

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MALNAD HOSPITAL AND INSTITUTE OF ONCOLOGY PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **MALNAD HOSPITAL AND INSTITUTE OF ONCOLOGY PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2023, and the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit, total comprehensive loss, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the director's report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



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- 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 Section 143(3) of the Act, we report that:

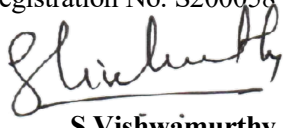
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account
- (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31 March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any managerial remuneration during the current year and reporting under section 197 of the Act is not applicable.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial



- position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) 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 (a) and (b) above, contain any material misstatement.
 - v. The Company has not declared or paid during the year by the Company, hence is in compliance with section 123 of the Companies Act, 2013.
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 01 April 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For S G M & Associates LLP
Chartered Accountants
LLP's Registration No. S200058




S Vishwamurthy
Partner
Membership No. 215675

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT (Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of MALNAD HOSPITAL AND INSTITUTE OF ONCOLOGY PRIVATE LIMITED of even date)

Report on the Internal Financial Controls with reference to Financials Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (“Act”)

We have audited the internal financial controls with reference to financial statements of **MALNAD HOSPITAL AND INSTITUTE OF ONCOLOGY PRIVATE LIMITED** (“Company”) as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing 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 was 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 control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies



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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

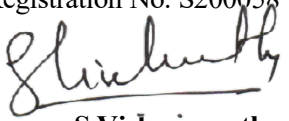
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements 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 ICAI.

For **S G M & Associates LLP**
Chartered Accountants
LLP's Registration No. S200058




S Vishwamurthy
Partner
Membership No. 215675

Bengaluru, 24 May 2023
UDIN: 23215675BGXOBE9013

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT (Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of MALNAD HOSPITAL AND INSTITUTE OF ONCOLOGY PRIVATE LIMITED of even date)

- (i) In respect of the Company’s Property, Plant and Equipment and Intangible Assets:
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets
- (b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties and hence reporting under clause (i)(c) of the Order is not applicable.
- (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) In respect of inventories:
- (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
- (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.
- (iii) The Company during the year has not made any investments in, provided any 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, hence reporting under clause (iii) of the Order is not applicable.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, during the year the Company has not accepted any deposit or amount which are deemed to be deposit. Hence reporting under clause (v) of the Order is not applicable.



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- (vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- (vii) In respect of statutory dues:
- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Income-tax and Goods and Services Tax as on 31 March 2023 on account of disputes.
- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
 - (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
 - (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
 - (e) The Company does not have any subsidiary, hence reporting under (ix)(e) of the Order is not applicable.
 - (f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable.



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- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) There were no whistle-blower complaints received during the year by the Company and hence reporting under (xi)(c) of the Order is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) In our opinion internal audit is not applicable to the Company and hence reporting under clause (xiv) of the Order is not applicable.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a) and (b) of the Order is not applicable.
- 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.
- 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) of the Order are not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and had incurred cash losses during the immediately preceding financial year.
- (xviii) During the year there is no change in the statutory auditor of the Company. Hence, reporting under clause (xviii) of the Order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating that 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.

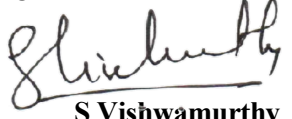


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- (xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year

For **S G M & Associates LLP**
Chartered Accountants
LLP's Registration No. S200058





S Vishwamurthy
Partner

Membership No. 215675

Bengaluru, 24 May 2023
UDIN: 23215675BGXOBE9013

Malnad Hospital and Institute of Oncology Private Limited

Balance Sheet as at 31 March 2023

(Amount in ₹ Millions, except for shares data or as otherwise stated)

Particulars	Note No.	As at	
		31.Mar.2023	31.Mar.2022
ASSETS			
Non-current assets			
Property, plant and equipment	5	11.40	12.08
Right-of-use assets	6	0.99	1.96
Other intangible assets	7	0.21	0.21
Financial assets			
Other financial assets	8	41.82	0.22
Deferred tax assets (net)	9	2.76	1.59
Income tax assets (net)	10	10.01	6.99
Other non-current assets	11	4.63	0.22
Total non-current assets		71.82	23.27
Current assets			
Inventories	12	2.24	2.27
Financial assets			
Trade receivables	13	11.95	19.23
Cash and cash equivalents	14	2.91	1.65
Loans	15	0.22	0.74
Other financial assets	16	7.89	36.40
Other current assets	17	-	0.15
Total current assets		25.21	60.44
TOTAL ASSETS		97.03	83.71
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	9.50	9.50
Other equity	19	55.15	44.45
Total equity		64.65	53.95
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	6	-	1.33
Provisions	20	3.65	3.57
Total non-current liabilities		3.65	4.90
Current liabilities			
Financial liabilities			
Lease liabilities	6	1.13	0.82
Trade payables	21	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		24.81	21.11
Other financial liabilities	22	0.31	0.32
Other current liabilities	23	0.65	0.71
Provisions	24	1.83	1.90
Total current liabilities		28.73	24.86
Total liabilities		32.38	29.76
TOTAL EQUITY AND LIABILITIES		97.03	83.71

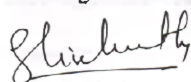
See accompanying notes forming part of the financial statements

In terms of our report attached

For S G M & Associates LLP

Chartered Accountants

LLP Reg No. S200058


S Vishwamurthy

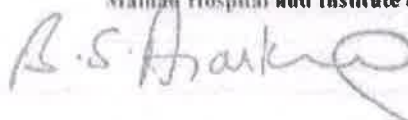
Partner

Membership No: 215675

Bengaluru, 24 May 2023



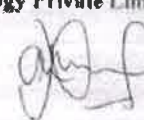
For and on behalf of Board of Directors

Malnad Hospital and Institute of Oncology Private Limited

Dr. B.S. Ajaikumar

Director

DIN: 00713779

Chicago, 24 May 2023


Dr. T. Narendra Bhat

Director

DIN: 00532432



Mainad Hospital and Institute of Oncology Private Limited
Statement of Profit and Loss for the year ended 31 March 2023
(Amount in ₹ Millions, except for shares data or as otherwise stated)

