

## Independent Auditor's Report

### To the Members of HCG Medi-Surge Hospitals Private Limited

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of HCG Medi-Surge Hospitals Private Limited (the "Company") which comprise the balance sheet as at 31 March 2025, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

#### *Basis for Opinion*

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

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

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

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

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

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

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

Registered Office:

## Independent Auditor's Report (Continued)

### HCG Medi-Surge Hospitals Private Limited

economic decisions of users taken on the basis of these financial statements.

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

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

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

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

### *Report on Other Legal and Regulatory Requirements*

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

**Independent Auditor's Report (Continued)**

**HCG Medi-Surge Hospitals Private Limited**

- e. On the basis of the written representations received from the directors as on 01 April 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. the remarks relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations as at 31 March 2025 on its financial position in its financial statements - Refer Note 30 to the financial statements.
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 42(iv) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 42(v) to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Company has neither declared nor paid any dividend during the year.
  - f. Based on our examination, which included test checks, except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:
    - (i) The audit trail (edit log) feature was not enabled in the accounting software used for maintaining books of accounts relating to revenue and consumption, for direct data changes at the database level from 1 April 2024 till 5 April 2024.
    - (ii) The audit trail (edit log) feature was not enabled in another accounting software used for maintaining the general ledger and other records for: (a) direct data changes at the database and for changes made by users with privileged access rights; and (b) at the application level for certain tables for a part of the year (i.e. from 1 April 2024 to 15 May 2024) and for certain tables (relating to payroll masters) for the

**Independent Auditor's Report (Continued)**

**HCG Medi-Surge Hospitals Private Limited**

complete year.

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

Additionally, except where the audit trail was not enabled in the previous year, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company has not paid any managerial remuneration during the current year and hence reporting under Section 197 of the Act is not applicable. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP

Chartered Accountants

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

Sd/-

Vikash Gupta

Partner

Place: Bangalore

Membership No.: 064597

Date: 22 May 2025

ICAI UDIN:25064597BMOXRN7799

**Annexure A to the Independent Auditor's Report on the Financial Statements of HCG Medi-Surge Hospitals Private Limited for the year ended 31 March 2025**

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.

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

Name of the statute	Nature of the dues	Amount (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2.74	FY 2011-12	CIT (A)
Gujarat VAT Act	Value Added Tax	15.69 (0.20)*	FY 2011-12	Commissioner of Commercial Tax
Gujarat VAT Act	Value Added Tax	1.18	FY 2014-15	Commissioner of Commercial Tax
Gujarat VAT Act	Value Added Tax	0.48	FY 2015-16	Commissioner of Commercial Tax
Custom Act, 1962	Duty of Customs	4.49	FY 2011-12	Customs, Excise and Service Tax Appellate Tribunal
Custom Act, 1962	Duty of Customs	73.11	FY 2016-17	Customs, Excise and Service Tax Appellate Tribunal

# the amounts disclosed above includes interest and penalties demanded, wherever mentioned.

\* represents amount paid under protest.

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the 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) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2025. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2025. Accordingly, clause (ix)(f) of the order is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) Establishment of vigil mechanism is not mandated for the Company. We have taken into consideration the whistle blower complaints received under the vigil mechanism established voluntarily by the Company during the year and shared with us while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (i) (a) In our opinion and based on the information and explanations provided to us, the Company has voluntarily established Internal Audit system which commensurates with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, the Company has transferred unspent amount to a Fund specified in Schedule VII to the Companies Act, 2013 within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.
- (b) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any ongoing project. Accordingly, clause 3(xx)(b) of the Order is not applicable.

For B S R & Co. LLP

Chartered Accountants

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

Sd/-

Vikash Gupta

Partner

Place: Bangalore

Membership No.: 064597

Date: 22 May 2025

ICAI UDIN:25064597BMOXRN7799



**Annexure B to the Independent Auditor's Report on the financial statements of HCG Medi-Surge Hospitals Private Limited for the year ended 31 March 2025**

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

**Opinion**

We have audited the internal financial controls with reference to financial statements of HCG Medi-Surge Hospitals Private Limited ("the Company") as of 31 March 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

**Auditor's Responsibility**

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

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

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

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

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the

**Annexure B to the Independent Auditor's Report on the financial statements of HCG Medi-Surge Hospitals Private Limited for the year ended 31 March 2025 (Continued)**

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

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

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

For B S R & Co. LLP

Chartered Accountants

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

Sd/-

Vikash Gupta

Partner

Place: Bangalore

Date: 22 May 2025

Membership No.: 064597

ICAI UDIN:25064597BMOXRN7799

**HCG Medi-Surge Hospitals Private Limited**  
**Balance Sheet as at 31 March 2025**

Balance Sheet as at 31 March 2025		Rs. in million	
Particulars	Note No.	As at 31 March 2025	As at 31 March 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	4	1,455.54	423.77
(b) Capital work-in-progress	4 & 5	0.18	464.37
(c) Right-of-use assets	6	942.77	86.45
(d) Other intangible assets	7	0.01	0.01
(e) Financial assets			
(i) Other financial assets	8	86.86	61.80
(f) Deferred tax assets (net)	9.3	18.03	20.86
(g) Other tax assets (net)	9.4	12.65	3.83
(h) Other non-current assets	10	8.97	188.32
<b>Total non - current assets</b>		<b>2,525.01</b>	<b>1,249.41</b>
<b>Current assets</b>			
(a) Inventories	11	74.48	54.97
(b) Financial assets			
(i) Trade receivables	12	87.36	88.29
(ii) Cash and cash equivalents	13(a)	214.99	149.14
(iii) Bank balance other than cash and cash equivalents above	13(b)	2.67	-
(iv) Loans receivable	13(c)	0.44	0.51
(v) Other financial assets	8	1.85	32.48
(c) Other current assets	10	12.59	10.41
<b>Total current assets</b>		<b>394.38</b>	<b>335.80</b>
<b>TOTAL ASSETS</b>		<b>2,919.39</b>	<b>1,585.21</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	14	55.69	55.69
(b) Other equity	15	839.79	719.61
<b>Total equity</b>		<b>895.48</b>	<b>775.30</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16	370.36	222.96
(ii) Lease liabilities	6	928.64	26.35
(b) Provisions	17	9.73	7.06
<b>Total non - current liabilities</b>		<b>1,308.73</b>	<b>256.37</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	59.39	32.86
(ii) Lease liabilities	6	19.65	82.36
(iii) Trade payables	19		
Total outstanding dues of micro enterprises and small enterprises		1.83	1.01
Total outstanding dues of creditors other than micro enterprises and small enterprises		512.19	359.68
(iv) Other financial liabilities	20	101.63	56.30
(b) Other current liabilities	18	16.43	16.60
(c) Provisions	17	4.06	4.73
<b>Total current liabilities</b>		<b>715.18</b>	<b>553.54</b>
<b>TOTAL LIABILITIES</b>		<b>2,023.91</b>	<b>809.91</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,919.39</b>	<b>1,585.21</b>

**Material accounting policies**

The accompanying notes are an integral part of these financial statements

As per reports of even date attached

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

*Chartered Accountants*

Firm's registration number: 101248W/W -100022

Sd/-

**Vikash Gupta**

*Partner*

Membership number: 064597

Place : Bengaluru

Date : 22 May 2025

for: and on behalf of the Board of Directors of

**HCG Medi-Surge Hospitals Private Limited**

CIN: U85110GJ2000PTC037474

Sd/-

**Srinivas V Raghavan**

*Director*

DIN 01803376

Place : Bengaluru

Date : 22 May 2025

Sd/-

**Dr. B S Ramesh**

*Director*

DIN 00518434

Place : Bengaluru

Date : 22 May 2025

**HCG Medi-Surge Hospitals Private Limited**  
**Statement of profit and loss for the period ended 31 March 2025**

		Rs. in million	
Particulars	Note No.	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>I Income</b>			
Revenue from operations	21	2,389.04	2,024.77
Other income	22	23.98	20.50
<b>Total income (I)</b>		<b>2,413.02</b>	<b>2,045.27</b>
<b>II Expenses</b>			
Purchases of medical and non-medical items		674.84	509.22
Changes in inventories	23	(19.51)	(2.05)
Employee benefits expense	24	208.66	182.21
Finance costs	25	116.36	62.51
Depreciation and amortisation expense	26	228.25	165.10
Other expenses	27	1,041.22	828.90
<b>Total expenses (II)</b>		<b>2,249.82</b>	<b>1,745.89</b>
<b>III Profit before tax (I-II)</b>		<b>163.20</b>	<b>299.38</b>
<b>IV Tax expense</b>			
Current tax	9.1	39.54	58.47
Deferred tax expense/(credit)	9.1	3.00	(3.83)
		<b>42.54</b>	<b>54.64</b>
<b>V Profit for the year (III-IV)</b>		<b>120.66</b>	<b>244.74</b>
<b>VI Other comprehensive income / (loss)</b>			
(i) Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurements of the defined benefit plans	34.2	(0.73)	(1.17)
(b) Income tax on the above		0.25	0.29
<b>Other comprehensive loss for the year, net of tax</b>		<b>(0.48)</b>	<b>(0.88)</b>
<b>VII Total comprehensive income / (loss) for the year (V+VI)</b>		<b>120.18</b>	<b>243.86</b>
<b>Earnings per equity share (nominal value of share Rs. 10)</b>			
Basic and diluted (in Rs.)	32	21.67	43.95
<b>Material accounting policies</b>	2.1		
The accompanying notes are an integral part of these financial statements			

As per reports of even date attached

for **BSR & Co. LLP**

Chartered Accountants

Firm's registration number: 101248W/W -100022

for and on behalf of the Board of Directors of

**HCG Medi-Surge Hospitals Private Limited**

CIN: U85110GJ2000PTC037474

Sd/-

**Vikash Gupta**

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Place : Bengaluru

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Date : 22 May 2025

## HCG Medi-Surge Hospitals Private Limited

## Cash flow statement for the year ended 31 March 2025

Particulars	Note No.	Rs. in million	
		For the year ended 31 March 2025	For the year ended 31 March 2024
<b>Cash flow from operating activities</b>			
Profit before tax for the year		163.20	299.38
Adjustments for:			
Finance costs		116.36	62.51
Interest income		(16.40)	(20.32)
Depreciation and amortisation expense		228.25	165.10
Gain on termination of lease		(5.73)	-
Loss on disposal of property, plant and equipment		20.26	0.06
Loss allowance on trade receivables		(4.78)	7.99
Expense on employee stock option scheme (refer note 39)		0.54	0.07
Movements in working capital:			
Changes in trade receivables		5.71	(0.17)
Changes in inventories		(19.51)	(2.05)
Changes in other financial assets and other assets		69.55	(7.48)
Changes in trade payables		153.33	121.95
Changes in provisions		1.27	2.50
Changes in financial liabilities and other liabilities		(2.20)	(78.81)
<b>Cash generated from operating activities</b>		<b>709.85</b>	<b>550.73</b>
Income tax paid		(48.36)	(65.00)
<b>Net cash generated from operating activities (A)</b>		<b>661.49</b>	<b>485.73</b>
<b>Cash flow from investing activities</b>			
Interest received		11.11	16.76
Acquisition of property, plant and equipment		(560.00)	(525.64)
Proceeds from sale of property plant and equipment		12.74	0.09
Fixed deposits invested		(0.02)	-
<b>Net cash (used in) investing activities (B)</b>		<b>(536.17)</b>	<b>(508.79)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		198.29	-
Repayment of borrowings		(32.96)	(125.95)
Repayment of principal portion of lease liability		(71.31)	(81.24)
Interest paid on lease liability		(66.63)	(14.86)
Interest and other borrowing cost paid		(86.86)	(123.79)
<b>Net cash (used in) financing activities (C)</b>		<b>(59.47)</b>	<b>(345.84)</b>
<b>Net (decrease)/ increase in cash and cash equivalents (A+B+C)</b>		<b>65.85</b>	<b>(368.90)</b>
Cash and cash equivalents at the beginning of the year	13	149.14	518.04
<b>Cash and cash equivalents at the end of the year</b>	13	<b>214.99</b>	<b>149.14</b>

