

INDEPENDENT AUDITOR'S REPORT

To the Members of KIMS Hospital Bengaluru Private Limited

Report on the Audit of the Financial Statements**Opinion**

We have audited the accompanying Ind AS financial statements of KIMS Hospital Bengaluru Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Other Information

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

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures



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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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matter

The financial statements of the Company for the year ended March 31, 2022, included in these financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 18, 2022.

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 Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (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 with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2023;



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(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

c) Based on such audit procedures performed 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 (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Navneet Rai Kabra

Partner

Membership Number: 102328

UDIN: 23102328BGSBMI3145

Place of Signature: Hyderabad

Date: May 16, 2023



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Annexure 1 referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: KIMS Hospital Bengaluru Private Limited ('the Company')

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i)
 - a) A. The Company has not capitalized any Property, Plant and Equipment in the books of the Company and accordingly, the requirement to report on clause 3(i)(a)(A) of the Order is not applicable to the Company.
 - B. The Company has not capitalized any intangible assets in the books of the Company and accordingly, the requirement to report on clause 3(i)(a)(B) of the Order is not applicable to the Company.
 - b) The Company has not capitalized any Property, Plant and Equipment in the books of the Company and accordingly, the requirement to report on clause 3(i)(b) of the Order is not applicable to the Company.
 - c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
 - d) The Company has not capitalized any Property, Plant and Equipment (including Right of use assets) in the books of the Company and accordingly, the requirement to report on clause 3(i)(d) of the Order is not applicable to the Company.
 - e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii)
 - a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
 - b) The Company has not been sanctioned working capital limits in excess of Rs. Five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii)
 - a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
 - b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
 - c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.



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- d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
 - e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
 - f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
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- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
 - (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
 - (vi) Since the Company has not commenced commercial operations of medical and healthcare services, the requirements relating to report on clause 3(vi) of the Order are not applicable to the Company.
 - (vii)
 - a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, income-tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
 - b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess, goods and service tax and other statutory dues which have not been deposited on account of any dispute.
 - (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
 - (ix)
 - a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
 - b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - c) Term loans were applied for the purpose for which the loans were obtained.



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- d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x)
 - a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
 - b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi)
 - a) No fraud/ material fraud by the Company or no fraud / material fraud on the Company has been noticed or reported during the year.
 - b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii)
 - a) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.
 - b) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.
 - c) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.
- (xiv) The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv)(a) of the Order is not applicable to the Company.



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- a) The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv)(b) of the Order is not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has incurred cash losses amounting to Rs. 1.84 million in the current year and amounting to Rs. 4.53 million in the immediately preceding financial year respectively.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 2.22 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



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- (xx)
- a) The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) of the Order is not applicable to the Company.
 - b) The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(b) of the Order is not applicable to the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Navneet Rai Kabra

Partner

Membership Number: 102328

UDIN: 23102328BGSBMI3145

Place of Signature: Hyderabad

Date: May 16, 2023



S.R. BATLIBOI & ASSOCIATES LLP

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Annexure 2 to the Independent Auditor's Report of even date on the Financial Statements of KIMS Hospital Bengaluru Private Limited

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

We have audited the internal financial controls with reference to financial statements of KIMS Hospital Bengaluru Private Limited ("the Company") as of March 31, 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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



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Meaning of Internal Financial Controls With Reference to these Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

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

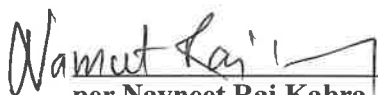
Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Navneet Rai Kabra

