729468

Place: Dubai, UAE
Date: August 25, 2022

Jasdeep Singh
Director and Chief Executive Officer
DIN: 02705303

Vikas Rastogi
Chief Financial Officer
AFEPR8865H

Gayathri Chandramouliswaran
Company Secretary
AQSPC2418C - Membership no. A41863

Place: Hyderabad
Date: August 25, 2022

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 joint venture (refer Note 2(g) to the attached consolidated financial statements), which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Loss), the Consolidated Statement of Changes in Equity, 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 (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 joint venture as at March 31, 2022, of consolidated total comprehensive income (comprising of profit and other comprehensive loss), 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 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 the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 12 of the Other Matters section below is sufficient and appropriate to provide a basis for our opinion.

Other Information

4. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's 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 12 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.

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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)

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

5. 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 consolidated 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 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 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.

6. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and joint venture are responsible for assessing the ability of the Group and 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 to cease operations, or has no realistic alternative but to do so.

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

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

8. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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.

9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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.

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- 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 itsjoint 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 itsjoint 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 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 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.

10. 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.

11. 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

12. 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, 2022, total revenue of Rs. Nil, total comprehensive loss (comprising of loss and other comprehensive loss) of Rs. Nil and net cash flows amounting to Rs. Nil 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 loss (comprising of loss and other comprehensive loss) of Rs. 0.01 million 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.

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Report on Other Legal and Regulatory Requirements

13. As required by the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B, a statement on the matter specified in paragraph 3(xxi) of CARO 2020.

14. 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 loss), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account 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.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 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 joint venture incorporated in India is disqualified as on March 31, 2022 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 consolidated financial statements of the Group 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 its joint venture– Refer Note 4.37(a) to the consolidated financial statements.

ii. The Group and joint venture were not required to recognise a provision as at March 31, 2022 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Group and joint venture did not have any derivative contracts as at March 31, 2022.

iii. During the year ended March 31, 2022, 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. (a) The respective Managements of the Company and its subsidiaries/ joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries/ joint venture respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries/ joint venture to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest

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in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries/ joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer Note 4.45(vi) to the consolidated financial statements);

(b) The respective Managements of the Company and its subsidiaries/ joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries/ joint venture respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries/ joint venture from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries/ joint venture shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer Note 4.45(vi) to the consolidated financial statements);

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiary/ joint venture which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The Holding Company, its subsidiary companies and joint venture, has not declared or paid any dividend during the year.

15. The Group and its joint venture 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: 012754N/N500016

Sunit Kumar Basu
Partner
Membership Number: 55000
UDIN: 22055000APVVFQ1967

Place: Hyderabad
Date: August 25, 2022

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Referred to in paragraph 14(f) of the Independent Auditor's Report of even date to the members of Quality Care India Limited on the consolidated financial statements for the year ended March 31, 2022

Report on the Internal Financial Controls with reference to Consolidated 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, 2022, 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 ("the Guidance Note") 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 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 Holding Company's internal financial controls system with reference to consolidated financial statements.

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Hyderabad

Annexure A to Independent Auditor's Report

Referred to in paragraph 14(f) of the Independent Auditor's Report of even date to the members of Quality Care India Limited on the consolidated financial statements for the year ended March 31, 2022

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, 2022, 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 issued by the ICAI.

Other Matters

9. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to 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 modified in respect of this matter.

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

Sunit Kumar Basu
Partner
Membership Number: 55000
UDIN: 22055000APVVFQ1967

Place: Hyderabad
Date: August 25, 2022

Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Quality Care India Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2022

As required by paragraph 3(xxi) of the CARO 2020, we report that the auditors of the following companies have given qualification or adverse remarks in their CARO report on the standalone financial statements of the respective companies included in the Consolidated Financial Statements of the Holding Company:

S. No.	Name of the Company	CIN	Relationship with the Holding Company (Holding Company/ Subsidiary/ Joint Venture)	Date of the respective auditors' report	Paragraph number and comment in the respective CARO report reproduced below
1.	Quality Care India Limited	U85110TG1992PLC014728	Holding Company	August 25, 2022	(i)(c) - The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 4.1 to the financial statements, are held in the name of the Company, except for the following: (Refer note 1 below) (vii)(a) - According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund and employees' state insurance, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including sales tax, income tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities. (xi)(c) - During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting.
2.	Galaxy Care Multispeciality Hospital Private Limited	U85110PN2005PTC020122	Subsidiary Company	August 23, 2022	vii(a) - According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, sales tax, income tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities.

Price Waterhouse Chartered Accountants LLPIN AAC-5001 FRN 012754N/N500016 Hyderabad

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Quality Care India Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2022

3.	Ganga Care Hospital Limited	U85110MH2005PLC150811	Subsidiary Company	August 22, 2022	vii(a) - According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, sales tax, income tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities.
4.	Ramkrishna Care Medical Sciences Private Limited	U85110CT1998PTC013035	Subsidiary Company	August 22, 2022	vii.(a) - According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, sales tax, income tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities.
5.	Quality Care Jharsuguda Private Limited	U85300TG2016PTC112746	Subsidiary Company	August 22, 2022	xvii. The Company has incurred cash losses in the current and in the immediately preceding financial year.
6.	Quality Care Health Services India Private Limited	U85100TG2008PTC058264	Joint venture	August 22, 2022	xvii. The Company has incurred cash losses in the current and in the immediately preceding financial year.

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Hyderabad

Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Quality Care India Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2022

Note 1:

Description of property	Gross carrying value (INR in millions)	Held in the name of	Whether promoter, director or their relative or employee	Period held -indicate range, where appropriate	Reason for not being held in the name of the Company
Land	105.55	Andhra Pradesh Industrial Infrastructure Corporation Limited	No	From 2009	Refer note 4.44 to the Standalone Financial Statements* * Included in note 4.44 to the consolidated financial statements.

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

Sunit Kumar Basu
Partner
Membership Number: 55000
UDIN: 22055000APVVFQ1967

Place: Hyderabad
Date: August 25, 2022

Quality Care India Limited
Consolidated Balance Sheet
(All amounts in ₹ millions, except share data and where otherwise stated)

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
ASSETS			
A. Non-current assets			
(a) Property, plant and equipment	4.1 (a)	5,275.02	5,266.40
(b) Right-of-use assets	4.1 (b)	1,389.48	1,752.71
(c) Capital work in progress	4.2	623.74	601.14
(d) Goodwill		330.51	330.51
(e) Other intangible assets	4.3	78.16	81.34
(f) Intangible assets under development	4.4	-	26.59
(g) Investments in Joint venture	4.5 (a)	0.02	0.03
(h) Financial assets			
(i) Other financial assets	4.6 (a)	188.49	204.11
(i) Deferred tax assets (net)	4.7 (a)	904.98	738.99
(j) Non-current tax assets (net)	4.7 (b)	688.33	645.46
(k) Other non-current assets	4.8 (a)	178.28	112.29
Total non-current assets (A)		**9,657.01**	**9,759.57**
B. Current assets			
(a) Inventories	4.9	152.53	143.12
(b) Financial assets			
(i) Investments	4.5 (b)	1,029.35	5.47
(ii) Trade receivables	4.10	1,172.61	1,128.06
(iii) Cash and cash equivalents	4.11 (a)	315.51	686.28
(iv) Bank balances other than above	4.11 (b)	778.74	700.46
(v) Loans	4.12	0.41	1.13
(vi) Other financial assets	4.6 (b)	224.68	150.95
(c) Other current assets	4.8 (b)	85.80	62.92
Total current assets (B)		**3,759.63**	**2,878.39**
Total assets (A+B)		**13,416.64**	**12,637.96**
EQUITY AND LIABILITIES			
Equity			
A. Equity			
(a) Equity share capital	4.13 (a)	414.97	414.97
(b) Other equity	4.13 (b)		
(i) Reserves and surplus		6,536.87	5,397.75
Equity attributable to the owners of the Company		**6,951.84**	**5,812.72**
(c) Non-controlling interest		520.88	450.56
Total equity (A)		**7,472.72**	**6,263.28**
Liabilities			
B. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	4.14	1,859.10	2,199.20
(ii) Lease liabilities	4.38	1,381.98	1,595.69
(iii) Other financial liabilities	4.18 (a)	11.00	-
(b) Employee benefit obligations	4.15 (a)	153.95	153.99
Total non-current liabilities (B)		**3,406.03**	**3,948.88**
C. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	4.16	423.62	415.93
(ii) Lease liabilities	4.38	282.88	390.27
(iii) Trade payables	4.17		
(a) total outstanding dues of micro and small enterprises		30.54	27.32
(b) total outstanding dues other than (iii) (a) above		1,406.34	1,229.27
(iv) Other financial liabilities	4.18 (b)	161.87	148.38
(b) Employee benefit obligations	4.15 (b)	96.57	67.79
(c) Other current liabilities	4.19	136.07	146.84
Total current liabilities (C)		**2,537.89**	**2,425.80**
Total liabilities (B+C)		**5,943.92**	**6,374.68**
Total equity and liabilities (A+B+C)		**13,416.64**	**12,637.96**