For the purpose of cash flow statement, cash and cash equivalents comprise the followings:

	For the year ended 31 March 2025	For the year ended 31 March 2024
Cash on hand	5.93	1.66
Cheques on hand	2.33	0.80
<b>Balances with Banks</b>		
In deposit accounts	50.54	100.20
In current accounts	155.85	45.67
In Exchange Earners Foreign Currency Account (EEFC) accounts	0.34	0.81
	<b>214.99</b>	<b>149.14</b>

## S Reconciliation between opening and closing balance sheet for liabilities arising from financing activities for the year ended 31 March 2025

Particulars	Term loan and deferred payment obligation #	Lease liabilities	Other borrowing cost	Total
<b>Debt as at 1 April 2024</b>	<b>255.82</b>	<b>108.71</b>	<b>-</b>	<b>364.53</b>
Cash flows including interest and other borrowing cost	91.91	(137.94)	(13.44)	(59.47)
Interest and other borrowing cost*	37.03	96.13	12.70	145.86
Non cash transactions @	44.99	881.39	0.74	927.12
<b>Debt as at 31 March 2025</b>	<b>429.75</b>	<b>948.29</b>	<b>-</b>	<b>1,378.04</b>

# includes current maturities of Term loan and deferred payment obligation grouped under current borrowings

\*Interest and other borrowing cost include bank charges measured at amortised cost etc

@ Non cash transactions include lease liabilities recognised for new leases, changes due to remeasurement of lease liabilities, unrealised gain / loss on foreign currency fluctuations etc.

## S Reconciliation between opening and closing balance sheet for liabilities arising from financing activities for the year ended 31 March 2024

Particulars	Term loan and deferred payment obligation #	Lease liabilities	Other borrowing cost	Total
<b>Debt as at 1 April 2023</b>	<b>380.41</b>	<b>189.95</b>	<b>-</b>	<b>570.36</b>
Cash flows including interest and other borrowing cost	(150.22)	(96.10)	(13.09)	(259.41)
Interest and other borrowing cost*	26.07	14.86	21.58	62.51
Non cash transactions @	(0.44)	-	(8.49)	(8.93)
<b>Debt as at 31 March 2024</b>	<b>255.82</b>	<b>108.71</b>	<b>-</b>	<b>364.53</b>

# includes current maturities of Term loan and deferred payment obligation grouped under current borrowings

\*Interest and other borrowing cost include bank charges measured at amortised cost etc

@ Non cash transactions include lease liabilities recognised for new leases, changes due to remeasurement of lease liabilities, unrealised gain / loss on foreign currency fluctuations etc

## Material accounting policies

2.1

The accompanying notes are an integral part of these financial statements

As per reports of even date attached

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

Chartered Accountants

Firm's registration number: 101248W/W -100022

Sd/-

**Vikash Gupta**

Partner

Membership number: 064597

Place : Bengaluru

Date : 22 May 2025

for and on behalf of the Board of Directors of  
**HCG Medi-Surge Hospitals Private Limited**  
CIN: U85110GJ2000PTC037474

Sd/-

**Srinivas V Raghavan**

Director

DIN 01803376

Place : Bengaluru

Date : 22 May 2025

Sd/-

**Dr. B S Ramesh**

Director

DIN 00518434

Place : Bengaluru

Date : 22 May 2025

**HCG Medi-Surge Hospitals Private Limited**  
**Notes to the financial statements for the period ended 31 March 2025**

**1 General information**

HCG Medi-Surge Hospitals Private Limited ('the Company') is a hospital offering specialized services in cancer treatment. The registered office of the Company is situated at #1, Maharashtra Society, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad - 380006.

The financial statements for the year ended 31 March 2025 were approved by the Board of Directors and authorised for issue on 22 May 2025.

**2 Basis of preparation of the financial statements**

**(a) Statement of compliance**

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

**(b) Functional and presentation currency**

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

**(c) Basis of measurement**

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

Items	Measurement
Non-derivative financial instruments at FVTPL	Fair Value
Net defined benefit (asset)/liability	Present value of defined benefit obligations less Fair Value of plan assets

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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.

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

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised prospectively.

Application of accounting policies that require accounting estimates involving judgments and the use of assumptions in the standalone financial statements have been disclosed below:

*Judgements*

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

- Note 4 - Property, plant and equipment : Timing of capitalisation and nature of cost capitalised.
- Note 6 - Lease Arrangements : Evaluation whether an arrangement qualifies to be a lease based on the requirements of the relevant standard. Identification of a lease requires significant management judgement.

*Assumptions and estimation uncertainties*

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the next year is included in the following notes:

- Note 4 - Estimation of useful life of property, plant and equipment
- Note 6 - Leasing arrangements and Determination of lease term and discount rate
- Note 9 - Deferred tax balances (net) : Timing and level of future taxable profit
- Note 21 - Revenue: estimation of disallowances
- Note 30 - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 34 - Employee benefit plans: key actuarial assumptions.
- Note 36 and 12 - Expected credit loss : Forward adjustment to the collected trend

**(e) Current / Non-current classification**

Based on the time involved 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 for determining current and non-current classification of assets and liabilities in the balance sheet.

**(f) Measurement of fair values**

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. This includes an internal finance team that has overall responsibility for overseeing all significant fair value measurement, including level 3 fair values, and reports directly to the chief financial officer.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

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

## 2.1 Summary of material accounting policies

### (a) Revenue recognition

#### Medical services

Revenue primarily comprises fees charged for inpatient and outpatient hospital services. Services include charges for accommodation, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used in treatments given to patients. As per Ind AS 115, "Revenue from contracts with customers", revenue from hospital services are recognized as and when services are performed. The Company assess the distinct performance obligation in the contract and measures revenue based on the consideration specified in a contract with the customer and excludes taxes and duties collected on behalf of the Government. Further, the revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur (adjusted for discounts and disallowances). The Company based on contractual terms and past experience determines the performance obligation satisfaction over time. Unbilled revenue is recorded for the service rendered where the patients are not discharged and final invoice is not raised for the services.

#### Sale of medical and non-medical items

Pharmacy Sales are recognised when the control of the products being sold is transferred to the customer based on the consideration agreed with the customer and excludes taxes or duties collected on behalf of the Government.

#### Other operating revenue

Other operating revenue comprises revenue from various ancillary revenue generating activities like facilitation of training programmes, operations and maintenance arrangements and research projects as per the management agreement with other entities. The service income is recognised only once the services are rendered, there is no unfulfilled performance obligation as per the terms of agreement and no significant future uncertainties exist.

#### Disaggregation of revenue

The Company disaggregates revenue from hospital services (medical and healthcare services), sale of medical and non-medical items and other operating income. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of Company's revenues and cash flows are affected by industry, market and other economic factors.

#### Interest income

For all financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate the 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 all financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension) but does not consider the expected credit losses.

### (b) Leases:

#### Company as a lessee

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 Company assesses whether:

- the contract involves the use of an identified asset;
- the Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use asset is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate applicable to the entity within the Company. Generally, the Company uses its incremental borrowing rate as the discount rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term. Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date and the amounts expected to be payable under a residual value guarantee.

**(c) Foreign currency transactions**

Transactions in foreign currencies are translated into the respective functional currencies of Company at the exchange rates at the dates of the transactions or an average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Exchange differences on monetary items are recognised in the Statement of profit and loss in the period in which they arise.

Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Income and expense items in foreign currency are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

**(d) Borrowing costs**

Borrowing costs include:

- (i) interest expense calculated using the effective interest rate method,
- (ii) finance charges in respect of finance leases, and
- (iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

**(e) Employee benefits**

*Short-term employee benefits*

Short-term employee benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

*Defined benefit plan*

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reduction in future contributions to the plan ('the asset ceiling'). To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. The service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) is recognised in the Statement of profit and loss in the line item 'Employee benefits expense'. The net interest expense (income) on the net defined benefit liability (asset) for the period is determined by applying the discount rate determined by reference to market yields at the end of the reporting period on government bonds. The net interest expense is recognised in the line item 'Finance costs'.

*Defined contribution plan*

A defined contribution plan is post-employment benefit plan under which an entity pays specified contributions to separate entity and has no obligation to pay any further amounts. The Company makes specified obligations towards employee provident fund and employee state insurance to Government administered provident fund scheme and ESI scheme which is a defined contribution plan. Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions. The Company's contributions are recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

*Compensated absences*

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the employee has unconditional right to avail the leave, the benefit is classified as a short term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise.

*Share-based payment transactions*

Certain employees of the Company have received stock options (Employee Stock Option Plan ESOP) of the holding company HealthCare Global Enterprises Limited. Accordingly, the Company is subject to cross charge of ESOP costs from HealthCare Global Enterprises Limited. The compensation cost relating to share-based payments are measured using the fair valuation method in accordance with Ind AS 102, Share-Based Payment. Compensation expense is amortized over the vesting period of the option.



**(f) Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in Other comprehensive income.

**(i) Current tax**

Current tax comprises the expected tax payable on the taxable profit for the year and any adjustment to the tax payable or receivable in respect of previous years. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**(ii) Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction. Deferred tax liability is also not recognised on taxable temporary differences arising on the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously. Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

**(g) Property, plant and equipment**

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Property, plant and equipment (including capital work-in progress) are measured at cost which includes capitalized borrowing costs, less accumulated depreciation and impairment losses, if any. The cost of an item of Property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies, freight, any directly attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling and restoring onsite; any trade discounts and rebates are deducted in arriving at the purchase price. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. Cost includes expenditures directly attributable to the acquisition of the asset.