Partner

Membership Number: 102328

UDIN: 23102328BGSBMI3145

Place of Signature: Hyderabad

Date: May 16, 2023



KIMS Hospital Bengaluru Private Limited

CIN:U85300TG2017PTC115987

Balance Sheet as at 31 March 2023

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Capital work-in-progress	2.1	1,469.32	-
Financial assets			
(i) Other financial assets	2.2(a)	141.57	124.30
Other non-current assets	2.3	48.25	600.00
Total non-current assets		1,659.14	724.30
Current assets			
Financial assets			
(i) Cash and cash equivalents	2.4	132.47	0.80
(ii) Other financial assets	2.2(b)	15.79	-
Other current assets	2.5	3.12	-
Total current assets		151.38	0.80
Total assets		1,810.52	725.10
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	2.6(a)	0.10	0.10
Other equity	2.6(b)	27.79	(4.58)
Total equity		27.89	(4.48)
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	2.7(a)	1,765.43	665.00
(iii) Other financial liabilities	2.8(a)	12.64	-
Total non-current liabilities		1,778.07	665.00
Current liabilities			
Financial liabilities			
(i) Borrowings	2.7(b)	-	60.00
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises; and	2.9	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2.9	0.66	0.08
(iii) Other financial liabilities	2.8(b)	2.57	4.05
Other current liabilities	2.10	1.33	0.45
Total current liabilities		4.56	64.58
Total liabilities		1,810.52	725.10
Significant accounting policies			
	1.3		

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

As per our report attached of even date.

for S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration no.: 101049W/ E300004

Navneet Rai
per Navneet Rai Kabra
Partner

Membership no.: 102328



Place: Hyderabad

Date: 16 May 2023

for and on behalf of the Board of Directors of

KIMS Hospital Bengaluru Private Limited

Dr B Bhaskar Rao
Dr B Bhaskar Rao
Director

DIN: 00008985

Dr R. Raju
Dr R. Raju
Director

DIN: 01681273



Place: Hyderabad

Date: 16 May 2023

KIMS Hospital Bengaluru Private Limited

CIN:U85300TG2017PTC115987

Statement of profit and loss for the year ended 31 March 2023

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

Particulars	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
Income from operations		-	-
Other income*	2.11	-	0.00
Total income		-	0.00
Expenses			
Employee benefits expense	2.12	0.19	-
Finance cost	2.13	0.77	4.50
Other expenses	2.14	0.88	0.03
Total expenses		1.84	4.53
Loss before tax		(1.84)	(4.53)
Tax expense			
- Current tax		-	-
- Deferred tax charge		-	-
Total tax expense		-	-
Loss for the year (A)		(1.84)	(4.53)
Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
- Re-measurement income/(loss) of defined benefit plans		-	-
- Income tax effect		-	-
Other comprehensive income, net of tax (B)		-	-
Total Comprehensive Income for the year		(1.84)	(4.53)
Earning per share (face value of share INR 10 each)	2.17		
- Basic		(184.00)	(453.03)
- Diluted		(184.00)	(453.03)
* Nil due to rounding off to rupees millions			
Significant accounting policies	1.3		

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

As per our report attached of even date.

for S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration no.: 101049W/E300004

Navneet Rai Kabra
per Navneet Rai Kabra

Partner

Membership no.: 102328



Place: Hyderabad

Date: 16 May 2023

for and on behalf of the Board of Directors of

KIMS Hospital Bengaluru Private Limited

Dr B Bhaskar Rao
Dr B Bhaskar Rao

Director

DIN: 00008985

Dr B Abhinav
Dr B Abhinav

Director

DIN: 01681273



Place: Hyderabad

Date: 16 May 2023

KIMS Hospital Bengaluru Private Limited

CIN:U85300TG2017PTC115987

Statement of changes in equity for the year ended 31 March 2023

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

a) Equity share capital

Equity shares of Rs. 10 each issued, subscribed and fully paid	No of shares	Amount
At 1 April 2021	10,000	0.10
Add: shares issued during the year	-	-
At 31 March 2022	10,000	0.10
Add: shares issued during the year	-	-
At 31 March 2023	10,000	0.10

b) Other Equity

Particulars	Other equity		Total of other equity
	Reserves & surplus	Capital Contribution	
	Retained earnings		
Balance as at 1 April 2021	(0.05)	-	(0.05)
Profit for the year	(4.53)	-	(4.53)
Balance as at 31 March 2022	(4.58)	-	(4.58)
Profit for the year	(1.84)	-	(1.84)
Guarantee Commission	-	34.21	34.21
Balance as at 31 March 2023	(6.42)	34.21	27.79

