

INDEPENDENT AUDITOR'S REPORT**To the Members of Sanghamitra Hospitals Private Limited****Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of **Sanghamitra Hospitals Private Limited** ("the Company"), which comprise the Balance Sheet as at **March 31, 2023**, 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 ended on that date, and a summary of the 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 **March 31, 2023**, the **profit** and total comprehensive income, 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 (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

Other Information

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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.

Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonable ness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit 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 Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - 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, we report that section 197 is not applicable on private limited company. Hence reporting as per section 197(16) is not required.



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 has disclosed the impact of pending litigations on its financial position in its financial statements.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- 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;

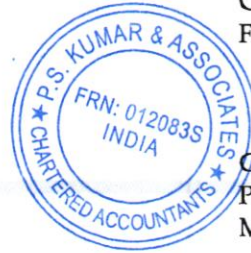
(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded 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 any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013

For P. S. Kumar & Associates
Chartered Accountants
Firm Registration No. 012083S




CA. P. Sasi Kumar, FCA
Partner
Membership No. 208203

Hyderabad
May 22, 2023
UDIN: 23208203BQVRUP8199

Annexure "A" to the Independent Auditors' Report

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

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- (i) In respect of the Company's fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner 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 fixed assets 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) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.
- (d) The company has not revalued its Property, Plant and Equipment during the year. Therefore, the provisions of Clause (i)(d) of paragraph 3 of the order are not applicable to the company.
- (e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Therefore, the provisions of Clause (i)(e) of paragraph 3 of the order are not applicable to the company.
- (ii) (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.



- (b) The company has no working capital limit in excess of five crore rupees (at any point of time during the year), in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) According to the information and explanations given to us, the company has not made any investments, provided any guarantee or security or granted any loans secured or unsecured to companies, firms or any other parties during the year. Hence, the provisions of clauses 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2023 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 in respect of healthcare services rendered. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.



- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- (c) According to the records of the Company and the explanation and information given to us, there are no statutory dues payables on account of dispute.
- (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) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of any loan or other borrowings or any interest due thereon to any lender.
- (b) In our opinion and according to the information and explanations given to us, the company has not been a declared wilful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, the loans were applied for the purpose for which the loans were obtained.
- (d) In our opinion and according to the information and explanations given to us, there are no funds raised on short term basis which have been utilised for long term purposes.
- (e) In our opinion and according to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) In our opinion and according to the information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (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 3(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 3(x)(b) of the Order is not applicable.
- (xi) (a) We have not noticed any case of fraud by the company or any fraud on the Company by its officers or employees during the year. The management has also not reported any case of fraud during the year.



- (b) During the year no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) As per the information and explanations received to us all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable, and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards. Identification of related parties were made and provided by the management of the company.
- (xiv) The company is not covered by section 138 of the Companies Act, 2013, related to appointment of internal auditor of the company. Therefore, the company is not required to appoint any internal auditor. Therefore, the provisions of Clause (xiv) of paragraph 3 of the order are not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him for the year under review. Therefore, the provisions of Clause (xv) of paragraph 3 of the order are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The company has not incurred cash loss in current financial year as well in immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.



- (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.
- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year, to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Act. In respect of ongoing projects, the Company has transferred the unspent Corporate Social Responsibility (CSR) amount as at the Balance Sheet date out of the amounts that was required to be spent during the year, to a Special Account in compliance with the provision of sub-section (6) of section 135 of the said Act.
- (xxi) The company is not having any subsidiaries and is therefore not required to draw any consolidated financial statements. Hence, the reporting under clause 3(xxi) of the Order is not applicable.

Hyderabad
May 22, 2023
UDIN: 23208203BGVRUP8199



For P. S. Kumar & Associates
Chartered Accountants
Firm Registration No. 012083S

CA. P. Sasi Kumar, FCA
Partner
Membership No. 208203

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Sanghamitra Hospitals Private Limited** ("the 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 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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 Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

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

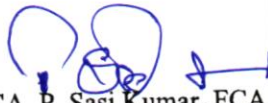
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the criteria for internal financial control over financial reporting 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.

For P. S. Kumar & Associates
Chartered Accountants
Firm Registration No. 012083S



CA. P. Sasi Kumar, FCA
Partner

Membership No. 208203

Hyderabad, May 22, 2023
UDIN: 23208203BGVRUP8199

SANGHAMITRA HOSPITALS PRIVATE LIMITED

Balance sheet as at 31 Mar 2023

(All amounts in Indian rupees Lakhs, except share data and where otherwise stated)

	Notes	As at 31 Mar 2023	As at 31 Mar 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4.1	2,370.83	2,400.03
Intangible assets	4.2	-	-
Right to use assets	4.3	172.57	183.14
Financial assets			
Other financial assets	4.4	51.72	46.54
Other tax assets	4.5		
Total Non-current assets		2,595.12	2,629.70
Current assets			
Inventories	4.7	155.66	119.47
Financial assets			
Trade receivables	4.8	792.82	610.50
Cash and cash equivalents	4.9	588.66	198.11
Other financial assets	4.4	668.32	778.42
Other current assets	4.6	139.92	72.51
		2,345.39	1,779.01
TOTAL ASSETS		4,940.51	4,408.71
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	4.10	626.53	626.53
Other equity	4.10	2,934.15	2,512.15
		3,560.68	3,138.68
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	4.11	-	-
Lease liabilities		213.79	214.87
Deferred tax liabilities	4.5	306.02	161.56
Provisions	4.12	90.50	71.39
		610.31	447.82
Current liabilities			
Financial Liabilities			
Borrowings	4.11	-	-
Lease Liabilities		0.99	0.20
Trade payables	4.13		
- Total outstanding dues of micro small and medium enterprises		43.92	14.16
- Total outstanding dues to creditors other than micro small and medium enterprises		218.31	225.20
Other financial liabilities	4.14	392.93	351.84
Other current liabilities	4.15	71.24	63.88
Current tax liabilities (net)	4.5	42.13	166.94
		769.52	822.22
TOTAL		4,940.51	4,408.71

Significant accounting policies

The notes referred to above form an integral part of the statement of profit and loss

As per our report of even date.
For M/s. P.S.Kumar & Associates
Chartered Accountants
Firm Registration No: 012083S

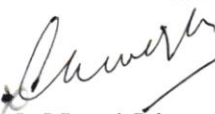

P. Sasi Kumar
Partner

Membership No: 208203

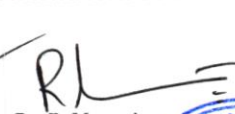
Place: Hyderabad
Date : 22/05/2023



for and behalf of the Board of Directors of
SANGHAMITRA HOSPITALS PRIVATE LIMITED
CIN: U85110AP2008PTC060069


Dr P Ramesh Babu
Director
DIN: 01879436

Place: Ongole
Date : 22/05/2023


Dr. R. Mamatha
Managing Director
DIN: 00282854

Place: Ongole
Date : 22/05/2023



SANGHAMITRA HOSPITALS PRIVATE LIMITED
Statement of profit and loss for the period ended 31 Mar 2023
(All amounts in Indian rupees Lakhs, except share data and where otherwise stated)

	Notes	For the year ended 31 Mar 2023	For the year ended 31 Mar 2022
Income			
Revenue from operations	4.16	5,538.10	7,604.40
Other income	4.17	53.36	52.37
Total income		5,591.47	7,656.76
Expenses			
Cost of Materials Consumed	4.18	1,026.96	1,799.74
Employee benefits expense	4.19	1,168.45	1,283.07
Finance costs	4.20	38.87	46.95
Depreciation and amortisation expense	4.21	243.86	212.83
Other expenses	4.22	2,476.91	2,169.90
Total expenses		4,955.05	5,512.49
Profit before tax		636.42	2,144.27
Tax expense	4.5		
Current tax		212.79	563.72
Taxes for the earlier period		0.64	(0.65)
Deferred tax		-4.26	105.62
MAT Credit Entitlement		-	(150.25)
Profit after tax		427.26	1,625.84
Share of net profit of associates		427.26	1,625.84
Profit before non-controlling interest		427.26	1,625.84
Minority interest in share of statement of profit and loss, net		-	-
Profit for the year		427.26	1,625.84
Other Comprehensive Income			
<i>Items that will not be reclassified to profit or loss</i>			
Re-measurement losses / (gains) on defined benefit plans		7.41	(98.34)
Income tax effect of re-measurement of defined benefit plans		(2.16)	28.64
Other comprehensive income for the year, net of income-tax		5.25	(69.71)
Net other comprehensive income not to be reclassified subsequently to profit or loss		422.00	1,695.55
Total comprehensive income for the year			
Basic	4.24	6.82	25.95
Diluted	4.24	6.82	25.95
Significant accounting policies	1		