Transition to Ind AS:

The cost of property, plant and equipment as at 1 April 2015, the Company's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are ready for intended use. The estimated useful lives of assets for the current and comparative period of significant items of property, plant and equipment are as follows:

Asset category	Useful life as per the management	As per schedule II of Companies Act, 2013
Plant and Medical Equipment	10, 13 or 15 years	10, 13 or 15 years
Data processing equipment	3 years	3 years
Electrical Installations	10 years	10 years
Furniture and fixtures	10 years	10 years
Office Equipment	5 years	5 years
Vehicles	8 years	8 years

Useful lives are reviewed at each reporting date and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date are recognized as capital advance and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work-in-progress.

Assets acquired under leasehold improvements are amortized over the lower of estimated useful life and lease term.

Freehold land is carried at historical cost less any accumulated impairment losses.

**(h) Intangible assets**

Intangible assets acquired on business combination are recognised at fair value as at the date of acquisition. Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the statement of profit and loss as incurred. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

**Useful lives of intangible assets**

Estimated useful lives of the intangible assets are as follows:

Asset category	Useful Life
Computer software	3 years

**(i) Inventories**

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location, after adjusting for GST wherever applicable applying weighted average method.

Imported inventories are accounted for at the applicable exchange rates prevailing on the date of transaction.

**(j) Provisions (other than employee benefits)**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

**Onerous contracts**

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

(k) Financial instruments

a. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (except trade receivable) or financial liability is initially measured at fair value plus / minus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable is initially measured at the transaction price.

b. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

**(k) Financial instruments (contd.,)**

*Financial liabilities: Classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

**c. Derecognition**

*Financial assets*

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

*Financial liabilities*

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

**d. Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**(l) Impairment**

**(i) Financial assets (other than at fair value)**

The Company assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 - Financial Instruments requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

**Allowance for credit losses on receivables**

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates.

**(ii) Non-financial assets**

**Tangible and Intangible assets**

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is an indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. 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 cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss. In respect of assets other than Goodwill 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.

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

Basic earnings / loss per share is computed by dividing profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, using the treasury stock method for options and warrants, except where the results would be anti-dilutive.

**(n) Contingent liabilities**

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

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

**(o) Cash flow statement**

Cash flows are reported using the indirect method, whereby net profit / loss before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregate. Bank overdrafts and investment in liquid mutual funds are classified as cash and cash equivalents for the purpose of cash flow statement, as they form an integral part of an entity's cash management.

**(p) Cash and cash equivalents**

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of cash flow statement, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

**(q) Segment reporting**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairman of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the Chief Operating Decision Maker (CODM). The CODM evaluates the Company's performance and allocates resources on overall basis.

**3 Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified IND AS -117 Insurance Contracts and amendments to Ind AS 116 - Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

On May 9, 2025, MCA notifies the amendments to Ind AS 21 - Effects of Changes in Foreign Exchange Rates. These amendments aim to provide clearer guidance on assessing currency exchangeability and estimating exchange rates when currencies are not readily exchangeable. The amendments are effective for annual periods beginning on or after April 1, 2025. The Company does not expect this amendment to have any significant impact in its financial statements.

**HCG Medi-Surge Hospitals Private Limited**

**Statement of changes in equity for the year ended 31 March 2025**

**a. Equity share capital \***

	<b>No of shares</b>	<b>Rs. in Million</b>
<b>Balance as at 1 April 2023</b>	5,568,704	55.69
Changes in equity share capital during the year	-	-
<b>Balance as at 31 March 2024</b>	<b>5,568,704</b>	<b>55.69</b>
Changes in equity share capital during the year	-	-
<b>Balance as at 31 March 2025</b>	<b>5,568,704</b>	<b>55.69</b>

**b. Other equity\***

b. Other equity\*

Particular	Rs. in million			
	Reserves and Surplus		Items of other comprehensive income	Total other equity
	Retained earnings	Others #	Remeasurements of the defined benefit plan	
Balance as at 1 April 2023	410.23	66.31	(0.79)	475.75
Profit for the year	244.74	-	-	244.74
Other comprehensive loss for the year (net of income tax)	-	-	(0.88)	(0.88)
Total comprehensive income/ (loss)	244.74	-	(0.88)	243.86
Balance as at 31 March 2024	654.97	66.31	(1.67)	719.61
Profit for the year	120.66	-	-	120.66
Other comprehensive (loss) for the year, (net of income tax)	-	-	(0.48)	(0.48)
Total comprehensive income/ (loss)	120.66	-	(0.48)	120.18
Balance as at 31 March 2025	775.63	66.31	(2.15)	839.79

**Retained earnings**

Retained earnings represent the amount of accumulated earnings of the Company.

**Remeasurement of defined benefit plan**

This represents the actuarial gain and losses on defined benefit plan (excluding interest).

\* There are no changes in equity share capital and other equity due to prior period errors.

# It comprises of corporate guarantee commission on the guarantee given by HealthCare Global Enterprises Limited (Holding Company) towards the term loans of the Company.

Material accounting policies

2.1

The accompanying notes are an integral part of these financial statements

As per reports of even date attached

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

Chartered Accountants

Firm's registration number: 101248W/W -100022

for and on behalf of the Board of Directors of

**HCG Medi-Surge Hospitals Private Limited**

CIN: U85110GJ2000PTC037474

Sd/-

**Vikash Gupta**

Partner

Membership number: 064597

Sd/-

**Srinivas V Raghavan**

Director

DIN 01803376

Sd/-

**Dr. B S Ramesh**

Director

DIN 00518434

Place : Bengaluru

Date : 22 May 2025

Place : Bengaluru

Date : 22 May 2025

Place : Bengaluru

Date : 22 May 2025

## 4 Property, plant and equipment

Description of Assets								Rs. in million	
	Leasehold improvements *	Plant and medical equipment	Electrical Installations	Office Equipment	Furniture and fixtures	Data processing equipment	Vehicles	Tangible assets Total	Capital work in progress (B)
<b>I. Gross Block</b>									
<b>Balance as at 1 April 2023</b>	<b>141.75</b>	<b>810.17</b>	<b>13.90</b>	<b>7.76</b>	<b>40.02</b>	<b>16.89</b>	<b>2.86</b>	<b>1,033.33</b>	<b>80.27</b>
Additions	-	35.72	0.20	0.21	0.31	3.61	2.35	42.40	384.10
Disposals	-	(0.50)	-	-	(0.03)	(0.04)	-	(0.57)	-
<b>Balance as at 31 March 2024</b>	<b>141.75</b>	<b>845.39</b>	<b>14.10</b>	<b>7.97</b>	<b>40.30</b>	<b>20.46</b>	<b>5.21</b>	<b>1,075.16</b>	<b>464.37</b>
Additions	693.07	311.65	134.43	5.39	43.03	10.80	-	<b>1,198.38</b>	721.82
Disposals	(161.43)	(101.90)	(0.42)	(6.01)	(27.24)	-	-	<b>(297.00)</b>	(1,186.02)
<b>Balance as at 31 March 2025</b>	<b>673.39</b>	<b>1,055.14</b>	<b>148.11</b>	<b>7.35</b>	<b>56.09</b>	<b>31.26</b>	<b>5.21</b>	<b>1,976.56</b>	<b>0.18</b>
<b>II. Accumulated depreciation and impairment</b>									
<b>Balance as at 1 April 2023</b>	<b>113.50</b>	<b>403.02</b>	<b>3.20</b>	<b>6.75</b>	<b>29.16</b>	<b>10.93</b>	<b>2.05</b>	<b>568.61</b>	-
Eliminated on disposal of assets	-	(0.38)	-	-	(0.03)	(0.01)	-	(0.42)	-
Depreciation expense	13.31	62.48	1.31	0.34	2.06	3.42	0.28	83.20	-
<b>Balance as at 31 March 2024</b>	<b>126.81</b>	<b>465.12</b>	<b>4.51</b>	<b>7.09</b>	<b>31.19</b>	<b>14.34</b>	<b>2.33</b>	<b>651.39</b>	-
Eliminated on disposal of assets	(158.24)	(76.30)	(0.37)	(5.88)	(23.19)	-	-	(263.99)	-
Depreciation expense	31.43	80.46	8.04	0.67	6.55	6.04	0.43	133.62	-
<b>Balance as at 31 March 2025</b>	<b>-</b>	<b>469.28</b>	<b>12.18</b>	<b>1.88</b>	<b>14.55</b>	<b>20.38</b>	<b>2.76</b>	<b>521.02</b>	<b>-</b>
<b>Net block as at 31 March 2024</b>	<b>14.94</b>	<b>380.27</b>	<b>9.59</b>	<b>0.88</b>	<b>9.11</b>	<b>6.12</b>	<b>2.88</b>	<b>423.77</b>	<b>464.37</b>
<b>Net block as at 31 March 2025</b>	<b>673.39</b>	<b>585.86</b>	<b>135.93</b>	<b>5.47</b>	<b>41.54</b>	<b>10.88</b>	<b>2.45</b>	<b>1,455.54</b>	<b>0.18</b>

Refer note 16 for details of charge created on property, plant and equipment.

\*Directly attributable expenses capitalised of Rs. 17.26 million (31 March 2024: Rs. Nil). Total borrowing cost capitalised (included in directly attributable expenses) is Rs. 29.50 million (31 March 2024: Rs. Nil) relating to Lease Liability

**HCG Medi-Surge Hospitals Private Limited**
**Notes to the financial statements for the year ended 31 March 2025 (continued)**
**5 Capital work-in-progress (CWIP) ageing schedule**
**Rs. in million**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
<b>Projects in progress</b>					
As at 31 March 2024	384.10	70.66	3.47	6.14	464.37
As at 31 March 2025	0.18				0.18
<b>Projects temporarily suspended</b>					
As at 31 March 2024	-	-	-	-	-
As at 31 March 2025	-	-	-	-	-
<b>Total Capital work-in-progress</b>					
As at 31 March 2024	<b>384.10</b>	<b>70.66</b>	<b>3.47</b>	<b>6.14</b>	<b>464.37</b>
As at 31 March 2025	<b>0.18</b>	-	-	-	<b>0.18</b>

There are no Capital-work-in-progress whose completion is overdue as compared to the plan as of year ended 31 March 2025. Project execution plans are modulated basis requirement assessment from time to time and all the projects are executed as per rolling plan.

There were no projects that exceeded its cost compared to its original budget as at 31 March 2025 and 31 March 2024 except in respect of hospital construction project. There was an increase in the project cost from its original budget of Rs. 825 million to Rs. 1,075 million during the year ended 31 March 2024 pursuant to the approval of Board of Directors of the Company dated 20 December 2023. Further, pursuant to the approval of Board of Directors of the Company dated 20 May 2025, there is further increase in cost of hospital construction project as compared to the previously approved budget of Rs.1,075 million to Rs.1,218.55 million. As at 31 March 2025, the cost incurred for the hospital construction project amounting to Rs 1,054.74 million has been capitalised to the Property, Plant and equipment.