As per our report attached of even date

for S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration no.: 101049W/ E300004


 per Navneet Rai Kabra
 Partner

Membership no.: 102328



Place: Hyderabad

Date: 16 May 2023

for and on behalf of the Board of Directors of

KIMS Hospital Bengaluru Private Limited


 Dr B Bhaskar Rao
 Director

DIN: 00008985


 Dr B Abhinay
 Director
 DIN: 01681273

Place: Hyderabad

Date: 16 May 2023



KIMS Hospital Bengaluru Private Limited

CIN:U85300TG2017PTC115987

Statement of cash flows for the year ended 31 March 2023

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
I. Cash flows from operating activities:		
Loss before tax	(1.84)	(4.53)
Adjustments for operating activities:		
Interest expense	0.77	4.50
Operating cash flows before working capital changes	(1.07)	(0.03)
Adjustments for:		
Increase in other financial assets and other assets	(33.06)	(124.30)
Increase in trade payables, other financial liabilities and other liabilities	1.48	0.03
Cash generated from operations	(32.65)	(124.30)
Income-taxes paid, net of refund	-	-
Net cash flow used in operating activities (A)	(32.65)	(124.30)
II. Cash flows from investing activities		
Purchase of property, plant and equipment	(807.55)	(600.00)
Net cash used in investing activities (B)	(807.55)	(600.00)
III. Cash flows from financing activities		
Proceeds from long-term borrowings	1,119.56	-
Repayment of long-term borrowings taken from related party	(858.02)	-
Proceeds from long-term borrowings taken from related party	778.88	725.00
Interest paid	(68.55)	-
Net cash flows generated from financing activities (C)	971.87	725.00
Net increase in cash and cash equivalents (A+B+C)	131.67	0.70
Cash and cash equivalents at the beginning of the year	0.80	0.10
Cash and cash equivalents at the end of the year	132.47	0.80

Note:

a) The statement of cash flows has been prepared under the "Indirect Method" as set out in the Indian accounting Standard (Ind 7)-Statement of cash flows:

b) Cash and cash equivalents comprises of:

Balances with banks
-on current accounts

	For the year ended 31 March 2023	For the year ended 31 March 2022
	132.47	0.80
	132.47	0.80

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

As per our report attached of even date.

for S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration no.: 101049W/ E300004

Navneet Rai Kabra

per Navneet Rai Kabra
Partner

Membership no.: 102328



Place: Hyderabad

Date: 16 May 2023

*for and on behalf of the Board of Directors of
KIMS Hospital Bengaluru Private Limited*

Dr B Bhaskar Rao

Dr B Bhaskar Rao
Director

DIN: 00008985

Dr B Bhaskar Rao

Dr B Bhaskar Rao
Director

DIN: 01681273



Place: Hyderabad

Date: 16 May 2023

KIMS Hospital Bengaluru Private Limited

CIN:U85300TG2017PTC115987

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

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

2.1 Capital Work in Progress

	As at 31 March 2023	As at 31 March 2022
Gross Carrying amount		
Balance as at beginning of the year	-	-
Additions	1,469.32	-
Capitalised during the year	-	-
Balance as at end of the year	1,469.32	-

i) For capital work in progress, aging Schedule as on 31 March 2023

CWIP	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	more than 3 years	
-Projects in Progress	1,469.32	-	-	-	1,469.32
Total	1,469.32	-	-	-	1,469.32

ii) For capital work in progress, aging Schedule as on 31 March 2022

CWIP	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	more than 3 years	
-Projects in Progress	-	-	-	-	-
Total	-	-	-	-	-

There are no capital work in progress projects, whose completion is overdue or has exceed its cost compared to its original plan as at 31 March 2023 and 31 March 2022.

Notes :

1 Refer note 2.7 for details of assets pledged as security.

2 Capitalised borrowing costs :

The Company started the construction of hospital building in November 2022. The hospital building is expected to be completed by June 2024. The carrying amount of the hospital building at 31 March 2023 was Rs.1,469.32 (31 March 2022: Nil). The construction of hospital building is financed through borrowings taken by the Company.

The amount of borrowing costs capitalised during the year ended 31 March 2023 was Rs.77.14 (31 March 2022: Nil). The rate used to determine the amount of borrowing costs eligible for capitalisation was 8.55%, which is the effective interest rate of the specific borrowing.