The notes referred to above form an integral part of the statement of profit and loss

As per our report of even date attached

As per our report of even date.
For M/s. P.S.Kumar & Associates
Chartered Accountants
Firm Registration No: 012083S


P. Sasi Kumar
Partner
Membership No: 208203

Place: Hyderabad
Date : 22/05/2023



for and behalf of the Board of Directors of
SANGHAMITRA HOSPITALS PRIVATE LIMITED
CIN: U85110AP2008PTC060069


Dr P Ramesh Babu
Director
DIN: 01879436

Place: Ongole
Date : 22/05/2023


Dr. R. Mamatha
Managing Director
DIN: 00282854

Place: Ongole
Date : 22/05/2023



SANGHAMITRA HOSPITALS PRIVATE LIMITED
Cash Flow Statement for the year ended 31 Mar 2023

(All amounts are in Indian Rupees Lakhs, except share data and where otherwise stated)

	For the year ended 31 Mar 2023	For the year ended 31 Mar 2022
A. Cash flow from operating activities		
Profit before tax	629.01	2,242.62
Adjustments for operating activities:		
Depreciation and amortisation	243.86	212.83
Provision for doubtful debts	10.00	20.00
Finance cost	38.87	46.95
Interest income	(37.62)	(23.51)
Gain on sale of current investments	(6.03)	-
Liabilities no longer required written back	-	-
Loans & Advances written Off	-	-
(Profit) / loss on sale of fixed assets	-	-
Gain on chit	-	-
Operating profit before working capital changes	878.09	2,498.89
Adjustments for (increase) / decrease in		
Inventories	(36.19)	7.88
Trade receivables	(192.33)	(102.09)
Other financial assets	415.95	(547.32)
Other current assets	(67.41)	(53.64)
Adjustments for Increase / (decrease) in		
Trade payables	22.87	(86.92)
Other financial liabilities	41.09	(39.57)
Provisions	19.11	(98.10)
Other current liabilities	7.37	12.04
Cash generated from operations	1,088.55	1,591.17
Income taxes paid (net)	(187.36)	(376.66)
Net cash flow from operating activities (A)	901.19	1,214.51
B. Cash flow from investing activities		
Purchase of tangible and intangible fixed assets	(204.10)	(390.62)
ROU	-	-
Proceeds from sale of fixed assets	-	-
Net of Sale proceeds / (purchases) of investments	(233.00)	-
Net of Redemption / (investment) of fixed deposits	(72.00)	(55.00)
Interest income	37.62	23.51
Gain on chit	-	-
Net cash flow from / (used in) investing activities (B)	(471.48)	(422.11)
C. Cash flow from financing activities		
Proceeds from issue of equity shares	-	(626.53)
Proceeds from issue / (redemption) of preference shares	-	-
Changes in other equity - Payment of Dividend	-	-
Repayment of term loan (net)	(0.29)	1.17
Lease Liabilities	(38.87)	(46.95)
Finance cost	(39.15)	(672.30)
Net cash flow from / (used in) financing activities (C)	390.55	120.09
Net increase in cash and cash equivalents (A+B+C)	198.11	78.02
Cash and cash equivalents at the beginning of the year	588.66	198.11
Cash and cash equivalents at the end of the year (Refer note: 2.9)	588.66	198.11
Cash and cash equivalents	5.25	6.10
Cash on hand		
Bank balances	135.53	192.01
- in current accounts	447.89	-
- in deposit with maturity of less than 3 months	588.66	198.11
Bank Overdraft used for cash management purposes	-	-
Cash and cash equivalents	588.66	198.11

As per our report of even date.
For M/s. P.S.Kumar & Associates
Chartered Accountants
Firm Registration No: 012083S
P. Sasi Kumar
Partner
Membership No: 208203

Place: Hyderabad
Date : 22/05/2023



for and behalf of the Board of Directors of
SANGHAMITRA HOSPITALS PRIVATE LIMITED
CIN: U85110AP2008PTC060069

Dr P Ramesh Babu
Director
DIN: 01879436

Place: Ongole
Date : 22/05/2023

Dr. R. Mamatha
Managing Director
DIN: 00282854

Place: Ongole
Date : 22/05/2023



Sanghamitra Hospitals Private Limited

Notes to the financial statements for the year ending 31 March 2023

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

1. Reporting Entity

Sanghamitra Hospitals Private Limited (the 'Company') is a Company domiciled in India, with its registered office situated at Vijayawada, Andhra Pradesh. The Company is engaged in the business of rendering medical and healthcare services, participating in clinical studies and conducting training programs and services primarily in Ongole.

2. Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provision of the Act under the historical cost convention on an accrual basis except for certain financial instruments which are measured at fair values, notified under the Act and Rules prescribed thereunder.

The financial statements were authorised for issue by the Company's Board of Director on 22 May 2023.

Details of the accounting policies of the Company are included in Note 3.

2.2 Functional and presentation currency

The Financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded off to nearest lakh except share data or as otherwise stated.

2.3 Basis of measurement

The financial statements have been prepared and presented under the historical cost basis except for the following items:

Items	Measurement Basis
Certain financial assets and liabilities	Fair Value
Net defined benefit (asset)/liability	Fair value of plan assets less present value of defined benefit obligations

2.4 Use of judgments, estimates and assumptions

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.



Sanghamitra Hospitals Private Limited

Notes to the financial statements for the year ending 31 March 2023

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

2.4 Use of judgments, estimates and assumptions (continued)

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2023 is included in the following notes:

- Note 4.1 and 4.2- measurement of useful life and residual value of property, plant and equipment and intangible assets;
- Note 4.23 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 4.27– measurement of defined benefit obligations: key actuarial assumptions;
- Note 4.34 – Impairment of financial assets and non-financial assets.

2.5 Measurement of fair values

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 4.34 - financial instruments;

3.1 Summary of significant accounting policies

a. Current –non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;



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Sanghamitra Hospitals Private Limited

Notes to the financial statements for the year ending 31 March 2023

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

Deferred tax assets are classified as non-current assets.

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

b. Foreign exchange transactions

Foreign currency transactions are recorded at the rate of exchange prevailing on the dates of the respective transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss.

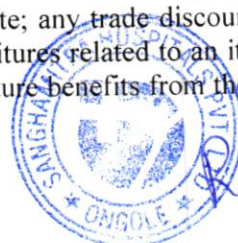
Monetary assets and liabilities are denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rate on that date, the resultant exchange differences are recognised in the statement of profit and loss. Nonmonetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the statement of profit and loss.

3.1 Summary of significant accounting policies (continued)

c. Property, Plant and Equipment

Recognition and measurement

Property, plant and equipment are measured at cost which includes capitalized borrowing costs, less accumulated depreciation and impairment losses, if any. The cost of an item of Property, Plant and Equipment comprises its purchase price, including import duties and other non-refundable taxes or levies, freight, any directly attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling and restoring onsite; any trade discounts and rebates are deducted in arriving at the purchase price. Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset



Sanghamitra Hospitals Private Limited

Notes to the financial statements for the year ending 31 March 2023

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

beyond its previously assessed standard of performance. Cost includes expenditures directly attributable to the acquisition of the asset.

Capital work in progress

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work-in-progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as other non-current assets.

Depreciation and amortisation

Tangible fixed assets are carried at cost of acquisition less accumulated depreciation. The cost of tangible fixed assets comprises the purchase price, non-refundable taxes, duties, freight (net of rebates and discounts) and any other directly attributable costs of bringing the assets to their working condition for their intended use.

Subsequent expenditures related to an item of tangible fixed assets are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

The cost of tangible fixed assets under construction/acquired but not ready for their intended use as at the balance sheet date are disclosed as capital work-in-progress. Indirect expenditure including borrowing cost to the extent incidental to construction of tangible fixed asset is disclosed under expenditure during construction and will be allocated to fixed assets on being put to use.