Particulars	Note No.	For the year ended	
		31.Mar.2023	31.Mar.2022
I Revenue from operations	25	95.30	96.88
II Other income	26	1.41	1.33
III Total income (I+II)		96.71	98.21
IV Expenses			
Purchases of medical and non-medical items		35.94	35.15
Changes in inventories	27	0.03	(0.30)
Employee benefits expense	28	17.53	16.51
Finance costs	29	0.25	0.58
Depreciation and amortisation expense	30	2.68	2.80
Other expenses	31	27.89	27.68
Total expenses (III)		84.32	82.42
V Profit before tax (III-IV)		12.39	15.79
VI Tax expense	32		
Current tax for current year		3.20	3.39
Deferred tax expense/ (credit)		(1.25)	1.04
Total tax expense		1.95	4.43
VII Profit for the year (V-VI)		10.44	11.36
VIII Other comprehensive (loss)/ income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit plans gain / (loss)		0.34	(0.40)
Income tax effect		(0.08)	0.10
Other comprehensive (loss)/ income for the year, net of income tax		0.26	(0.30)
IX Total comprehensive income for the year (VIII)		10.70	11.06
Earnings per equity share (nominal value of share ₹ 100)			
Basic and diluted (in ₹)	33	112.68	116.47

See accompanying notes forming part of the financial statements

As per our report of even date attached
 In terms of our report attached
For S G M & Associates LLP
 Chartered Accountants
 L.I.P Reg No. S200058

S Vishwamurthy

S Vishwamurthy
 Partner
 Membership No: 215675

Bengaluru, 24 May 2023



For and on behalf of Board of Directors
Mainad Hospital and Institute of Oncology Private Limited

B.S. Ajaikumar

Dr. B.S. Ajaikumar
 Director
 DIN: 00713779

Chicago, 24 May 2023

Dr. T Narendra Bhat

Dr. T Narendra Bhat
 Director
 DIN: 00532432



Malnad Hospital and Institute of Oncology Private Limited
Statement of changes in equity for the year ended 31 March 2023
(Amount in ₹ Millions, except for shares data or as otherwise stated)

A Equity share capital

Particulars	As at	
	31.Mar.2023	31.Mar.2022
Opening balance	9.50	9.50
Changes in equity share capital during the year	-	-
Closing balance	9.50	9.50

B Other equity

Particulars	Reserve and surplus	Total
	Retained earnings	Other equity
Balance as at 01-Apr-2021	33.39	33.39
Profit for the year	11.36	11.36
Other comprehensive loss for the year, net of income tax	(0.30)	(0.30)
Balance as at 31-Mar-2021	44.45	44.45
Profit for the year	10.44	10.44
Other comprehensive loss for the year, net of income tax	0.26	0.26
Balance as at 31-Mar-2022	55.15	55.15

Notes

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).

See accompanying notes forming part of the financial statements

As per our report of even date attached

In terms of our report attached

For S G M & Associates LLP

Chartered Accountants

LLP Reg No. S200058

S. Vigneshwaramurthy

S Vigneshwaramurthy

Partner

Membership No: 215675

Bangalore, 24 May 2023



For and on behalf of Board of Directors

Malnad Hospital and Institute of Oncology Private Limited

B.S. Ajaikumar

Dr. B.S. Ajaikumar

Director

DIN: 00713779

Dr. T. Narendra Bhat

Dr. T. Narendra Bhat

Director

DIN : 00532432

Chicago, 24 May 2023



Malnad Hospital and Institute of Oncology Private Limited
Notes forming part of financial statements
(Amount in ₹ Millions, except for shares data or as otherwise stated)

Note
No.

5 Property, plant and equipment

Description of assets	Plant and medical equipment	Office equipment	Furniture and fixtures	Data processing equipment	Vehicles	Total
I Gross block						
Balance as at 01-Apr-2021	15.79	0.46	1.79	1.31	2.18	21.53
Additions	0.13	0.05	0.73	-	-	0.91
Disposals	-	-	-	-	-	-
Balance as at 31-Mar-2022	15.92	0.51	2.52	1.31	2.18	22.44
Additions	0.42	0.01	0.46	0.07	-	0.96
Disposals	-	-	-	-	-	-
Balance as at 31-Mar-2023	16.34	0.52	2.98	1.38	2.18	23.40
II Accumulated depreciation and impairment						
Balance as at 01-Apr-2021	5.42	0.28	1.13	1.00	0.64	8.47
Depreciation expense	1.34	0.06	0.16	0.05	0.28	1.89
Eliminated on disposal of assets	-	-	-	-	-	-
Balance as at 31-Mar-2022	6.76	0.34	1.29	1.05	0.92	10.36
Depreciation expense	1.08	0.06	0.19	0.03	0.28	1.64
Eliminated on disposal of assets	-	-	-	-	-	-
Balance as at 31-Mar-2023	7.84	0.40	1.48	1.08	1.20	12.00
Net block						
31.Mar.2022	9.16	0.17	1.23	0.26	1.26	12.08
31.Mar.2023	8.50	0.12	1.50	0.30	0.98	11.40

Notes:

- All property, plant and equipment are owned by the Company unless otherwise stated.
- None of the above assets of the Company have been provided as security requiring any charges or satisfaction to be registered with the Registrar of Companies.
- None of the above assets of the Company have been subject to any adjustment towards revaluation during the current year.
- There are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

6 Leases

The Company has taken building on lease for hospital premises and staff accommodation. Movement in right-of-use assets and lease liabilities:

6.1 Right-of-use assets

Particulars	As at	
	31.Mar.2022	31.Mar.2023
Opening balance	1.96	0.49
Additions	-	2.32
Depreciation	(0.97)	(0.85)
Deletions	-	-
Closing balance	0.99	1.96

6.2 Lease liabilities

Particulars	As at	
	31.Mar.2023	31.Mar.2022
Opening balance	2.15	0.75
Additions	-	2.32
Deletion	-	-
Interest	0.19	0.23
Lease payments	(1.21)	(1.15)
Closing balance	1.13	2.15
Current	1.13	0.82
Non-current	-	1.33



Malnad Hospital and Institute of Oncology Private Limited

Notes forming part of financial statements

1. CORPORATE INFORMATION

Malnad Hospital and Institute of Oncology Private Limited is engaged in setting up and managing cancer hospital, cancer centres and medical diagnostic services. The registered office of the Company is situated at 9th mile stone, BH Road opp Bidare Bus Stop Nidige Post, Shimoga – 577 722.

