

**HON'BLE NATIONAL COMPANY LAW TRIBUNAL CONVENED MEETING  
OF THE TRADE CREDITORS OF  
INCOR HOSPITALS PRIVATE LIMITED  
CIN: U93000TG2009PTC064790  
REGISTERED OFFICE: SY. NO. 9/1/A, OPPOSITE P.V.T. MARKET, KOTHAPET 'X' ROAD,  
DILSUKHNAGAR, HYDERABAD, TELANGANA - 500035, INDIA  
EMAIL: CORPORATEGOVERNANCE@INCOR.IN**

<b>DAY</b>	<b>Saturday</b>
<b>DATE</b>	<b>15<sup>th</sup> day of October, 2022</b>
<b>TIME</b>	<b>12.00 P.M.</b>
<b>VENUE</b>	Video Conference ("VC")/ Other Audio-Visual Means ("OAVM") facility

**INCOR HOSPITALS PRIVATE LIMITED**  
**CIN: U93000TG2009PTC064790**  
**REGISTERED OFFICE: SY. NO. 9/1/A, OPPOSITE P.V.T. MARKET, KOTHAPET 'X' ROAD,**  
**DILSUKHNAGAR, HYDERABAD, TELANGANA - 500035, INDIA**

**NOTICE OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL (TRIBUNAL) CONVENED**  
**MEETING OF THE TRADE CREDITORS OF INCOR HOSPITALS PRIVATE LIMITED**

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**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL  
BENCH AT HYDERABAD  
C.A. (CAA) NO. 25/230/HDB /2022  
IN THE MATTER OF COMPANIES ACT, 2013 (18 of 2013)  
IN THE MATTER OF SECTIONS 230 AND 232 READ WITH SECTION 66 OF THE COMPANIES  
ACT, 2013  
AND  
ALL OTHER APPLICABLE PROVISIONS OF THE SAID ACT  
AND  
IN THE MATTER OF SCHEME OF AMALGAMATION  
BETWEEN  
INCOR HOSPITALS PRIVATE LIMITED  
(TRANSFeree COMPANY)  
AND  
INCOR HEALTHCARE PRIVATE LIMITED  
(TRANSFEROR COMPANY)  
AND  
THEIR RESPECTIVE SHAREHOLDERS  
AND CREDITORS**

**M/s. Incor Hospitals Private Limited** is a Private Limited Company incorporated under the provisions of Companies Act, 1956 on 19.08.2009, bearing CIN: U93000TG2009PTC064790, having its registered office situated at Sy. No. 9/1/A, Opposite P.V.T. Market, Kothapet 'X' Road, Dilsukhnagar, Hyderabad, Telangana - 500035.

**....Applicant / Transferee Company**

**NOTICE OF THE TRIBUNAL CONVENED MEETING OF THE TRADE CREDITORS OF INCOR HOSPITALS PRIVATE LIMITED, ("TRANSFeree COMPANY") AS PER THE DIRECTIONS OF THE HYDERABAD BENCH OF HON'BLE NATIONAL COMPANY LAW TRIBUNAL**

**To  
The Trade Creditors of  
Incor Hospitals Private Limited  
("Company" or "Transferee Company")**

Notice is hereby given that by an order dated 05<sup>th</sup> day of September 2022, passed by Hon'ble National Company Law Tribunal Hyderabad Bench in Company Application bearing C.A. (CAA) NO. 25/230/HDB/2022, has directed a meeting of Trade Creditors of **Incor Hospitals Private Limited** to be held for the purpose of considering, and if thought fit, approving with or without modification, the Scheme of Amalgamation of Incor Healthcare Private Limited (Transferor Company) with Incor

Hospitals Private Limited (Transferee Company) and their respective shareholders and Creditors, by passing the following Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 230 to 232 and Section 66 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications, amendments, re-enactments thereof for the time being in force, relevant rules of the National Company Law Tribunal Rules, Companies (Compromises, Arrangements and Amalgamations) Rules, the provisions of the Memorandum and Articles of Association of the Company and subject to the requisite approvals, sanctions, consents, observations, no objections, confirmations, permissions from the shareholders and Creditors of the Company, the Hon'ble National Company Law Tribunal, Bench at Hyderabad or such other competent authority as may be applicable, and the confirmation, permission, sanction and approval of the other statutory/regulatory authorities, if any, in this regard and subject to such other conditions or guidelines, if any, as may be prescribed or stipulated by any such authorities, from time to time, while granting such approvals, sanctions, consents, observations, no objections, confirmations, permissions and which may be agreed by the Board of Directors of the Company, the draft scheme of amalgamation of Incor Healthcare Private Limited (Transferor Company) with Incor Hospitals Private Limited (Transferee Company) and their respective Shareholders and Creditors ("Scheme"), providing for amalgamation of Incor Healthcare Private Limited with Incor Hospitals Private Limited on a going concern basis with effect from 01<sup>st</sup> April, 2022 being the appointed date, as placed before the meeting and initialled by the chairman for the purpose of identification, be and is hereby approved.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized, empowered and directed to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to aforesaid resolution and to effectively implement the arrangements embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble National Company Law Tribunal, Hyderabad Bench, while sanctioning the amalgamation and arrangement embodied in the Scheme or by any authorities under law, or as may be, required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as may be deemed fit and proper”.