6 Right-of-use-assets and lease liabilities

6.1 Leases as lessee

<b>Right-of-use-assets</b>			
Description of Assets	Buildings	Plant and medical equipment	Total
<b>I. Gross Block</b>			
Balance as at 1 April 2023	421.21	17.53	438.74
Additions to right-of-use assets	-	-	-
Balance as at 31 March 2024	421.21	17.53	438.74
Additions to right-of-use assets	909.36	73.29	982.65
Derecognition of right-of-use assets	(206.67)	-	(206.67)
Balance as at 31 March 2025	1,123.90	90.82	1,214.72
<b>II. Accumulated depreciation and impairment</b>			
Balance as at 1 April 2023	263.96	6.45	270.41
Depreciation expense	79.36	2.52	81.88
Balance as at 31 March 2024	343.32	8.97	352.29
Depreciation expense	104.81	7.05	111.86
Termination of lease during the year	(192.20)	-	(192.20)
Balance as at 31 March 2025	255.93	16.02	271.95
<b>Net block as at 31 March 2024</b>	<b>77.89</b>	<b>8.56</b>	<b>86.45</b>
<b>Net block as at 31 March 2025</b>	<b>867.97</b>	<b>74.80</b>	<b>942.77</b>

The Company has lease arrangement for hospital buildings and medical equipments.

The aggregate depreciation expense on ROU for the year amounting to Rs. 94.61 million (31 March 2024: Rs. 81.88 million) is included in the "Depreciation and Amortisation expense" in the statement of Profit and Loss and Rs. 17.25 million (31 March 2024: Rs. Nil) is capitalised to Property, plant and equipment. The expenses on short term lease amounts to Rs. 4.53 million (31 March 2024: 8.95 million) for the year ended 31 March 2025.

**Lease liabilities**

The following is the break-up of current and non-current lease liabilities as at 31 March 2025 and 31 March 2024:

Particular's	As at 31 March 2025	As at 31 March 2024
Current lease liabilities	19.65	82.36
Non-current liabilities	928.64	26.35
<b>Total</b>	<b>948.29</b>	<b>108.71</b>

The table below provides details regarding the contractual maturities of Lease liabilities\*:

Particulars	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 4 years	Total
As at 31 March 2025	114.42	108.41	108.18	109.47	1,614.35	2,054.83
As at 31 March 2024	86.61	17.02	11.01	1.50	-	116.14

\*Contractual maturities are presented at undiscounted future payments.

The Company does not expect 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.

**Amounts recognised in Statement of profit and loss**

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Depreciation of right-of-use assets *	94.61	81.88
Interest expense on lease liabilities*	66.63	14.86
Gain on termination of lease	5.73	-
Rent expenses # (refer note 27)	4.53	8.95

\* During the year ended 31 March 2025, interest and depreciation expenses capitalised amounting to Rs. 29.50 million and Rs. 17.25 million (31 March 2024: Rs. Nil and Rs. Nil) respectively.

# During the year ended 31 March 2025, the Company incurred expenses amounting to Rs. 4.53 million (31 March 2024: Rs. 8.95 Million) towards short-term leases and Rs. Nil million towards variable rent (31 March 2024: Rs. Nil)

**Amounts recognised in Cash flow statement**

Particular's	For the year ended 31 March 2025	For the year ended 31 March 2024
Repayment of principal portion of lease liability	71.31	81.24
Interest paid on lease liability	66.63	14.86
Payment towards short-term leases and variable rent	4.53	8.95
<b>Total cash outflow for leases</b>	<b>142.47</b>	<b>105.05</b>

**Commitments for leases not yet commenced:**

The Company had committed to lease hospital building Phase III project at Ahmedabad. The potential future lease payments (on undiscounted basis) for this lease: Rs. NIL million (as at 31 March 2024: Rs. 1,989 million over the period of 18 years) .

HCG Medi-Surge Hospitals Private Limited  
Notes to the financial statements for the year ended 31 March 2025 (continued)

Rs. in million

7 Other intangible assets

Description of Assets	Intangible Assets	
	Computer software	Total
<b>I. Gross block</b>		
Balance as at 1 April 2023	9.99	9.99
Additions	-	-
Balance as at 31 March 2024	9.99	9.99
Additions	-	-
Balance as at 31 March 2025	9.99	9.99
<b>II. Accumulated depreciation and impairment</b>		
Balance as at 1 April 2023	9.96	9.96
Depreciation expense	0.02	0.02
Balance as at 31 March 2024	9.98	9.98
Depreciation expense	0.00	0.00
Balance as at 31 March 2025	9.98	9.98
Net block as at 31 March 2024	0.01	0.01
Net block as at 31 March 2025	0.01	0.01

Rs. in million

8 Other financial assets\*

	As at 31 March 2025		As at 31 March 2024	
	Non current	Current	Non current	Current
Security deposits	48.71	1.73	34.52	32.47
Term deposit (original maturity more than 12 months)#	38.15	-	27.28	-
Receivable from related parties (refer note 39)	-	0.12	-	0.01
<b>Total</b>	<b>86.86</b>	<b>1.85</b>	<b>61.80</b>	<b>32.48</b>

\*Other financial assets are subject to charge to secure bank loans.

#The above deposits are restrictive as it pertains to margin money given against bank loan.

9 Income tax expense

9.1 Income tax recognised in the statement of profit and loss

Current tax

Current tax

For the Year ended 31 March 2025	For the Year ended 31 March 2024
-------------------------------------	-------------------------------------

39.54 58.47

Deferred tax expense / (credit)

Deferred tax

3.00 (3.83)

**Total income tax expense recognised in the statement of profit and loss**

**42.54 54.64**

The reconciliation between the income tax expense of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

	For the Year ended 31 March 2025	For the Year ended 31 March 2024
Profit before tax for the year	163.20	299.38
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	41.08	75.35
<b>Effect of:</b>		
Effect of non deductible expenses	1.46	-
Others - adjustment of tax relating to earlier years	-	(20.71)
<b>Total</b>	<b>42.54</b>	<b>54.64</b>

9.2 Income tax recognised in other comprehensive income/ (loss)

**Income tax arising on income and expenses recognised in other comprehensive income:**

Remeasurement of defined benefit obligation

0.25 0.29

**Total income tax recognised in other comprehensive income/ (loss) on items that will not be reclassified to profit or loss**

**0.25 0.29**

9.3 Deferred tax balances

	As at 31 March 2025	As at 31 March 2024
Deferred tax assets	263.45	42.54
Deferred Tax liabilities	(245.42)	(21.68)
<b>Total</b>	<b>18.03</b>	<b>20.86</b>

Significant components of net deferred tax assets and liabilities for the year ended 31 March 2025 are as follows:

Deferred tax assets / (liabilities) in relation to	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
Property, plant and equipment and intangible assets	5.16	(18.85)	-	(13.69)
Right-of use assets	(21.68)	(210.05)	-	(231.73)
Provision for doubtful debts	6.18	(1.20)	-	4.98
Defined benefit obligation	0.46	-	0.25	0.71
Lease liabilities and deposits related to leases	26.31	226.92	-	253.23
Sec 43B items	4.43	0.18	-	4.61
<b>Total</b>	<b>20.86</b>	<b>(3.00)</b>	<b>0.25</b>	<b>18.10</b>

Significant components of net deferred tax assets and liabilities for the year ended 31 March 2024 are as follows:

Deferred tax assets / (liabilities) in relation to	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
Property, plant and equipment and intangible assets	3.29	1.87	-	5.16
Right-of use assets	(42.36)	20.68	-	(21.68)
Provision for doubtful debts	4.17	2.01	-	6.18
Defined benefit obligation	0.16	0.01	0.29	0.46
Lease liabilities and deposits related to leases	47.81	(21.50)	-	26.31
Sec 43B items	3.42	1.01	-	4.43
Others	0.25	(0.25)	-	-
<b>Total</b>	<b>16.74</b>	<b>3.83</b>	<b>0.29</b>	<b>20.86</b>

9.4 Other tax assets (net)

	As at 31 March 2025	As at 31 March 2024
Tax deducted at source, advance tax (net of Provision)	12.65	3.83
<b>Total</b>	<b>12.65</b>	<b>3.83</b>

Rs. in million

10 Other assets (Considered good)\*

**Unsecured, considered good**

	As at 31 March 2025		As at 31 March 2024	
	Non current	Current	Non current	Current
Capital advances	8.19	-	135.02	-
Taxes paid under protest	-	1.29	-	1.29
Prepaid expenses	0.78	3.47	53.30	4.32
Advance to vendors	-	7.83	-	4.80
	<b>8.97</b>	<b>12.59</b>	<b>188.32</b>	<b>10.41</b>

\*Refer note 16 for details of charge created on other assets.

11 Inventories (lower of cost and net realisable value)\*

Medical and non medical items\*

	As at 31 March 2025	As at 31 March 2024
<b>Total</b>	<b>74.48</b>	<b>54.97</b>

\*Refer note 16 for details of charge created on inventories. There are nil provision towards written down to net realisable value.

12 Trade receivables (unsecured) \*

**Billed - Considered good**

	As at 31 March 2025	As at 31 March 2024
Trade receivables - unsecured	94.44	104.11
Less: Loss allowance on trade receivables (refer note 36)	(18.02)	(23.87)
	<b>76.42</b>	<b>80.24</b>

**Unbilled - considered good**

	As at 31 March 2025	As at 31 March 2024
Trade receivables (unsecured)	12.71	8.75
Less: Loss allowance on trade receivables (refer note 36)	(1.77)	(0.70)
	<b>10.94</b>	<b>8.05</b>

\* Includes receivable from related parties (refer note 39).

**Trade receivables ageing schedule**

**As at 31 March 2025**

Particulars	Unbilled	Outstanding for following periods from invoice date					Total
		Less than 6 months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 years	
Undisputed Trade receivables - considered good	12.71	63.02	18.01	8.20	4.57	0.64	107.15
Undisputed Trade receivables - which have significant increase in risk	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
	<b>12.71</b>	<b>63.02</b>	<b>18.01</b>	<b>8.20</b>	<b>4.57</b>	<b>0.64</b>	<b>107.15</b>
Less: Loss allowance for doubtful trade receivables							(19.79)
<b>Total</b>							<b>87.36</b>

There are no disputed trade receivables as at 31 March 2025.

**As at 31 March 2024**

Particulars	Unbilled	Outstanding for following periods from invoice date					Total
		Less than 6 months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 years	
Undisputed Trade receivables - considered good	8.75	60.28	18.63	25.20	-	-	112.86
Undisputed Trade receivables - which have significant increase in risk	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
	<b>8.75</b>	<b>60.28</b>	<b>18.63</b>	<b>25.20</b>	<b>-</b>	<b>-</b>	<b>112.86</b>
Less: Loss allowance for doubtful trade receivables							(24.57)
<b>Total</b>							<b>88.29</b>

There are no disputed trade receivables as at 31 March 2024.