2. BASIS FOR PREPARATION AND PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance

The financial statements comply in all material respects with Indian Accounting Standards (“Ind AS”) prescribed under Section 133 of the Companies Act, 2013 (“the Act”) read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value such as in value in use, in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.



Malnad Hospital and Institute of Oncology Private Limited

Notes forming part of financial statements

3. Summary of significant accounting policies

3.1 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 is recognized as and when services are performed, unless significant future uncertainties exist. The Company assess the distinct performance obligation in the contract and measures to at an amount that reflects the consideration it expects to receive net of tax collected and remitted to Government and adjusted for discounts and concession. 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 and no significant uncertainties exist regarding the amount of consideration that will be derived from the sale of goods as regarding its collection. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding 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.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.2 Property, Plant and Equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses.



Malnad Hospital and Institute of Oncology Private Limited

Notes forming part of financial statements

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. depreciation on tangible property plant equipment has been provided on the straight-line method as per the useful life prescribed in schedule II to the companies act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support. Assets costing less than ₹ 5,000/- are fully depreciated in the year of purchase.

Leasehold improvements are amortised over the primary lease period.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

3.3 Intangible assets

Acquired Intangible Assets - Intangible assets being computer software with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortization is calculated using the straight-line method based on the estimated useful live of the asset being 5 years as determined by the Management. 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.

3.4 Financial Instruments

Financial assets and financial liabilities:

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instruments.

Initial recognition and measurement:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

Subsequent measurement:

Financial assets at amortised cost: Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at fair value through other comprehensive Income: Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business model whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.



Malnad Hospital and Institute of Oncology Private Limited

Notes forming part of financial statements

Financial assets at fair value through profit or loss: Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the Statement of Profit and Loss.

Financial liabilities measured at amortised cost: Financial liabilities are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Impairment of 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. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction.

Offsetting a financial asset and a financial liability

The company offsets a financial asset and a financial liability when the Company:

- (a) currently has a legally enforceable right to set off the recognised amounts and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in statement of profit and loss if such gain or loss would have otherwise been recognised in Statement of Profit and Loss on disposal of that financial asset.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

3.5 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



3.6 Foreign Currency transactions and translations

The functional currency of the Company is Indian Rupee (₹).

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

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

3.7 Employee Benefits

Defined Contribution Plan

The Company's contribution to provident fund are considered as defined contribution plans and are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined Benefit Plan

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses is recognised in other comprehensive income in the period in which they occur.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include salaries, wages, performance linked reward, medical benefits and non-accumulating compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Other Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

3.8 Borrowing costs

Borrowing costs include:

- (i) interest expense calculated using the effective interest rate method,
- (ii) finance charges in respect of lease liabilities, 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.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.



3.9 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. 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 uses the definition of a lease in Ind AS 116. This policy is applied to contracts entered into, on or after April 1, 2019.

Company as lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term.

Company as lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.



Malnad Hospital and Institute of Oncology Private Limited

Notes forming part of financial statements

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 Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company's significant leasing arrangements are mainly in respect of and buildings, residential and office premises.

3.10 Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. 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.

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.



Malnad Hospital and Institute of Oncology Private Limited

Notes forming part of financial statements

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 affects neither the taxable profit nor the accounting profit.

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.

Current and deferred tax for the period

Current and deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3.11 Provisions and Contingent Liabilities

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. 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). These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

3.12 Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.



If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

3.13 Earnings per share

Basic earnings per share are computed by dividing Statement of Profit and Loss 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 by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

3.14 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company assesses the financial performance and position of the Company, and makes strategic decisions. The board of directors, has been identified as the chief operating decision maker ('CODM').

3.15 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of classification of its assets and liabilities as current and non-current.

4. Use of estimates and judgements

In the application of the Company's accounting policies, which are described in note 2, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4.1 Impairment of Property Plant and Equipment and Intangible Assets

The Company reviews its Property, Plant and Equipment and Intangible Assets annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.



Malnad Hospital and Institute of Oncology Private Limited
Notes forming part of financial statements

4.2 Useful lives of property, plant and equipment

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.



Mahend Hospital and Institute of Oncology Private Limited

Notes forming part of financial statements

(Amount in ₹ Millions, except for shares data or as otherwise stated)

Note

No.

6.3 Maturity analysis of OLL

Particulars	As at	
	31.Mar.2023	31.Mar.2022
1 year	1.13	0.82
1 to 5 years	-	1.33
More than 5 years	-	-

6.4 Amounts recognised in Statement of profit and loss and statement of cashflow

Particulars	As at	
	31.Mar.2023	31.Mar.2022
Depreciation of right-of-use assets	0.97	0.85
Finance cost on finance lease obligations	0.19	0.23
Lease rent on short-term lease	0.17	0.19
Lease payments including interest on lease liabilities	1.21	1.15

7 Other intangible assets

Description of assets	Computer software	Total
Gross block		
Balance as at 01-Apr-2021	0.49	0.49
Additions	0.07	0.07
Disposals	-	-
Balance as at 31-Mar-2022	0.56	0.56
Additions	-	-
Disposals	-	-
Balance as at 31-Mar-2023	0.56	0.56
Accumulated depreciation and impairment		
Balance as at 01-Apr-2021	0.29	0.29
Amortisation expense	0.06	0.06
Eliminated on disposal of assets	-	-
Balance as at 31-Mar-2022	0.35	0.35
Amortisation expense	0.07	0.07
Eliminated on disposal of assets	-	-
Balance as at 31-Mar-2023	0.42	0.42
Net block		
31.Mar.2021	0.20	0.20
31.Mar.2022	0.21	0.21



Note
No.