In pursuance of the said order and as directed therein further notice is hereby given that a meeting of Trade creditors of Incor Hospitals Private Limited (“Transferee Company”) will be held through



video conferencing (“VC”) / other audio-visual means (“OAVM”) on Saturday the 15<sup>th</sup> day of October 2022, at 12:00 P.M. (IST).

For the purpose of the meeting, Central Depository Services (India) Limited (“CDSL”) will be providing the necessary facility for recording votes voting through electronic voting. The Trade Creditors will vote through electronic voting during the meeting. Only those Trade Creditors, who will be present in the said meeting through video-conferencing facility can cast their vote. The instructions for electronic voting are detailed in this Notice.

The Trade Creditors are required to cast their vote at the said meeting by recording their assent or dissent on the electronic voting portal of CDSL.

The result of the meeting shall be announced by the Chairman upon receipt of Scrutinizer’s report within 48 (forty-eight) hours from the conclusion of this meeting and the same shall be displayed on the website of CDSL ([www.cdslindia.com](http://www.cdslindia.com) being the agency appointed by the Company to provide the electronic voting facility for the meeting).

Institutional/Corporate creditors (i.e. other than individuals / HUF, NRI, etc.) are required to send an e-mail of the scanned copy of its board resolution or governing body’s resolution/authorization etc., authorising its representative to attend the meeting through video-conferencing facility on its behalf, to the e-mail address of the Company at: [corporategovernance@incor.in](mailto:corporategovernance@incor.in) or otherwise physically deposited / lodged at the registered office of the Company, at least 48 hours before the commencement of the meeting.

A copy of the Scheme, Explanatory Statement under section 102 read with Sections 230 to 232, 66 and other applicable provisions of the Companies Act, 2013 and details & information as required under Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, reports adopted by the Board of Directors of the Transferor Company and the Transferee Company, explaining the effect of Scheme on key managerial personnel, promoters and non-promoter shareholders, audited financial statements of the Transferor Company and the Transferee Company for the financial year on ended 31<sup>st</sup> March, 2022 and Audited financial Statements of the Transferee Company for the financial year ended on 31<sup>st</sup> March 2021, Certificate issued by the Chartered Accountant of the Transferor / Transferee Companies confirming the Accounting Treatment proposed in the Scheme and Valuation Report, are forming part of this notice would be sent by electronic mode to those Trade Creditors whose e-mail addresses are registered with the Company,

unless the Trade Creditors have requested for a physical copy of the same, and physically dispatched to those Trade Creditors who have not provided their e-mail addresses to the Company.

The Hon'ble Tribunal has appointed Ms. Datla Divya Raju, Advocate, as the Chairperson and Ms. Kruthi Kalaga, as the Scrutinizer for convening the said meeting.

The above-mentioned Scheme of Amalgamation between Incor Healthcare Private Limited (Transferor Company) and Incor Hospitals Private Limited (Transferee Company) and their respective Shareholders and Creditors ("Scheme"), if approved at the meeting, will be subject to the subsequent approval of the Hyderabad bench of Hon'ble National Company Law Tribunal.