The Company's exposure to credit risk is explained in Note 36.

Rs. in million

13 (a) Cash and cash equivalents

	As at 31 March 2025	As at 31 March 2024
(a) Cash on hand	5.93	1.66
(b) Cheques, draft on hand	2.33	0.80
(c) Balances with Banks		
In deposit accounts with original maturity less than three months	50.54	100.20
In current accounts	155.85	45.67
In Exchange Earners Foreign Currency Account (EEFC) accounts	0.34	0.81
<b>Total</b>	<b>214.99</b>	<b>149.14</b>

13 (b) Bank balance other than cash and cash equivalents above

Deposits with banks with original maturity of more than three months but less than twelve months\*

	2.67	-
	<b>2.67</b>	<b>-</b>

\*Deposits include margin money deposits with banks and deposits given as security for obtaining bank guarantees. These deposits are restrictive.

For the purpose of the statement of cash flows, cash and cash equivalent comprise the following:

(a) Cash on hand	5.93	1.66
(b) Cheques, drafts on hand	2.33	0.80
(c) Balance with bank		
In deposit accounts	50.54	100.20
In current accounts	155.85	45.67
In Exchange Earners Foreign Currency Account (EEFC) accounts	0.34	0.81
<b>Cash and cash equivalents as per statement of cash flows</b>	<b>214.99</b>	<b>149.14</b>

13 (c) Loans receivable (unsecured)

	As at 31 March 2025		As at 31 March 2024	
	Non current	Current	Non current	Current
<b>Considered good</b>				
Loan to employees	-	0.44	-	0.51
<b>Total</b>	<b>-</b>	<b>0.44</b>	<b>-</b>	<b>0.51</b>

Rs. in million

14 Equity share capital

Authorised Share capital :

10,000,000 equity shares of Rs.10 each (as at 31 March 2024: 10,000,000)

Issued, subscribed and paid up capital comprises:

5,568,704 fully paid up equity shares of Rs.10 each (as at 31 March 2024: 5,568,704 fully paid up equity shares of Rs.10 each)

	As at 31 March 2025	As at 31 March 2024
10,000,000 equity shares of Rs.10 each (as at 31 March 2024: 10,000,000)	100.00	100.00
5,568,704 fully paid up equity shares of Rs.10 each (as at 31 March 2024: 5,568,704 fully paid up equity shares of Rs.10 each)	55.69	55.69

14.1 Reconciliation of the equity shares outstanding at the beginning and at the end of the year:

Balance as at 01 April 2023

Issued during the year

Balance as at 31 March 2024

Issued during the year

Balance as at 31 March 2025

	Number of shares	Share capital (Amount)
Balance as at 01 April 2023	5,568,704	55.69
Issued during the year	-	-
Balance as at 31 March 2024	5,568,704	55.69
Issued during the year	-	-
Balance as at 31 March 2025	5,568,704	55.69

14.2 Details of shares held by each shareholder holding more than 5% shares

Fully paid up equity shares

HealthCare Global Enterprises Limited

Aastha Oncology Private Limited

As at 31 March 2025		As at 31 March 2024	
Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
4,120,807	74.00%	4,120,807	74.00%
1,447,897	26.00%	1,447,897	26.00%

14.3 Shareholding of promoters and promoter group

Promoter

HealthCare Global Enterprises Limited

As at 31 March 2025		Percentage change during the year ended 31 March 2025
Number of shares held	% holding of equity shares	
4,120,807	74.00%	0.00%

Promoter

HealthCare Global Enterprises Limited

As at 31 March 2024		Percentage change during the year ended 31 March 2024
Number of shares held	% holding of equity shares	
4,120,807	74.00%	0.00%

14.4 Rights, preferences and restrictions attached to equity shares

All shares are Fully paid up, which have a par value of Rs.10, carry one vote per share and carry a right to dividends. The Company has only one class of equity share having a par value of Rs.10 each. Holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. However, as on date no such preferential amount exists. The distribution will be in proportion to number of equity shares held by the shareholders.

14.5 There has been no buyback of shares, issue of shares by way of bonus shares or issue of shares pursuant to contract without payment being received in cash for the period of five years immediately preceding the date of balance sheet.

15 Other equity

Retained earnings (refer note 15.1)

Remeasurement of defined benefit plans (refer note 15.2)

Others (refer note 15.3)

	As at 31 March 2025	As at 31 March 2024
Retained earnings (refer note 15.1)	775.63	654.97
Remeasurement of defined benefit plans (refer note 15.2)	(2.15)	(1.67)
Others (refer note 15.3)	66.31	66.31
	839.79	719.61

15.1 Retained earnings

Balance at the beginning of the year

Profit attributable to owners of the Company

Balance at the end of the year

	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	654.97	410.23
Profit attributable to owners of the Company	120.66	244.74
Balance at the end of the year	775.63	654.97

15.2 Remeasurements of the defined benefit plans

Balance at the beginning of the year

Other comprehensive income/(loss) arising from remeasurement of defined benefit obligation net of income tax

Balance at the end of the year

	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	(1.67)	(0.79)
Other comprehensive income/(loss) arising from remeasurement of defined benefit obligation net of income tax	(0.48)	(0.88)
Balance at the end of the year	(2.15)	(1.67)

15.3 Others

Balance at the beginning of the year

Balance at the end of the year

	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	66.31	66.31
Balance at the end of the year	66.31	66.31

16 Borrowings

Secured - at amortised cost

Term loans - from banks and financial Institutions (refer note 16.1)

Total

As at 31 March 2025		As at 31 March 2024	
Non current	Current	Non current	Current
370.36	59.39	222.96	32.86
<b>370.36</b>	<b>59.39</b>	<b>222.96</b>	<b>32.86</b>

16.1 Summary of borrowing arrangements

(i) The details of security and terms of repayment of term loans and other loans are stated below.

Detail of repayment terms, interest and maturity	As at 31 March 2025	As at 31 March 2024
<b>Facility -1</b>		
<b>Term loans from banks - Secured</b>		
<b>Non-current portion*</b>	107.79	138.25
<b>Amounts included under current borrowings</b>	30.35	30.35
Details of security and terms of repayment for the amounts borrowed during the earlier years:		
- First pari-passu charge on movable fixed assets (both present and future, excluding those funded out exclusively by other lenders) and immovable fixed assets (land and building/structures there upon) and second pari-passu charge by way of hypothecation on entire current assets of the Company.		
Corporate guarantee given by HealthCare Global Enterprises Limited, the holding company of the entity, has been waived-off during the current year ended 31 March 2024.		
- Rate of interest: Repo-rate + 2.85% p.a.		
- Repayable in installments over a period of 9.5 years from the date of borrowing.		
* Non-current portion of bank debt includes an amount of Rs. 1.02 million (31 March 2024: 2.98 million) towards unamortised loan processing charges, which is netted off below		
<b>Facility - 2</b>		
<b>Term loans from banks - Secured</b>		
<b>Non-current portion</b>	58.83	87.69
<b>Amounts included under current borrowings</b>	29.04	2.51
Details of security and terms of repayment for the amounts borrowed during the previous year:		
- Extension of second charge over primary & collateral security for existing facilities and 130% credit guarantee by NCGTC		
- Rate of interest: Repo-rate + 1.90% p.a.		
- Repayable in installments over a period of 5 years including 2 years of moratorium from the date of borrowing.		
<b>Facility - 3</b>		
<b>Term loans from banks - Secured</b>		
<b>Non-current portion *</b>	209.44	-
<b>Amounts included under current borrowings</b>	-	-
Details of security and terms of repayment for the amounts borrowed during the current year:		
- Secured by first pari-passu charge on entire current assets (both present and future), second pari- passu charge over entire movable assets (both present and future other than exclusively charged) of the parent Company.		
- Rate of interest: Repo-rate + 2.00% p.a.		
- Repayable in installments over a period of 10 years including 2 years of moratorium from the date of borrowing.		
* Non-current portion of bank debt includes an amount of Rs. 4.68 million (31 March 2024: Nil ) towards unamortised loan processing charges, which is netted off below.		
Less: Unamortised loan processing charges	(5.70)	(2.98)
<b>Total</b>	<b>429.75</b>	<b>255.82</b>
Non-current portion	370.36	222.96
Amounts included under current borrowings	59.39	32.86

17 Provisions

Employee benefits

Gratuity (Refer note 34.2)

Compensated absences

Total

As at 31 March 2025		As at 31 March 2024	
Non current	Current	Non current	Current
8.13	3.04	7.06	2.39
1.60	1.02	-	2.34
<b>9.73</b>	<b>4.06</b>	<b>7.06</b>	<b>4.73</b>

Rs. in million

**18 Other liabilities \***

Advance from customers (refer note 40)
Balance due to statutory/government authorities
<b>Total</b>

As at 31 March 2025		As at 31 March 2024	
Non current	Current	Non current	Current
-	7.81	-	10.05
-	8.62	-	6.55
-	<b>16.43</b>	-	<b>16.60</b>

\* The Company imported medical equipments under Export Promotion Capital Goods (EPCG) scheme. Under the Scheme, the Company is expected to meet the specified criteria and exempted from paying customs duty on imports which is recognised as a government grant. Fair value of the government grant is capitalised along with the equipment.

For certain cases, the Company expected shortfall in meeting the export obligations required under the EPCG Scheme described above. Accordingly, provision for contingency had been recognized towards estimated duties and taxes. Interest recognized during the year ended 31 March 2025 on provision for such duties and taxes is Rs. Nil (31 March 2024: Rs.1.95 million ) after considering certain licenses which were expected to be settled under the “special one-time amnesty scheme” announced by the DGFT, vide public notice number 02/2023 dated 1 April 2023. Refer note 25.

Further, the Company had also received notice dated 4 March 2023 for invocation of certain Bank Guarantees provided as security for availing duty exemption under the EPCG licenses. While the Court had subsequently directed that no coercive action is to be taken till such time the representation made by the Company is decided by the adjudicating authority, the Company had already recognized provision for contingency as explained above and settled the same in the previous year.

During the previous year ended 31 March 2024, the Company had settled provision for contingencies for taxes of Rs. 160.40 million (including Rs. 24.35 million under the Amnesty scheme announced by Directorate General of Foreign Trade).

**Disclosures relating to movement in EPCG provision**

At the beginning of the year
Interest accrued during the year
Payment / settlement made during the year
<b>At the end of the year</b>

As at 31 March 2025	As at 31 March 2024
-	158.45
-	1.95
-	(160.40)
-	-

**19 Trade payables**

Total outstanding dues of micro enterprises and small enterprises (refer note 38)
Total outstanding dues of creditors other than micro enterprises and small enterprises*
<b>Total</b>

As at 31 March 2025	As at 31 March 2024
1.83	1.01
512.19	359.68
<b>514.02</b>	<b>360.69</b>

\* For details relating to payable to related parties- refer note 39

**Trade payables ageing schedule**

Particulars	As at 31 March 2025		
	Micro enterprises and small enterprises	Others	Total
Unbilled dues	-	78.62	78.62
Outstanding for following periods from due date of payment			
Not yet due	1.40	205.69	207.10
Outstanding for following periods from due date of payment			
Less than 1 year	0.43	142.57	142.99
1-2 years	-	82.22	82.22
2-3 years	-	0.35	0.35
More than 3 years	-	2.74	2.74
<b>Total</b>	<b>1.83</b>	<b>512.19</b>	<b>514.02</b>

There are no disputed dues as at 31 March 2025.