The accompanying notes are 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

Sunit Kumar Basu
Partner
Membership No: 55000

Place: Hyderabad, India
Date: 25th August, 2022

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

Massimiliano Colella
Director
DIN: 08729468
Place : Dubai, UAE

Date: 25th August, 2022

Jasdeep Singh
Director and Chief Executive Officer
DIN: 02705303
Place : Hyderabad

Vikas Rastogi
Chief Financial Officer
AFEPR8865H
Place : Hyderabad

Gayathri Chandramouleeswaran
Company Secretary
AQSPC2418C
Membership No.: A41863
Place: Hyderabad
Date: 25th August, 2022

Quality Care India Limited
Consolidated Statement of Profit and Loss
(All amounts in ₹ millions, except share data and where otherwise stated)

Particulars	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
I Revenue from operations	4.20	13,181.61	10,532.66
II Other income	4.21	98.56	113.56
III Total income (I+II)		**13,280.17**	**10,646.22**
IV Expenses			
(i) Purchases of medical consumables and pharmacy items		3,075.44	2,395.21
(ii) Changes in inventories of medical consumables and pharmacy items	4.22	(9.41)	112.83
(iii) Employee benefits expense	4.23	1,982.45	1,677.44
(iv) Other expenses	4.24	5,515.93	4,523.76
Total expenses (IV)		**10,564.41**	**8,709.24**
V Earnings before interest, tax, depreciation and amortisation (EBITDA) (III-IV)		**2,715.76**	**1,936.98**
(i) Finance costs	4.25	421.02	548.20
(ii) Depreciation and amortisation expense	4.26	905.27	869.24
(iii) Impairment of intangible assets	4.3	-	26.28
VI Profit before exceptional items		**1,389.47**	**493.26**
VII Profit before share of loss of a joint venture		**1,389.47**	**493.26**
(i) Share of loss of a joint venture	4.42	0.01	**0.01**
VIII Profit before tax		**1,389.46**	**493.25**
IX Income Tax expense/(benefit):			
(i) Current tax expense	4.27	302.84	135.43
(ii) Income tax relating to earlier periods	4.27	21.51	45.69
(iii) Deferred tax expense / (benefit)	4.7 (a)	(163.80)	(367.91)
Total tax expense		**160.55**	**(186.79)**
X Profit for the year (VIII-IX)		**1,228.91**	**680.04**
XI Other Comprehensive Income:			
(i) Items that will not be reclassified subsequently to Statement of Profit and Loss			
(a) Gain/(loss) on remeasurement of post-employment benefit obligations	4.32 (d)	(7.08)	(6.94)
(ii) Income tax relating to these items	4.7 (a)	2.19	2.32
Other comprehensive loss for the year, net of tax (IX)		**(4.89)**	**(4.62)**
XII Total comprehensive income for the year (X+XI)		**1,224.02**	**675.42**
XIII Profit for the year attributable to:			
Owners of the parent		1,157.87	655.49
Non-controlling interests		71.04	24.55
XIV Other comprehensive loss attributable to:			
Owners of the parent		(4.17)	(4.28)
Non-controlling interest		(0.72)	(0.34)
XV Total comprehensive income attributable to:			
Owners of the parent		1,153.70	651.21
Non-controlling interests		70.32	24.21
XVI Earnings per equity share (Nominal value of equity share ₹10 (31 March 2021 : ₹10))	4.28		
Basic Earnings per equity share (in ₹)		27.90	15.80
Diluted Earnings per equity share (in ₹)		27.90	15.73

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

Sunit Kumar Basu
Partner
Membership No: 55000

Place: Hyderabad, India
Date: 25th August, 2022

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

Massimiliano Colella
Director
DIN: 08729468
Place : Dubai, UAE

Date: 25th August, 2022

Jasdeep Singh
Director and Chief Executive Officer
DIN: 02705303
Place : Hyderabad

Vikas Rastogi
Chief Financial Officer
AFEPR8865H
Place : Hyderabad

Gayathri Chandramoulieswaran
Company Secretary
AQSPC2418C
Membership No.: A41863
Place: Hyderabad
Date: 25th August, 2022

Quality Care India Limited
Consolidated Statement of Cash Flows
(All amounts in ₹ millions, except share data and where otherwise stated)

Particulars	For the year ended	
	31 March 2022	**31 March 2021**
Cash flow from operating activities		
Profit before tax	1,389.46	493.26
Adjustments:		
Changes in fair value of financial assets at fair value through profit or loss	(27.17)	(0.32)
Share of loss of a joint venture	0.01	0.01
Depreciation and amortisation expense	905.67	869.24
Impairment losses of intangible assets	-	26.28
Provision for doubtful trade receivables	105.78	136.16
Advances and loans written-off	-	2.10
Share based compensation expense	(14.58)	-
Income/liabilities written back from operating activities	(4.13)	(5.52)
Interest income	(46.30)	(70.74)
Finance costs	380.59	511.26
Property, plant and equipment written off	5.29	17.75
Loss on sale of property, plant and equipment	3.91	1.08
Change in operating assets and liabilities:	**2,698.53**	**1,980.56**
(Increase)/decrease in inventories	(9.41)	112.83
(Increase)/decrease in trade receivables	(150.32)	(157.07)
(Increase)/decrease in loans	12.05	(16.31)
(Increase)/decrease in other assets	39.32	31.27
(Increase)/decrease in other financial assets	(29.66)	(7.59)
(Increase)/decrease in other non-current assets	0.94	-
Increase/(decrease) in trade payables	170.28	70.45
Increase/(decrease) in provisions	22.48	(6.06)
Increase/(decrease) in other financial liabilities	(46.19)	42.14
Increase/(decrease) in other current liabilities	(11.50)	-
Increase/(decrease) in other non financial liabilities	11.00	-
Increase/(decrease) in other liabilities	0.70	(10.78)
Cash generated from operations	**2,708.22**	**2,039.44**
Income taxes paid, net	(367.86)	(16.57)
Net cash inflow from operating activities (A)	**2,340.36**	**2,022.87**
Cash flow from investing activities		
Payments for property, plant and equipment	(664.08)	(327.13)
Proceeds from sale of Property, plant and equipment	51.42	-
Purchase of mutual funds	(1,349.93)	-
Sale of mutual funds	353.23	-
Interest received on fixed deposits	43.25	30.67
Proceeds from loan recovered	-	21.26
Movement in other bank balances, net	28.57	(248.20)
Net cash outflow from investing activities (B)	**(1,537.54)**	**(523.40)**

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
★ Hyderabad ★

QUALITY CARE INDIA LIMITED
Hyderabad
★

Quality Care India Limited
Consolidated Statement of Cash Flows
(All amounts in ₹ millions, except share data and where otherwise stated)

Particulars	For the year ended	
	31 March 2022	31 March 2021
Cash flow from financing activities		
Proceeds from long-term borrowings	85.53	1,075.86
Repayments of long-term borrowings	(424.83)	(1,315.38)
Proceeds/Repayments from short term borrowings, net	6.89	(331.13)
Payment of lease liabilities	(492.69)	(425.05)
Interest paid	(208.58)	(262.12)
Dividend paid	(0.07)	(82.65)
Net cash (outflow)/ inflow from financing activities (C)	**(1,033.75)**	**(1,340.47)**
Net increase/ (decrease) in cash and cash equivalents (A + B + C)	**(230.93)**	**159.00**
Cash and cash equivalents at the beginning of the year	546.44	387.44
Cash and cash equivalents at the end of the year (note 1)	**315.51**	**546.44**

	As at	
	31 March 2022	31 March 2021
Note 1:		
Cash and cash equivalents includes		
- Included in cash and cash equivalents (refer note 4.12(a))		
Cash on hand	8.75	11.30
Balances with banks in cash credit accounts	88.94	-
Balances with banks in current accounts	217.82	535.14
Balances as per statement of cash flows	**315.51**	**546.44**

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

This is the consolidated cash flow statement referred to in our report of even date.

