



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NIRUJA PRODUCT DEVELOPMENT AND HEALTHCARE RESEARCH PRIVATE LIMITED

Report on the standalone Financial Statements

Opinion

We have audited the accompanying financial statements of NIRUJA PRODUCT DEVELOPMENT AND HEALTHCARE RESEARCH PRIVATE LIMITED ("the Company"), which comprise the balance sheet as at 31 March 2021, the statement of profit and loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ("the financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, the loss and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ('the Act'). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the board's report including annexures thereto, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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with the financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the AS and accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error,



as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors, is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations which would impact its financial position.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

V G Bode & Co
Chartered Accountants
(Firm’s registration number: 006743S)



Sachidananda B G
Sachidananda B G
Partner

Membership Number: 229955
UDIN: 21229955AAAATA2232

Place: BANGALORE

Date: 07/09/2021

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

- i.
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets
 - c) The Company does not hold any immovable properties. Accordingly, paragraph 3(i) (c) of the Order is not applicable to the Company.
- ii. According to the information and explanations given to us, the Company does not hold any inventory as at balance sheet date and accordingly the paragraph 3(ii) of the Order is not applicable.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, Paragraph 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit during the year and hence compliance with the requirement of Clause (v) is not applicable to the Company.
- vi. According to the information and explanations given to us, the central government has not prescribed the maintenance of cost records under section 148(1) of the Act for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) There were no dues of Income tax, Sales tax, Goods and Service tax, Duty of customs, Duty of excise and Value added tax as at 31st March 2021, which have not been deposited with the appropriate authorities on account of any dispute.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings to banks and financial institutions. The Company did not have any loans or borrowings from any government, there are no debenture holders during the year.



- ix. In our opinion and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on the examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

V G Bode & Co
Chartered Accountants
(Firm's registration number: 006743S)



B. Sachidananda
Sachidananda B G
Partner

Membership Number: 229955
UDIN: 21229955AAAATA2232

Place: BANGALORE
Date: 07/09/2021

“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of *NIRUJA PRODUCT DEVELOPMENT AND HEALTHCARE RESEARCH 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 over financial reporting of NIRUJA PRODUCT DEVELOPMENT AND HEALTHCARE RESEARCH PRIVATE LIMITED (“the Company”) as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, 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.

For V G Bode & Co
Chartered Accountants
(Firm's registration number: 006743S)



B. Mananda
Sachidananda B G
Partner

Membership Number: 229955
UDIN: 21229955AAAATA2232

Place: Bangalore
Date: 07/09/2021

Niruja Product Development and Healthcare Research Private Limited

(Rs. in millions)

| Balance Sheet as at | Note No. | 31 March 2021 | 31 March 2020 |
|--|----------|-----------------|----------------|
| Assets | | | |
| Non-current assets | | | |
| (a) Financial assets | | | |
| (i) Investments | 5 | 39.06 | 224.21 |
| Total non current assets | | 39.06 | 224.21 |
| Current assets | | | |
| (a) Financial assets | | | |
| (i) Cash and cash equivalents | 6 | 0.49 | 0.49 |
| Total current assets | | 0.49 | 0.49 |
| Total assets | | 39.55 | 224.70 |
| Equity and liabilities | | | |
| Equity | | | |
| (a) Equity share capital | 7 | 0.50 | 0.50 |
| (b) Other equity | 8 | (279.96) | (74.25) |
| Total equity | | (279.46) | (73.75) |
| Liabilities | | | |
| Non current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 9 | 227.74 | 227.61 |
| Total non current liabilities | | 227.74 | 227.61 |
| Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Trade payables | 10 | | |
| Total outstanding dues of micro enterprises and small enterprises | | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 0.19 | 0.19 |
| (ii) Other financial liabilities | 11 | 91.07 | 70.64 |
| (b) Other current liabilities | 12 | 0.01 | 0.01 |
| Total current liabilities | | 91.27 | 70.84 |
| Total liabilities | | 319.01 | 298.45 |
| Total equity and liabilities | | 39.55 | 224.70 |

Significant accounting policies

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

for V G Bode & Co

Chartered Accountants

Firm's registration number: 06743S

Sachidananda B G

Partner

Membership number: 229955

Place : Bangalore

Date : 07 September 2021



for and on behalf of the Board of Directors of

Niruja Product Development and Healthcare Research Private Limited

Dr. Ramesh B.S.