Particulars	As at 31 March 2024		
	Micro enterprises and small enterprises	Others	Total
Unbilled dues	-	103.59	103.59
Outstanding for following periods from due date of payment			
Not yet due	0.70	136.01	136.71
Less than 1 year	0.31	117.18	117.49
1-2 years	-	2.08	2.08
2-3 years	-	0.43	0.43
More than 3 years	-	0.39	0.39
<b>Total</b>	<b>1.01</b>	<b>359.68</b>	<b>360.69</b>

There are no disputed dues as at 31 March 2024.

**20 Other financial liabilities**

Creditors for capital goods
Accrued salaries and benefits
Others
<b>Total</b>

As at 31 March 2025		As at 31 March 2024	
Non current	Current	Non current	Current
-	81.84	-	34.48
-	18.09	-	20.12
-	1.70	-	1.70
-	<b>101.63</b>	-	<b>56.30</b>



Rs. in million

**21 Revenue from operations (refer note 40)**

Income from medical services  
Sale of medical and non medical items  
Other operating revenues

Year ended 31 March 2025	Year ended 31 March 2024
2,334.14	1,992.88
45.24	23.83
9.66	8.06
<b>2,389.04</b>	<b>2,024.77</b>

**22 Other income**

Interest on financial assets at amortised cost (Refer note below)  
Interest on income tax refund  
Gain on termination of lease  
Miscellaneous income

Year ended 31 March 2025	Year ended 31 March 2024
16.40	20.32
0.30	-
5.73	-
1.55	0.18
<b>23.98</b>	<b>20.50</b>

**Note: Interest income from financial assets at amortised cost comprise:**

Interest on bank deposits  
Interest on financial assets at amortised cost

12.47	17.90
3.93	2.42
<b>16.40</b>	<b>20.32</b>

**23 Changes in inventories**

Inventories at the beginning of the year  
Inventories at the end of the year  
Net (decrease)

Year ended 31 March 2025	Year ended 31 March 2024
54.97	52.92
74.48	54.97
<b>(19.51)</b>	<b>(2.05)</b>

**24 Employee benefits expense**

Salaries and wages  
Contribution to provident and other funds (refer note 34.1)  
Expense on employee stock option scheme, net (refer note 39)  
Staff welfare expenses

Year ended 31 March 2025	Year ended 31 March 2024
184.81	162.92
12.09	11.90
0.54	0.07
11.22	7.32
<b>208.66</b>	<b>182.21</b>

**25 Finance costs**

**(a) Interest expense on financial liabilities measured at amortised cost:**

Interest on bank loans

37.03 25.56

**(b) Interest expense on lease liabilities**

Interest expense on lease liabilities (Gross)  
Less: Capitalised in capital work-in-progress  
Interest expense on lease liabilities (net)

96.13 14.86  
(29.50) -  
66.63 14.86

**(c) Others**

Interest on defined benefit obligations (Refer note 34.2)  
Interest on provision for contingency for taxes  
Net loss on foreign currency transactions and translations to the extent regarded as borrowing costs  
Other borrowing cost  
Corporate guarantee expenses  
Bank charges

0.74 0.67  
- 1.95  
- 0.07  
1.11 1.36  
0.95 6.98  
9.90 11.06

**116.36 62.51**

**26 Depreciation and amortisation expense**

Depreciation of property, plant and equipment (refer note 4)  
Depreciation of right-of-use assets, Gross (refer note 6)  
Less: Capitalised (refer note 4)  
Depreciation of right-of-use assets, net (refer note 6)  
Amortisation of intangible assets (refer note 7)

Year ended 31 March 2025	Year ended 31 March 2024
133.62	83.20
111.86	81.88
(17.25)	-
94.61	81.88
0.02	0.02
<b>228.25</b>	<b>165.10</b>

**27 Other expenses**

Medical consultancy charges (refer note 39)  
Lab charges (refer note 39)  
Power and fuel  
House keeping expenses  
Rent (refer note 6)  
Repairs and maintenance  
- Buildings  
- Machinery  
- Others  
Insurance  
Rates and taxes  
Printing and stationery  
Advertisement, publicity and marketing  
Travelling and conveyance  
Legal and professional Fees  
Payment to auditors (refer note 28)  
Telephone expenses  
Loss allowance/ (reversal) on trade receivables (refer note 36)  
Loss on disposal of property, plant and equipment  
Expenditure incurred for corporate social responsibility (refer note 29)  
Miscellaneous expenses

Year ended 31 March 2025	Year ended 31 March 2024
680.59	555.59
99.40	82.31
44.88	24.36
39.55	12.24
4.53	8.95
0.66	0.34
47.76	52.13
23.38	21.60
2.48	1.12
32.44	20.89
3.93	2.98
22.29	16.74
5.92	2.79
6.55	4.46
1.50	1.50
1.99	1.35
(4.78)	7.99
20.26	0.06
4.87	2.44
3.02	9.06
<b>1,041.22</b>	<b>828.90</b>

**HCG Medi-Surge Hospitals Private Limited**  
**Notes to the financial statements for the year ended 31 March 2025 (continued)**

	Rs. in million	
	Year ended 31 March 2025	Year ended 31 March 2024
<b>28 Payments to auditors (including taxes)</b>		
As an auditor		
Audit fee	1.42	1.42
Reimbursement of expenses	0.08	0.08
	<b>1.50</b>	<b>1.50</b>

**29 Details of corporate social responsibility expenditure**

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(a) Gross amount required to be spent by the Company	4.87	2.44
(b) Amount approved by the Board to be spent during the year	4.40	1.98
(c) Amount spent during the year:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	4.40	1.98
(d) Details of related party transactions : International Human Development and Upliftment Academy (Trust)	4.40	1.98
Nature of activities	Promoting education of rural children	Promoting education of rural children
<b>(e) Details of unspent obligations</b>		
In case of section 135(5) of the Companies Act, 2013 (other than ongoing project)		
<b>Opening Balance</b>	0.46	-
Amount deposited in specified fund of Schedule VII within 6 months	(0.46)	-
Amount required to be spent during the year	0.47	0.46
Amount spent during the year	-	-
<b>Closing Balance *</b>	0.47	0.46
* The unspent amount is deposited in to bank account in specified fund of Schedule VII on 22 May 2025		

**30 Contingent liabilities**

	Year ended 31 March 2025	As at 31 March 2024
a) Claims against the company not acknowledged as debt		
Value added tax (refer note 1)	17.35	18.29
Customs duty (refer note 2)	61.29	61.29
Income tax (refer note 3)	2.74	2.74
	<b>81.38</b>	<b>82.32</b>

1 HCG Medisurge Hospitals Private Limited's (HCG Medisurge) VAT Assessment has been done for FY 2011-12 and noted that HCG Medisurge has not paid VAT totalling Rs.9.49 million on goods which HCG Medisurge claimed as Exempted goods. The AO has levied interest of Rs. 4.56 million and penalty of Rs. 1.64 million by wrongly assessing service income as a taxable item and levying VAT on cafeteria which was offered by HCG Medisurge to VAT under different VAT registration. HCG Medisurge has filed an appeal before the Joint Commissioner of Commercial Taxes producing the relevant supporting documents for supply of exempted goods, provision of medical Services and offering of cafeteria sales under different VAT registration number. HCG Medisurge believes that the VAT demand will be dropped and no adverse effect on financial statement.

The Company's VAT Assessment has been done for FY 2013-14, FY 2014-15 and 2015-16 wherein demand of Rs. 0.94 million has been raised.. The only issue in the order is that ITC is being disallowed. The Company has filed an appeal before the Joint Commissioner of Commercial Taxes which is pending. The Company has all the relevant documents to substantiate its claim for ITC. HCG Medisurge believes that the VAT demand will be dropped and no adverse effect on financial statement. During the year ended 31 March 2025, VAT assessment of FY 2013-14 amounting to Rs. 0.94 million was paid and closed during the year.

- 2 (a) HCG Medisurge Hospitals Private Limited imported (HCG Medisurge) radiation equipment, Linear Accelerator-True Beam with standard accessories in two consignments. First consignment with main Linear Accelerator equipment was cleared by paying CVD @ 5% and second consignment was cleared as accessories of the medical equipment with Nil rate of CVD by claiming benefit under Notification No.06/2006 dated 01.03.2006. The Commissioner of Customs has passed the order against the import of the second consignment as "Accessories/spare parts of Linear Accelerator" which attracts CVD @ 5% and declined the benefit of Notification No. 06/2006 and levied duty of Rs. 2.24 million and penalty of Rs. 2.24 million along with applicable interest. The HCG Medisurge has appealed before Customs, Excise & Service Tax Appellate Tribunal, Mumbai and is positive of claiming benefit under said notification.
- 2 (b) Demand of Rs. 26.56 million plus interest as applicable and 100% penalty equal to demand amount and additional redemption fine amounting Rs. 20 million was raised on the Company for wrong classification and wrong availment of duty in Bill of Entries. Personal penalty was also imposed on certain employees aggregating to Rs. 6.5 million. Appeal has been filed before the appellate authority. Further, the Company has also re-assessed the classification in the Bill of Entry, enhanced the EPCG license and the differential duty has been debited to the EPCG license. As of 31 March 2023, the Group has provided Rs. 16.32 million plus applicable interest thereon as part of Provision for contingency for duties and taxes in view of shortfall in meeting export obligations as required. During the previous year ended 31 March 2024, the Company had paid Rs. 16.32 million plus applicable interest. No adverse impact of this dispute is expected on the financial statements.
- 3 During the Financial Year 2011-12, the Company had made payment to Aastha Oncology Private Limited towards their medical/professional consultancy services after deducting TDS @ 2% (Sec 197 certificate issued for Rs. 31 Million) and there after @ 10% under Section 194J. However, the AO has erred in arriving at the total amount paid/payable to Aastha Oncology Private Limited due to not considering the revised quarterly e-TDS return amount while making TDS assessment and has levied short payment of TDS of Rs. 1.51 million and interest of Rs. 1.23 million. The Company has produced the supporting documents during appeal and also accepted a short payment of TDS after considering all transactions with Aastha Oncology Private Limited during the year amounts to for Rs. 0.024 million. No adverse effect on financial statement. The Company is involved in disputes, lawsuits, claims, governmental and/or regulatory inspections, inquiries, including tax and commercial matters that arise from time to time in ordinary course of business. The Company believes that there are no such pending matters that are expected to have any material adverse effect on its financial statements.