Tangible fixed assets other than leasehold improvements and buildings on leasehold land are depreciated at the useful lives specified in Schedule II of the Companies Act, 2013 using straight-line method as in the opinion of the management the same reflects the estimated useful life. Leasehold improvements and buildings on lease hold land are amortised on straight line method over the primary period of lease or estimated useful life whichever is lower. Depreciation is calculated on a pro-rata basis from/up to the date the assets are purchased / sold.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted appropriately.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

3.1 Summary of significant accounting policies (continued)

c. Property, Plant and Equipment (continued)

Depreciation and amortisation (continued)

There are no parts to the asset, which are significant to total cost of the asset and useful life of that parts of the asset is not different from the useful life of the remaining asset. Hence, no useful life of those particular parts is determined separately. Losses arising from retirement, gains or losses arising from disposal of fixed assets measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.



Sanghamitra Hospitals Private Limited

Notes to the financial statements for the year ending 31 March 2023

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

d. Intangible assets and Amortisation

Intangible assets are recorded at the consideration paid for cost of acquisition or development less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an internally generated asset comprises all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to create, produce and make the asset ready for its intended use. Intangible assets under development are capitalized only if the Company is able to establish control over such assets and expects future economic benefit will flow to the Company.

Intangible assets are amortised over their estimated useful life, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset.

Gains or losses arising from decommissioning of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Computer software is amortized on straight line basis over their estimated useful life of Six years.

e. Inventories

The inventories of medical consumables, drugs and surgical equipments are valued at lower of cost or net realizable value. In the absence of any further estimated costs of completion and estimated costs necessary to make the sale, the net realizable value is the selling price. The comparison of cost and net realizable is made on an item by item basis. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location after adjusting for Goods and Service tax wherever applicable, applying the first in first out method.

f. Employee benefits

Short term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and other benefits. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services are recognised as an expense as the related service is rendered by employees.

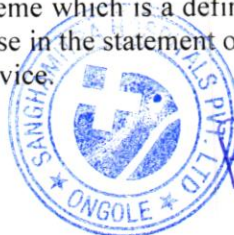
3.1 Summary of significant accounting policies (continued)

f. Employee benefits (continued)

Post-employment benefits

i. Defined contribution plans

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



Sanghamitra Hospitals Private Limited

Notes to the financial statements for the year ending 31 March 2023

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

ii. Defined benefit plans

Gratuity

In accordance with the applicable Indian laws, the Company provides for gratuity, defined benefit retirement plan ("the Gratuity plan") covering eligible employees. The Gratuity plan provides a lump-sum payment to eligible employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned and returned for services in the current and prior periods; that benefit is discounted to determine its present value. The calculation of Company's obligation under the plan is performed periodically by a qualified actuary using the projected unit credit method.

The gratuity scheme is administered by Life Insurance Corporation of India (Group Gratuity Scheme). Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI). The Company determines the net interest expense (income) on the net defined liability (assets) for the period by applying the discount rate used to measure the net defined obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes as a result of contribution and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss. The Company recognizes gains and losses in the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss.

3.1 Summary of significant accounting policies (continued)

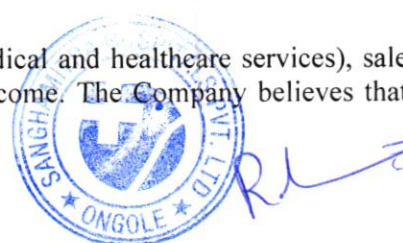
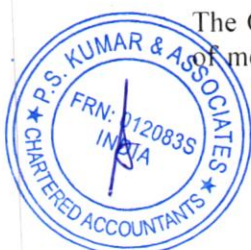
g. Revenue

Revenue from contract with customers

The Company generates revenue from rendering of medical and healthcare services, sale of medicines and other operating avenues. Ind AS 115 *Revenue from Contracts with Customers* establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 *Revenue*, IAS 11 *Construction Contracts*. Under Ind AS 115, revenue is recognised when a customer obtains control of the goods or services. The Company has adopted Ind AS 115 using the cumulative effect method, with the effect of initially applying this standard recognised at the commencement of financial year (i.e. 01 April 2019) being included in retained earnings. Accordingly, the information presented for the year ended 31 March 2019 has not been restated – i.e. it is presented, as previously reported, under Ind AS 18, *Revenue*.

Disaggregation of revenue

The Company disaggregates revenue from hospital services (medical and healthcare services), sale of medicines, clinical and market studies and other operating income. The Company believes that



Sanghamitra Hospitals Private Limited

Notes to the financial statements for the year ending 31 March 2023

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

this disaggregation best depicts how the nature, amount, timing and uncertainty of Company's revenues and cash flows are affected by industry, market and other economic factors.

Contract balances

The Company classifies the right to consideration in exchange for sale of services as trade receivables, advance consideration as advance from customers.

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer. The following details provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

3.1 Summary of significant accounting policies (continued)

f. Revenue recognition (continued)

a. Medical and healthcare services

The Company's revenue from medical and healthcare services comprises of income from hospital services.

Revenue from hospital services to patients is recognised as revenue when the related services are rendered unless significant future uncertainties exist. Revenue is also recognised in relation to the services rendered to the patients who are undergoing treatment/ observation on the balance sheet date to the extent of the services rendered. Revenue is recognised net of discounts and concessions given to the patients.

Unbilled revenue represents value to the extent of medical and healthcare services rendered to the patients who are undergoing treatment/observation on the balance sheet date and is not billed as at the balance sheet date.

b. Sale of medicines

Revenue from sale of medical consumables and medicines within the hospital premises is recognised when property in the goods or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection. The amount of revenue recognised is net of sales returns, taxes and duties, wherever applicable.

c. Other operating income

The Company's revenue from other operating income comprises of income from clinical and market studies, training/courses and Rent Income (Canteen).

Revenue from services rendered is based on the agreements/arrangements with the customers as the service is performed. Income from training/courses is recognised over a period of time as these are conducted.



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Sanghamitra Hospitals Private Limited

Notes to the financial statements for the year ending 31 March 2023

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

h. Interest

For all debt instruments measured either at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

3.1 Summary of significant accounting policies (continued)

i. Leases

Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals in respect of an asset taken on operating lease are generally recognized as an expense in the Statement of Profit and Loss on a straight line basis over the term of lease unless such payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

j. Taxation

Income tax expense comprises current tax and deferred tax charge or credit. Income tax expenses are recognized in statement of profit or loss except to the extent that it relates to items recognized in other comprehensive income (OCI) or directly in equity.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantially enacted by the reporting dates.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realize the assets and settle the liability on a net basis or simultaneously.

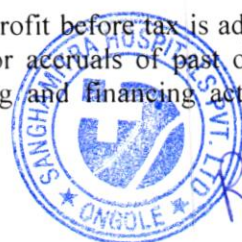
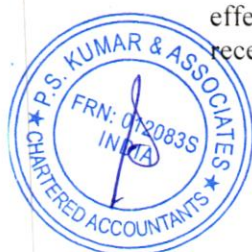
3.1 Summary of significant accounting policies (continued)

k. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less which are subject to insignificant risk of changes in value.

l. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the



Sanghamitra Hospitals Private Limited

Notes to the financial statements for the year ending 31 March 2023

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

Company are segregated. Bank overdrafts are classified as part of cash and cash equivalent, as they form an integral part of an entity's cash management.

m. Earnings per share

The basic earnings per share are computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

n. Provisions and contingent liabilities

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

3.1 Summary of significant accounting policies (continued)

n. Provisions and contingent liabilities (continued)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

o. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use is capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

p. Financial instruments

i. Recognition and initial measurement

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



Sanghamitra Hospitals Private Limited**Notes to the financial statements for the year ending 31 March 2023****(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)**

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

ii. Classification and subsequent measurement**Financial Assets:**

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

- amortised cost;
- Fair value through other comprehensive income (FVOCI) - equity investment; or
- Fair value through profit and loss (FVTPL)

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

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

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

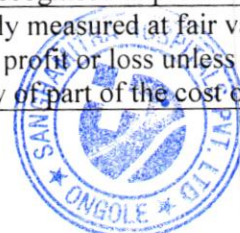
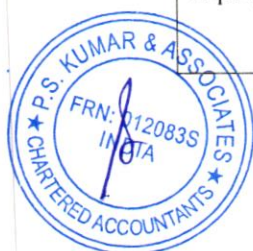
3.1 Summary of significant accounting policies (continued)**p. Financial instruments (continued)****ii. Classification and subsequent measurement (continued)**

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-by-investment basis.