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

Sunit Kumar Basu
Partner
Membership No: 55000

Place: Hyderabad, India
Date: 25th August, 2022

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

Massimiliano Colella
Director
DIN: 08729468
Place : Dubai, UAE

Date: 25th August, 2022

Jasdeep Singh
Director and Chief Executive Officer
DIN: 02705303
Place : Hyderabad

Vikas Rastogi
Chief Financial Officer
AFEPR8865H
Place : Hyderabad

Gayathri Chandramoulieswaran
Company Secretary
AQSPC2418C
Membership No.: A41863
Place: Hyderabad
Date: 25th August, 2022

Quality Care India Limited
Consolidated Statement of changes in Equity
(All amounts in ₹ millions, except share data and where otherwise stated)

A. Equity share capital

Particulars	Notes	Number of shares	Amount in millions
Balance at 1 April 2020		41,496,894	414.97
Changes in equity share capital	4.13 (a)	-	-
Balance at 31 March 2021		41,496,894	414.97
Changes in equity share capital	4.13 (a)	-	-
Balance at 31 March 2022		41,496,894	414.97

B. Other Equity

Particulars	Reserves and surplus					Total other equity attributable to equity holders of Parent Company	Non-controlling interest (NCI)
	Securities premium	Capital reserve	Share options outstanding account	Share warrants reserve	Retained earnings		
Balance at 1 April 2020	4,457.24	11.31	7.51	7.07	263.41	4,746.54	426.35
Profit for the year	-	-	-	-	655.49	655.49	24.55
Other comprehensive loss	-	-	-	-	(4.28)	(4.28)	(0.34)
Balance at 31 March 2021	4,457.24	11.31	7.51	7.07	914.62	5,397.75	450.56
Profit for the year	-	-	-	-	1,157.87	1,157.87	71.04
Stock option compensation for the year	-	-	(7.51)	(7.07)	-	(14.58)	-
Other comprehensive loss	-	-	-	-	(4.17)	(4.17)	(0.72)
Balance at 31 March 2022	4,457.24	11.31	-	-	2,068.32	6,536.87	520.88

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/N500016

Sunit Kumar Basu
Partner
Membership No: 55000

Place: Hyderabad, India
Date: 25th August, 2022

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

Massimiliano Colella
Director
DIN: 08729468
Place : Dubai, UAE
Date: 25th August, 2022

Jasdeep Singh
Director and Chief Executive Officer
DIN: 02705303
Place : Hyderabad
Date: 25th August, 2022

Vikas Rastogi
Chief Financial Officer
AFEPR8865H
Place : Hyderabad
Date: 25th August, 2022

Gayathri Chandramoulieswaran
Company Secretary
AQSPC2418C
Membership No.: A41863
Place: Hyderabad

1. 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 2022. 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 25 August 2022.

2. Basis of preparation of Financial Statements

a) Statement of Compliance

The Consolidated Financial statements of the Group have been prepared and presented in accordance with all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. Details of accounting policies are included in Note 3.

b) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

c) Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021.

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The Group has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below:

(Rs. in millions)

Balance sheet (extract)	31 March 2021 (As previously reported)	Increase/ (Decrease)	31 March 2021 (Retated)
'Financial assets - Loans (current)	7.96	(6.83)	1.13
'Financial assets -Other financial assets (current)	144.12	6.83	150.95
'Financial assets - Loans (non-current)	192.47	(192.47)	-
'Financial assets -Other financial assets (non-current)	11.64	192.47	204.11
Financial liabilities- Other financial liabilities (current)	564.31	(415.93)	148.38
Financial liabilities- Borrowings (current)	-	415.93	415.93

d) Basis for measurement

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.

e) Functional and presentation currency

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

f) 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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g) 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 2022 (%)	31 March 2021(%)
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 over

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the aggregate consideration transferred, then the gain is recognised in Other Comprehensive Income ('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 Other Comprehensive Income ('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 losses 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.

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

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on 31 March. When the end of the reporting 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 Other Comprehensive Income ("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.

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

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.

3A. Significant accounting policies

a. 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. 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.

b. 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

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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 decided upon 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.

c. 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 disallowances including claims.

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.

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d. 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.

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.

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e. 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 RCMSPL 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 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 improvements are depreciated over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term.

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.

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f. 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 Statement of Profit and Loss ("SPL") when the assets are derecognised.

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.

g. 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.

h. 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

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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.

i. 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 weighted average method except for Galaxy Care Multispeciality Hospital Private Limited and Ganga Care Hospital Limited determined on the basis of first-in-first-out method. Stores and spares and other consumables are valued on the basis of weighted average method except for Galaxy Care Multispeciality Hospital Private Limited and Ganga Care Hospital Limited determined 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.

j. 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.

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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.

k. 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 Statement of Profit and Loss ("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.

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.

l. 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 Statement of Profit and Loss ("SPL") for the year in which the contributions are due. The Group has no obligation, other than the contribution payable to the provident fund.

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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".

m. Financial instruments

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

Financial assets

Initial recognition and measurement

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 Statement of Profit and Loss ("SPL"). The losses arising from impairment are recognised in Statement of Profit and Loss ("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.

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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 the same either as at FVTOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.
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.

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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.

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 Statement of Profit and Loss ("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.

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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 Statement of Profit and Loss ("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 Statement of Profit and Loss ("SPL").

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.

n. 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.

o. 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.

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For the purpose of Cash flow statement, cash and cash equivalents consist of cash on hand and balances with banks in current accounts, balances in cash credit accounts and short-term deposits with an original maturity of three months or less.

p. 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.

q. 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.

r. 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.

3B. Key accounting estimates and judgements

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.

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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, for 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.

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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.

4.1 (a) Property, plant and equipment*

Particulars	Leasehold land	Freehold land**	Buildings	Leasehold improvements	Plant and machinery	Furniture and fixtures	Office equipment	Computer equipment	Vehicles	Total
Gross carrying amount										
Opening gross carrying amount as at 1 April 2020	114.41	368.38	2,768.16	892.94	2,967.27	150.55	108.50	100.59	30.71	7,501.51
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)
Closing gross carrying amount as at 31 March 2021	**114.41**	**368.38**	**2,775.48**	**702.92**	**3,064.06**	**153.93**	**119.85**	**133.33**	**31.60**	**7,463.96**
Additions	-	-	41.90	89.31	281.93	6.99	15.87	34.80	-	470.80
Disposals	-	-	-	(0.36)	(66.20)	(0.64)	(2.46)	(0.90)	(2.19)	(72.75)
Closing gross carrying amount as at 31 March 2022	**114.41**	**368.38**	**2,817.38**	**791.87**	**3,279.79**	**160.28**	**133.26**	**167.23**	**29.41**	**7,862.01**
Accumulated Depreciation										
Opening accumulated depreciation as at 1 April 2020	0.84	-	213.42	438.25	1,059.89	78.81	72.32	60.92	11.76	1,936.21
Depreciation charge during the year	0.10	-	68.42	83.53	249.39	14.62	12.69	16.13	4.30	449.18
On disposals	-	-	-	(183.68)	(2.80)	(0.01)	(0.03)	(0.14)	(1.17)	(187.83)
Closing accumulated depreciation as at 31 March 2021	**0.94**	-	**281.84**	**338.10**	**1,306.48**	**93.42**	**84.98**	**76.91**	**14.89**	**2,197.56**
Depreciation charge during the year	0.10	-	67.62	77.71	247.23	13.40	10.65	24.47	3.99	445.17
On disposals	-	-	-	(0.22)	(50.11)	(0.16)	(2.29)	(0.90)	(2.06)	(55.74)
Closing accumulated depreciation as at 31 March 2022	**1.04**	-	**349.46**	**415.59**	**1,503.60**	**106.66**	**93.34**	**100.48**	**16.82**	**2,586.99**
Net carrying amount as at 31 March 2021	**113.47**	**368.38**	**2,493.64**	**364.82**	**1,757.58**	**60.51**	**34.87**	**56.42**	**16.71**	**5,266.40**
Net carrying amount as at 31 March 2022	**113.37**	**368.38**	**2,467.92**	**376.28**	**1,776.19**	**53.62**	**39.92**	**66.75**	**12.59**	**5,275.02**

* Security- Refer note 4.14 and 4.11(a) for charge details on Property, plant and equipment.
** The title deeds of land aggregating to ₹105.55 (31 March 2021 : ₹105.55) are pending transfer to the Parent Company's name. Refer note 4.44 for further details.

4.1 (b) Right-of-use assets

Particulars	Category of Right-of-use assets				Total
	Buildings	Plant and machinery	Vehicles	Furniture and fixtures	
Balance as at 1 April 2020	**1,641.51**	**322.71**	**2.82**	**20.38**	**1,987.42**
Additions	151.46	-	-	-	151.46
Deletions	-	-	-	-	-
Other adjustments	(14.93)	-	-	-	(14.93)
Depreciation charge for the year	(241.70)	(125.80)	(1.81)	(1.93)	(371.24)
Balance as at 31 March 2021	**1,536.34**	**196.91**	**1.01**	**18.45**	**1,752.71**
Additions	82.48	11.43	-	-	93.91
Deletions	(59.91)	(0.81)	-	-	(60.72)
Other adjustments	(4.68)	-	-	-	(4.68)
Depreciation charge for the year	(278.66)	(112.07)	(1.01)	-	(391.74)
Balance as at 31 March 2022	**1,275.57**	**95.46**	-	**18.45**	**1,389.48**

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4.2 Capital work in progress

4.2 (a) Aging of CWIP:

Particulars	Capital work-in-progress for									
	As on 31st March, 2022					As on 31st March, 2021				
	Less than one year	1 – 2 years	2 – 3 years	More than 3 years	Total	Less than one year	1 – 2 years	2 – 3 years	More than 3 years	Total
(i) Projects in progress	109.51	47.98	466.25	-	623.74	97.20	503.94	-	-	601.14
(ii) Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-
Total	**109.51**	**47.98**	**466.25**	**-**	**623.74**	**97.20**	**503.94**	**-**	**-**	**601.14**

4.2 (b) Completion schedule for Capital work in progress whose completion is overdue is as below. There are no Capital work in progress which has exceeded its cost compared to its original plan:

Particulars	Capital work-in-progress for									
	To be completed in As on 31st March, 2022					To be completed in As on 31st March, 2021				
	Less than one year	1 – 2 years	2 – 3 years	More than 3 years	Total	Less than one year	1 – 2 years	2 – 3 years	More than 3 years	Total
(i) Projects in progress										
Vizag Health City Project	564.17	-	-	-	564.17	-	476.74	-	-	476.74
(ii) Projects temporarily suspended										
NIL	-	-	-	-	-	-	-	-	-	-
Total	**564.17**	**-**	**-**	**-**	**564.17**	**-**	**476.74**	**-**	**-**	**476.74**

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4.3 Goodwill and Other intangible assets

Particulars	Goodwill	Software	Total
Gross carrying amount			
Opening gross carrying amount as at 1 April 2020	330.51	178.96	509.47
Additions	-	35.68	35.68
Closing gross carrying amount as at 31 March 2021	**330.51**	**214.64**	**545.15**
Additions	-	65.18	65.18
Closing gross carrying amount as at 31 March 2022	**330.51**	**279.82**	**610.33**
Accumulated amortisation			
Opening accumulated amortisation as at 1 April 2020	-	58.20	58.20
Amortisation charge for the year	-	48.82	48.82
Impairment charge	-	26.28	26.28
Closing accumulated amortisation as at 31 March 2021	-	**133.30**	**133.30**
Amortisation charge for the year		68.36	68.36
Closing accumulated amortisation as at 31 March 2022	-	**201.66**	**201.66**
Closing net carrying amount as at 31 March 2021	**330.51**	**81.34**	**411.85**
Closing net carrying amount as at 31 March 2022	**330.51**	**78.16**	**408.67**

4.4 Intangible assets under development

Aging of Intangibles under development:	**Amounts in capital intangible assets under development for**									
	As on 31st March, 2022					**As on 31st March, 2021**				
Particulars	**Less than one year**	**1 – 2 years**	**2 – 3 years**	**More than 3 years**	**Total**	**Less than one year**	**1 – 2 years**	**2 – 3 years**	**More than 3 years**	**Total**
(i) Projects in progress	-	-	-	-	-	16.74	9.85	-	-	26.59
Total	-	-	-	-	-	**16.74**	**9.85**	-	-	**26.59**

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4.5 Investments

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Non-current		
Unquoted		
Investment in Joint venture - at cost		
- 5,000 (31 March 2021: 5,000) equity shares of ₹10 each in Quality Care Health Services India Private Limited	0.02	0.03
	0.02	**0.03**
Aggregate amount of unquoted investments (A)	**0.02**	**0.03**
(b) Current		
Investment in mutual funds - at fair value through Statement of Profit and Loss (FVTPL)		
Quoted		
- 176,889 (31 March 2021: 176,889) units IDFC Ultra Short Term Fund-Growth-(Direct Plan)	5.64	5.42
- 1,390 (31 March 2021: 1,390) units in IDFC Super Saver Income Fund-Medium-Term Plan-Growth.	0.06	0.05
- 23,33,355 (31 March 2021: NIL) units L&T Money Market Fund - Growth.	50.00	-
- 40,568 (31 March 2021: NIL) units UTI Money Market Fund - Growth.	100.10	-
- 2,63,003 (31 March 2021: NIL) units Nippon India Money Market Fund - Growth.	873.55	-
Total	**1,029.35**	**5.47**
Aggregate amount of quoted investments and market value thereof (B)	**1,029.35**	**5.47**
Aggregate amount of quoted & unquoted investments (A) + (B)	**1,029.37**	**5.50**

4.6 Other financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Non-current		
Unsecured, considered good		
Security deposits	139.86	192.47
Fixed deposits with banks with more than 12 months maturity*	42.39	9.41
Interest accrued on fixed deposits with banks	6.24	2.23
Total	**188.49**	**204.11**
(b) Current		
Unsecured, considered good		
Security deposits	51.58	6.83
Interest accrued on fixed deposits with banks	12.89	21.09
Unbilled receivables	133.57	116.85
Others	26.64	6.18
Total	**224.68**	**150.95**

*Includes ₹25.24 (31 March 2021: ₹2.98) which are given as margin money to banks or against bank guarantees.

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4.7 (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 Other Comprehensive Income (OCI)

Deferred tax assets/(liabilities) in relation to:	As at 1 April 2021	Charged/recognised to SPL	Charged/recognised to OCI	As at 31 March 2022
Property, plant and equipment	(1,048.25)	269.73	-	(778.52)
Borrowings measured at amortised cost	(12.55)	3.04	-	(9.51)
Provision for bad and doubtful trade receivables	179.72	29.58	-	209.30
Provision for bad and doubtful loans	23.00	-	-	23.00
Provision for employee benefits	88.17	21.48	2.19	111.84
Loss from specified business	1,408.24	(257.50)	-	1,150.74
Indexation benefit of land	-	87.25	-	87.25
Expenses allowable on deduction of TDS	-	21.25	-	21.25
Others	27.13	(27.37)	-	(0.24)
Total (A)	**665.46**	**147.46**	**2.19**	**815.11**
Right-of-use assets	(581.42)	130.70	-	(450.72)
Provision for lease liabilities	654.95	(114.36)	-	540.59
Total (B)	**73.53**	**16.34**	-	**89.87**
Total (A+B)	**738.99**	**163.80**	**2.19**	**904.98**

Deferred tax assets/(liabilities) in relation to:	As at 1 April 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
Total (A)	**335.83**	**327.29**	**2.32**	**665.46**
Right-of-use assets	(655.04)	73.62	-	(581.42)
Provision for lease liabilities	687.95	(33.00)	-	654.95
Total (B)	**32.91**	**40.62**	-	**73.53**
Total (A+B)	**368.74**	**367.91**	**2.32**	**738.99**

Note:

The Parent Company has recognised deferred tax asset on carried forward business losses of earlier years from specified business, as defined under Section 35AD of the Income Tax 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 assets 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 Income Tax Act, 1961.

4.7 (b) Non-current tax assets (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance income tax (net of provision for taxation)	688.33	645.46
Total	**688.33**	**645.46**

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4.8 Other assets

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Non-current		
Unsecured, considered good		
Statutory dues paid under protest	60.22	60.22
Capital advances	107.55	40.50
Prepaid expenses	3.46	4.08
Others	7.05	7.49
Total	**178.28**	**112.29**
(b) Current		
Unsecured, considered good		
Prepaid expenses	35.15	45.16
Advances to vendors	47.85	14.75
Others	2.80	3.01
Total	**85.80**	**62.92**

4.9 Inventories*

Particulars	As at 31 March 2022	As at 31 March 2021
Medical consumables and pharmacy items	149.51	133.96
Other consumables	3.02	9.16
Total	**152.53**	**143.12**

* Refer note 4.14 and 4.11(a) for details of inventories pledged as security/hypothecated, if any.

4.10 Trade receivables

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables from contract with customers – billed	1,666.76	1,666.05
Trade receivables from contract with customers – unbilled	133.57	116.85
Total	**1,800.33**	**1,782.90**
Less: Allowance for bad and doubtful trade receivables*	(494.15)	(537.99)
Total trade receivables and unbilled revenue	**1,306.18**	**1,244.91**
Trade receivables	1,172.61	1,128.06
Unbilled revenue recognised in other financial assets (refer note 4.6(b))	133.57	116.85

The movement in the allowance for bad and doubtful trade receivables for the year ended 31 March 2022 and 31 March 2021 is as follows:

	For the year ended	
	31 March 2022	31 March 2021
Opening balance at beginning of the year	537.99	726.34
Provision made during the year	105.78	136.16
Bad debts written off during the year	(149.62)	(324.51)
Closing balance at end of the year	**494.15**	**537.99**

Ageing of trade receivables and unbilled as at March 31, 2022

Particulars	Outstanding for following periods from due date							Total
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables and unbilled								
-considered good	133.57	438.78	639.76	92.39	1.68	-	-	1,306.18
-which have significant increase in credit risk	-	74.00	130.51	66.37	92.46	65.84	64.97	494.15
-Allowance for bad and doubtful trade receivables	-	(74.00)	(130.51)	(66.37)	(92.46)	(65.84)	(64.97)	(494.15)
Total	**133.57**	**438.78**	**639.76**	**92.39**	**1.68**	**-**	**-**	**1,306.18**

Ageing of trade receivables and unbilled as at March 31, 2021

Particulars	Outstanding for following periods from due date							Total
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables and unbilled								
-considered good	116.85	423.74	575.39	119.95	8.98	-	-	1,244.91
-which have significant increase in credit risk	-	63.79	97.88	29.12	148.93	72.86	125.41	537.99
-Allowance for bad and doubtful trade receivables	-	(63.79)	(97.88)	(29.12)	(148.93)	(72.86)	(125.41)	(537.99)
Total	**116.85**	**423.74**	**575.39**	**119.95**	**8.98**	**-**	**-**	**1,244.91**

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4.11 Cash and bank balances

Particulars	As at 31 March 2022	As at 31 March 2021
a) Cash and cash equivalents		
Balances with banks		
-in current accounts*	217.82	535.14
-in cash credit accounts**	88.94	139.84
Cash on hand	8.75	11.30
Total	**315.51**	**686.28**
b) Other bank balances		
Deposits with maturity of more than 3 months but less than 12 months***	764.51	686.16
Earmarked balances with bank in current account*	14.09	14.09
Unpaid dividend account	0.14	0.21
	778.74	**700.46**
Total	**1,094.25**	**1,386.74**

*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.