4 The Hon'ble Supreme Court has, in a recent decision dated 28 February 2019, ruled that special allowance would form part of wages for computing the Provident Fund (PF) contribution. The Company keeps a close watch on further clarifications and directions from the respective department based on which suitable action would be initiated, if any.

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

**31 Commitments**

	Year ended 31 March 2025	As at 31 March 2024
Estimated amount of contracts remaining to be executed on capital account (net of advance) and not provided for	703.92	253.40

**32 Earnings per share**

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic earnings and diluted earnings per share calculations are as follows:

	Year ended 31 March 2025	Year ended 31 March 2024
a. Profit after tax	120.66	244.74
b. Profit used in the calculation of earnings per share	120.66	244.74
c. Weighted average number of equity shares for the purposes of earnings per share	5,568,704	5,568,704
<b>Basic and diluted earnings per equity share of Rs. 10 each (Amount in Rs.)</b>	<b>21.67</b>	<b>43.95</b>

The company does not have any potential diluted equity shares.

**33 Segment information**

Ind AS 108 "Operating Segment" ("Ind AS 108") establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, Operating segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM evaluates the Company's performance and allocates resources on overall basis. The Company's sole operating segment is therefore 'Medical and Healthcare Services'. Accordingly, there are no additional disclosure to be provided under Ind AS 108, other than those already provided in the financial statements.

**Geographical information**

**(i) Revenue from operations**

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
India	2,389.04	2,024.77
<b>Total</b>	<b>2,389.04</b>	<b>2,024.77</b>

**(ii) Non current assets\***

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
India	2,420.12	1,166.75
<b>Total</b>	<b>2,420.12</b>	<b>1,166.75</b>

\*Non-current assets exclude financial instruments and deferred tax assets.

### 34 Employee benefit plans

#### 34.1 Defined contribution plans

The Company has defined contribution plan in form of provident fund, pension scheme and Employee State Insurance Scheme for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The total expense recognised in the statement of profit and loss in respect of such schemes are given below:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Contribution to Provident Fund included under contribution to provident and other funds	10.28	10.17
Contribution to Employee State Insurance Scheme, included under staff welfare expenses	0.18	-
	<b>10.46</b>	<b>10.17</b>

#### 34.2 Defined benefit plans

The Company offers gratuity plan for its qualified employees which is payable as per the requirements of Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

#### Amounts recognised in statement of profit and loss in respect

	Year ended 31 March 2025	Year ended 31 March 2024
Current service cost	1.81	1.73
Net interest expense	0.74	0.67
<b>Components of defined benefit costs recognised in the statement of profit and loss</b>	<b>2.55</b>	<b>2.40</b>
Service cost recognised in employee benefits expense in note 24	1.81	1.73
Net interest expense recognised in finance costs in note 25	0.74	0.67
<b>Remeasurement on the net defined benefit liability:</b>		
Actuarial loss due to changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	0.60	0.08
Actuarial (gains) / losses arising from experience adjustments	0.13	1.09
<b>Remeasurement on the net defined benefit liability recognised in other comprehensive income</b>	<b>0.73</b>	<b>1.17</b>

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

	Year ended 31 March 2025	Year ended 31 March 2024
Present value of funded defined benefit obligation	11.16	9.37
Fair value of plan assets	-	-
<b>Unfunded status</b>	<b>11.16</b>	<b>9.37</b>
<b>Net liability arising from defined benefit obligation</b>	<b>11.16</b>	<b>9.37</b>
Non- Current (refer note 17)	8.13	7.06
Current (refer note 17)	3.04	2.39

Movements in the present value of the defined benefit obligation are as follows.

	Year ended 31 March 2025	Year ended 31 March 2024
Opening defined benefit obligation	9.37	7.05
Current service cost	1.81	1.73
Interest cost	0.74	0.67
<b>Remeasurement (gains)/losses:</b>		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	0.60	0.08
Actuarial gains and losses arising from experience adjustments	0.13	1.09
Benefits paid	(1.49)	(1.25)
<b>Closing defined benefit obligation</b>	<b>11.16</b>	<b>9.37</b>

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses as determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant is not material.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	As at 31 March 2025		As at 31 March 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (1% change)	(0.31)	0.32	(0.26)	0.28
Future salary increase (1% change)	0.74	(0.67)	0.64	(0.58)
Attrition rate (10% change)	(0.14)	0.15	(0.14)	0.14

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The average duration of the benefit obligation as at 31 March 2025 is 4.60 years (net of cashflow) (as at 31 March 2024: 4.99 years).

Rs. in million

**The Principal assumptions used for the purposes of the actuarial valuations were as follows.**

Particulars	Valuation As at 31 March 2025	Valuation As at 31 March 2024
Discount rate	6.50%	6.90%
Expected rate of salary increase	5.00%	5.00%
Employee turnover rate	30.00%	30.00%

Each actuarial assumption made in the measurement of the defined benefit obligation is a source of risk. There are additional risks which can have an adverse impact on the plan, but are not allowed for in the measurement of the defined benefit obligation, such as liquidity and counterparty default risks. Some of the most significant risks are listed below.

Discount rate: Variations in discount rate don't affect the level of benefits under the plan. However, it is still a very significant assumption as it does affect the discount due to time value of money. A fall in discount rate will increase the present value of the obligation.

Salary increases: Since the plan benefits are linked to final salary, higher than expected salary increases will increase the cost of benefits under the plan. An increase in the salary escalation assumption will increase the present value of the obligation.

Attrition rates: Deviations in actual attrition experience compared to the attrition assumption will change the level of benefits and therefore the cost of those benefits. A change in the attrition assumption will also affect the present value of the obligation.

Regulatory risk: Since the minimum benefits under the plan are set by law, there is risk that a change in law could require the employer to pay higher benefits, increasing the cost as well as the present value of obligation.

**Maturity profile of defined benefit obligation:**

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Within 1 year	3.04	2.39
1-2 years	2.42	2.07
2-3 years	2.01	1.70
3-4 years	1.68	1.42
4-5 years	1.23	1.15
6-10 years	2.70	2.43
Year 10+	0.64	0.58

**35 Financial instruments**

The following table shows the carrying amount and fair values of the financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

As at 31 March 2025	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
<b>Financial assets not measured at fair value</b>					
<b>Amortised cost</b>					
Loans	0.44	-	-	-	-
Trade receivable	87.36	-	-	-	-
Cash and cash equivalents (including other bank balances)	217.66	-	-	-	-
Other financial assets	88.71	-	-	-	-
	<b>394.17</b>				
<b>Financial liabilities not measured at fair value</b>					
<b>Amortised cost</b>					
Loans and Borrowings (including short-term borrowings)	429.75	-	435.45	-	435.5
Trade payables	514.02	-	-	-	-
Lease liabilities (including current and non-current)	948.29	-	-	-	-
Other financial liabilities	101.63	-	-	-	-
	<b>1,993.69</b>				

As at 31 March 2024	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
<b>Financial assets not measured at fair value</b>					
<b>Amortised cost</b>					
Loans	0.51	-	-	-	-
Trade receivable	88.29	-	-	-	-
Cash and cash equivalents (including other bank balances)	149.14	-	-	-	-
Other financial assets	94.28	-	-	-	-
	<b>332.22</b>				
<b>Financial liabilities not measured at fair value</b>					
<b>Amortised cost</b>					
Loans and Borrowings (including short-term borrowings)	255.82	-	258.80	-	258.8
Trade payables	360.69	-	-	-	-
Lease liabilities (including current and non-current)	108.71	-	-	-	-
Other financial liabilities	56.30	-	-	-	-
	<b>781.52</b>				

The Company's borrowings have been contracted at floating rates of interest, which are reset at short intervals. Accordingly, the carrying value of such borrowings (including interest accrued but not due) approximates fair value.

There have been no transfers among Level 1, Level 2 and Level 3 during each of the years presented above.

Refer note 16.1 for details related to charge on financial assets.

**36 Financial risk management**

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and price risks which may adversely impact the fair value of its financial instruments.

**(i) Risk management framework**

The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The focus of risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

**(ii) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to the credit risk from its trade receivables, cash and cash equivalents, bank deposit and other financial assets. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

**a) Trade and other receivables**

Trade receivables comprise a widespread customer base. Management evaluate credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set for patients without medical aid insurance. Services to customers without medical aid insurance are settled in cash or using major credit cards on discharge date as far as possible. Credit Guarantees insurance is not purchased. The receivables are mainly unsecured, the Company does not hold any collateral or a guarantee as security. The provision details of the trade receivable is provided in Note 12 of the financial statements.

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. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

**1. The Provision matrix at the end of the reporting period is as follows:-**

Category	As at 31 March 2025	As at 31 March 2024
Less than 1 year	4% to 38%	4% to 38%
1-2 years	47% to 63%	47% to 63%
2-3 years	78% to 90%	78% to 100%
More than 3 years	100%	100%

**2. Movement in the expected credit loss allowance**

	Year ended 31 March 2025	Year ended 31 March 2024
Balance at beginning of the year	24.57	16.58
Additional provision during the year	(4.78)	7.99
<b>Balance at end of the year</b>	<b>19.79</b>	<b>24.57</b>

"No single customer accounted for more than 10% of the revenue as of 31 March 2025 and 31 March 2024. There is no significant concentration of credit risk.

Details of geographic concentration of revenue is included in note 33 to the financial statements.

**36 (iii) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Company has unutilized credit limits with banks.

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

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2025 and 31 March 2024:

Particulars	As at 31 March 2025					
	Total	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 4 years
Borrowings *	435.45	59.39	86.60	97.75	59.60	132.12
Lease liabilities	2,054.83	114.42	108.41	108.18	109.47	1614.35
Trade payables	514.02	514.02	-	-	-	-
Other financial liabilities	101.63	101.63	-	-	-	-
	<b>3,105.93</b>	<b>789.46</b>	<b>195.01</b>	<b>205.93</b>	<b>169.07</b>	<b>1,746.47</b>

  

Particulars	As at 31 March 2024					
	1	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 4 years
Borrowings *	258.80	32.86	60.42	60.42	71.56	33.54
Lease liabilities	116.14	86.61	17.02	11.01	1.50	-
Trade payables	360.69	360.69	-	-	-	-
Other financial liabilities	56.30	56.30	-	-	-	-
	<b>791.93</b>	<b>536.46</b>	<b>77.44</b>	<b>71.43</b>	<b>73.06</b>	<b>33.54</b>

\* In respect of borrowings which are repayable with variable rate of interest, principal amount as per the repayment schedule is considered for disclosure of contractual maturities.