KIMS Hospital Bengaluru Private Limited

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

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
2.2 Other financial assets (at amortised cost) (Unsecured, considered good)		
(a) Non-current		
-To parties other than related parties		
Security deposits	141.57	124.30
Total	141.57	124.30
(b) Current		
-To parties other than related parties		
Security deposits	15.79	-
Total	15.79	-
2.3 Other non-current assets (Unsecured, considered good)		
-To parties other than related parties		
Capital advances	17.94	600.00
-To related parties		
Prepaid guarantee commission (refer note 2.16)	30.31	-
Total	48.25	600.00
2.4 Cash and bank balances		
Cash and cash equivalents		
Balances with banks		
- in current accounts	132.47	0.80
Total	132.47	0.80

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Changes in liabilities arising from financing activities

Particulars	1 April 2022	Cash flows	Other	31 March 2023
Non- current borrowings (including current maturities)	725.00	1,040.43	-	1,765.43
Total liabilities from financing activities	725.00	1,040.43	-	1,765.43

Particulars	1 April 2021	Cash flows	Other	31 March 2022
Non- current borrowings (including current maturities)	-	725.00	-	725.00
Total liabilities from financing activities	-	725.00	-	725.00

2.5 Other current assets
(Unsecured, considered good)

Prepaid guarantee commission	3.12	-
Total	3.12	-



KIMS Hospital Bengaluru Private Limited

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

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

2.6(a) Equity share capital

Authorised Equity shares

10,000 (31 March 2022: 10,000) equity shares of Rs. 10 each

As at
31 March 2023

As at
31 March 2022

0.10

0.10

0.10

0.10

Issued, subscribed and paid-up

10,000 (31 March 2022: 10,000) equity shares of Rs. 10 each fully paid-up

0.10

0.10

0.10

0.10

(i) Reconciliation of number of equity shares of Rs. 10 each, fully paid up outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
At the commencement of the year	10,000	0.10	10,000	0.10
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	10,000	0.10	10,000	0.10

(ii) Rights, preferences and restrictions attached to equity shares :

The Company has only one class of equity shares having par value of Rs. 10 per share. Each equity share holder is entitled to one vote per equity share held. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Particulars of shareholders holding more than 5% of equity shares of Rs.10 each, fully paid

Name of shareholder	As at 31 March 2023		As at 31 March 2022	
	-	% of Holding	-	% of Holding
Krishna Institute of Medical Sciences Limited (including 1 share held by a nominee shareholder)	10,000	100.00%	10,000	100.00%

(iv) Details of shares held by Promoters*

As at 31 March 2023

S. No.	Particulars	Promoter name	No of shares at beginning of the year	Change during the year	No of shares at end of the year	% of total shares	% change during the year
1	Equity shares of Rs. 10 each fully paid	Krishna Institute of Medical sciences Limited (including 1 share held by a nominee shareholder)	10,000	-	10,000	100.00%	0.00%
Total			10,000	-	10,000.00	100.00%	0.00%

As at 31 March 2022

S. No.	Particulars	Promoter name	No of shares at beginning of the year	Change during the year	No of shares at end of the year	% of total shares	% change during the year
1	Equity shares of Rs. 10 each fully paid	Krishna Institute of Medical sciences Limited (including 1 share held by a nominee shareholder)	10,000	-	10,000	100.00%	0.00%
Total			10,000	-	10,000.00	100.00%	0.00%

*Promoters are as per the annual return filed by the Company

v) The Company has not issued bonus shares during the period of five years immediately preceding the reporting period.

vi) The Company has not bought back any shares during the period of five years immediately preceding the reporting period.

2.6 (b) Other equity

(i) Capital contribution (refer note 2)

Balance as per last financial statements

Movement during the year

Closing balance

As at
31 March 2023

As at
31 March 2022

-

-

34.21

-

34.21

-

(ii) Retained earnings (refer note 1)

Balance as per last financial statements

Add: loss for the year

Closing balance

(4.58)

(0.05)

(1.84)

(4.53)

(6.42)

(4.58)

Total other equity

27.79

(4.58)

Nature and purpose of reserves:

1. Retained earnings

Retained earnings are the profits/(losses) (net of appropriations) of the Company earned till date, including items of other comprehensive income

2. Capital contribution

Financial guarantee contracts are recognised as a financial liability at the time of issue of guarantee. The liability is measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation, where appropriate.

Where guarantee in relation to loans or other payables of subsidiary is provided for no compensation by the shareholder, fair values of such guarantees are accounted as capital contribution in the books of the Company.