**The Company has availed cash credit facilities amounting to ₹ Nil (31 March 2021: ₹ Nil) from Union Bank of India (formerly Andhra Bank). Cash credit is secured against first charge on inventory and trade receivables and second charge on Property, plant and equipment 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 2022: Nil per annum; 31 March 2021: Nil per annum).

***Includes ₹32.43 (31 March 2021: ₹4.59) which are given as margin money to banks or against bank guarantees.

4.12 Loans

Particulars	As at 31 March 2022	As at 31 March 2021
<u>**Non-current**</u>		
<u>**Unsecured, significant increase in credit risk**</u>		
Loans to related parties	65.83	65.83
Less: Allowance for bad and doubtful loans	(65.83)	(65.83)
Total	-	-
<u>**Current**</u>		
<u>**Unsecured, considered good**</u>		
Advances to employees	0.41	1.13
Total	**0.41**	**1.13**

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4.13 (a) Equity share capital

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Authorised Share capital		
79,500,000 (31 March 2021: 79,500,000) Equity shares of ₹10 each	795.00	795.00
Total authorised share capital	**795.00**	**795.00**
Issued, subscribed and fully paid-up shares		
41,496,894 (31 March 2021: 41,496,894) Equity shares of ₹10 each	414.97	414.97
Total issued, subscribed and fully paid up shares	**414.97**	**414.97**

Notes:

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

Equity Shares

Particulars		**As at 31 March 2022**		**As at 31 March 2021**	
		Number of shares	**Amount (in millions)**	**Number of shares**	**Amount (in millions)**
At the beginning of the year		41,496,894	414.97	41,496,894	414.97
Issued during the year		-	-	-	-
Balance at the end of the year		**41,496,894**	**414.97**	**41,496,894**	**414.97**

(ii) 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.

(iii) Equity shares held by the Holding Company

Particulars	**As at 31 March 2022**		**As at 31 March 2021**	
	Number of shares	**Amount (in millions)**	**Number of shares**	**Amount (in millions)**
Touch Healthcare Private Limited, Mauritius	39,782,603	397.83	39,782,603	397.83

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

Particulars	**As at 31 March 2022**		**As at 31 March 2021**	
	Number of shares	**% holding**	**Number of shares**	**% holding**
Touch Healthcare Private Limited, Mauritius	39,782,603	95.87%	39,782,603	95.87%

(v) The Company has not bought back any equity shares during the period of five years immediately preceding the Balance Sheet

(vi) 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

(vii) 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 of the Company, refer note 4.39 and 4.40.

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(viii) Details of shareholdings by the Promoter/Promoter Group

Promoter/Promoter Group Name	31 March 2022		31 March 2021		% Change during the year *
	Number of Shares	% holding	Number of Shares	% holding	
Touch Healthcare Private Limited, Mauritius	39,782,603	95.87%	39,782,603	95.87%	-
Total	**39,782,603**	**95.87%**	**39,782,603**	**95.87%**	-

* % change during the year has been computed on the basis of the number of shares at the beginning of the year.

4.13 (b) Other equity

Particulars	Reserves and surplus						Total reserves and surplus
	Securities premium	Debenture redemption reserve	Capital reserve	Share options outstanding account	Share warrants reserve	Retained earnings	
Balance at 1 April 2020	4,457.24	-	11.31	7.51	7.07	263.41	4,746.54
Profit for the year	-	-	-	-	-	655.49	655.49
Other comprehensive loss	-	-	-	-	-	(4.28)	(4.28)
Balance at 31 March 2021	**4,457.24**	-	**11.31**	**7.51**	**7.07**	**914.62**	**5,397.75**
Profit for the year	-	-	-	-	-	1,157.87	1,157.87
Stock option compensation for the year	-	-	-	(7.51)	(7.07)	-	(14.58)
Other comprehensive loss	-	-	-	-	-	(4.17)	(4.17)
Balance at 31 March 2022	**4,457.24**	-	**11.31**	-	-	**2,068.32**	**6,536.87**

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

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.

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4.14 Long-term borrowings

	As at 31 March 2022		As at 31 March 2021	
	Non-current	Current*	Non-current	Current*
Secured - at amortised cost				
Term loans from banks				
- HDFC Bank term loan (refer note i)	300.09	118.59	420.68	117.65
- HDFC Bank term loan (refer note ii)	1.28	10.67	11.96	9.79
- HDFC Bank term loan (refer note iii)	-	2.11	2.12	2.19
- Axis Bank term loan (refer note v)	259.13	52.17	311.30	51.30
- Axis Bank term loan (refer note vi)	492.58	99.18	591.76	97.52
- HSBC - Term loan (refer note iv)	85.53	-	-	-
Term loans from banks (A)	**1,138.61**	**282.72**	**1,337.82**	**278.45**
Term loans from financial institutions				
- NIIF Infrastructure Finance Limited	720.49	140.90	861.38	137.48
Term loans from financial institutions (B)	**720.49**	**140.90**	**861.38**	**137.48**
Total (A+B)	**1,859.10**	**423.62**	**2,199.20**	**415.93**

Notes:

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

	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance as at beginning of the year	**2,615.13**	**2,772.36**
Proceeds from long term borrowings	85.53	1,075.86
Repayments of long term borrowings	(424.83)	(1,301.14)
Others	6.89	68.05
Closing balance as at end of the year	**2,282.72**	**2,615.13**

**Borrowings include current and non-current portions of term loans from banks and financial institutions.

Reconciliation of interest accrued on above borrowings

	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance as at beginning of the year	**3.80**	**8.03**
Interest expense	207.59	324.76
Interest paid	(208.58)	(262.12)
Others	(0.06)	(66.87)
Closing balance as at end of the year	**2.75**	**3.80**

i HDFC Term Loan and Cash Credit Facility - The term loan and cash credit facility is secured by
(i) equitable mortgage of hospital land and building;
(ii) first exclusive charge on the entire assets (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 Company; and
(iv) personal guarantee of the Dr. Sandeep Dave to the extent of 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 41 months and carries interest at rate of MCLR (1 year) plus 0.50% p.a.. As at 31 March 2022, the rate of interest is 7.20 p.a. (31 March 2021: 8.20 p.a.)

ii HDFC bank term loan : The loan is secured by
-first charge on the unencumbered fixed assets of the Company;
-first charge on the current assets of the Company;
-personal guarantee of Dr.Shailesh P.Puntambekar and N. Krishna Reddy (Earlier shareholder)
-comfort letter given by Quality Care India Limited to the extent of sanctioned limits;
As at 31 March 2022, the loan is repayable in 14 months with monthly equated instalments of ₹ 0.94 and carries an interest rate of bank base rate + 1.30 % spread. As at 31 March 2022, interest rate is 8.75% p.a. (31 March 2021: 8.75% p.a.).

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4.14 Long term borrowings (continued)

iii HDFC bank term loan : The loan is secured by first charge on the medical equipment purchased out of the sanctioned facility. As at 31 March 2022, the loan is repayable in 11 months with monthly equated instalments of ₹ 0.2 lakhs and carries an interest rate of MCLR rate + 1.50 % spread. As at 31 March 2022, interest rate is 8.85% p.a. (31 March 2021: 9.35% p.a.).

iv HSBC Bank Term Loan- Secured by first pari passu charge on immovable & movable Property, plant and equipment all present and future assets, second pari passu charge on stocks & receivables all present and future assets towards overdraft and working capital loan facilities.
The loan is repayable in 8 years (Frequency of Repayment: Monthly) carries an interest rate of repo rate + 3% p.a (31 March 2022: 7.00% p.a.) (31 March 2021: Nil per annum) payable at monthly intervals and moratorium period of 2 years.

v Axis Bank term loan - 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 instalments ranging from ₹2.17 to ₹5.22) and carries an interest rate of repo rate + 3% p.a. (31 March 2022: 7.00% p.a.) (31 March 2021: 7% p.a) payable at monthly intervals.

vi Axis Bank term loan - 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 instalments ranging from ₹4.13 to ₹9.92) and carries an interest rate of repo rate + 3% p.a. (31 March 2022: 7.00% p.a.) (31 March 2021: 7.00% p.a.) payable at monthly intervals.

vii NIIF Infrastructure Finance Limited - 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 assets of the Company. The loan carries an interest rate of five year NIIF IFL benchmark rate + 0.4% (frequency: monthly instalments ranging from ₹6.19 to ₹14.86) (As on 31 March 2022: 9.30% per annum, (31 March 2021: 9.30% per annum).