Director

DIN: 00518434

Place : Bangalore

Date : 07 September 2021

Dr. B.S. Ajjikumar

Director

DIN: 00713779

Place : Bangalore

Date : 07 September 2021

Niruja Product Development and Healthcare Research Private Limited

| | | (Rs.in millions) | | |
|--|--|------------------|---------------|---------------|
| Statement of Profit and Loss for the years ended | | Note No. | 31 March 2021 | 31 March 2020 |
| I | Total income (I) | | - | - |
| II | Expenses | | | |
| | Finance costs | 13 | 20.43 | 27.37 |
| | Provision for impairment of investments | 24 | 185.15 | - |
| | Other expenses | 14 | 0.13 | 0.13 |
| | Total expenses (II) | | 205.71 | 27.50 |
| III | Loss before tax (I- II) | | (205.71) | (27.50) |
| IV | Tax expense | | - | - |
| V | Loss for the year (III-IV) | | (205.71) | (27.50) |
| VI | Other comprehensive loss | | - | - |
| VII | Total comprehensive loss for the year (V+VI) | | (205.71) | (27.50) |
| | Loss per equity share : | | | |
| | Basic and diluted (in Rs.) | 15 | (4,114.13) | (550.00) |

Significant accounting policies 3
The accompanying notes are an integral part of these financial statements

As per our report of even date attached
for V G Bode & Co
Chartered Accountants

Firm's registration number: 006743S

Sachidananda B G
Partner

Membership number: 229955

Place : Bangalore
Date : 07 September 2021



for and on behalf of the Board of Directors of
Niruja Product Development and Healthcare Research Private Limited

Dr. Ramesh B.S.
Director
DIN: 00518434

Place : Bangalore
Date : 07 September 2021

Dr. B.S. Ajankumar
Director
DIN: 00713779

Place : Bangalore
Date : 07 September 2021

Niruja Product Development and Healthcare Research Private Limited

| | | (Rs in millions) | |
|--|----------|------------------|---------------|
| Cash flow statement for the years ended | Note No. | 31 March 2021 | 31 March 2020 |
| Cash flow from operating activities | | | |
| Loss before tax | | (205.71) | (27.50) |
| Adjustments for: | | | |
| Finance costs | | 20.43 | 27.37 |
| Working capital adjustments | | | |
| Changes in trade and other payables | | - | 0.07 |
| Cash used in from operations | | | |
| Income taxes paid | | (185.28) | (0.06) |
| Net cash used in operating activities (A) | | (185.28) | (0.06) |
| Cash flows from investing activities | | | |
| Investment in subsidiaries | | 185.15 | - |
| Net cash used in investing activities (B) | | 185.15 | - |
| Cash flows from financing activities S | | | |
| Proceeds from borrowings* | | 0.13 | 0.06 |
| Interest paid | | - | - |
| Net cash generated from financing activities (C) | | 0.13 | 0.06 |
| Net increase/ (decrease) in cash and cash equivalents (A+B+C) | | - | - |
| Cash and cash equivalents at the beginning of the year | 6 | 0.49 | 0.49 |
| Cash and cash equivalents at the end of the year | 6 | 0.49 | 0.49 |

§ Reconciliation of movements of liabilities to cash flows arising from financing activities as an extraction of cash flow as at 31 March 2021

| Particulars | Borrowings | Total |
|--|---------------|---------------|
| Debt as at 1 April 2019 | 227.61 | 227.61 |
| Interest accrued but not due | 70.64 | 70.64 |
| | 298.25 | 298.25 |
| Cash flows including interest paid | 0.13 | 0.13 |
| Interest expenses | 20.43 | 20.43 |
| Interest accrued but not due as on 31 March 2020 | (91.07) | (91.07) |
| Debt as at 31 March 2021 | 227.74 | 227.74 |