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(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
--	------------------------	------------------------

Secured

Term loans from bank

- ICICI Bank (Refer note (a) below)

Total loans from bank

1,119.56

1

1,119.56

1

Unsecured

Loan from related party (refer note (b) below)

Total unsecured loans (B)

645,87

665.00

645.87

665.00

Total non-current borrowings (A) + (B)

1,765.43

665.00

Unsecured

Loan from related party (refer note (b) below)

1

60.00

Total current borrowings

1

60.00

a) Term loan from ICICI Bank is secured by the exclusive charge by way of equitable mortgage over the immovable fixed assets located at Bengaluru, lease hold rights, movable and current assets of the company (both present and future). Further, the loan is also secured by unconditional and irrevocable letter of comfort/corporate guarantee given by Krishna Institute of Medical Sciences Limited. The loan shall be repaid in 32 structured quarterly installments starting from 01 January 2026. The loan carries an interest rate of 1Y MCLR+ 0.15% (spread) per annum (31 March 2022 : Nil)

b) Unsecured loan from related party represents loan obtained from Krishna Institute of Medical Sciences Limited and carries an interest rate ranging between 6.2%-8.55% per annum (31 March 2022: 6.20% per annum). Refer note 2.16 for related party balances.



KIMS Hospital Bengaluru Private Limited
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Notes to the financial statements for the year ended 31 March 2023
(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

2.8 Other financial liabilities (at amortised cost)

(a) Non-current

-To related parties(refer note 2.16)

Interest accrued but not due on borrowings

As at 31 March 2023	As at 31 March 2022
------------------------	------------------------

12.64

12.64

(b) Current

-To parties other than related parties

Capital creditors

2.57

-To related parties(refer note 2.16)

Interest accrued but not due on borrowings

Total

4.05

2.57

4.05

2.9 Trade payables (at amortised cost)

Trade payables

- total outstanding dues of micro enterprises and small enterprises (refer note 2.19)

- total outstanding dues of creditors other than micro enterprises and small enterprises

Total

0.66

0.08

0.66

0.08

Trade Payable Aging Schedule as on 31 March 2023

Particulars	Current but not due	Outstanding for following periods from due date of payment				Total
		< 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	0.60	0.06	-	-	-	0.66
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total						0.66

Trade Payable Aging Schedule as on 31 March 2022

Particulars	Current but not due	Outstanding for following periods from due date of payment				Total
		< 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	0.08	-	-	-	-	0.08
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total						0.08

2.10 Other liabilities

Current

Statutory dues payable

Total

1.33

0.45

1.33

0.45



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

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

	For the year ended 31 March 2023	For the year ended 31 March 2022
2.11 Other Income		
Miscellaneous Income*	-	0.00
Total	-	0.00
* Nil due to rounding off to rupees millions		
2.12 Employee benefits expense		
Salaries, wages and bonus	0.19	-
Total	0.19	-
2.13 Finance cost		
Interest expenses on		
- loan from related party	-	4.50
Guarantee commission expense	0.77	-
Total	0.77	4.50
2.14 Other expenses		
Audit fee (Refer note below)	0.60	0.03
Professional and legal fee	0.03	-
Rates and taxes	0.22	-
Travelling and conveyance	0.03	-
Bank Charges*	0.00	0.00
	0.88	0.03

* Nil due to rounding off to rupees millions

Note: Payment to auditors (excluding applicable taxes)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Statutory audit fee	0.60	0.03



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

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

2.15 Contingent liabilities and commitments

a) Commitments

Particulars	As at 31 March 2023	As at 31 March 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	318.85	-

2.16 Related party disclosures

(a) Nature of relationship and name of related parties

Nature of relationship	Name of related parties
Holding Company	Krishna Institute of Medical Sciences Limited
Directors	Dr Bhaskara Rao Bollineni Dr Bollineni Abhinay Dr Chebrolu Harini

(b) Transaction with related parties

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
i. Krishna Institute of Medical Sciences Limited		
Loan received	778.88	725.00
Loan repaid	858.02	-
Corporate guarantee received	2,950.00	-
Commission expense on corporate guarantee	0.77	-
Interest on unsecured loan forming part of capital work-in-progress	55.70	-
Interest on unsecured loan	-	4.50
Capital contribution on account of financial guarantee	34.21	-

(c) The balances received from and payable to related parties

Particulars	As at 31 March 2023	As at 31 March 2022
i. Krishna Institute of Medical Sciences Limited		
Unsecured loan payable	645.87	725.00
Corporate guarantee received	2,950.00	-
Prepaid guarantee commission	33.43	-
Interest accrued on unsecured loan	12.64	4.05

Terms and conditions:

All transactions with these related parties are priced on arm's length basis and resulting outstanding receivables and payables including financial assets and financial liabilities balances are settled in cash within a range of 30-120 days of the transaction date. None of the balances are secured.