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4.15 Employee benefit obligations

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Provision for employee benefits		
Gratuity (refer note 4.32(a))	119.01	121.57
Compensated absences	34.94	32.42
	153.95	**153.99**
Current		
Provision for employee benefits		
Gratuity (refer note 4.32(a))	71.01	52.87
Compensated absences	25.56	14.92
	96.57	**67.79**

4.16 Short term borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Secured - at amortised cost		
Current maturities of term loans from banks (refer note 4.14)	282.72	278.45
Current maturities of term loans from financial institutions (refer note 4.14)	140.90	137.48
	423.62	**415.93**

4.17 Trade payables

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Trade payable : Micro and small enterprises; (refer note 4.31)	30.54	27.32
Subtotal (a)	**30.54**	**27.32**
(b) Trade payable : others	1,377.20	1,217.64
(c) Trade payable to related parties; (refer note 4.33)	29.14	11.63
Subtotal (b+c)	**1,406.34**	**1,229.27**
Total trade payables	**1,436.88**	**1,256.59**

Aging of trade payables as on March 31, 2022:

Particulars	Unbilled	Not due	Outstanding for following periods from the due date				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables							
Micro enterprises and small enterprises	-	27.19	3.19	0.16	-	-	30.54
Others	282.74	941.26	131.99	20.32	6.95	23.08	1,406.34
Total	**282.74**	**968.45**	**135.18**	**20.48**	**6.95**	**23.08**	**1,436.88**

Aging of trade payables as on March 31, 2021:

Particulars	Unbilled	Not due	Outstanding for following periods from the due date				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables							
Micro enterprises and small enterprises	0	5.35	21.97	-	-	-	27.32
Others	159.71	977.84	62.74	15.07	5.46	8.45	1229.27
Total	**159.71**	**983.19**	**84.71**	**15.07**	**5.46**	**8.45**	**1,256.59**

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4.18 Other financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Non-current		
Others	11.00	-
	11.00	**-**
(b) Current		
Capital creditors	22.85	25.29
Interest accrued but not due on borrowings	2.75	3.80
Employee related payables	110.32	72.66
Retention money and deposits	6.38	7.19
Other payables	19.57	39.44
	161.87	**148.38**

*Other payables includes ₹14.09 (31 March 2021: ₹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 4.11).

4.19 Other liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Current		
Statutory dues payable	95.35	60.20
Unearned revenue (refer note 4.43)	40.54	86.38
Dividend payable to minority shareholders	0.14	0.21
Others	0.04	0.05
	136.07	**146.84**

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4.20 Revenue from operations

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from healthcare services	12,478.91	9,961.97
Revenue from outpatient pharmacy	665.51	531.72
Other operating revenue	37.19	38.97
Total	**13,181.61**	**10,532.66**

Revenue disaggregation geography wise is as follows:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
India	13,161.23	10,518.95
Other than India	20.38	13.71
	13,181.61	**10,532.66**

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from healthcare services, gross	12,684.03	10,098.50
Less: Expected disallowances	(205.12)	(136.53)
Revenue from healthcare services	**12,478.91**	**9,961.97**

4.21 Other income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Interest income		
on bank deposits	36.49	41.95
on income tax refund	0.20	25.36
on financial assets carried at amortised cost	9.81	7.53
(b) Other non-operating income		
Net gain arising on mutual funds designated at FVTPL	27.17	0.32
Lease remeasurement gain/loss	2.06	-
Government grant*	-	3.06
Miscellaneous income	18.70	29.82
(c) Income/liabilities written back from operating activities**	4.13	5.52
Total	**98.56**	**113.56**

*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 ₹4.13 (31 March 2021: ₹5.52). These operating expenses were adjusted in computation of the Group's EBIDTA for such years.

4.22 Changes in inventories of medical consumables and pharmacy items

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventory at the beginning of the year	143.12	255.95
Inventory at the end of the year	152.53	143.12
Total	**(9.41)**	**112.83**

4.23 Employee benefits expense*

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus	1,703.93	1,506.36
Share based compensation expense	68.32	-
Contribution to provident and other funds (refer note (a) below)	112.81	96.81
Gratuity and compensated absences	56.79	31.48
Staff welfare expenses	40.60	42.79
	1,982.45	**1,677.44**

*Net of amount capitalised (refer note 4.29)

(a) For the year ended 31 March 2022, the amount recognised as an expense towards contribution to provident fund aggregates to ₹100.57 (31 March 2021: ₹87.48) and towards employee state insurance scheme aggregates to ₹12.24 (31 March 2021: ₹9.33).

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4.24 Other expenses*

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Power and fuel	268.25	255.60
Rent (refer note 4.38)	25.88	44.25
Repairs and Maintenance		
- Buildings	45.62	43.27
- Plant and machinery and others	373.42	237.72
Hospital maintenance	105.09	108.91
Housekeeping charges	361.43	316.15
Security charges	124.85	115.39
Insurance	8.36	11.08
Water charges	23.56	25.45
Books and periodicals	5.59	6.39
Rates and taxes, excluding taxes on income	146.20	165.70
Travelling and conveyance	42.47	22.95
Communication expense	33.58	30.57
Marketing and business promotion expense	283.85	160.58
Allowance for bad and doubtful trade receivables	105.78	136.16
Advances and loans written-off	-	2.10
Printing and stationery	42.75	34.27
Payments to the auditor (refer note (a) below)	7.00	7.13
Legal and professional charges	86.93	67.72
Catering charges, net	152.88	137.90
Diagnostics expenses	141.25	94.87
Contribution towards Corporate social responsibility (refer note (b) below)	2.03	2.41
Professional charges to doctors	3,098.91	2,445.08
Property, plant and equipment written-off	5.29	17.75
Loss on sale of Property, plant and equipment (net)	3.91	1.56
Bank charges	9.61	7.44
Miscellaneous expenditure	11.44	25.36
Total	**5,515.93**	**4,523.76**

*Net of amount capitalised (refer note 4.29)

Note (a): Details of payments to auditors

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
For audit	7.00	7.00
For reimbursement of expenses	-	0.13
	7.00	**7.13**

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Note (b):Details of Corporate Social Responsibility expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Contribution to Telengana Sikh Society - Eradicating Hunger by donation of food	0.52	-
Contribution to Annamrita Foundation	1.00	-
Contribution to Friends of Tribals Society	0.51	-
Contribution to Mahan Trust	-	0.18
Contribution to Vidarbha Sewa Samiti	-	0.40
Contribution to South India Education Society	-	0.80
Contribution to PM National Relief Fund	-	0.52
Contribution to National Defense Fund (Indian Army)	-	0.51
Total	**2.03**	**2.41**

Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

Balance as at 1st April, 2021	Amount deposited in specified fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance as at 31st March, 2022
NIL	NIL	2.03	2.03	NIL

4.25 Finance costs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest on borrowings calculated using effective interest method	207.59	324.76
Interest on lease liabilities (refer note 4.38)	173.01	186.50
Others	40.42	36.94
Total	**421.02**	**548.20**

4.26 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on Property, plant and equipment	445.17	449.18
Amortisation on other intangible assets	68.36	48.82
Depreciation on Right-of-use assets	391.74	371.24
Total	**905.27**	**869.24**

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4.27 Income tax expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Income tax expense reported in the Statement of Profit and Loss		
Tax expense comprises of:		
Current tax expense	302.84	135.43
Income tax relating to earlier periods	22.15	45.69
Deferred tax expense/(benefit)	(164.44)	(367.91)
	160.55	**(186.79)**

Reconciliation of tax expense/ (benefit) and the accounting profit multiplied by India's tax rate:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit before tax	1,389.46	493.25
Tax at the Indian tax rate 34.944% (31 March 2021: 34.944%)	485.53	162.09
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Effect of income not subject to tax under the IT Act, 1961	(3.43)	(2.63)
Previously unrecognised tax losses from specified business, as defined under Section 35AD of the Income Tax Act, 1961, now recognised (net of deferred tax liability)	(257.45)	(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)
Adjustments for advance written-off not allowed under the Income Tax Act, 1961	-	74.30
Indexation benefit on land	(78.78)	-
Income tax pertaining to earlier years	22.15	45.69
Effect of difference in applicable tax rates to subsidiary companies	(22.00)	-
Other adjustments	14.53	(0.02)
Tax expense	**160.55**	**(186.79)**

4.28 Earnings per equity share (EPES)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit for the year attributable to equity shareholders of the Parent Company	1,157.87	655.49
Number of equity shares outstanding at the beginning of the year	41,496,894	41,496,894
Total number of equity shares outstanding at the end of the year	**41,496,894**	**41,496,894**
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
Weighted average number of equity shares considered in computation of Dilutive EPES	**41,496,894**	**41,662,131**
Basic Earnings per equity share in ₹ (absolute number)	**27.90**	**15.80**
Diluted Earnings per equity share in ₹ (absolute number)	**27.90**	**15.73**

Note:
Outstanding employee stock options and warrants has been settled during the year ended 31 March 2022.

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4.29 Incidental expenditure during the construction period

During the year ended 31 March 2022, 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 2022	As at 31 March 2021
Opening Balance (A)	**187.18**	**183.36**
Employee benefits expense (refer note 4.23)		
Salaries and wages	0.26	-
Total (B)	**0.26**	-
Other expenses (refer note 4.24)		
Rates and taxes	2.58	2.60
Others	1.76	1.22
Total (C)	**4.34**	**3.82**
Total (D=A+B+C)	**191.78**	**187.18**
Amount capitalized to Property, plant and equipment (E)	-	-
Balance carried forward to Capital work in progress (F=D-E)	**191.78**	**187.18**

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 2022 and 31 March 2021 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 2022 and 31 March 2021.