8 Other financial assets

Particulars	As at	
	31.Mar.2023	31.Mar.2022
Non-current Unsecured, considered good		
Security deposits	0.22	0.22
Term deposits	41.60	
Total	41.82	0.22

9 Deferred tax assets (net)

Particulars	As at	
	31.Mar.2023	31.Mar.2022
Deferred tax assets	2.76	1.59
Total	2.76	1.59

10 Income tax assets (net)

Particulars	As at	
	31.Mar.2023	31.Mar.2022
Advance tax (net of provision)	10.01	6.99
Total	10.01	6.99

11 Other non-current assets

Particulars	As at	
	31.Mar.2023	31.Mar.2022
Unsecured, considered good		
Capital advances	4.26	-
Prepaid expenses	0.37	0.22
Total	4.63	0.22

12 Inventories

Particulars	As at	
	31.Mar.2023	31.Mar.2022
Medical and non medical items	2.24	2.27
Total	2.24	2.27

13 Trade receivables

Particulars	As at	
	31.Mar.2023	31.Mar.2022
Unsecured		
Considered good	11.95	19.23
Considered doubtful	6.93	6.93
	18.88	26.16
Provision for expected credit loss	(6.93)	(6.93)
37.2 Total	11.95	19.23

(a) The ageing of trade receivables as at the end of the reporting period is as follows:

Particulars	As at	
	31.Mar.2023	31.Mar.2022
Outstanding for following period from due date of payment		
Less than six months	8.00	13.08
Six months to one year	2.24	1.36
One to two years	3.80	5.92
Two to three years	-	-
More than three years	-	-
Provision for expected credit loss		
Less than six months	-	-
Six months to one year	1.01	1.01
One to two years	5.92	5.92
Two to three years	-	-
More than three years	-	-



Malnad Hospital and Institute of Oncology Private Limited
Notes forming part of financial statements
(Amount in ₹ Millions, except for shares data in as otherwise stated)

14 Cash and cash equivalents

Particulars	As at	
	31.Mar.2023	31.Mar.2022
Cash on hand	0.17	0.08
Balances with banks		
In current accounts	2.74	1.57
Total	2.91	1.65

15 Loans

Particulars	As at	
	31.Mar.2023	31.Mar.2022
Unsecured, considered good		
Advance to employees	0.22	0.74
Total	0.22	0.74

16 Other financial assets

Particulars	As at	
	31.Mar.2023	31.Mar.2022
Current Unsecured, considered good		
Advance to related parties	6.94	7.69
Term deposits (original maturity less than 12 months)	0.23	28.14
Interest accrued on deposits	0.72	0.57
Total	7.89	36.40

17 Other current assets

Particulars	As at	
	31.Mar.2023	31.Mar.2022
Unsecured, considered good		
Prepaid expenses	-	0.15
Advance to vendors	-	-
Total	-	0.15



Malnad Hospital and Institute of Oncology Private Limited
Statement of Cashflow for the year ended 31 March 2023

(Amount in ₹ Millions, except for shares data or as otherwise stated)

Particulars	For the year ended	
	31.Mar.2023	31.Mar.2022
Cash flows from operating activities		
Profit before tax for the year	12.39	15.79
Adjustments for:		
Finance costs	0.25	0.58
Provision for expected credit loss and bad debts written-off	-	-
Interest income	(1.28)	(1.26)
Profit on disposal of property, plant and equipment	-	-
Depreciation and amortisation expense	2.68	2.80
Operating profit before working capital changes	14.04	17.91
Adjustments for (increase)/decrease in operating assets		
Trade receivables	7.28	17.77
Inventories	0.03	(0.30)
Financial and other assets	(44.59)	1.12
Adjustments for increase/(decrease) in operating liabilities		
Trade payable	3.70	(4.81)
Provisions	0.35	0.97
Financial other liabilities	(0.06)	(7.48)
Cash generated from operations	(19.25)	25.18
Income taxes paid (net of refunds)	(6.22)	(7.88)
Net cash generated by operating activities (A)	(25.47)	17.30
Cash flows from investing activities		
Interest income	1.13	0.54
Payments for property, plant and equipment	(1.04)	(1.02)
Investment in bank deposits	27.91	(17.74)
Net cash used in investing activities (B)	28.00	(18.22)
Cash flows from financing activities		
Repayment of borrowings	-	(1.17)
Repayment of lease liability including interest thereon	(1.21)	(1.15)
Finance cost paid	(0.06)	(0.35)
Net cash used in financing activities (C)	(1.27)	(2.67)
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	1.26	(3.59)
Cash and cash equivalents at the beginning of the year	1.65	5.24
Cash and cash equivalents at the end of the year	2.91	1.65
Reconciliation of changes in cashflows arising from financing activities		
Opening balance		
Non-current borrowings	-	0.66
Current maturities of long-term borrowings	-	0.51
Interest accrued but not due on borrowings	0.30	0.30
Non-current lease liabilities	1.33	-
Current lease liabilities	0.82	0.75
Total	2.45	2.22
Movement		
Additions to lease liabilities	-	2.32
Interest on borrowings	0.25	0.58
Repayment of long term borrowings	-	(1.17)
Payments of lease liabilities including interest	(1.21)	(1.15)
Interest paid	(0.06)	(0.35)
Total	(1.02)	0.23

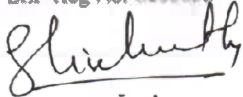


Malnad Hospital and Institute of Oncology Private Limited
Statement of Cashflow for the year ended 31 March 2023
(Amount in ₹ Millions, except for shares data or as otherwise stated)

Particulars	For the year ended	
	31.Mar.2023	31.Mar.2022
Closing balance		
Interest accrued but not due on borrowings	0.30	0.30
Non-current lease liabilities	-	1.33
Current lease liabilities	1.13	0.82
Total	1.43	2.45

See accompanying notes forming part of the financial statements

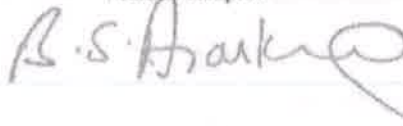
As per our report of even date attached
In terms of our report attached
For S G M & Associates LLP
Chartered Accountants
LLP Reg No. S200058



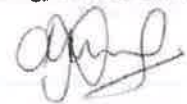
S Vishwamurthy
Partner
Membership No: 215675



For and on behalf of Board of Directors
Malnad Hospital and Institute of Oncology Private Limited



Dr. B.S. Ajalkumar
Director
DIN: 00713779



Dr. T Narendra Bhat
Director
DIN : 00532432

Bengaluru, 24 May 2023

Chicago, 24 May 2023



Malnad Hospital and Institute of Oncology Private Limited

Notes forming part of financial statements

(Amount in ₹ Millions, except for shares data or as otherwise stated)

Note

No.