§ Reconciliation of movements of liabilities to cash flows arising from financing activities as an extraction of cash flow as at 31 March 2019

| Particulars | Borrowings | Total |
|--|---------------|---------------|
| Debt as at 1 April 2019 | 227.55 | 227.55 |
| Interest accrued but not due | 43.27 | 43.27 |
| | 270.82 | 270.82 |
| Cash flows including interest paid | 0.06 | 0.06 |
| Interest expenses | 27.37 | 27.37 |
| Interest accrued but not due as on 31 March 2020 | (70.64) | (70.64) |
| Debt as at 31 March 2020 | 227.61 | 227.61 |

* Expenses reimbursed by holding company, considered as borrowings.

Significant accounting policies

3

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

for V G Bode & Co

Chartered Accountants

Firm's registration number: 06743S

Sachidananda B. B.

Partner

Membership number: 229955

Place : Bangalore

Date : 07 September 2021



for and on behalf of the Board of Directors of

Niruja Product Development and Healthcare Research Private Limited

Dr. Ramesh B.S.

Director

DIN: 00518434

Place : Bangalore

Date : 07 September 2021

Dr. B.S. Ajahumar

Director

DIN: 00713779

Place : Bangalore

Date : 07 September 2021

Niruja Product Development and Healthcare Research Private Limited
Statement of changes in equity for the years ended 31 March 2021 and 2020

a. Equity share capital

| Particulars | Numbers | (Rs. in million) | |
|---|---------|------------------|--|
| | | Amount | |
| Balance as at 01 April 2019 | 50,000 | 0.50 | |
| Changes in equity share capital during the year | - | - | |
| Balance as at 31 March 2020 | 50,000 | 0.50 | |
| Changes in equity share capital during the year | - | - | |
| Balance as at 31 March 2021 | 50,000 | 0.50 | |

b. Other Equity

| Particulars | (Rs. in million) | |
|--|---|----------|
| | Reserves and Surplus Retained earnings | Total |
| Balance as at 01 April 2019 | (46.75) | (46.75) |
| Loss for the year | (27.50) | (27.50) |
| Other comprehensive income for the year, net of income tax | - | - |
| Balance as at 31 March 2020 | (74.25) | (74.25) |
| Loss for the year | (205.71) | (205.71) |
| Other comprehensive income for the year, net of income tax | - | - |
| Balance at 31 March 2021 | (279.96) | (279.96) |

Retained earnings

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

Significant accounting policies

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

for V G Bode & Co

Chartered Accountants

Firm's registration number: 06743S

Sachidananda B G

Partner

Membership number: 229955

Place : Bangalore

Date : 07 September 2021



for and on behalf of the Board of Directors of

Niruja Product Development and Healthcare Research Private Limited

Dr. Ramesh B.S.

Director

DIN: 00518434

Place : Bangalore

Date : 07 September 2021

Dr. B.S. Ajankumar

Director

DIN: 00713779

Place : Bangalore

Date : 07 September 2021

1 General Information

Niruja Product Development and Research Private Limited ('the Company') is engaged in setting up and managing cancer hospitals, cancer centers and providing medical diagnostic services. The Company has its registered office at #8, P, Kalinga Rao Road, Sampnagirama Nagar, Bangalore- 560 010, Karnataka, India.

2 Basis of preparation of the financial statements

a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable.

b) Functional and presentation currency

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

c) Going concern basis and impact of Covid-19

The COVID-19 pandemic has been rapidly spreading throughout the world, including India. Governments around the world have been taking significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities including travel. The Company has taken into account, impact if any, on its financial statement captions based on internal and external information upto the date of approval of the financial statements by the Board of Directors. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID -19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions.

The Company has negative net worth as at 31 March 2021. However, these financial statements have been prepared on a going concern basis based on management's intention of future operations and the letter of support received from the HealthCare Global Enterprises Limited (the Holding Company).

d) Basis of preparation and presentation

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

| Items | Measurement |
|--|-------------|
| Certain financial assets and liabilities | Fair value |

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company has not prepared consolidated financial statements as required under Ind AS 110, "Consolidated Financial Statements" considering the scope exemption available.

e) Use of estimates and judgements

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

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

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

Assumptions and estimate uncertainties

Information about assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment in the year ending 31 March 2020 is included in the following notes:

Note -19 - Impairment of financial assets

e) Measurement of fair values

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

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

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

When measuring the fair value of an asset or a liability, the Company 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.