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 2022	As at 31 March 2021
(i)	The principal amount remaining unpaid as at end of the year	30.54	27.32
(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.

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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 2022	As at 31 March 2021
Defined benefit obligation liability	197.36	180.12
Plan assets	(7.34)	(5.68)
Net defined benefit liability	**190.02**	**174.44**
Non-current	119.01	121.57
Current	71.01	52.87

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 2022	As at 31 March 2021
Defined benefit obligation at the beginning of the year	180.12	166.37
Benefit payments from plan assets	(24.23)	(25.31)
Current service cost	24.01	23.12
Interest expense	11.61	10.47
Actuarial losses/(gains)		
- changes in demographic assumptions	0.16	-
- changes in financial assumptions	(0.69)	(0.49)
- experience adjustments	6.38	5.96
Defined benefit obligation at the closing of the year	**197.36**	**180.12**

ii) Reconciliation of fair value of plan assets

Particulars	As at 31 March 2022	As at 31 March 2021
Plan assets at the beginning of the year	5.68	4.50
Contributions	26.64	27.57
Benefits paid	(24.23)	(25.31)
Interest income	0.48	0.39
Actuarial losses	(1.23)	(1.47)
Plan assets at the closing of the year	**7.34**	**5.68**

c) Expense recognised in the Statement of profit and loss

Particulars	As at 31 March 2022	As at 31 March 2021
Current service cost	24.01	23.12
Interest cost, net	11.13	10.08
Total cost, included in 'employee benefits expense'	**35.14**	**33.20**

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4.32 Employee benefits (continued)

d) Remeasurements recognised in other comprehensive income (OCI)

Particulars	As at 31 March 2022	As at 31 March 2021
Actuarial (loss)/gain on defined benefit liability	(5.85)	(5.47)
Actuarial (loss)/gain on plan assets	(1.23)	(1.47)
Total cost recognised in the OCI outside Statement of Profit and loss	**(7.08)**	**(6.94)**

e) Actuarial assumptions

The following are the principal actuarial assumptions:

Particulars	As at 31 March 2022	As at 31 March 2021
Attrition rate	40.00%	23.5% to 35%
Discount rate	7.34%	6.91%
Salary escalation rate	5.00%	4% to 5%
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 2022	As at 31 March 2021
Within 1 Year	71.00	52.87
2 to 5 years	126.82	114.48
6 to 10 years	33.60	43.98
	231.42	**211.33**

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 2022 (%)	As at 31 March 2021 (%)
Discount rate (+ 1% movement)	(8.00)	(10.70)
Discount rate (- 1% movement)	8.40	11.50
Salary escalation (+ 1% movement)	10.00	13.10
Salary escalation (- 1% movement)	(9.60)	(12.30)

h) The Group expects to contribute ₹73.91 (31 March 2021: ₹ 172.81) as its contribution to gratuity within one year from the year ended 31 March 2022.

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4.33 Related party disclosure

(a) Name of related parties and nature of relationship

Nature of relationship	Names
Key Management Personnel (KMP)	Madhavi Darbha, Group Financial Officer (upto 31 October 2020)
	Dr. Raajiv Singhal, Group Chief Executive Officer (upto 15 October 2020)
	Jasdeep Singh, Chief Executive Officer (w.e.f 19 October 2020)
	Sandeep Kumar, Chief Financial Officer (w.e.f. 27 October 2020 and upto 24
	Vikas Rastogi, Chief Financial Officer (w.e.f. 24 May 2021)
	Gayathri Chandramoulieswaran, Company Secretary (w.e.f. 21 January 2021)
Holding Company and Ultimate Holding Company	Touch Healthcare Private Limited, Mauritius, Holding Company
	Evercare Health Fund, L.P, Cayman Islands, Ultimate Holding Company
Relatives of KMP	B. Kasi Raju (upto 12 April 2019)
	Ms. B Swathi Raju
Joint venture	Quality Care Health Services India Private Limited
Entities in which Director is interested	AKNA Medical Private Limited
Sister entity of ultimate holding company	Evercare Group Management Ltd

(b) Nature of transactions and year end balances

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Transactions during the year		
1 AKNA Medical Private Limited		
Purchase of drugs and consumables	4.07	0.78
2. Indian Medtronic Private Limited		
Purchase of drugs and consumables	43.38	25.71
3. Asia Healthcare Holding Advisory LLP		
Professional and business services	3.87	-
4. Dr. Raajiv Singhal		
Short term and post employment benefits*	-	27.89
5. Jasdeep Singh		
Short term and post employment benefits*	42.94	9.79
6. Sandeep Kumar		
Short term and post employment benefits*	6.52	5.04
7. Madhavi Darbha		
Short term and post employment benefits*	-	5.85
8. Vikas Rastogi		
Short term and post employment benefits*	7.64	-
9. Gayathri Chandramoulieswaran		
Short term and post employment benefits*	0.97	0.14
10. Evercare Group Management Ltd		
Revenue from professional services	17.50	20.03

(c) Balances outstanding from/ to the related parties

Particulars	As at 31 March 2022	As at 31 March 2021
Balances outstanding from/ to the related parties as at 31 Mar 2022		
1 Quality Care Health Services India Private Limited		
Loans receivable	65.83	65.83
2. Quality Care Jharsuguda Private Limited		
Advance receivable	-	0.01
3. AKNA Medical Private Limited		
Trade payable	0.14	0.74
4. Indian Medtronic Private Limited		
Trade payable	19.57	10.89
5. Evercare Group Management Ltd		
Trade receivables	3.56	-

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

** The outstanding amount as at 31 March 2022 aggregating to ₹65.83 (31 March 2021: ₹65.83) is provided for in the books (refer note 4.12).

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4.34 Categories of financial instruments and their fair values

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

Categories of financial instruments

	As at 31 March 2022			As at 31 March 2021		
	FVTPL*	FVTOCI#	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investments	1,029.35	-	-	5.47	-	-
Trade receivables	-	-	1,172.61	-	-	1,128.06
Cash and cash equivalents	-	-	315.51	-	-	686.28
Other bank balances	-	-	778.74	-	-	700.46
Loans	-	-	0.41	-	-	1.13
Other financial assets	-	-	413.17	-	-	355.06
Total financial assets	**1,029.35**	**-**	**2,680.44**	**5.47**	**-**	**2,870.99**

	As at 31 March 2022			As at 31 March 2021		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial liabilities						
Borrowings	-	-	2,282.72	-	-	2,615.13
Trade payables	-	-	1,436.88	-	-	1,256.59
Lease liabilities	-	-	1,664.86	-	-	1,985.96
Other financial liabilities	-	-	172.87	-	-	148.38
Total financial liabilities	**-**	**-**	**5,557.33**	**-**	**-**	**6,006.06**

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.

***FVTPL - Fair value through Profit and Loss**
#FVTOCI - Fair value through Other Comprehensive Income

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4.35 Financial instruments risk management

Financial Risk Management Framework

The Group's Board of Directors have an overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors have 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 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 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

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, investment, other 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 credit risk.

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹3,709.79 and ₹2,876.46 as at 31 March 2022 and 31 March 2021 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 2022 and 31 March 2021.

Financial assets that are past due but not impaired : Refer note 4.10 - Trade receivables

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 2022	Up to 1 year	More than 1 year	Total
Borrowings	423.62	1,859.10	**2,282.72**
Trade payables	1,436.88	-	**1,436.88**
Lease liabilities	282.88	1,381.98	**1,664.86**
Other financial liabilities	161.87	11.00	**172.87**
Total	**2,305.25**	**3,252.08**	**5,557.33**

As at 31 March 2021	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	148.38	-	**148.38**
Total	**2,211.17**	**3,794.89**	**6,006.06**

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 rate of short-term and long-term borrowings. Market risk comprises two types of risk: interest rate risk and currency risk.

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i. Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The 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 2022 and 31 March 2021, every 50 basis point decrease in the floating interest rate component applicable to the Group's borrowings would have decrease the loss before tax approximately by ₹9.91 and ₹13.08 respectively. A 50 basis point increase in floating interest rate would have led to an equal but opposite effect.

ii. Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense 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 2022 and 31 March 2021 : NIL

4.36 Capital risk management

For the purpose of the Group's capital management, capital includes issued equity capital, share 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 payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net 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.