**Sd/-**  
Datla Divya Raju,  
**Advocate**  
**Chairperson - Tribunal Convened**  
**Meeting of Trade Creditors of**  
**Incor Hospitals Private Limited**

**Dated this the 12<sup>th</sup> day of September 2022**  
**Hyderabad**

**Notes:**

- 1. A TRADE CREDITOR ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF ITSELF AND THE PROXY NEED NOT BE AN TRADE CREDITOR OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS E-MAIL ADDRESS i.e. CORPORATEGOVERNANCE@INCOR.IN OR AT ITS REGISTERED OFFICE, NOT LESS THAN 48 HOURS PRIOR TO THE COMMENCEMENT OF THE MEETING.**
2. The meeting is being conducted through video-conferencing facility which does not require physical presence of Trade Creditors at a common venue.
3. The NCLT vide its order dated 05<sup>th</sup> September 2022 has permitted Trade Creditors to appoint a proxy for the purpose of participating and voting in the meeting held through video-conferencing facility. Further, such Trade Creditor is required to send a scanned copy of Form MGT-11 (proxy form, which forms part of this Notice), duly completed, signed and stamped or authenticated by the person entitled to attend and vote at the meeting, authorising such proxy to attend and vote at the meeting not later than 48 hours before the scheduled time of the meeting, to the e-mail

address of the Company at: **corporategovernance@incor.in** or at the registered office of the Company.

4. Attendance of the Trade Creditors participating in the Meeting through VC/OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. A Body Corporate which is a Trade Creditor of the Company is entitled to appoint an authorised representative for the purpose of participating and/or voting during the meeting held through video-conferencing facility. Further, such Body Corporates (other than individuals, HUF, NRI etc.) are required to send scanned certified copy of the resolution authorising such representative to attend and vote at the meeting no later than 48 hours before the scheduled time of the meeting, to the e-mail address of the Company at: **corporategovernance@incor.in** or at the registered office of the Company.
6. A Trade Creditor (in case such Trade Creditor is an individual) or the authorised representative of the Trade Creditor (in case such Trade Creditor is a body corporate) or the proxy holder, should furnish their valid and legible identity proof issued by a statutory authority (i.e., a PAN Card/ Aadhaar Card/ Passport/ Driving License/ Voter ID Card) to the e-mail address of the Company at **corporategovernance@incor.in** or at the registered office of the Company, at-least 48 hours before the time fixed for the meeting.
7. A Trade Creditor, who is the Trade Creditor of the Company as on 31.03.2022 may attend the meeting through video-conferencing facility and vote at the meeting by recording their assent/dissent on the electronic voting portal provided by CDSL.
8. The electronic voting window will be kept open on Saturday, 15<sup>th</sup> day of October 2022 only for the duration of the meeting and votes can be cast only during this time.
9. Since the meeting will be held through video-conferencing facility, the Route Map is not annexed to this Notice.
10. In terms of Sections 230 to 232 of the Act, the Scheme shall be considered approved by the Trade Creditors of the Transferee Company if the resolution mentioned above in the notice has been

approved at the meeting by a majority of persons representing three-fourths in value of the Trade Creditors present and voting through video-conferencing facility, either in person or by proxy.

11. The notice is being sent to all the Trade Creditors, whose names appeared in the books of the Company as on 31.03.2022 by electronic mode whose e-mail addresses are registered with the Company, unless the Trade Creditors have requested for a physical copy of the same, and physically dispatched to those Trade Creditors who have not provided their e-mail addresses to the Company.
12. All relevant documents referred to in the accompanying Explanatory Statement are open for inspection at the registered office of the Company on all working days (except on Saturdays, Sundays and Public holidays) between 2:00 P.M. to 5.00 P.M. up to 2 (two) days prior to the date of meeting.
13. The result of the meeting shall be announced by the Chairperson upon receipt of Scrutinizer's report within 48 (forty-eight) hours from the conclusion of this meeting and the same shall be displayed on the website of CDSL ([www.cdslindia.com](http://www.cdslindia.com)) being the agency appointed by the Company to provide the electronic voting facility for the meeting.
14. Details of persons to be contacted for issues relating to participating and/or electronic voting during the meeting:

Name	Designation	Contact Number	Email ID
Mr. Rakesh Dalvi	Senior Manager	022-23058542	<a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a>
Mr. Nitin Kunder	Officer	022- 23058738	<a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a>

**15. INSTRUCTIONS FOR TRADE CREDITORS ATTENDING THE MEETING THROUGH VIDEO-CONFERENCING ARE AS UNDER:**

- (i) Trade Creditors will be provided with a facility to attend the meeting through VC/OAVM through the CDSL e-Voting system. The said Creditors may access the same at <https://www.evotingindia.com> under Trade Creditors login by using the remote e-voting credentials. The link for VC/OAVM will be available in Trade Creditors login where the EVSN of Company will be displayed.
- (ii) The Trade Creditors are encouraged to join the Meeting through Desktop / Laptops / iPads for better experience.