18 Equity share capital

Particulars	As at	
	31-Mar-2023	31-Mar-2022
Authorised share capital		
150,000 (2021: 150,000) Equity shares of ₹ 100/- each	15.00	15.00
Issued, subscribed and fully paid up		
94,956 (2021: 94,956) Equity Shares of ₹ 100/- each fully paid up	9.50	9.50
Total	9.50	9.50

(a) Movements in equity share capital

Particulars	31-Mar-2023		31-Mar-2022	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	94,956	9.50	94,956	9.50
Shares issued during the year	-	-	-	-
Balance as at the end of the year	94,956	9.50	94,956	9.50

(b) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹ 100 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Shares held by holding company

Particulars	31-Mar-2023		31-Mar-2022	
	Number of shares	Amount	Number of shares	Amount
HealthCare Global Enterprises Limited	94,956	9.50	94,956	9.50

(d) Details of shares held by each shareholder holding more than 5% shares

Particulars	31-Mar-2023		31-Mar-2022	
	Number of shares	% of holding	Number of shares	% of holding
HealthCare Global Enterprises Limited	94,956	100.00%	94,956	100.00%

(e) There are no shares reserved for issue under options.

(f) There are no shares allotted as fully paid up by way of bonus shares during the five years period immediately preceding the year end.

(g) There are no shares allotted as fully paid up pursuant to contracts without payment being received in cash during the five years period immediately preceding the year end.

(h) HealthCare Global Enterprises Limited is the promoter of the Company and there are were changes in the shareholding of the promoters during the above reporting periods.



Malnad Hospital and Institute of Oncology Private Limited

Notes forming part of financial statements

(Amount in ₹ Millions, except for shares data in as otherwise stated)

Note

No.

19 Other equity

Particulars	As at	
	31.Mar.2023	31.Mar.2022
Retained earnings		
Opening balance	44.45	33.39
Profit for the year	10.44	11.36
Other comprehensive income arising from remeasurement of defined benefit obligation	0.26	(0.30)
Closing balance	55.15	44.45

20 Provisions

Particulars	As at	
	31.Mar.2023	31.Mar.2022
Non-current		
Gratuity	3.65	3.57
Total	3.65	3.57

21 Trade payables

Particulars	As at	
	31.Mar.2023	31.Mar.2022
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditor other than micro enterprises and small enterprises	24.81	21.11
Total	24.81	21.11

A Details relating to micro, small and medium enterprises [MEME]

Particulars	As at	
	31.Mar.2023	31.Mar.2022
Principal amount remaining unpaid to the supplier as at the end of the accounting year	-	-
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
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 during the year and remaining unpaid at the end of the accounting year	-	-

This information regarding micro enterprises and small enterprises has been determined to the extent such parties have been identified on the basis of the information available with the Company. This has been relied upon by the auditors.

B Ageing of trade payables

Outstanding for following periods from due date of payment	Less one year	One to two years	Two to three years	More than three years	Total
31.Mar.2023					
MSME	-	-	-	-	-
Others	24.81	-	-	-	24.81
Unbilled dues	-	-	-	-	-
31.Mar.2022					
MSME	-	-	-	-	-
Others	20.88	0.23	-	-	21.11
Unbilled dues	-	-	-	-	-

22 Other financial liabilities

Particulars	As at	
	31.Mar.2023	31.Mar.2022
Current		
Interest payable to related parties	0.30	0.30
Advance received from related parties	-	-
Payable towards property, plant and equipment	0.01	0.02
Total	0.31	0.32



Malnad Hospital and Institute of Oncology Private Limited

Notes forming part of financial statements

(Amount in ₹ Millions, except for shares data or as otherwise stated)

23 Other current liabilities

Particulars	As at	
	31.Mar.2023	31.Mar.2022
Advance from patients	0.14	0.19
Statutory dues	0.51	0.52
Total	0.65	0.71

24 Provisions

Particulars	As at	
	31.Mar.2022	31.Mar.2022
Non-current		
36 Gratuity	0.39	0.33
Compensated absence	1.44	1.57
Total	1.83	1.90



Malnad Hospital and Institute of Oncology Private Limited

Notes forming part of financial statements

(Amount in ₹ Millions, except for shares data or as otherwise stated)

Note
No.
25 Revenue from operations

Particulars	For the year ended	
	31.Mar.2023	31.Mar.2022
Income from medical services	36.25	37.44
Sale of medical and non medical items	59.05	59.44
Total	95.30	96.88

Ind AS 115 - Additional disclosure

Particulars	As at	
	31.Mar.2023	31.Mar.2022
23 Contract balances		
Advance from patients - Contract liability	0.14	0.19
Geographical information		
India	95.30	96.88

26 Other income

Particulars	For the year ended	
	31.Mar.2023	31.Mar.2022
(a) Interest income	1.28	1.26
Miscellaneous income	0.13	0.07
Total	1.41	1.33

(a) Interest income comprise

Particulars	For the year ended	
	31.Mar.2023	31.Mar.2022
Interest on bank deposits	1.28	0.99
income tax refund	-	0.27
Total	1.28	1.26

27 Changes in inventories

Particulars	For the year ended	
	31.Mar.2023	31.Mar.2022
Inventories at the beginning of the year	2.27	1.97
Inventories at the end of the year	2.24	2.27
Net decrease/(increase)	0.03	(0.30)