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

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

2.17 Earnings per share (EPS)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Earnings		
Loss for the year attributable to equity shareholders	(1.84)	(4.53)
Shares		
Number shares at the beginning of the year	10,000	10,000
Total number of equity shares outstanding at the end of the year	10,000	10,000
Weighted average number of equity shares outstanding during the year	10,000	10,000
Earnings per share of par value INR 10 - Basic (Rs)	(184.00)	(453.03)
Diluted per share of par value INR 10 - Diluted (Rs)	(184.00)	(453.03)

There are no potentially dilutive equity shares and therefore basic and diluted EPS are the same.

2.18 Segment information

The Board of Directors of the Company takes decision in respect of allocation of resources and assesses the performance basis the report/ information provided by functional heads and are thus considered to be Chief Operating Decision Maker.

Based on the Company's business model, Medical and Healthcare services have been considered as a single business segment for the purpose of making decision on allocation of resources and assessing its performance. Accordingly, there are no separate reportable segments in accordance with the requirements of Ind AS 108 'Operating segment' and hence, there are no additional disclosures to be provided other than those already provided in the financial statements. Presently, the Company's operations are predominantly confined in India. There are no individual customer contributing more than 10% of Company's total revenue. All non-current assets other than financial instruments of the Company are located in India.

2.19 Due to Micro and Small Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amount payable to such enterprises as at 31 March 2023 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 (The MSMED Act) is not expected to be material. The Company has not received any claim for interest from any supplier.

Particulars	As at 31 March 2023	As at 31 March 2022
The amounts remaining unpaid to micro and small supplies as at end of the year		
- Principal	-	-
- Interest	-	-
The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
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 disallowance as a deductible expenditure under Section 23 of the MSMED Act.	-	-



KIMS Hospital Bengaluru Private Limited

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

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

2.20 Capital management

The Company's policy is to maintain a stable capital base so as to maintain investor and creditor confidence and to sustain future development of the business. Management For this purpose, net debt is defined as total borrowings, less cash and cash equivalents. Total equity comprises of all components of equity excluding capital contribution. The Company's net debt to equity ratio as of 31 March 2023 and 31 March 2022 was as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Total borrowings	1,765.43	725.00
Less: Cash and cash equivalents	132.47	0.80
Net debt	1,632.96	724.20
Total equity	(6.32)	(4.48)
Net debt to equity ratio	(258.37)	(161.64)

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2023 and 31 March 2022.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

2.21 Financial instruments : Fair value and risk management

A. Accounting classification and fair values

The management assessed that cash and cash equivalents, other financial assets, borrowings, trade payables and other financial liabilities approximate their carrying amounts as fair value.

As at 31 March 2023	Carrying Value	Fair Value	Fair value level
Financial assets at amortised cost (Refer note below)			
Cash and cash equivalents	132.47	132.47	
Other financial assets	157.36	157.36	
Total	289.83	289.83	level 3
Financial liabilities at amortised cost (Refer note below)			
Long-term borrowings	1,765.43	1,765.43	
Trade payables	0.66	0.66	
Other financial liabilities	15.21	15.21	
Total	1,781.30	1,781.30	

As at 31 March 2022	Carrying Value	Fair Value	Fair value level
Financial assets at amortised cost (Refer note below)			
Cash and cash equivalents	0.80	0.80	
Other financial assets	124.30	124.30	
Total	125.10	125.10	level 3
Financial liabilities at amortised cost (Refer note below)			
Long-term borrowings	665.00	665.00	
Short-term borrowings	60.00	60.00	
Trade payables	0.08	0.08	
Other financial liabilities	4.05	4.05	
Total	729.13	729.13	

Note for financial assets and financial liabilities at amortised cost:

The carrying amounts of trade receivables, trade payables, other financial assets, other financial liabilities, short term borrowings and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair value hierarchy due to the use of unobservable inputs including own credit risk.



2.21 Financial instruments : Fair value and risk management (continued)**B. Financial risk management**

The Company's activities expose it to a variety of financial risks: credit risk, market risk and liquidity risk.