3 Summary of significant accounting policies

a) Borrowing costs

Borrowing costs include interest expense calculated using the effective interest rate method.

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

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

b) 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 the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

Onerous contracts

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

c) Financial instruments

a. Recognition and initial measurement

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

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

b. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost or FVTPL. Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

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

Financial assets are initially measured at FVTPL. are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

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

c. Derecognition

Financial assets

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

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

Financial liabilities

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

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

d. Offsetting

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



Niruja Product Development and Healthcare Research Private Limited
Notes to the financial statements for the year ended 31 March 2021

d) Impairment

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

The Company assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. For financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

e) Loss per share

Basic loss per share are computed by dividing loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company does not have any dilutive potential equity shares.

f) 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 financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

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

g) Cash flow statement

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

h) Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprises cash in hand and in banks, which are considered part of the cash management system.

i) Investment in subsidiaries

(i) Initial recognition

The acquired investment in subsidiaries are measured at acquisition date fair value.

(ii) Subsequent measurement

Investments in equity shares of subsidiaries are accounted either cost or in accordance with Ind AS 109, Financial instruments. The Company has elected to account its investment in subsidiaries at cost.

j) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency at the exchange rates at the dates of the transactions or an average rate approximates the actual rate at the date of the transaction. Foreign exchange gain and losses resulting from the settlement of such transactions and from translation at the exchange rates prevailing at the reporting date of monetary monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gain/(losses).

Non-monetary assets and liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Transaction differences on non-monetary financial assets measured at fair value of reporting date, such as equities classified as FVTOCI are included in other comprehensive income, net of taxes.

4 Recent pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013, which are applicable from April 1, 2021. Key amendments are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.



Niruja Product Development and Healthcare Research Private Limited
Notes to the financial statements for the year ended 31 March 2021 (continued)

(Rs. in million)

| | | | | |
|------------|---|---------------------|----------------------|----------------------|
| 5 | Investments | | | |
| | Investments consist of the following: | | | |
| | Non-current (unquoted) | | As at | As at |
| | | | 31 March 2021 | 31 March 2020 |
| | i) Investments carried at cost | | | |
| | Subsidiary company | | | |
| | HCG (Mauritius) Private Limited (3,471,400 share of USD 1 each per share; (31 March 2020: 3,471,400 share of USD 1 each per share)) | | 224.15 | 224.15 |
| | Less: Less: Provision for diminution in value of investment (refer note 24) | | (185.15) | - |
| | Others | | | |
| | Apex HCG Oncology Hospitals LLP (0.99% (31 March 2020: 0.99) share of fixed capital contribution) | | 0.06 | 0.06 |
| | | | 39.06 | 224.21 |
| 6 | Cash and cash equivalents | | As at | As at |
| | | | 31 March 2021 | 31 March 2020 |
| | Balances with banks | | | |
| | - On current account | | 0.49 | 0.49 |
| | | | 0.49 | 0.49 |
| 7 | Equity Share Capital | | As at | As at |
| | | | 31 March 2021 | 31 March 2020 |
| | Authorised Share capital : | | | |
| | 2,000,000 fully paid equity shares of Rs.10 each | | 20.00 | 20.00 |
| | Issued , subscribed and paid up capital comprises: | | | |
| | 50,000 fully paid equity shares of Rs.10 each (as at 31 March 2019: 50,000 fully paid equity shares of Rs.10 each) | | 0.50 | 0.50 |
| 7.1 | Reconciliation of equity shares outstanding at the beginning at end of the year | | | Number of shares |
| | At the beginning of the year 01 April 2019 | | | 50,000 |
| | Issued during the year | | | - |
| | At the end of the year 31 March 2020 | | | 50,000 |
| | Issued during the year | | | - |
| | At the end of the year 31 March 2021 | | | 50,000 |
| 7.2 | Rights, preference and restrictions attached to equity shares | | | |
| | Fully paid equity shares, which have a par value of Rs.10/-, carry one vote per share and carry a right to dividends. The Company has only one class of equity share having a par value of Rs.10/- each. Holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. However, as on date no such preferential amount exists. The distribution will be in proportion to number of equity shares held by the shareholders. | | | |
| 7.3 | Details of shares held by each shareholder holding more than 5% shares and shares held by the Holding company: | | | |
| | | As at 31 March 2021 | As at 31 March 2020 | |
| | | Number of | Number of Shares | % holding of equity |
| | | Shares held | held | shares |
| | Fully paid equity shares | | | |
| | HealthCare Global Enterprises Limited | 50,000 | 50,000 | 100% |
| | HealthCare Global Enterprises Limited is the Holding company of the Company | | | |
| 7.4 | There has been no buyback of shares, issue of shares by way of bonus shares or issue of shares pursuant to contract without payment being received in cash for the period of five years immediately preceding the date of balance sheet. | | | |