- (iii) Further the Trade Creditors will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (iv) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- (v) The Trade Creditors who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **5 days prior to meeting** mentioning their name, email id, mobile number at [corporategovernance@incor.in](mailto:corporategovernance@incor.in) The Trade Creditors who do not wish to speak during the meeting but have queries may send their queries in advance **5 days prior to meeting** mentioning their name, email id, mobile number at [corporategovernance@incor.in](mailto:corporategovernance@incor.in). These queries will be replied to by the Company suitably by email.
- (vi) Those Trade Creditors who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**16. INSTRUCTIONS FOR TRADE CREDITORS FOR ELECTRONIC VOTING ARE AS UNDER: -**

- (i) The voting period begins on 15<sup>th</sup> day of October 2022 at 12:00 P.M. and ends along with conclusion of the meeting. During this period the Trade Creditors of the Company as on 31.03.2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The Trade Creditors should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- (iii) Click on Trade Creditors.
- (iv) Now enter your User ID.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) Now Enter your password.
- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Click on the EVSN for the relevant <INCOR HOSPITALS PRIVATE LIMITED> on which you choose to vote.

- (ix) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (x) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xi) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xiv) If you have any queries or issues regarding attending meeting & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738) or Mr. Rakesh Dalvi (022-23058542) as mentioned in Note 14 above.
- (xv) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022- 23058738 / 022- 23058542/43.

**Sd/-**  
Datla Divya Raju,  
**Advocate**  
**Chairperson - Tribunal Convened**  
**Meeting of Trade Creditors of**  
**Incor Hospitals Private Limited**

**Dated this the 12<sup>th</sup> day of September 2022**  
**Hyderabad**

**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL  
BENCH AT HYDERABAD  
C.A. (CAA) NO. 25/230/HDB /2022  
IN THE MATTER OF COMPANIES ACT, 2013 (18 of 2013)  
IN THE MATTER OF SECTIONS 230 AND 232 READ WITH SECTION 66 OF THE COMPANIES  
ACT, 2013  
AND  
ALL OTHER APPLICABLE PROVISIONS OF THE SAID ACT  
AND  
IN THE MATTER OF SCHEME OF AMALGAMATION  
BETWEEN  
INCOR HOSPITALS PRIVATE LIMITED  
(TRANSFeree COMPANY)  
AND  
INCOR HEALTHCARE PRIVATE LIMITED  
(TRANSFEROR COMPANY)  
AND  
THEIR RESPECTIVE SHAREHOLDERS  
AND CREDITORS**

**EXPLANATORY STATEMENT UNDER SECTION 102 READ WITH SECTIONS 230 TO 232 AND  
OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND DETAILS &  
INFORMATION AS REQUIRED UNDER RULE 6 OF THE COMPANIES (COMPROMISES,  
ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016**

1. A Scheme of Amalgamation between Incor Healthcare Private Limited (Transferor Company) and Incor Hospitals Private Limited (Transferee Company) and their respective Shareholders and Creditors ("**Scheme**"), was proposed by the Board of Directors of the Transferee Company and the Board of Directors of the Transferor Company for the purpose of amalgamation of Incor Healthcare Private Limited with Incor Hospitals Private Limited (Transferee Company) on a going concern basis with effect from 01.04.2022 (First Day of April, Two Thousand Twenty Two) being the appointed date.
  
2. The said Scheme of Amalgamation was approved by the Board of Directors of the Company and the Board of Directors of the Transferor Company at their respective meetings held on 13.07.2022 under the provisions of Sections 230 to 232 read with section 66 of the Companies Act, 2013, by passing respective Board Resolutions. The Board of Directors of the Company approved the Scheme after taking into consideration the rationale of the Scheme and the certificate issued by the statutory auditor of the Company to the effect that the accounting

treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.