(i) Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's board of directors oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The board of directors is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the board of directors.

(ii) Credit risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments. The carrying amounts of financial assets represent the maximum credit risk exposure.

Credit risk on cash and cash equivalent is limited as the company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2023:

Particulars	Carrying value	Less than 1 year	1 - 5 years	More than 5 years	Total
Long-term borrowings	1,765.43	-	610.31	1,165.56	1,775.87
Trade payables	0.66	0.66	-	-	0.66
Other financial liabilities	15.21	2.57	8.85	3.79	15.21
Total	1,781.30	3.23	619.15	1,169.35	1,791.74

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2022:

Particulars	Carrying value	Less than 1 year	1 - 5 years	More than 5 years	Total
Long-term borrowings	665.00	-	158.20	506.80	665.00
Short-term borrowings	60.00	60.00	-	-	60.00
Trade payables	0.08	0.08	-	-	0.08
Other financial liabilities	4.05	4.05	-	-	4.05
Total	729.13	64.13	158.20	506.80	729.13

The Company has secured loans from bank that contain loan covenants. A future breach of covenants may require the Company to repay the loan earlier than indicated in the above table.

C. Market risk**(a) Interest rate risk exposure**

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

Particulars	As at	As at
	31 March 2023	31 March 2022
Variable rate long term borrowings and short term borrowings	1,765.43	-
Total borrowings	1,765.43	-

(b) Cash flow sensitivity analysis

Particulars	Impact on profit or loss		Impact on equity, net of tax	
	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022
Sensitivity				
1% increase in MCLR	(17.65)	-	(17.65)	-
1% decrease in MCLR	17.65	-	17.65	-

The interest rate sensitivity is based on the closing balance of secured term loans and working capital loan from banks.

D. Currency risk

The Company is not exposed to currency risk.



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2.22 Ratio Analysis and its elements

Particulars	Numerator	Denominator	As at 31 March 2023	As at 31 March 2022	% change*
a) Current Ratio	Current Assets	Current Liabilities	33.20	0.01	267902.02%
b) Deb:-Equity ratio	Total Debts ⁽¹⁾	Shareholder's Equity	63.30	(161.82)	-139.12%
c) Debt service coverage ratio	Earnings for debts service ⁽²⁾	Debt service ⁽³⁾	(0.00)	NA	100.00%
d) Return on Equity Ratio	Net profits after taxes	Average Shareholder's equity	-15.72%	200.00%	-107.86%
e) Return on Capital employed	Earnings before interest and taxes	Capital Employed ⁽⁴⁾	-0.06%	0.00%	1320.22%

⁽¹⁾ Debt includes Lease Liabilities

⁽²⁾ Net profit after taxes + Non-Operating expenses

⁽³⁾ Interest and lease payments + Principal Repayments

⁽⁴⁾ Tangible Net Worth + Total Debts + Deferred Tax Liability

* Change in ratios in due to loans taken by the Company for the construction of the hospital building.



2.23 The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses. The Company does not have any unhedged foreign currency exposure as at 31 March 2023 and 31 March 2022.

2.24 Other Statutory Information

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (viii) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (ix) The Company has not declared/paid any dividend during the year.

2.25 There were no significant adjusting events that occurred subsequent to the reporting period.

As per our report attached of even date

for S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration no.: 101049W/ E300004

Navneet Rai

per Navneet Rai Kabra
Partner

Membership no.: 102328

Place: Hyderabad

Date: 16 May 2023



for and on behalf of the Board of Directors of

KIMS Hospital Bengaluru Private Limited

CIN:U85300TG2017PTC115987

Dr B Bhaskar Rao

Dr B Bhaskar Rao
Director
DIN: 00008985

Dr B Bhaskar Rao
Director
DIN: 01681273

Place: Hyderabad

Date: 16 May 2023



KIMS Hospital Bengaluru Private Limited

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1.1 Company Overview

KIMS Hospital Bengaluru Private Limited ('the Company') is a private company domiciled in India and is incorporated on 20 March 2017 under the provisions of Companies Act, 2013 in India. The registered office of the company is located at D No 1-111/55/E, Block-1, 1st Floor, Kondapur, Serilingampally, Hyderabad -500 084.

The Company is primarily engaged in business of rendering medical and healthcare services.