Niruja Product Development and Healthcare Research Private Limited
Notes to the financial statements for the year ended 31 March 2021 (continued)

(Rs. in million)

| 8 | Other equity Retained earnings | As at | |
|---|-----------------------------------|-----------------|----------------|
| | | 31 March 2021 | 31 March 2020 |
| | Balance at beginning of year | (74.25) | (46.75) |
| | Loss for the year | (205.71) | (27.50) |
| | Balance at end of year | (279.96) | (74.25) |

| 9 | Borrowings | As at | | As at | |
|---|---|---------------|----------|---------------|----------|
| | | 31 March 2021 | | 31 March 2020 | |
| | | Non current | Current | Non current | Current |
| | Unsecured - at amortised cost | | | | |
| | Loan from holding company (refer note 21) | 227.74 | - | 227.61 | - |
| | | 227.74 | - | 227.61 | - |

The above loan from holding company is repayable as and when the internal funds from operation supports the repayment or a suitable alternative third party funding is available. Rate of interest in 12%.

| 10 | Trade payables | As at | |
|----|--|---------------|---------------|
| | | 31 March 2021 | 31 March 2020 |
| | Total outstanding dues of micro enterprises and small enterprises (refer note 22) | - | - |
| | Total outstanding dues of creditors other than micro enterprises and small enterprises (refer note 21) | 0.19 | 0.19 |
| | | 0.19 | 0.19 |

| 11 | Other financial liabilities | As at 31 March 2021 | | As at 31 March 2020 | |
|----|-----------------------------|---------------------|---|---------------------|--------------|
| | | Non Current | Current | Non Current | Current |
| | | | Interest payable on loan from Holding company (refer note 21) | - | 91.07 |
| | Total | - | 91.07 | - | 70.64 |

| 12 | Other liabilities | As at 31 March 2021 | | As at 31 March 2020 | |
|----|-------------------|---------------------|----------------|---------------------|-------------|
| | | Non Current | Current | Non Current | Current |
| | | | Statutory dues | - | 0.01 |
| | Total | - | 0.01 | - | 0.01 |



Niruja Product Development and Healthcare Research Private Limited
Notes to the financial statements for the year ended 31 March 2021 (continued)

(Rs. in million)

| 13 Finance costs | For the year ending 31 March 2021 | For the year ending 31 March 2020 |
|--|--------------------------------------|--------------------------------------|
| Interest costs :- | | |
| Interest on loans from related parties (refer note 21) | 20.43 | 27.37 |
| | <u>20.43</u> | <u>27.37</u> |

| 14 Other expenses | For the year ending 31 March 2021 | For the year ending 31 March 2020 |
|---------------------------------------|--------------------------------------|--------------------------------------|
| Rates and taxes S | - | 0.00 |
| Payment to auditors (refer note 14.1) | 0.02 | 0.13 |
| Miscellaneous expenses | 0.11 | |
| | <u>0.13</u> | <u>0.13</u> |

| 14.1 Payments to auditors (excluding taxes) | For the year ending 31 March 2021 | For the year ending 31 March 2020 |
|---|--------------------------------------|--------------------------------------|
| a) As auditors | 0.02 | 0.10 |
| b) Out of pocket expenses and taxes | - | 0.03 |
| | <u>0.02</u> | <u>0.13</u> |