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

Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the



Sanghamitra Hospitals Private Limited

Notes to the financial statements for the year ending 31 March 2023

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

	investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.
--	--

Financial liabilities

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

iii. Derecognition

Financial assets

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

3.1 Summary of significant accounting policies (continued)

p. Financial instruments (continued)

iii. Derecognition (continued)

Financial assets (continued)

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

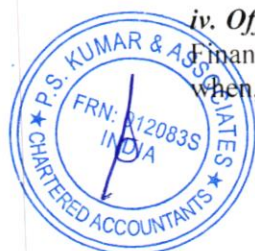
Financial liabilities

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

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

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts



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Sanghamitra Hospitals Private Limited

Notes to the financial statements for the year ending 31 March 2023

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

q. Impairment

i. Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
 - a breach of contract;
 - it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
 - the disappearance of an active market for a security because of financial difficulties.
- The Company measures loss allowances at an amount equal to lifetime expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

3.1 Summary of significant accounting policies (continued)

q. Impairment (continued)

i. Impairment of financial instruments (continued)

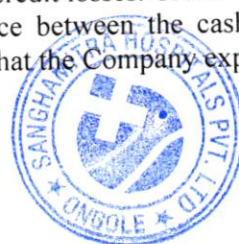
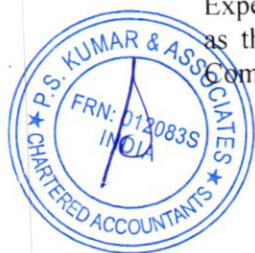
12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).



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Sanghamitra Hospitals Private Limited

Notes to the financial statements for the year ending 31 March 2023

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset). The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows.

3.1 Summary of significant accounting policies (continued)

q. Impairment (continued)

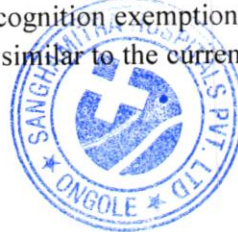
ii. Impairment of non-financial assets (continued)

To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

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

r. Ind AS 116, Leases

Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e.



Sanghamitra Hospitals Private Limited

Notes to the financial statements for the year ending 31 March 2023

(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, *Leases*.

Lessees are required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

Based on the information currently available, the Company estimates that it will recognise additional lease liabilities of Rs. 0 lacs as at 1 April 2019.

3.1 Summary of significant accounting policies (continued)

r. Recent accounting pronouncements (continued):

Standards issued but not effective on Balance sheet date (continued)

ii. Other Amendments

The MCA has notified below amendments which are effective 1st April 2019:

- Appendix C to Ind AS 12, Income taxes
- Amendments to Ind AS 103, Business Combinations
- Amendments to Ind AS 109, Financial Instruments
- Amendments to Ind AS 111, Joint Arrangements
- Amendments to Ind AS 19, Employee Benefits
- Amendments to Ind AS 23, Borrowing Costs
- Amendments to Ind AS 28, Investments to Associates and Joint Ventures

Based on Preliminary work, the Company does not expect these amendments to have any significant impact on its Financial statements.



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SANGHAMITRA HOSPITALS PRIVATE LIMITED

Notes to the financial statements (continued)

(All amounts in Indian rupees Lakhs, except share data and where otherwise stated)

4.1

Particulars	Freehold land	Buildings	Plant & Equipment	Computers & Other electronic data Processing Machines	Furniture and fixtures	Vehicles	Total(A)	Capital work-in-progress(B)	Grand Total(A+B)
Balance at 1 April 2021	57.86	847.75	2,332.06	84.52	444.31	135.91	3,902.41	0.87	3,903.28
Additions			265.66	31.53	88.99	2.40	388.58	2.04	390.62
Disposals			-	-	-	-	-	-	-
Balance at 31 st Mar 2022	57.86	847.75	2,597.72	116.06	533.29	138.31	4,290.99	2.92	4,293.91
Balance at 1 April 2022	57.86	847.75	2,597.72	116.06	533.29	138.31	4,290.99	2.92	4,293.91
Additions			103.47	20.64	78.02	-	202.13	1.97	204.10
Disposals			-	-	-	-	-	-	-
Balance at 31 Mar 2023	57.86	847.75	2,701.19	136.69	611.31	138.31	4,493.12	4.89	4,498.01
Accumulated Depreciation									
Balance at 1 April 2021	-	258.67	1,053.80	64.43	244.57	70.14	1,691.61	-	1,691.61
Depreciation for the Year		11.45	141.15	10.90	27.45	11.33	202.27	-	202.27
Depreciation on disposals			-	-	-	-	-	-	-
Balance at 31 st Mar 2022	-	270.11	1,194.95	75.33	272.02	81.47	1,893.88	-	1,893.88
Balance at 1 April 2022	-	270.11	1,194.95	75.33	272.02	81.47	1,893.88	-	1,893.88
Depreciation for the Year		11.45	155.93	17.47	37.32	11.14	233.30	-	233.30
Depreciation on disposals			-	-	-	-	-	-	-
Balance at 31 Mar 2023	-	281.56	1,350.88	92.80	309.33	92.61	2,127.17	-	2,127.17
Carrying amounts - net									
As at 31 March 2023	57.86	566.20	1,350.32	43.89	301.98	45.70	2,365.95	4.8868	2,370.83
As at 31 March 2022	57.86	577.64	1,402.77	40.73	261.28	56.84	2,397.11	2.92	2,400.03
Ageing of CWIP									
	Less than 1 Year	1-2 years	2-3 Years	More than 3 years	Total				
Projects in Progress	1.97	2.04	0.11	0.77	4.89				

Note:

The land and building of the company have been mortgaged with HDFC Bank against a term loan of Rs.2500 lakhs (Balance outstanding of Rs.2237 lacs as on 31st March 2023) availed by the holding company Dr.Ramesh Cardiac and Multispeciality Hospital Private Limited, at an interest rate of 7.09% p.a.
The said loan is availed in the month of March 2022 and repayable in equal installments of 84 months starting from May 2022.



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SANGHAMITRA HOSPITALS PRIVATE LIMITED
Notes to the Financial Statements (continued)

4.3 Right of Use of Assets

B. Reconciliation of the carrying amount

Particulars	Right Of Use Asset
Gross cost /Deemed cost	
Balance at 1 April 2021	211.31
Additions	
Disposals	-
Balance at 31 March 2022	211.31
Balance at 1 April 2021	211.31
Additions	
Disposals	
Balance at 31 March 2022	211.31
Accumulated amortisation	
Balance at 1 April 2021	17.61
Amortisation for the year	10.57
Disposals	
Balance at 31 March 2022	28.18
Balance at 1 April 2022	28.18
Amortisation for the year	10.57
Disposals	
Balance at 31 Mar 2023	38.74
Net Carrying amounts	
As at 31 Mar 2023	172.57
As at 31 March 2022	183.14



RL

SANGHAMITRA HOSPITALS PRIVATE LIMITED

Notes to the financial statements (continued)

(All amounts in Indian rupees Lakhs, except share data and where otherwise stated)

As at 31 Mar 2023 As at 31 Mar 2022

4.4 Other financial assets

Non-current

Unsecured, considered good

Security deposits

- to related parties

- to others

Bank deposits due to mature after 12 months from reporting date

Interest accrued but not due on deposits maturing after 12 months

from reporting date

37.73 37.56

13.45 8.00

0.54 0.97

51.72 46.54

Current

Unsecured, considered good

Unbilled revenue

Staff advances

Bank deposits due to mature before 12 months from reporting date

Investment in Mutual Funds

Interest accrued on Fixed deposit

Interest accrued on Electricity deposit

24.74 28.11

5.94 5.63

396.51 743.86

239.03 -

- -

2.10 0.82

668.32 778.42

720.03 824.96

Total other financial assets

Aggregate carrying amount of quoted investments

Aggregate market value of quoted investments

239.03

239.03

4.6 Other assets

Non-current

Unsecured, considered good

- -

Current

Unsecured, considered good

Prepaid expenses

Advances to Vendors

Advances to Capital creditors

13.22 16.63

79.11 23.62

47.59 32.26

139.92 72.51

139.92 72.51

Total other assets

4.7 Inventories

Pharmacy medicines

155.66 119.47

155.66 119.47

4.8 Trade receivables

Current

Unsecured

considered good

considered doubtful

792.82 610.50

93.92 51.31

886.74 661.81

Less : Allowances for credit losses

(93.92) (51.31)