3. The Board of Directors of the Applicant Companies at its meeting held on 13.07.2022, authorized, empowered and directed Mr. Sri Hari Pulagam (DIN: 08549530) Director Transferor Company and Mr. Kovvuri Srinivasa Reddy (DIN: 07822936) Additional Director and Mrs. Bhargavi Maheshuni Company Secretary of the Transferee Company to file the Scheme along with necessary documents by making application, petition etc., with the NCLT and with such other authorities as may be required for taking their approval to the Scheme and further authorized, empowered and directed them to take all such necessary steps and actions to give effect to the provisions of the Scheme.
4. Accordingly, a Joint Application vide **C.A.(CAA) NO.25/230/HDB/2022** was made to the Hon'ble National Company Law Tribunal, Hyderabad Bench, by the Applicant Companies for obtaining the sanction of the Tribunal to the Scheme of Amalgamation under sections of section 230 to 232 read with section 66 of the Companies Act, 2013.
5. The **C.A.(CAA) NO.25/230/HDB/2022**, was allowed by the Hon'ble National Company Law Tribunal, Hyderabad Bench on the 05<sup>th</sup> day of September, 2022 and pursuant to the said Order dated 05<sup>th</sup> day of September, 2022, passed by the Hon'ble Tribunal, in the **C.A.(CAA) NO.25/230/HDB/2022**, filed by the Company, a meeting of the Trade Creditors of the Incor Hospitals Private Limited (Transferee Company) is being convened by the Transferee Company on Saturday, the 15<sup>th</sup> day of October, 2022, at 12:00 P.M., through video conferencing ("VC") / other audio visual means ("OAVM"), for the purpose of considering, and, if thought fit, approving with or without modification(s), the Scheme of Amalgamation between Incor Healthcare Private Limited (Transferor Company) and Incor Hospitals Private Limited (Transferee Company) and their respective Shareholders and Creditors.
6. **DESCRIPTION, INFORMATION AND OTHER DETAILS PERTAINING TO THE APPLICANT COMPANIES**
  - 6.1 **"Incor Healthcare Private Limited"** is a Private Limited Company incorporated under the provisions of Companies Act, 2013 on 28.02.2022, bearing CIN: U85110TG2022PTC160175 and the PAN of the Company is AAGCI5525D.



**6.2 The Registered office of the Transferor Company** is presently situated at Plot No. 69 & 70, Opp. Lane to Madhapur P.S, Kavuri Hills, Madhapur, Hyderabad, Telangana, India, 500033.

**6.3** There is no change in the name and objects of the Company since the date of its incorporation.

**6.4 The present main objects of the Transferor Company are as follows:**

1. To establish, promote, subsidize, encourage, maintain, organize, undertake, manage, build, construct, equip, develop, recondition, operate, conduct and act as consultants to run in India or abroad hospitals, multi-specialty hospitals, nursing homes, health centers, clinics, medical pharmacy and other establishment for health care, body care and for treatment of various diseases of Human Body.
2. To promote undertake and assist planning, organization, development, establishment, maintenance, running and management of hospitals and healthcare facilities, including dispensaries, neighbourhood centers, ambulatory therapeutic and diagnostic clinics, acute care and referral hospitals, at primary, secondary and tertiary levels for the practice of high quality medicine and for development and implementation of health and medical care programmes for promotion & preservation of health and prevention, detection, diagnosis treatment and rehabilitation of disease and disability in human beings.
3. To carry on in India or elsewhere the business to establish and run, manage, maintain, organize, promote, provide, acquire, buy, sell, convert, develop, erect and handle health centers, yoga centers, beauty salons, poly clinics, natural cure centers, nursing homes pathological laboratories, diagnostic centers, medical and other research centers.
4. To establish, erect, maintain, run, manage, develop, own, acquire, purchase, undertake, improve, equip, promote, initiate, encourage, subsidise & organize hospitals, dispensaries, clinics, diagnostic centers, polyclinics, pathology laboratories, research centers, operation theatres, blood banks, eye banks, kidney banks, nursing homes, physiotherapy centers, investigation centers and other similar establishments for providing treatment & medical reliefs in all its branches by all available means to public at large on suitable fees.
5. To manufacture, formulate, process, develop, refine, import, export, wholesale and/or retail trade all kinds of pharmaceuticals products, medicines, drugs, medicines, biologicals,

neutraceuticals, healthcare, ayurvedic and dietary supplement products, medicinal preparations, vaccines, chemicals, chemical products and dry salters, also to engage in business of healthcare, life sciences, research and development, contract manufacturing in India and/or abroad and to manufacture, formulate, process, develop, refine, import, export, wholesale and/or retail trade in medicinal goods such as surgical instruments, contraceptives, photographic goods, oils, perfumes, cosmetics, patent medicines, soaps, artificial limbs, hospital requisites, proprietary medicines, veterinary medicines and tinctures extracts and to carry on the business of vialling, bottling, repacking, processing of tablets, capsules, syrups, injections, ointments, etc. and also to carry on the business of chemists, druggists, buyers, sellers, agents, distributors and stockist of all kinds of pharmaceuticals and allied products.