The financial statements were authorised for issue by the Company's Board of Directors on 16 May 2023.

1.2 Basis of preparation of financial statements

a) Statement of compliance:

The financial statements of the Company as at and for the year ended 31 March 2023, have been prepared in accordance with requirements of Indian Accounting Standards ("Ind AS"), as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India and presentation requirements of Division II of Schedule III of the Act.

b) Basis of measurement:

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

Items	Measurement basis
Certain financial assets and liabilities	Fair value or amortised - refer accounting policy regarding financial instruments

c) Functional and presentation currency:

These standalone financial statements are presented in Indian Rupees Rs. which is also the Company's functional currency. All amounts are in Indian Rupees millions, rounded off to two decimals, except share data and per share data, unless otherwise stated.

d) Significant accounting judgement, estimates and assumptions:

The preparation of Company's financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, estimates and assumptions that affect the reported balances of revenue, expenses, assets and liabilities, accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.



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The following are the critical judgements, apart from those involving estimations that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the standalone financial statements.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 2.21 for further disclosures.

The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted cash flow model ("DCF model"). The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

1.3 Significant accounting policies

A. Current and non-current classification

The Company presents assets and liabilities in the balance sheet based current and non-current classification.



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Assets

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

- i. it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- ii. it is held primarily for the purpose of being traded;
- iii. it is expected to be realised within 12 months after the reporting date; or
- iv. 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.

All other assets are classified as non-current.

Liabilities

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

- i. it is expected to be settled in the company's normal operating cycle;
- ii. it is held primarily for the purpose of being traded;
- iii. it is due to be settled within 12 months after the reporting date; or
- iv. the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

Operating cycle

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

B. Fair value measurement:

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.



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A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

- Level 1: quoted 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).

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

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

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

Periodically, the Management present the valuation results to the Board of Directors/ Audit Committee and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

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



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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 Note 2.21 – financial instruments.

C. Other Income

Interest on deposits, loans and debt instruments are measured at amortized 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 amortized 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 other income in the statement of profit and loss.

D. Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

The cost of self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other cost directly attributable to bringing the item to working conditions for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date are recognised as capital advance and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work-in-progress.

E. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.



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F. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries in which the Company operates, or for the market in which the asset is used.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

G. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.



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If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

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

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the standalone financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

H. Financial instruments

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

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.



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The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement

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

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss (FVTPL)

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions:

- 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.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the profit or loss. The Company's financial assets at amortised cost includes trade receivables, and loan to an associate and loan to a director included under other non-current financial assets. For more information on receivables, refer to Note 2.21.

Financial assets at fair value through profit or loss

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

Derecognition

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.



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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. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

Impairment of financials assets

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

- Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS .

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

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

The Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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



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ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to Statement of Profit and Loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.



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Financial instruments are classified as a liability or equity components based on the terms of the contract and in accordance with Ind AS 32 (Financial instruments: Presentation). Financial instrument issued by the Company classified as equity is carried at its transaction value and shown within "equity". Financial instrument issued by the Company classified as liability is initially recognised at fair value (issue price). Subsequent to initial recognition, such Financial instrument is fair valued through the statement of profit or loss. On modification of Financial instrument from liability to equity, the Financial instrument is recorded at the fair value of Financial instrument classified as equity and the difference in fair value is recorded as a gain/ loss on modification in the Statement of Profit and Loss.

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

I. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.



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

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

J. Earnings per share

The basic earnings per share is 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 EPS amounts are calculated by dividing the profit attributable to equity shareholders of Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

K. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of Directors is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

L. Events after reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the standalone financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

M. New and amended standards

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 Apr 2022. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective:

- Ind AS 101, First-time Adoption of Indian Accounting Standards
- Ind AS 109, Financial Instruments Classification, Recognition and Derecognition
- Ind AS 16, Property, Plant and Equipment
- Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

These amendments had no impact on the financial statements of the Company.



KIMS Hospital Bengaluru Private Limited

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

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

Standards issued but not yet effective and not early adopted by the Company

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. On March 31, 2023, the MCA, issued certain amendments to Ind AS. The amendments relate to the following standards:

- Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
- Ind AS 12, Income Taxes
- Ind AS 1, Presentation of Financial Statements

These amendments are effective from April 01, 2023. The Company believes that the aforementioned amendments will not materially impact the financial statements of the Company.