792.82 610.50

Trade receivables ageing schedule

Particulars

As at

As at

31 March 2023

31 March 2022

Undisputed trade receivables- considered good

Outstanding for following periods from the date of transaction

Unbilled - Classified separately under other current financial assets , refer note: 4.4

Not due

Less than 6 months

6 months - 1 year

1-2 years

2-3 years

More than 3 years

546.77 281.65

193.89 168.58

45.33 108.13

6.83 39.14

- 13.00

Total

792.82 610.50

There were no disputed receivables as on 31st March 2023, also as on 31st March 2022

4.9 Cash and cash equivalents

Balance with banks

- in current accounts

- in deposit with maturity of less than 3 months

Cash on hand

135.53 192.01

447.89 -

5.25 6.10

588.66 198.11



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SANGHAMITRA HOSPITALS PRIVATE LIMITED

Notes to the financial statements (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

4.5 Income taxes

Income tax assets/(liability)

	As at 31 Mar 2023	As at 31 Mar 2022
Income tax assets	170.66	396.77
Current income tax liabilities	(212.79)	(563.72)
MAT Credit adjustment		
Net income tax assets/(liability) at the end	(42.13)	(166.94)

Deferred tax assets/(liabilities)

Deferred income tax assets

	As at 31 Mar 2023	As at 31 Mar 2022
Opening	(161.56)	(142.03)
During the year	(150.89)	150.25
Less: MAT credit utilised	-	(35.53)
Closing	(312.44)	(27.30)
Add : deferred tax asset on remeasurement of losses/gains on defined benefit plan	2.16	(28.64)
Less: Deferred tax liability recognised during the year	4.26	(105.62)
Total Deferred tax assets/(liabilities)	(306.02)	(161.56)

(B) Income tax

(i) Amount recognised in the statement of profit & loss

Particulars	For the year	
	31 Mar 2023	31 March 2022
Current tax	213.43	563.06
Deferred tax	(4.26)	105.62
MAT Credit Entitlement/adjustment	-	(150.25)
Tax expense for the Year	209.16	518.43

(ii) Amount recognised in other comprehensive income

	For the year ended					
	31 Mar 2023			31 March 2022		
	Before tax	Tax benefit	Net of Tax	Before tax	Tax benefit	Net of Tax
Re-measurement on defined benefit liability	7.41	(2.16)	5.25	(98.34)	28.64	(69.71)
	7.41	(2.16)	5.25	(98.34)	28.64	(69.71)



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SANGHAMITRA HOSPITALS PRIVATE LIMITED
Notes to the financial statements (continued)

(All amounts in Indian rupees Lakhs, except share data and where otherwise stated)

	As at 31 Mar 2023		As at 31st Mar 2022	
4.10 Share capital	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of Rs.10 each with voting rights	70,00,000	7,00,00,000	70,00,000	7,00,00,000
	<u>70,00,000</u>	<u>7,00,00,000</u>	<u>70,00,000</u>	<u>7,00,00,000</u>
Equity share capital				
Issued, subscribed and paid-up				
<i>Equity shares with voting rights</i>				
At the beginning of the year	62,65,300	6,26,53,000	62,65,300	6,26,53,000
Add: issued during the year				
At the end of the year	<u>62,65,300</u>	<u>6,26,53,000</u>	<u>62,65,300</u>	<u>6,26,53,000</u>

Equity Shares:

The company has only one class of equity shares having par value of Rs.10 each. Each holder of equity shares is entitled to one vote per share and entitled to dividends as declared in Annual General Meetings. In the event of winding up, the holder of equity shares will be entitled to receive remaining assets of the company, after payment of all debts and liabilities. The distribution will be in proportion to the capital paid up by the shareholders.

(a) Details of shareholders holding more than 5% shares of the Company

	As at 31 Mar 2023		As at 31st Mar 2022	
	Number of shares	% of holding	Number of shares	% of holding
<i>Equity shares with voting rights</i>				
Dr.Ramesh Cardiac and Multispecialty Hospital P Ltd	5805057	92.65%	4492308	71.70%
Dr D Tirumala Reddy	197305	3.15%	499961	7.98%
Dr P Aruna Reddy	-	-	185689	2.96%

Details of shareholding of Promoters
Promoter name

Dr D Tirumala Reddy
Dr P Aruna Reddy

Shares held as at 31 March 2023		Shares held as at 31 March 2022	
Number of shares	% of total shares	Number of shares	% of total shares
197305	3.15%	499961	7.98%
-	-	185689	2.96%
197305	3.15%	685650	10.94%



SANGHAMITRA HOSPITALS PRIVATE LIMITED

Notes to the Financial Statements (continued)

(All amounts in Indian rupees Lakhs, except share data and where otherwise stated)

4.10 (B) Statement of changes in equity

Particulars	Equity share capital	Other equity			Total equity
		Reserves and Surplus		Other comprehensive statement	
		Securities premium reserve	Retained earnings	Other items of other comprehensive income	
Balance as at 1 April 2021	626.53	51.86	1,439.57	(48.31)	1,443.13
Issue of equity shares for cash	-	-	-	-	-
Total comprehensive income for the year ended 31 March 2019	-	-	-	-	-
Profit for the year	-	-	1,625.84	-	1,625.84
Dividends paid	-	-	(626.53)	-	(626.53)
Other comprehensive income	-	-	-	69.71	69.71
Balance as at 31 st March 22	626.53	51.86	2,438.89	21.40	2,512.15
Balance as at 1 April 2022	626.53	51.86	2,438.89	21.40	2,512.15
Issue of equity shares for cash	-	-	-	-	-
Total comprehensive income for the year ended 31 March 2019	-	-	-	-	-
Profit for the year	-	-	427.26	-	427.26
Dividends paid	-	-	-	-	-
Other comprehensive income	-	-	-	(5.25)	(5.25)
Balance as at 31 st March 23	626.53	51.86	2,866.14	16.15	2,934.15

Significant accounting policies and notes to the standalone financial statements

The explanatory notes form an integral part of the standalone financial statements.

As per our report of even date attached

As per our report of even date.

For **M/s. P.S.Kumar & Associates**

Chartered Accountants

Firm Registration No: 012083S

P. Sasi Kumar

Partner

Membership No: 208203



Place: Hyderabad

Date : 22/05/2023

for and behalf of the Board of Directors of

SANGHAMITRA HOSPITALS PRIVATE LIMITED

CIN: U85110AP2008PTC060069

Dr P Ramesh Babu

Director

DIN: 01879436

Place: Ongole

Date : 22/05/2023

Dr. R. Mamatha

Managing Director

DIN: 00282854

Place: Ongole

Date : 22/05/2023



SANGHAMITRA HOSPITALS PRIVATE LIMITED

Notes to the financial statements (continued)

(All amounts in Indian rupees Lakhs, except share data and where otherwise stated)

As at 31 Mar 2023

As At 31st Mar 2022

4.11 Borrowings

Non-current

	-	-
--	---	---

Current

Secured loans from banks

Cash credit and overdraft

Current maturities of long-term borrowings

	-	-
	-	-
	-	-

4.12 Provisions

Non-current

Provision for employee benefits

Gratuity

Compensated absences

	84.57	66.18
	-	-
	84.57	66.18

Current

Provision for employee benefits

Gratuity

Compensated absences

	5.93	5.21
	5.93	5.21

Total provisions

	90.50	71.39
--	--------------	--------------

4.13 Trade payables-Current

-total outstanding to micro and small enterprises

-total outstanding due to creditors other than micro and small enterprises

	43.92	14.16
	218.31	225.20
	262.22	239.36

Trade payables ageing schedule

Particulars

As at
31 March 2023

As at
31 March 2022

Undisputed trade payables- considered good

Outstanding for following periods from due date of transaction

Less than 1 year

1-2 years

2-3 years

More than 3 years

Total

	216.34	178.57
	8.18	20.77
	37.70	40.02
	-	-
	262.22	239.36

There were no disputed payables as on 31st March 2023, also as on 31st March 2022