28 Employee benefits expense

Particulars	For the year ended	
	31.Mar.2023	31.Mar.2022
Salaries and wages	14.44	14.02
36 Contribution to provident and other funds	2.46	1.92
Staff welfare expenses	0.63	0.57
Total	17.53	16.51

29 Finance costs

Particulars	For the year ended	
	31.Mar.2023	31.Mar.2022
Interest cost on term loans	-	0.04
6 lease liabilities	0.19	0.23
36 defined benefit obligation	-	0.22
Other borrowing cost - bank charges	0.06	0.09
Total	0.25	0.58



Malnad Hospital and Institute of Oncology Private Limited

Notes forming part of financial statements

(Amount in ₹ Millions, except for shares data or as otherwise stated)

30 Depreciation and amortisation expense

Particulars	For the year ended	
	31.Mar.2023	31.Mar.2022
Depreciation on		
5 Property, plant and equipment	1.64	1.89
6 Right-of-use assets	0.97	0.85
7 Amortisation of intangible assets	0.07	0.06
Total	2.68	2.80

31 Other expenses

Particulars	For the year ended	
	31.Mar.2023	31.Mar.2022
Medical consultancy charges	18.42	18.33
Lab charges	1.87	2.79
House keeping expenses	1.72	1.58
Power and fuel	0.32	0.15
6 Lease rent	0.17	0.19
Repairs and maintenance		
Building	0.24	0.24
Machinery	0.17	0.23
Others	1.07	1.29
Insurance	0.25	0.17
Rates and taxes	0.34	0.31
Printing and stationery	0.68	0.61
Advertisement, publicity and marketing	0.74	0.40
Travelling and conveyance	0.33	0.26
Legal and professional fees	0.61	0.34
(a) Payment to auditors	0.25	0.09
Communication expense	0.12	0.13
Miscellaneous expenses	0.59	0.57
Total	27.89	27.68
(a) Payments to auditors (excluding taxes)		
As an auditor		
Audit fees for audit of the financial statements of the Company	0.25	0.09
Out of pocket expenses	-	-
Total	0.25	0.09

32 Tax expense

Particulars	For the year ended	
	31.Mar.2023	31.Mar.2022
Current tax	3.20	3.39
(b) Deferred tax	(1.25)	1.04
(a) Total	1.95	4.43

(a) 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:

Particulars	For the year ended	
	31.Mar.2022	31.Mar.2022
Profit before tax for the year	12.39	15.79
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	3.12	3.97
Effect of:		
Others	(1.26)	0.36
	1.86	4.33



Malnad Hospital and Institute of Oncology Private Limited

Notes forming part of financial statements

(Amount in ₹ Millions, except for shares data or as otherwise stated)

(b) Movement in deferred tax	Opening Balance	Recognised in		Closing Balance
		SPL	OCI	
31.Mar.2023				
Deferred tax assets				
Expenses deductible in future years				
Provision for employee benefits	2.04	(0.17)	(0.08)	1.79
Provision for expected credit loss	-	1.75	-	1.75
Right-to-use assets and lease liabilities (net)	0.05	(0.09)	-	(0.04)
Total [A]	2.09	1.49	(0.08)	3.50
Deferred tax liabilities				
Property, plant and equipment and intangible assets	0.50	0.24	-	0.74
Total [b]	0.50	0.24	-	0.74
Net deferred tax assets/(liabilities) [A-B]	1.59	1.25	(0.08)	2.76

(b) Movement in deferred tax	Opening Balance	Recognised in		Closing Balance
		SPL	OCI	
31.Mar.2022				
Deferred tax assets				
Expenses deductible in future years				
Provision for employee benefits	0.90	1.04	0.10	2.04
Provision for expected credit loss	-	-	-	-
Right-to-use assets and lease liabilities (net)	0.05	-	-	0.05
Total [A]	0.95	1.04	0.10	2.09
Deferred tax liabilities				
Property, plant and equipment and intangible assets	0.50	-	-	0.50
Total [b]	0.50	-	-	0.50
Net deferred tax assets/(liabilities) [A-B]	0.45	1.04	0.10	1.59

33 Earnings per equity share

Particulars	For the year ended	
	31.Mar.2023	31.Mar.2022
Profit for the year attributable to equity holders	10.70	11.06
Weighted average number of equity shares for the year	94,956	94,956
Nominal value of shares (in ₹)	100	100
Basic and diluted earning per equity share (₹)	112.68	116.47

34 Contingent liabilities and capital commitments
(a) Contingent liabilities

The Hon'ble Supreme Court has, in a 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.

(b) Other litigations

The Company is involved in other disputes, law suits and other claims including commercial matters which arise from time to time in the ordinary course of business. The Company believes that there are no such pending matters that are expected to have any material adverse effect on the financial statements.

35 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". Further, all assets, current and non-current assets are based in India. Accordingly, there are no additional disclosure to be provided under Ind AS 108, other than those already provided in the financial statements.



Malnad Hospital and Institute of Oncology Private Limited

Notes forming part of financial statements

(Amount in ₹ Millions, except for shares data or as otherwise stated)

Note

No.

36 Employee benefit plans**36.1 Defined contribution plans**

The Company has defined contribution plan in form of provident fund and 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	For the year ended	
	31.Mar.2023	31.Mar.2022
Contribution to		
Provident fund and pension scheme	1.48	1.42
Employee state insurance scheme	0.33	0.34
Total	1.81	1.76

36.2 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.

The principal assumptions used for the purposes of the actuarial valuations are as follows:

Particulars	As at	
	31.Mar.2023	31.Mar.2022
Discount rate	7.30%	5.40%
Expected rate of salary increase	5.00%	5.00%
Rate of return on plan assets	7.34%	7.00%
Employee turnover rate	13.40%	13.40%

Amounts recognised in statement of profit and loss in respect of this defined benefit plan are as follows:

Particulars	For the year ended	
	31.Mar.2023	31.Mar.2022
Current service cost	0.41	0.38
Net interest expense	0.24	0.22
Components of defined benefit costs recognised in the statement of profit and loss	0.65	0.60
Remeasurement on the net defined benefit liability		
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	(0.45)	0.19
Actuarial (gains) / losses arising from experience adjustments	0.10	0.19
Excess of interest on plan assets over actual return	0.01	0.02
Remeasurement on the net defined benefit liability recognised in other comprehensive income	(0.34)	0.40

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

Particulars	As at	
	31.Mar.2023	31.Mar.2022
Present value of funded defined benefit obligation	4.34	4.20
Fair value of plan assets	0.30	0.30
Unfunded status	4.04	3.90
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	4.04	3.90
Current	0.39	0.33
Non-current	3.65	3.57



Malnad Hospital and Institute of Oncology Private Limited
Notes forming part of financial statements
(Amount in ₹ Millions, except for shares data or as otherwise stated)

Note
No.