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

| | For the year ending 31 March 2021 | For the year ending 31 March 2020 |
|--|--------------------------------------|--------------------------------------|
| a. Loss for the period attributable to equity holders | (205.71) | (27.50) |
| b. Weighted average number of equity shares for the year | 50,000 | 50,000 |
| c. Nominal value of shares (in Rs.) | 10 | 10 |
| d. Loss per equity share Rs. per share (a/b) | (4,114.13) | (550.00) |

16 Segment information

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

17 Contingent liabilities and capital commitments

The Company does not have any contingent liabilities and commitment as at 31 March 2021 and 31 March 2020.



18 Financial instruments

The carrying value and fair value of financial instruments by categories as at 31 March 2021 and 31 March 2020

| Particulars | Carrying value as at | | Fair value as at | |
|-----------------------------|----------------------|---------------|------------------|---------------|
| | 31 March 2021 | 31 March 2020 | 31 March 2021 | 31 March 2020 |
| Financial asset | | | | |
| Cash and cash equivalents | 0.49 | 0.49 | 0.49 | 0.49 |
| Total liabilities | 0.49 | 0.49 | 0.49 | 0.49 |
| | | | | |
| Particulars | Carrying value as at | | Fair value as at | |
| | 31 March 2021 | 31 March 2020 | 31 March 2021 | 31 March 2020 |
| Financial liability | | | | |
| Borrowings | 227.74 | 227.61 | 227.74 | 227.61 |
| Trade payables | 0.19 | 0.19 | 0.19 | 0.19 |
| Other financial liabilities | 91.07 | 70.64 | 91.07 | 70.64 |
| Total liabilities | 319.00 | 298.44 | 319.00 | 298.44 |

The management assessed that carrying value of above financial assets and liabilities approximates the fair value.

19 Financial risk management

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

(i) Risk management framework

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

(ii) Credit risk

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

(iii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company has received the letter of support from its Holding company.

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

| Particulars | As at | As at |
|---------------------------|---------------|---------------|
| | 31 March 2021 | 31 March 2020 |
| Cash and cash equivalents | 0.49 | 0.49 |
| | 0.49 | 0.49 |

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2020:

| Particulars | Less than 1 year | 4 years and above |
|-----------------------------|------------------|-------------------|
| Borrowings | - | 227.74 |
| Trade payables | 0.19 | - |
| Other financial liabilities | 91.07 | - |
| | 91.26 | 227.74 |

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2019:

| Particulars | Less than 1 year | 4 years and above |
|-----------------------------|------------------|-------------------|
| Borrowings | - | 227.61 |
| Trade payables | 0.19 | - |
| Other financial liabilities | 70.64 | - |
| | 70.83 | 227.61 |



Market risk:

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

Foreign currency risk

The Company's exchange risk arises mainly from its foreign currency investments. As a result, depreciation of Indian rupee relative to these foreign currencies will have a significant impact on the financial performance of the Company. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. The following table presents unhedged foreign currency risk from financial instruments as of 31 March 2021 and 31 March 2020.

| Particulars | 31 March 2021 | | 31 March 2020 | |
|--|---------------|------------------|---------------|------------------|
| | US\$ | Rupee equivalent | US\$ | Rupee equivalent |
| Investment in subsidiary - HCG (Mauritius) Private Limited | 2.99 | 224.15 | 3.47 | 224.15 |

Cash flow and fair value interest rate risk

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

20 Capital management

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

The capital structure is as follows:

| Particulars | As at | As at |
|--|----------------|---------------|
| | 31 March 2021 | 31 March 2020 |
| Total equity attributable to the equity share holders of the Company | (279.46) | (73.75) |
| As percentage of total capital | 535% | -48% |
| Total borrowings | 227.74 | 227.61 |
| Cash and cash equivalents | (0.49) | (0.49) |
| Net loans and borrowings | 227.25 | 227.12 |
| As a percentage of total capital | -435% | 148% |
| Total capital (loans and borrowings and equity) | (52.21) | 153.37 |