4.14 Other financial liabilities

Current

Current maturities of long-term borrowings

Security deposit

Due to Creditors for Capital Goods

Accrued salaries and benefits

Expenses payable

Total other financial liabilities

	-	-
	6.83	57.83
	19.48	38.37
	129.64	130.68
	236.98	124.95
	392.93	351.84

4.15 Other liabilities

Current

Advances received from customers

Statutory dues payables

Total other liabilities

	39.80	34.70
	31.44	29.17
	71.24	63.88



SANGHAMITRA HOSPITALS PRIVATE LIMITED

Notes to the financial statements (continued)

(All amounts in Indian rupees Lakhs, except share data and where otherwise stated)

	For the Period ended 31 Mar 2023	For the Period ended 31 Mar 2022
4.16 Revenue from operations		
Revenue from hospital services	5,170.08	7,192.21
Revenue from Pharmacy & Others	363.86	410.66
Revenue from Canteen and others	4.17	1.53
	5,538.10	7,604.40
4.17 Other income		
Interest income		
- from banks	37.62	23.51
Interest on income tax refund	-	2.63
Interest in electricity deposit	1.43	0.91
Gain on sale of mutual funds	6.03	
Discount Received	5.58	1.11
Sale of Scrap	1.76	0.42
Nephroplus - Deposit/goodwill	0.85	0.85
Miscellaneous Income	0.10	
Bad Debts recovered	-	8.92
Sundry credit Balances written back	-	14.02
Hostel deductions & Fines		
	53.36	52.37
4.18 Cost of Materials Consumed in relation to medical and pharmacy		
(a) Purchases of Medicines & Consumables	1,063.15	1,791.86
(b) Change in Inventories		
Opening Stock	119.47	127.35
Less: Closing stock	(155.66)	(119.47)
	1,026.96	1,799.74
4.19 Employee benefits expense		
Salaries, wages and bonuses	1,071.95	1,186.90
Contribution to provident and other funds	89.73	86.76
Staff welfare expense	6.78	9.41
	1,168.45	1,283.07
4.20 Finance cost		
Interest Exp on Financial Liabilities measured @ amortised cost	-	0.03
Interest expense on lease liabilities	19.24	19.17
Others	19.62	27.74
	38.87	46.95
4.21 Depreciation and amortisation		
Depreciation on tangible assets	233.30	202.27
Depreciation on ROU	10.57	10.57
	243.86	212.83



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4.22 Other expenses

Service Contract Charges	71.13	59.86
Vehicle Maintenance	28.63	19.84
Rates & Taxes	101.24	66.58
Printing & Stationery	43.25	25.13
Bad Debts Written Off	22.61	-
Provision for doubtful debts	10.00	20.00
Disallowances	37.97	49.60
Advertisement Expenses	65.23	29.91
Professional Charges	439.48	166.61
Consultant Charges	1,088.57	935.20
Rent	3.87	1.95
Statutory, Internal Audit Fee	6.00	6.00
Telephone Charges	11.69	5.48
Travelling Charges	7.12	7.95
Insurance	1.82	8.89
Corporate Social Responsibility	28.26	16.32
Donations	0.55	-
Power & Fuel	137.97	133.72
Catering and patient welfare expenses	44.49	75.23
Hospital Maintenance	103.09	119.02
Outsource service cost - Lab & Dialysis	108.46	343.72
Repairs and maintenance	-	-
- Medical Equipment	53.34	28.08
- Hospital Building	32.92	42.79
- Computers	25.44	8.02

2,476.91

2,169.90

(a) Details of Corporate Social Responsibility (CSR)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
- Gross amount required to be spent during the year	28.26	16.32
- Amount of expenditure incurred	-	-
- Shortfall at the end of the year	28.26	16.32
- Reason for shortfall	-	-
- Nature of CSR activities	1) Tree planting program 2) Upgradation of preventive health centres by providing equipment or furniture etc 3) Road Safety	Identification of CSR Project was in Process, However required amount has been transferred to designated bank account within the prescribed time limits a) Promoting health care including preventive health care
- Details of related party transactions	Not applicable	Not applicable
- Whether provision is made with respect to a liability incurred by entering into a contractual obligation	Not applicable	Not applicable
- Amount spent during the year on : Construction/acquisition of an asset On purposes other than above	-	-
Total	-	-



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SANGHAMITRA HOSPITALS PRIVATE LIMITED

Notes to the financial statements (continued)

For the year ended 31 Mar 2023 For the year ended 31 March 2022

4.23 Contingent liabilities and commitments (to the extent not provided for)

a. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)

b. Other Commitments (Lease Development)

Total	0.00	0.00
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c. Claims against the Company not acknowledged as debt in respect of

(i) In respect of Indirect tax matters

(ii) In respect of Income tax matters*

(iii) In respect of Claim by Patients before

(The State Consumer Disputes Redressal Commission of Andhra Pradesh) **

Total	0.00	99.99
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(*) In case of income tax matters, the management believes that it has reasonable case in defense of the proceedings. The amount has been adjusted by Income tax authorities while completing their assessments. The amount represents best possible estimates arranged on the basis of available information.

The Company has a process, whereby periodically all long term contracts are assessed for material foreseeable losses. Based on such reassessment at the year end, it is noted that no provision is required to be made for any material foreseeable losses as per applicable regulatory framework.

(**) During the year the above claim was cleared and the State Consumer Disputes Redressal Commission of Andhra Pradesh passed order in favour the company.

4.24 Earnings per share (EPS)

Particulars	For the year ended 31 Mar 2023	For the year ended 31 March 2022
Net (loss)/Profit after tax attributable to the equity shareholders	427.26	1,625.84
Number of shares at the beginning of the year	62,65,300	62,65,300
Add: Weighted average number of equity shares issued during the year		
Weighted average number of equity shares outstanding during the year		
Basic EPS of par value of Rs.10 (Rs.)	6.82	25.95
Diluted EPS of par value of Rs.10 (Rs.)	6.82	25.95

4.25 Leases

The Company has cancellable operating leases. Lease rental under such cancellable leases amounts to Rs. 19.53 lakhs (31 March 2022: Rs. 18.15 lakhs) has been charged to Lease hold building (net of recoveries).

4.26 Segment reporting

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

Further the business operations of the Company are concentrated in India, and hence, the Company is considered to operate only in one geographical segment.

The Company operates in India and revenue generations is from a wide spread of the customers and hence the group wide disclosures of major customers are not applicable.



SANGHAMITRA HOSPITALS PRIVATE LIMITED

Notes to the financial statements (continued)

(All amounts are in Indian Rupees Lakhs, except share data and where otherwise stated)

4.27 Assets and liabilities relating to employee benefits

i) Defined contribution plan

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and ESI which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contribution to provident fund and ESI charged to the statement of profit and loss is Rs.39.07 Lakhs (31 March 2022: Rs.39.96 Lakhs) and ESI is Rs. 17.39 Lakhs (31 March 2022: Rs. 17.48 Lakhs).

ii) Defined benefit plan

The Company provides gratuity for its employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees' last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a unfunded plan and the liability with regard to this plan is determined by an actuarial valuation as at the end of the year and are charged to the Statement of profit and loss.