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

Particulars	As at	
	31.Mar.2023	31.Mar.2022
Opening defined benefit obligation	4.20	3.22
Current service cost	0.41	0.38
Interest cost	0.24	0.22
Remeasurement (gains)/losses		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	(0.45)	0.19
Actuarial gains and losses arising from experience adjustments	0.10	0.19
Benefits paid	(0.16)	-
Closing defined benefit obligation	4.34	4.20

Movements in the fair value of the plan assets are as follows

Particulars	As at	
	31.Mar.2023	31.Mar.2022
Opening fair value of plan assets	0.30	0.30
Interest income	0.01	0.02
Benefit payments from the fund	-	-
Excess return over interest income on plan assets	(0.01)	(0.02)
(a) Closing fair value of plan assets	0.30	0.30

(a) The above fund assets are invested in insurance managed funds

36.3 Sensitivity analysis

Particulars	As at			
	31.Mar.2023		31.Mar.2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% change)	(0.20)	0.22	(0.22)	0.24
Future salary increase (1% change)	0.51	(0.43)	0.54	(0.45)
Attrition rate (10% change)	0.03	(0.04)	0.02	(0.02)

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 at 31 March 2023 is 7.63 years (as at 31 March 2022: 8.46 years)

Maturity profile of defined benefit obligation:

Particulars	As at	
	31.Mar.2023	31.Mar.2022
Within 1 year	0.68	0.62
1 - 5 year	2.37	1.96
5 - 10 year	2.01	1.89
> 10 year	1.67	1.48
	6.73	5.95



Malnad Hospital and Institute of Oncology Private Limited

Notes forming part of financial statements

(Amount in ₹ Millions, except for shares data or as otherwise stated)

Note

No.

37 Financial instruments

37.1 The carrying value and fair value of financial instruments by categories is as follows

Particulars	Carrying value as at		Fair value as at	
	31.Mar.2023	31.Mar.2022	31.Mar.2023	31.Mar.2022
Financial assets				
Amortised cost				
Loans	0.22	0.74	0.22	0.74
Trade receivables	11.95	19.23	11.95	19.23
Cash and cash equivalents	3.14	29.79	3.14	29.79
Other financial assets	49.48	8.48	49.48	8.48
Total assets	64.79	58.24	64.79	58.24
Financial liabilities				
Amortised cost				
Borrowings	-	-	-	-
Lease liabilities	1.13	2.15	1.13	2.15
Trade payables	24.81	21.11	24.81	21.11
Other financial liabilities	0.31	0.32	0.31	0.32
Total liabilities	26.25	23.58	26.25	23.58

The management assessed that fair value of bank balance, trade receivables, loans receivable, other financial assets, borrowings, lease liabilities and trade payables, approximates their carrying amounts largely due to the short-term maturities of these instruments. Difference between carrying amounts and fair values of bank deposits, other financial assets, borrowings and other financial liabilities subsequently measured at amortised cost is not significant in each of the years presented.

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

(a) 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, bank balance 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.

Trade and other receivables

Trade receivables comprise a widespread customer base. Management evaluate credit risk relating to customers on an ongoing basis. The Company assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. 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 13 of the financial statement.

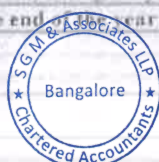
The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as derived as per the trend of trade receivable ageing of previous years.

The Provision matrix at the end of the reporting period is as follows:

Particulars	31.Mar.2023	31.Mar.2022
Unit of measurement	%	%
Less than 1 year	7 to 10	7 to 10
1-2 year	50	50
2-3 year	70	70
More than 3 year	100	100

Movement in the expected credit loss allowance:

Particulars	For the year ended	
	31.Mar.2023	31.Mar.2022
Balance at the beginning of the year	6.93	6.93
Addition/(reversal) during the year	-	-
Balance at the end of the year	6.93	6.93



Malnad Hospital and Institute of Oncology Private Limited

Notes forming part of financial statements

(Amount in ₹ Millions, except for shares data or as otherwise stated)

Note

No.

No single customer accounted for more than 10% of the revenue as of 31 March 2023 and 31 March 2022. There is no significant concentration of credit risk. Details of geographic concentration of revenue is included in note 37 to the financial statements.

Trade receivables include dues from companies in which any director is a director or member

Particulars	As at	
	31.Mar.2023	31.Mar.2022
Gutti Malnad LLP	1.40	1.80
Malnad Hi-Tech Diagnostic Centre LLP	-	0.33

Cash and cash equivalents

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

(b) 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 working capital position of the Company is given below:

Particulars	As at	
	31.Mar.2023	31.Mar.2022
Cash and Bank balance (including deposits)	3.14	29.79
	3.14	29.79

The table below provides details regarding the contractual maturities of significant financial liabilities:

Particulars	< 1 year	1-2 years	2-3 years	3-4 years	> 4 years
31.Mar.2023					
Borrowings	-	-	-	-	-
Lease liabilities	1.13	-	-	-	-
Trade payables	24.81	-	-	-	-
Other financial liabilities	0.31	-	-	-	-
	26.25	-	-	-	-
31.Mar.2022					
Borrowings	-	-	-	-	-
Lease liabilities	0.82	1.33	-	-	-
Trade payables	21.11	-	-	-	-
Other financial liabilities	0.32	-	-	-	-
	22.25	1.33	-	-	-

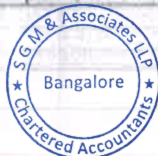
(c) Market risk

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.