21 Notes to related parties

A Details of related parties:

| Description of relationship | Names of related parties |
|--------------------------------|--|
| Holding Company | HealthCare Global Enterprises Limited |
| Common control entity | HCG (Mauritius) Private Limited APEX HCG Oncology Hospitals LLP |
| Key Management Personnel (KMP) | Non-executive directors Dr. Ramesh B S Dr. B S Ajai Kumar |

B Details of related party transactions during the period:

| Particulars | For the year ending 31 March 2021 | For the year ending 31 March 2020 |
|---|-----------------------------------|-----------------------------------|
| Finance costs | | |
| - HealthCare Global Enterprises Limited | 20.43 | 27.37 |
| Investment made during the year | | |
| - APEX HCG Oncology Hospitals LLP | - | - |
| Reimbursement of expenses on behalf of the Company | | |
| - HealthCare Global Enterprises Limited | 0.13 | 0.13 |
| Borrowings | | |
| - HealthCare Global Enterprises Limited | 0.13 | 0.06 |

C Details of related party balances outstanding:

| Balances outstanding as at | As at 31 March 2021 | As at 31 March 2020 |
|--|---------------------|---------------------|
| Investments | | |
| - HCG (Mauritius) Private Limited * | 224.15 | 224.15 |
| - APEX HCG Oncology Hospitals LLP | 0.06 | 0.06 |
| * provision for impairment made during the year. Refer note 24 | | |
| Interest payable on loan | | |
| - HealthCare Global Enterprises Limited | 91.07 | 70.64 |
| Trade payables | | |
| - HealthCare Global Enterprises Limited | 0.12 | 0.12 |
| Borrowings | | |
| - HealthCare Global Enterprises Limited * | 227.74 | 227.61 |

22 Due to Micro, Small and Medium 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 amounts payable to such enterprises as at 31 March 2021 and 31 March 2020 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 | As at |
|--|-------|-------|
| The amounts remaining unpaid to micro and small suppliers as at the end of the year | | |
| Principal | - | - |
| Interest | - | - |
| The amount of interest paid by the buyer under MSMED Act | - | - |
| The amount of payments made to micro and small suppliers beyond the appointed day during the accounting year | - | - |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act. | - | - |
| The amount of interest accrued and remaining unpaid at the end of each accounting year | - | - |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act | - | - |

23 Deferred taxation

The Company has a deferred tax asset position as at 31 March 2021 and 31 March 2020. No deferred tax asset is recognized as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realised by the Company.

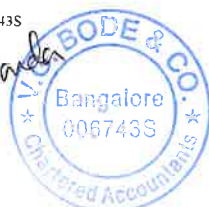
24 Provision for impairment of investment in HCG (Mauritius) Private Limited

HCG (Mauritius) Private Limited (HCG Mauritius) holds investment in Healthcare Global (Africa) Pvt Ltd. During the current year, CDC Group PLC. (CDC), the other investor in Healthcare Global (Africa) Pvt Ltd, has exercised put option to sell its shares in accordance with the terms of Shareholders Agreement. The parties have appointed an independent valuer who is in the process of ascertaining the fair value of such put option shares. Pending such valuation, the value of put option to be settled by the HCG Mauritius has been assessed by using its best estimate based on future cashflow projection. Further, impairment assessment was performed, as a result of which the recoverable amount of investment was estimated to be lower than carrying value. Accordingly, this resulted into a impairment charge of Rs. 185.15 million of its investment in HCG Mauritius.

As per our reports of even date attached
for V G Bode & Co
Chartered Accountants
Firm's registration number: 06743S

Sachidananda B G
Partner
Membership number: 227943S

Place: Bangalore
Date: 07 September 2021



for and on behalf of the Board of Directors of
Niruja Product Development and Research Private Limited

Dr. Ramesh B.S.
Director
DIN: 00518434

Place: Bangalore
Date: 07 September 2021

Dr. B.S. Ajai Kumar
Director
DIN: 00713779

Place: Bangalore
Date: 07 September 2021