Following table sets out the status of employee benefits as at balance sheet date

Particulars	As at 31 March 2023	As at 31 March 2022
Defined benefit obligation liability	90.50	71.39
Plan assets	-	-
Net defined benefit liability	90.50	71.39
Leave encashment	-	-
Total employee benefit liability	90.50	71.39

A. Funding

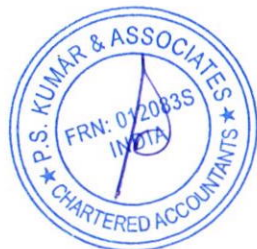
The total employee benefit liability is an unfunded liability. The company does not maintain any insurance policy.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Particulars	As at 31 March 2023	As at 31 March 2022
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B. Reconciliation of the present value of defined benefit obligation

Balance at the beginning of the year	71.39	169.50
Current service cost	20.81	18.61
Interest cost	5.28	10.71
Benefits paid	-14.39	-29.07
Actuarial (gains)/ loss recognised in the other comprehensive income		
- experience adjustments - Gratuity	5.58	-103.25
- changes in Demographic Assumptions		
- changes in financial assumptions	1.83	4.91
Balance at the end of the year	90.50	71.39
Non-current	84.57	157.56
Current	5.93	11.94



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SANGHAMITRA HOSPITALS PRIVATE LIMITED

Notes to the financial statements (continued)

(All amounts are in Indian Rupees Lakhs, except share data and where otherwise stated)

Reconciliation of the present value of plan assets

Balance at the beginning of the year	-	-
Contributions paid into the plan by employer	-	-
Benefits paid	-	-
Interest income	-	-
Expected return on plan assets	-	-
Actuarial gain / (loss) on plan assets	-	-
Acquisition adjustment	-	-
Balance at the end of the year	90.50	71.39

Net defined benefit Liability / (asset) at the end

C. Expense recognized in the statement of profit and loss

Particulars	As at 31 March 2023	As at 31 March 2022
Current service cost	20.81	18.61
Interest cost	5.28	10.71
Interest income	-	-
	26.09	29.31

Remeasurements recognised in Other comprehensive income

Actuarial (gain)/ loss on defined benefit obligation - Gratuity	7.41	-98.34
Return on plan assets excluding interest income	-	-
Actuarial (gain)/ loss on defined benefit obligation - Compensated absences	-	-
	7.41	-98.34
	33.50	-69.03

D. Summary of actuarial assumptions

Financial assumptions	As at 31 March 2023	As at 31 March 2022
Discount rate	7.20%	7.40%
Future salary growth rate	5.00%	5.00%
Return on Plan assets		

Discount Rate: Discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of obligations.

Expected rate of return on plan assets: This is based on the expectation of average long term rate of return expected on investments of the fund during the estimated term of obligations.

Salary Escalation Rate: The estimates of future salary increase considered takes into account the inflation, seniority, promotion and other relevant factors

* Assumptions regarding the mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India. The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards.

E. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the actuarial assumptions, affected the defined benefit obligation by the amounts shown below:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	-8.57	10.18	-7.02	8.40
Future salary growth (1% movement)	10.30	-8.81	8.70	-7.38
Withdrawal rate (1% movement)	0.96	-1.22	1.24	-1.52



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SANGHAMITRA HOSPITALS PRIVATE LIMITED**Notes to the financial statements (continued)****(All amounts are in Indian Rupees Lakhs, except share data and where otherwise stated)****4.28 Details of dues to Micro and small enterprises as defined under the MSMED Act, 2006**

- a) The amount remaining unpaid to micro and small suppliers at the end of the year is Rs. 43.92 Lakhs (FY 22: 14.16 Lakhs)
- b) The amount of interest paid by the buyer as per the MSMED Act, 2006 is Rs Nil (FY 22: Nil)
- c) The amount of the payment made to micro and small suppliers beyond the appointed day during each accounting year is Rs. Nil (FY 22: Nil)
- d) 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 MSMED Act, 2006 is Rs. Nil (FY 22: Nil)
- e) The amount of interest accrued and remaining unpaid at the end of each accounting year is Rs. Nil (FY 22: Nil)
- f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowances as a deductible expenditure under the MSMED Act, 2006 is Rs. Nil (FY 22: Rs. Nil)

This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 and has been determined to the extent such parties have been identified on the basis of information available with the Company. Auditors have placed reliance on the information provided by the management.

4.29 CIF value of imports

The Company does not have any imports of capital or other goods during the year.

4.30 Value of medical consumables and pharmacy consumed **

Particulars	As at 31 March 2023		As at 31 March 2022	
	Rs	%	Rs	%
Imported	-	-	-	-
Indigenous	1,026.96	100	1,799.74	100
Total	1,026.96	100	1,799.74	100

- 4.31 There are no earnings and expenditures in foreign currency in the current period. The Company does not have any un-hedged foreign currency exposure.



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SANGHAMITRA HOSPITALS PRIVATE LIMITED

Notes to the financial statements (continued)

(All amounts are in Indian Rupees Lakhs, except share data and where otherwise stated)

4.32 Related parties

(i) Names of related parties and description of relationship with the Company:

(a)	Dr Rayapati Mamatha	Managing Director
(b)	Dr Dumpa Tirumala Reddy	Director (Resigned w.e.f. 23.02.2023)
(c)	Sri Dumpa Pattabhi Rami Reddy	Director
(d)	Dr Pallerla Aruna Reddy	Director
(e)	Dr Ramesh Babu Pothineni	Director
(f)	Sri Bapaiah Chowdary Koganti	Director
(g)	Sri M R Sunil Kumar	Director
(h)	Sri Devanand Kolothodi	Additional Director
(i)	Ultimate Holding Company	Aster DM Healthcare Limited, India
(j)	Holding Company	Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited

(ii) Key managerial personnel (KMP)

Dr Rayapati Mamatha	Managing Director
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(iii) Transactions with key managerial persons including Directors:

Particulars	Name of the Related Party	For the year ended	
		31 March 2023	31 March 2022
Remuneration	Dr. Rayapati Mamatha	14,47,200	7,70,600
	Total	14,47,200	7,70,600

(iii) Transactions with related parties other than key managerial persons :

Particulars	Name of the Related Party	For the year ended	
		31 March 2023	31 March 2022
Remuneration paid	Dr D Tirumala Reddy - Salary, Bonus	-	67,49,997
	Dr D Tirumala Reddy - Professional Charges	33,00,000	36,00,000
Purchase of Pharmacy items	Aster RV Hospitals - Bangalore	-	5,79,148
Tele radiology	Aster DM Healthcare Ltd -Tele Radiology	60,670	-
Oracle HRMS support	Aster DM Healthcare Ltd-Kochi	63,918	-
Internal audit cost allocation	Aster DM Healthcare Ltd-Kochi	4,96,800	-
Marketing & Oracle support	Aster DM Healthcare Ltd- IMO	22,10,693	-
Rental Income	Komali Fertility Center Ongole	1,50,000	-
Reimbursement of Electricity charges	Komali Fertility Center Ongole	2,19,974	-
Lab Services revenue share	Komali Fertility Center Ongole	1,44,968	-
Radiology Services - revenue share	Komali Fertility Center Ongole	43,665	-
OP pharmacy revenue	Komali Fertility Center Ongole	1,03,984	-
Other Expenses	Komali Fertility Center Ongole	1,12,548	-
Consultants Remuneration	Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited	23,95,368	7,42,500
Purchase of Asset	Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited	-	14,000
Lab Services revenue share payable	Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited	8,34,581	-
Group medi claim	Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited	33,972	-
Purchase of Pharmacy items	Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited	3,72,359	27,87,261
	Total	1,05,43,499	1,44,72,906

(iv) Balances with related parties other than key managerial persons :

Particulars	Name of the Related Party	31 March 2023	31 March 2022
Remuneration paid	NA	-	-
Purchase of Pharmacy items	Aster DM Healthcare Ltd -Tele Radiology	60,670	-
Internal audit cost allocation	Aster DM Healthcare Ltd-Kochi	5,60,718	-
Marketing & Oracle support	Aster DM Healthcare Ltd- IMO	22,10,693	-
Rental and other expenses	Komali Fertility	5,67,171	-
Consultants Remuneration	Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited	19,67,118	76,268
	Total	53,66,369	76,268

Note

i) The KMP and relatives of KMP are covered by the Company's gratuity policy along with other employees of the Company. The proportionate amount of gratuity cost pertaining to individuals have not been included in the aforementioned disclosures as these are not determined on individual basis.

ii) For certain loans availed by the Company, KMP of the Company have given personal guarantee. Refer note 4.11 for details on the same.

4.33 Capital Management

The Company aims to maintain sound capital base so as to maintain investor and creditor confidence and to sustain future development and growth of its business. The Management monitors the adjusted net debt to equity ratio.

For the purpose of adjusted net debt to equity ratio, adjusted net debt is long term and short term borrowings adjusted with cash and cash equivalents. Total equity comprises of issued share capital and all other equity reserves.