**(iv) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates, interest rates and equity prices.

*Cash flow and fair value interest rate risk*

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

**a. Interest rate risk exposure**

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31 March 2025	As at 31 March 2024
Variable rate long term borrowings including current maturities	429.75	255.82
<b>Total borrowings</b>	<b>429.75</b>	<b>255.82</b>

**b. Sensitivity analysis**

Particulars	Impact on profit or (loss) before tax		Impact on equity, net of tax	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
<b>Sensitivity</b>				
1% increase in interest rate	(4.30)	(2.56)	(3.22)	(1.91)
1% decrease in interest rate	4.30	2.56	3.22	1.91

**(v) Foreign currency risk**

The Company's exchange risk arises mainly from its foreign currency borrowings. As a result, depreciation of Indian rupee relative to these foreign currencies will have a significant impact on the financial performance of the Company. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future.

The following table presents unhedged foreign currency risk from financial instruments as of 31 March 2025 and 31 March 2024:

Particulars	As at 31 March 2025		As at 31 March 2024	
<b>Assets</b>				
Cash and cash equivalents		0.34		0.81
<b>Liabilities</b>				
Borrowings		-		-
<b>Net assets/(liabilities)</b>		<b>0.34</b>		<b>0.81</b>

  

Particulars	Impact on profit or (loss) before tax		Impact on equity, net of tax	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2025
<b>USD Sensitivity</b>				
Rs/USD - Increase by 1%	0.00	0.01	0.00	0.01
Rs/USD - Decrease by 1%	(0.00)	(0.01)	(0.00)	(0.01)

**37 Capital management**

The Company manages its capital to ensure Company will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and total equity of the Company.

The capital structure is as follows:

Particulars	As at 31 March 2025	As at 31 March 2024
Total equity attributable to the equity share holders of the Company	895.48	775.30
As percentage of total capital	81%	88%
Total loans and borrowings	429.75	255.82
Cash and cash equivalents and bank balance other than cash and cash equivalents	217.66	149.14
Net loans and borrowings*	212.09	106.68
As a percentage of total capital	19%	12%
<b>Total capital (loans, borrowings and equity)</b>	<b>1,107.57</b>	<b>881.98</b>

\* Net loans & borrowings is Rs.212.12 million as at 31 March 2025 and Rs.106.68 million as at 31 March 2024 as cash and cash equivalents exceed loans and borrowings.

**38 Due to Micro, Small and Medium Enterprises (refer note 19)**

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2024 and 31 March 2025 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The Company has not received any claim for interest from any supplier.

Particulars	As at 31 March 2025	As at 31 March 2024
The amounts remaining unpaid to micro and small suppliers as at the end of the year	1.83	1.01
Principal	1.83	1.01
Interest	-	-
The amount of interest paid by the buyer under MSMED Act	-	-
The amount of payments made to micro and small suppliers beyond the appointed day during the accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act	-	-

\* For details relating to payable to related parties- refer note 39

All trade payables are 'current.' The Company's exposure to currency and liquidity risks related to trade payable is disclosed in note 36.



**39 Related Party Disclosures**

**a Details of related parties:**

Description of relationship	Names of related parties
Ultimate holding company	CVC Capital Partners Asia V L.P.
Intermediate holding company	Aceso Company Pte Ltd
Holding company	HealthCare Global Enterprises Limited
Enterprises having significant influence	Aastha Oncology Private Limited
Company/Entity in which KMP/ Relatives of KMP can exercise control/ significant influence	International Human Development and Upliftment Academy (Trust)
	HCG Foundation
Common control entity	a) HCG Oncology LLP b) HCG NCHRI Oncology LLP c) HCG Rajkot Hospitals LLP (formerly known as HCG Sun Hospitals LLP)
Key Management Personnel (KMP)	<b>Non-executive directors</b> - Dr.B.S Ajaikumar - Rajendra Bhagwandas Toprani - Vijay Govinda Devanhalli - Srinivasa V. Raghavan - Jagdishbhai Kothari - Dr.B S Ramesh

**b Transactions with related party**

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
<b>Purchases of medical and non-medical items</b>		
- HealthCare Global Enterprises Limited	0.67	0.37
<b>Sales of medical and non-medical items</b>		
- HealthCare Global Enterprises Limited	0.47	0.74
<b>Medical consultancy charges</b>		
- Aastha Oncology Private Limited	439.36	356.39
<b>Lab charges</b>		
- HCG NCHRI Oncology LLP	65.19	-
- HealthCare Global Enterprises Limited	56.87	80.57
<b>Income from medical services</b>		
- HCG Foundation	-	0.54
<b>Reimbursement of expense on employee stock option scheme cross charged to the Company</b>		
- HealthCare Global Enterprises Limited	0.54	0.07
<b>Reimbursement of capital expenditure/revenue expenditure cross charged to the Company</b>		
- HealthCare Global Enterprises Limited	36.34	37.98
- HCG Oncology LLP	0.33	0.33
- Aastha Oncology Private Limited	-	0.12
<b>Payment to vendor on behalf of the Company</b>		
- HealthCare Global Enterprises Limited	14.26	14.87
- HCG Oncology LLP	0.14	-
- HCG Rajkot Hospitals LLP (formerly known as HCG Sun Hospitals LLP)	0.31	-
<b>Cafeteria income</b>		
- Aastha Oncology Private Limited	0.05	0.14
<b>Sale of Capital Asset</b>		
- HealthCare Global Enterprises Limited	6.72	-
<b>Corporate guarantee expense</b>		
- HealthCare Global Enterprises Limited	0.95	6.98
<b>CSR contribution to</b>		
- International Human Development and Upliftment Academy (Trust)	4.40	1.98

**c Closing balances with related party during the year**

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Trade receivables</b>		
- HCG Foundation	0.05	0.01
- HealthCare Global Enterprises Limited	1.21	0.74
<b>Receivable from related parties - Other Financial Assets (current)</b>		
- HealthCare Global Enterprises Limited	0.33	-
- HCG Oncology LLP	0.14	-
- HCG Rajkot Hospitals LLP (formerly known as HCG Sun Hospitals LLP)	0.31	-
<b>Other financial liabilities</b>		
- HealthCare Global Enterprises Limited	60.89	36.78
- HCG Oncology LLP	0.33	-
<b>Trade payables</b>		
- HealthCare Global Enterprises Limited	1.38	8.21
- HCG NCHRI Oncology LLP	35.19	-
- Aastha Oncology Private Limited	34.62	36.93
<b>Corporate guarantees</b>		
- HealthCare Global Enterprises Limited	-	168.60

**d** All transactions are executed at normal commercial terms and conditions and are at arm's length price.

**40 Ind AS 115- Revenue from contract**

Contract balances	Rs. in million	
	As at 31 March 2025	As at 31 March 2024
a) Trade receivables: Refer note 12		
Trade receivables (including unbilled revenue)	87.36	88.29
b) The Company does not have any contract asset as at 31 March 2025 and 31 March 2024.		
c) The contract liability amount from contracts with customers is given below :		
Advance from customers : Refer note 18	7.81	10.05
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	10.05	11.95
d) Revenue dis-aggregation as per the industry vertical and geographies has been included in note 21, revenue from operations.		

**41 Ratios**

Ratio	Numerator	Denominator	Current year	Previous year	Variance	Explanatory notes
Current Ratio (times)	Total current assets	Total current liabilities	0.55	0.61	-9%	
Debt-Equity Ratio (times)	Debt = Borrowings	Total equity	0.48	0.33	45%	(i)
Debt Service Coverage Ratio (times)	Net profit after taxes + depreciation and amortisation + finance cost + provisions	Interest + Lease payments + Principal repayments (Principal repayments also include payment on account of foreclosures / prepayments)	1.81	1.37	32%	(ii)
Net Profit Ratio (%)	Profit for the year	Revenue from operations	5.05%	12.09%	-58%	(iii)
Return on Capital employed (%)	Profit before tax and finance costs	Capital employed = Net worth + Borrowings + Lease liabilities	12.30%	31.75%	-61%	(iv)
Return on Equity Ratio (%)	Profit for the year	Average total equity	14.44%	37.46%	-61%	(v)
Inventory turnover ratio (times)	Cost of goods sold	Average inventories	10.12	9.40	8%	
Trade Receivables turnover ratio (times)	Revenue from operations	Average trade receivables	27.20	21.96	24%	
Trade payables turnover ratio (times)	Purchase of medical and non-medical items + Other expenses	Average trade payables	3.92	4.46	-12%	
Net capital turnover ratio (times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	(8.87)	(51.02)	-83%	(vi)
Return on Investment (%)	Income generated from fixed deposits	Average invested funds in fixed deposits	11.40%	6.99%	63%	(vii)

Explanatory notes

- (i) Due to increase in Borrowings during the year
- (ii) Due to the reduction in the borrowings repayment as per agreed borrowings schedule.
- (iii) Mainly due to increase in Purchases of medical and non-medical items and increase in the finance costs.
- (iv) Mainly due to increase in finance cost and increase in borrowings
- (v) Mainly due to decrease in the net profits during the year.
- (vi) Mainly due to increase in Revenue from operations
- (vii) Due to increase in the deposits made/reinvested during the year.
- 42 Other statutory information**
- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) During the year ended 31 March 2025, 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (v) During the year ended 31 March 2025, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (vi) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (vii) The Company is not declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- (viii) The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.
- (ix) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year.
- (x) The Company has not paid any managerial remuneration during the current year and hence reporting under Section 197 of the Companies Act, 2013 is not applicable.
- (xi) The Company is not required to submit any quarterly returns with banks or financial institutions as it has not availed any working capital facilities.

**43** During the year ended 31 March 2025, the Board of Directors of the HealthCare Global Enterprises ("HCG" or Holding Company) had approved share purchase agreement (SPA) dated 23 February 2025 between Aceso Company Pte. Ltd. ('Seller'), Hector Asia Holdings II Pte. Ltd. ('Purchaser 1') and KIA EBT II Scheme 1 ('Purchaser 2') (Purchaser 1 and Purchaser 2 collectively, 'Purchasers') and HCG, for the sale of upto 54% of the diluted voting share capital of the Holding Company from Seller to the Purchasers. Hector Asia Holdings II Pte. Ltd. is an affiliate of funds, vehicles and/or entities managed and/or advised by Kohlberg Kravis Roberts & Co. L.P., which is an indirect subsidiary of KKR & Co. Inc. This transaction is subject to various regulatory approvals.

**Material accounting policies**

2.1

The accompanying notes are an integral part of these financial statements

As per reports of even date attached

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

Chartered Accountants

Firm's registration number: 101248W/W -100022

for and on behalf of the Board of Directors of

**HCG Medi-Surge Hospitals Private Limited**

CIN: U85110GJ2000PTC037474

Sd/-

**Vikash Gupta**

Partner

Membership number: 064597

Place : Bengaluru

Date : 22 May 2025

Sd/-

**Srinivas V Raghavan**

Director

DIN 01803376

Place : Bengaluru

Date : 22 May 2025

Sd/-

**Dr. B S Ramesh**

Director

DIN 00518434

Place : Bengaluru

Date : 22 May 2025