37.3 Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern 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.Mar.2022	31.Mar.2022
Total equity attributable to the equity share holders of the Company	64.65	53.95
Borrowings (non-current and current)	-	-
Lease liabilities	1.13	2.15
Total borrowings [A]	1.13	2.15
Cash and cash equivalents (including deposit with banks) [B]	3.14	29.79
Net loans & borrowings [A - B]	(2.01)	(27.64)
Gearing ratio	NA	NA
Total capital (loans and borrowings and equity)	62.64	56.10



Malnad Hospital and Institute of Oncology Private Limited
Notes forming part of financial statements
(Amount in ₹ Millions, except for shares data or as otherwise stated)

Note

No.

38 Related party transactions

A List of related parties

Description of relationship	Names of related parties
Holding Company (HC)	HealthCare Global Enterprises Limited
Fellow subsidiaries (FS)	HealthCare Global Senthil Multi Speciality Hospital Private
Joint venture of the HC	Strand Life Sciences Private Limited
Companies in which KMP / Relatives of KMP can exercise significant influence	Bharath Hospital and Institute of Oncology Sada Sharada Tumor and Research Institute B.C.C.H.I Trust Malnad Hi-Tech Diagnostic Centre LLP Malnad MRI Centre, Shimoga Gutti Malnad I.L.P
Key management personnel (KMP)	Non-executive directors T.Narendra Bhat PLN Achar B.S Ajalkumar

B Transactions with related parties

Particulars	For the year ended	
	31.Mar.2023	31.Mar.2022
Revenue share		
HealthCare Global Enterprises Limited	21.01	30.45
Expenditure charged by the Company in connection with revenue share expenses		
HealthCare Global Enterprises Limited	15.94	16.19
Rent		
Sada Sharada Tumor and Research Institute	0.62	1.26
Lab charges		
Strand Life Sciences Private Limited	-	0.83
HealthCare Global Enterprises Limited	1.91	0.95
Malnad Hi-Tech Diagnostic Centre LLP	1.38	1.23
Malnad MRI Centre	0.10	-
Medical Consultancy Charges		
Dr. PLN Achar	-	0.03
Dr. Narendra Bhat	-	0.05
Reimbursement of capital expenditure/ revenue expenditure incurred by		
HealthCare Global Enterprises Limited	0.68	0.66
Expenditure incurred by the Company on behalf of		
Sada Sharada Tumor and Research Institute	0.76	0.35
Deposit placed with		
Sada Sharada Tumor and Research Institute	-	0.10



Malnad Hospital and Institute of Oncology Private Limited
Notes forming part of financial statements
(Amount in ₹ Millions, except for shares data or as otherwise stated)

Note

No.

C

Balances with related parties

Particulars	As at	
	31.Mar.2023	31.Mar.2022
Trade receivables		
Gutti Malnad LLP	1.40	1.80
Interest payable on holding company		
HealthCare Global Enterprises Limited	0.30	0.30
Other financial assets		
Sada Sharada Tumor and Research Institute	3.44	4.19
Security deposits		
Gutti Malnad LLP	3.50	3.50
Sada Sharada Tumor and Research Institute	0.01	0.01
Trade receivables		
Malnad MRI Centre, Shimoga	0.04	0.05
Trade payables		
HealthCare Global Enterprises Limited	2.93	2.66
Malnad Hi-Tech Diagnostic Centre LLP	0.53	0.33



Malnad Hospital and Institute of Oncology Private Limited

Notes forming part of financial statements

(Amount in ₹ Millions, except for shares data or as otherwise stated)

Note

No.

39 Impact of Covid-19

The Company has taken into account, impact of COVID-19 pandemic, if any, on its financial statement captions based on internal and external information upto the date of approval of the financial statements by the Board of Directors. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID-19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions.

40 Additional information

(a) Loans and advances in the nature of loan granted to promoters, directors, KMPs and related parties

Particulars	As at	
	31-Mar-2023	31-Mar-2022
Promoter	-	-
Directors	-	-
Key managerial personnel	-	-
38 Related parties	-	-

(b) Financial ratios

Particulars	Methodology	31-Mar-2023	31-Mar-2022
(i) Current ratio	Current assets over current liabilities	0.88	2.43
Inventory turnover ratio	Inventory over consumption of goods	15.95	16.44
(ii) Debt equity ratio [%]	Debt over equity	2%	4%
Return on equity [%]	PAT over total average equity	18%	23%
(iii) Trade receivables turnover ratio	Revenue from operations over average trade receivables	6.11	3.84
Trade payables turnover ratio	Adjusted expenses over average trade payables	3.80	3.63
(iv) Net capital turnover ratio	Revenue from operations over average working capital	5.95	3.32
Net profit [%]	Net profit over revenue	11%	11%
EBITDA [%]	EBITDA over revenue	16%	20%
(v) Return on capital employed [%]	PBIT over average capital employed	21%	34%

Notes

EBIT - Earnings before interest and taxes

PBIT - Profit before interest and taxes including other income

EBITDA - Earnings before interest, taxes, depreciation and amortisation

PAT - Profit after tax

Debt includes current and non-current lease liabilities

Adjusted expenses refers to other expenses net of non-cash expenses and donations

Capital employed refers to total shareholders' equity and debt

Investments includes non-current investment, current investment and margin-money deposit

Explanation for change in the ratio by more than 25% as compared to the preceding year

- Movement in current ratio, is on account of increase in trade payables and decrease in balance in deposit with bank.
- Changes in debt-equity ratio is on account of current year profit after tax.
- Changes in trade receivable ratio is on account of decrease in revenue and movement in average trade receivables.
- Profit after tax for current year and changes in working capital has contributed to changes in net capital turnover ratio.
- Decrease in profit in current year has resulted in changes in return on capital employed



Malnad Hospital and Institute of Oncology Private Limited

Notes forming part of financial statements

(Amount in ₹ Millions, except for shares data or as otherwise stated)

Note

No.

41 Additional Regulatory Information

- (i) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- (ii) The Company does not have any transactions or investments with struck off companies during the year ended 31-Mar-2023
- (iii) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (iv) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (v) 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).