	As at	
	31 March 2022	**31 March 2021**
Borrowings (note 4.14 and 4.16)	2,282.72	2,615.13
Less: Cash and cash equivalents (note 4.11(a))	(315.51)	(686.28)
Less: Other bank balances (note 4.11(b))	(764.65)	(686.37)
Less: Investment in mutual funds (note 4.5(b))	(1,029.35)	(5.47)
Net debt (A)	**173.21**	**1,237.01**
Total equity (B)	7,472.72	6,263.28
Net debt and total equity (A) + (B)	7,645.93	7,500.29
Gearing ratio (%)	**2.27%**	**16.49%**

In order to achieve this 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 permit the lenders to immediately call back the borrowings. They has been no breaches in the financial covenants of any borrowings during the year ended 31 March 2022 and 31 March 2021.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

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4.37 Contingent liabilities and commitments

(a) Contingent liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Claims against the Group not acknowledged as debts		
- Disputed disallowances, deemed dividend under Section 2(22)(e) and deemed income under Section 56(2)(viib) of the Income Tax Act, 1961	34.77	74.46
- 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	68.15	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	307.50	176.50
- Other legal claims pending under the various Statutory Acts	99.68	79.13
Guarantees excluding financial guarantees	197.41	7.39

(b) Commitments

Particulars	As at 31 March 2022	As at 31 March 2021
(i Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	435.28	183.65

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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 10% per annum. The Group 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 2022	As at 31 March 2021
Balance at the beginning of the year	1,985.96	2087.98
Additions during the year	93.91	151.46
Deletions during the year	(67.83)	-
Finance cost accrued during the year	173.01	186.5
Other adjustments	(27.50)	(14.93)
Payment of lease liabilities	(492.69)	(425.05)
Lease liabilities as at the end of the year	**1,664.86**	**1,985.96**
Current lease liabilities	282.88	390.27
Non-current lease liabilities	1,381.98	1,595.69

Following amounts have been recognised in the Consolidated Statement of Profit and Loss for the year ended 31 March 2022:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on Right-of-use assets	391.74	371.24
Interest on lease liabilities	173.01	186.50
Total amount recognised in the Consolidated Statement of profit and loss	**564.75**	**557.74**

Details of the contractual maturities of lease liabilities as at 31 March 2022 on an undiscounted basis are as follows:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Less than one year	426.55	469.09
One to five years	1,271.40	1,396.93
More than five years	755.83	1,042.62
Total	**2,453.78**	**2,908.64**

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 expenses recorded for short-term leases was ₹25.88 for the year ended 31 March 2022 (31 March 2021: ₹44.25)

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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.

Further, pursuant to special resolution passed by the members in their meeting held on 25th March, 2022, the Parent Company approved the payment of an ex-gratia amount as per ESOP (Employee Stock Option) to each of the vested option-holders of 'EMPLOYEE STOCK OPTION SCHEME - 2013' as per the details mentioned below:

No. of Vested ESOPS	Exercise Price	Fair Market Value	Ex-gratia amount paid as per ESOP
303,880	₹ 212/-	₹ 452.30/-	₹ 240.30/-

The details of activity under the Plan have been summarised below:

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	199,200	212	212,080	212
Forfeited during the year	-	-	12,880	212
Cancelled during the year	-	-	-	-
Exercised during the year	199,200	212	-	212
Outstanding at the end of the year	-	-	199,200	212
Vested and exercisable at the end of the year	-	-	-	-

The details of exercise price for stock options outstanding as at reporting dates:

The share options outstanding as at 31 March 2022 has an exercise price of ₹Nil (31 March 2021: ₹212), and a weighted average remaining contractual life of Nil years (31 March 2021: 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	Nil
Expected Volatility	Nil
Life of the options granted (Vesting and exercise period) in years	Nil
Average risk-free interest rate	Nil

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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.

Further, pursuant to special resolution passed by the members in their meeting held on 25th March, 2022, the company approved the payment of consideration to each of the vested eligible share warrants further allotted under the 'SHARE WARRANTS 2016 SCHEME' as per the details mentioned below:

No. of Vested warrants	Exercise Price	Fair Market Value	Ex-gratia amount paid as per Warrant
436,000	₹ 430.40/-	₹ 452.30/-	₹ 21.90/-

The details of activity under the Plan have been summarised below:

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of warrants	Weighted average exercise price (₹)	Number of warrants	Weighted average exercise price (₹)
Outstanding at the beginning of the year	712,330	430.40	726,050	430.40
Forfeited during the year	-	-	13,720	430.40
Cancelled during the year	276,330	430.40	-	-
Exercised during the year	436,000	430	-	430.40
Outstanding at the end of the year	-	-	712,330	430.40
Vested and exercisable at the end of the year	-	-	712,330	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 ₹Nil (31 March 2021: ₹430.40) and a weighted average remaining contractual life of Nil years (31 March 2021: Nil 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	Nil
Expected Volatility	Nil
Life of the options granted (Vesting and exercise period) in years	Nil
Average risk-free interest rate	Nil

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4.41 Transfer Pricing

The Parent Company 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 Parent Company 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 2021: ₹0.01) and ₹Nil (31 March 2021: ₹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 2022 and 31 March 2021:

Particulars	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Balance at the beginning of the year	86.38	82.31
Revenue recognised during the year	(86.38)	(82.31)
Invoiced during the year	40.54	86.38
Balance at the end of the year	**40.54**	**86.38**

4.44 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 ₹105.55 and included in Property, plant and equipment [refer note 4.1 (a)] subjected to conditional registration of land in favor of the Company upon completion of the Project by 30 June 2020. The Parent Company has received extension of timeline from APIIC till December, 2023. Further the group has incurred sum aggregating Rs. 564.17 (31 March 2021: Rs. 476.64) towards land development and civil construction there on which are included in capital work-in-progress (refer note 4.2). Based on internal evaluation, the management of the group is confident of completing the project within stipulated timelines.

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4.45 Additional regulatory information required by Schedule III

i Details of benami property held

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

ii Borrowing secured against current assets

The group has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the group with banks and financial institutions are in agreement with the books of accounts.

iii Wilful defaulter

The group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

iv Relationship with struck off companies

The group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

v Compliance with number of layers of companies

The group has complied with the number of layers prescribed under the Companies Act, 2013.

vi Utilisation of borrowed funds and share premium

The group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

vii Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

viii Valuation of Property, plant and equipment, intangible asset and investment property

The group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

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4.46 Other regulatory information

(i) Title deeds of immovable properties not held in name of the Parent Company

The title deeds of all the immovable properties (other than properties where the Parent Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in note 4.1 (a) to the financial statements, are held in the name of the Parent Company except for land aggregating to ₹105.55. (Refer note 4.44 for further details)

(ii) Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the group from banks and financial institutions have been applied for the purposes for which such loans were was taken.

(iii) The group has not given loans/advances in the nature of loans to directors, promoters, KMPs or any other related parties which are repayable on demand or without specifying terms & conditions of repayment.

4.47 Subsequent events

a. Subsequent to the year end the Company has acquired 95% shareholding in Convenient Hospitals Limited, Indore w.e.f June 29, 2022 for consideration of Rs. 3790 million and 76% shareholding in United Ciigma Institute of Medical Sciences Private Limited, Aurangabad w.e.f July 26, 2022 for a consideration of Rs. 3,805 million. Further the Company has also acquired one hospital in Hyderabad for a consideration of Rs. 200 million on slump sale basis w.e.f. April 25, 2022. The consideration for above acquisitions will be cash settled. These acquisitions are expected to add tremendously to the clinical depth and further strenghten the presence in non metro cities in India.

b. For the above acquisitions, subsequent to the year end the Company has issued 14,572,480 - 0.001% Compulsorily Convertible Preference Shares (CCPS) of face value of Rs. 10 each @ Rs. 452.30 per CCPS to the Holding Company amounting to Rs. 6,591 million which are convertible into equity shares on or before the end of 10 years.

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4.48 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 2022				For the year ended and as at 31 March 2021			
	Net assets		Share in profit or loss		Net assets		Share in profit or loss	
	As a % of consolidated net assets	Amount in millions	As a % of consolidated profit	Amount in millions	As a % of consolidated net assets	Amount in millions	As a % of consolidated loss	Amount in millions
Parent company								
Quality Care India Limited	93.89%	6,527.07	91.14%	1,055.25	94.44%	5,489.32	92.56%	606.70
Subsidiaries								
Ganga Care Hospital Limited	6.43%	446.88	2.54%	29.44	7.19%	418.05	8.02%	52.56
Ramkrishna Care Medical Sciences Private Limited	10.11%	702.52	12.65%	146.45	9.59%	557.27	4.57%	29.94
Galaxy Care Multispecialty Hospital Private Limited	2.52%	175.30	-0.19%	(2.23)	3.06%	177.69	-1.35%	(8.83)
Quality Care Jharsuguda Private Limited	0.00%	0.01	0.00%	(0.01)	0.00%	0.01	0.00%	(0.01)
Non-controlling interest	-7.49%	(520.88)	-6.14%	(71.04)	-7.75%	(450.56)	3.75%	(24.55)
Total	**105.45%**	**7,330.90**	**100.00%**	**1,157.86**	**106.53%**	**6,191.78**	**107.55%**	**655.81**
Consolidation adjustments	-5.45%	(379.06)	0.00	0.01	-6.52%	(379.06)	-	-
Net amount attributable to equity holders of Parent	**100.00%**	**6,951.84**	**100.0%**	**1,157.87**	**100.00%**	**5,812.72**	**100.00%**	**655.81**

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 Basu
Partner
Membership No: 55000

Place: Hyderabad, India
Date: 25th August, 2022

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

Massimiliano Colella
Director
DIN: 08729468
Place: Dubai, UAE

Date: 25th August, 2022

Jasdeep Singh
Director and Chief Executive Officer
DIN: 02705303
Place: Hyderabad

Vikas Rastogi
Chief Financial Officer
AFEPR8865H
Place: Hyderabad

Gayathri Chandramouliswaran
Company Secretary
AQSPC2418C
Membership No.: A41863
Place: Hyderabad
Date: 25th August, 2022

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