The Company's adjusted net debt to equity ratio as at the balance sheet date was as follows:

Particulars	31 March 2023	31 March 2022
Total equity attributable to the equity shareholders of the Company (A)	3,560.68	3,138.68
Long-term borrowings excluding current maturities	-	-
Current maturities of long term borrowings	-	-
Short-term borrowings	-	-
Total borrowings	-	-
Less: cash and cash equivalents	588.66	198.11
Adjusted net debt (B)	-588.66	-198.11
Adjusted net debt to equity ratio (B/A)	-0.17	-0.06



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SANGHAMITRA HOSPITALS PRIVATE LIMITED

Notes to the financial statements (continued)

(All amounts are in Indian Rupees Lakhs, except share data and where otherwise stated)

4.34 Financial instruments - Fair values and risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Levels in Fair value hierarchy

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: input other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 March 2023

	Note	Carrying amount				Total
		Fair value hedging instruments	Financial assets - FVPL	Financial assets -Amortised cost	Financial liabilities - amortised cost	
Financial assets measured at fair value						
Current investments		-	-	-	-	-
Financial assets not measured at fair value						
Trade receivables	4.8	-		792.82		792.82
Cash and cash equivalents	4.9	-		588.66	-	588.66
Other bank balances		-			-	-
Other Financial Assets:	4.4					
Security deposits				37.73		37.73
Bank deposits due to mature after 12 months from reporting date (refer note below)				13.45		13.45
Interest accrued but not due on deposits maturing after 12 months from reporting date				0.54		0.54
Unbilled revenue				24.74		24.74
Staff advances				5.94		5.94
Bank deposits due to mature before 12 months from reporting date				396.51		396.51
Investment in Mutual Funds				239.03		
Interest accrued on fixed deposits				-		-
Interest accrued on fixed deposits				2.10		2.10
Other Advances recoverable in cash or kind	4.6			79.11		79.11
		-	-	2,180.64	-	1,941.61
Financial liabilities not measured at fair value						
Borrowings	4.11				-	-
Trade payables	4.13	-		-	262.22	262.22
Other financial liabilities	4.14	-				
Current maturities of long-term borrowings					-	-
Payable to chits					-	-
Interest accrued and due on borrowings					-	-
Interest accrued but not due on borrowings					-	-
Dividend on redeemable Preference Shares					-	-
Dues to creditors for capital goods					19.48	19.48
Accrued salaries and benefits					129.64	129.64
Expenses payable					236.98	236.98
		-	-	-	648.33	648.33



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4.34 Financial instruments - Fair values and risk management (continued)

31 March 2022		Carrying amount				
	Note	Fair value hedging instruments	Financial assets - FVPL	Financial assets - Amortised cost	Financial liabilities - amortised cost	Total
Financial assets measured at fair value						
Current Investments		-	-	-	-	-
Financial assets not measured at fair value						
Trade receivables	4.8	-	-	610.50	-	610.50
Cash and cash equivalents	4.9	-	-	198.11	-	198.11
Other bank balances		-	-	-	-	-
Other Financial Assets:	4.4					
Security Deposits				37.56		37.56
Bank deposits due to mature after 12 months from reporting date (refer note below)				8.00		8.00
Interest accrued but not due on deposits maturing after 12 months from reporting date				0.97		0.97
Unbilled revenue				28.11		28.11
Staff advances				5.63		5.63
Bank deposits due to mature before 12 months from reporting date				743.86		
Investment in Mutual Funds				-		
Other Advances recoverable in cash or kind	4.6			23.62		23.62
Interest accrued on fixed deposits				-		-
Interest accrued on Electricity deposit				0.82		0.82
		-	-	1,657.18	-	913.32
Financial liabilities not measured at fair value						
Borrowings	4.11				-	-
Trade payables	4.13	-	-	-	239.36	239.36
Other financial liabilities	4.14	-			-	-
Current maturities of long-term borrowings					-	-
Payable to chits					-	-
Interest accrued and due on borrowings					-	-
Interest accrued but not due on borrowings					-	-
Dividend on redeemable Preference Shares					-	-
Dues to creditors for capital goods					38.37	38.37
Accrued salaries and benefits					130.68	130.68
Expenses payable					124.95	124.95
		-	-	-	533.37	533.37



SANGHAMITRA HOSPITALS PRIVATE LIMITED

Notes to the financial statements (continued)

(All amounts are in Indian Rupees Lakhs, except share data and where otherwise stated)

B) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financing activities. The Company's approach to managing liquidity is to ensure, as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are adequate and available to the Company to meet its obligations.

The table below provides details regarding the contractual maturities of significant financial liabilities as of the reporting date. The amounts are gross and undiscounted.

As at 31 March 2023

Particulars	Carrying value*	Contractual cash flows				Total
		Less than 1 Year	1-2 years	2-5 Years	More than 5 Years	
Borrowings - (Non-Current)	-	-	-	-	-	-
Current maturities of long-term borrowings	-	-	-	-	-	-
Cash credit and overdraft	-	-	-	-	-	-
Trade payables	262.22	262.22	-	-	-	262.22
Other financial liabilities (excluding current maturities of borrowings)	392.93	392.93	-	-	-	392.93
	655.16	655.16	-	-	-	655.16

As at 31 March 2022

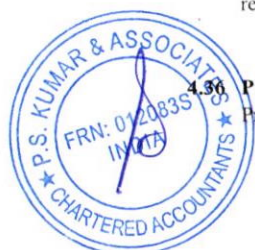
Particulars	Carrying value	Contractual cash flows				Total
		Less than 1 Year	1-2 years	2-5 Years	More than 5 Years	
Borrowings - (Non-Current)	-	-	-	-	-	-
Current maturities of long-term borrowings	-	-	-	-	-	-
Cash credit and overdraft	-	-	-	-	-	-
Trade payables	239.36	239.36	-	-	-	239.36
Other financial liabilities (excluding current maturities of borrowings)	351.84	351.84	-	-	-	351.84
	591.20	591.20	-	-	-	591.20

4.35 Change in significant accounting policies:

The Company has adopted Ind AS 115, *Revenue from Contracts with Customers* (which replaces earlier revenue recognition standards) using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 April 2018) being included in retained earnings as on 1 April, 2018. There is no impact on the opening retained earnings on account of adoption of Ind AS 115.

4.36 Previous year figures

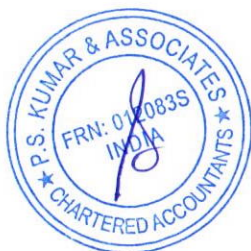
Previous year figures have been regrouped/reclassified, where ever necessary, to conform to current year's presentations.



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4.37 Financial ratios

Ratio	Methodology (Refer Notes below)	For the year ended 31 March 2023	For the year ended 31 March 2022	Explanation if variance exceeds 25%
a) Current ratio	Current assets/ Current liabilities	3.05	2.16	This ratio has changed mainly due to Increase in Trade Receivables and Fixed deposits with maturity less than 3 months
b) Debt-equity ratio	Total debt/ Shareholder's equity	0.06	0.07	NA
c) Debt service coverage ratio	Earnings available for debt service/ Debt service	10.09	20.94	This ratio has changed mainly due to Decrease in Profit
d) Return on equity	Net profit after taxes/ Average shareholder's equity	0.03	0.16	This ratio has changed mainly due to Decrease in Profit
e) Inventory turnover ratio	Cost of goods sold/ Average inventory	1.87	3.65	This ratio has changed mainly due to Decrease in Materials consumed
f) Trade receivables turnover ratio	Net Receivables/ Credit sales*365	156.85	90.49	This ratio has changed mainly due to Increase in Trade Receivables
g) Trade payables turnover ratio	Total purchases/ Average trade payables	1.06	1.58	This ratio has changed mainly due to Decrease in Materials consumed
h) Net capital turnover ratio	Net sales/ Working capital	3.51	7.95	This ratio has changed mainly due to Decrease in Revenue
i) Net profit ratio	Net profit/ Net sales	0.08	0.21	This ratio has changed mainly due to Decrease in Profit
j) Return on capital employed	Earnings before interest and taxes/ Capital employed	0.15	0.61	This ratio has changed mainly due to Decrease in Profit
k) Return on investment	Interest income, net gain on sale of	0.05	0.03	NA



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