**6.5 The authorized, issued, subscribed and paid-up capital of the Transferor Company as on 31.03.2022 is as follows:**

<b>Share Capital</b>	<b>Amount in Rs.</b>
<b>Authorized Capital</b>	
10,000 equity shares of Rs. 10/- each	1,00,000
<b>Total</b>	<b>1,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
10,000 equity shares of Rs. 10/- each	1,00,000
<b>Total</b>	<b>1,00,000</b>

Subsequent to 31.03.2022 and till the date of approving of the resolution for the scheme of Amalgamation by the Board of Directors of the Transferor Company, there has been no change in the capital structure of the Transferor Company.

**6.6 The following is the extract of the Register of Members of the Transferor Company showing the latest list of the Shareholders of the Transferor Company:**

<b>Sl. No.</b>	<b>Name of shareholder</b>	<b>Total No. of shares held</b>	<b>% of Shareholding</b>
1.	M/s. Incor Infrastructure Private Limited	9,999	99.99
2.	Mr. Suryanarayana Reddy Pulagam	1	0.01
	<b>Total</b>	<b>10,000</b>	<b>100.00%</b>

**6.7 Details of Promoters of Transferor Company:**

<b>Sl. No.</b>	<b>Full Name</b>	<b>Present Residential/Registered Office Address</b>
1.	Incor Infrastructure Private Limited	Plot No. 69 & 70, Opposite lane to Madhapur P.S., Kavuri Hills, Madhapur, Hyderabad Telangana 500033
2.	Suryanarayana Reddy Pulagam	Plot No. 30/B, BNR Hills Rai Durgpanmktha, Near Andhra Jyothi office, Shaikpet, Jubilee Hills-500033

**6.8** Details of Directors of Transferor Company:

<b>Full Name</b>	<b>DIN</b>	<b>Present Residential Address</b>	<b>Designation</b>	<b>Date of Appointment</b>
SURYANARAYANA REDDY PULAGAM	00768424	Plot No. 30/B, BNR Hills Rai Durgpanmktha, Near Andhra Jyothi office, Shaikpet, Jubilee Hills-500033	Director	28/02/2022
SRINIVASA REDDY KOVVURI	07822936	F. No. 1006, B-Block, Srinivasa Colony, Near Vertex Lake View Villas, Nizampet, K V Rangareddy, Telangana – 500090.	Director	28/02/2022
SRI HARI PULAGAM	08549530	5-135, Vigneswara Street, Kutukuluru, Anaparti, East Godavari, Andhra Pradesh - 533264	Director	28/02/2022

**6.9** Name of the Directors of Incor Healthcare Private Limited (Transferor Company) who voted in favor of the resolution approving the Scheme of Amalgamation between Incor Healthcare Private Limited (Transferor Company) and Incor Hospitals Private Limited (Transferee Company) and their respective Shareholders and Creditors at the meeting of Board of Directors the Company held on 13.07.2022:

<b>Sl. No.</b>	<b>Name of Directors</b>
1.	SURYANARAYANA REDDY PULAGAM
2.	SRINIVASA REDDY KOVVURI
3.	SRI HARI PULAGAM

**6.10** None of the Directors voted against the resolution.

**6.11** The Transferor Company owes an amount of Rs. 155,00,00,000/- (Rupees One Hundred Fifty-Five Crore Only/-) to its 2 (Two) Secured Creditors as on 13.07.2022. The Transferor Company has Sole Unsecured Creditor for an amount of Rs. 7,31,389/- (Rupees Seven Lakh Thirty-One Thousand Three Hundred Eighty-Nine) as on 31.03.2022 and sole Unsecured Creditor of Transferor Company has given its consent to the Scheme of Amalgamation.

**6.12 M/s. Incor Hospitals Private Limited** is a Private Limited Company incorporated under the provisions of Companies Act, 1956 on 19.08.2009, bearing CIN: U93000TG2009PTC064790 and the PAN of the Company is AACCI1469G (Hereinafter referred to as the “**Transferee Company**”).

**6.13 The Registered Office of the Transferee Company** is presently situated at Sy. No. 9/1/A, Opposite P.V.T. Market, Kothapet 'X' Road, Dilsukhnagar, Hyderabad, Telangana - 500035, India.

**6.14** There is no change in the name and objects of the Company since the date of its incorporation

**6.15 The present main objects of the Transferee Company are as follows:**

1. To establish, promote, subsidize, encourage, maintain, organize, undertake, manage, build, construct, equip, develop, recondition, operate, conduct and act as consultants to run in India or abroad hospitals, multi-specialty hospitals, nursing homes, health centers, clinics, medical pharmacy and other establishment for health care, body care and for treatment of various diseases of Human Body.

2. To promote undertake and assist planning, organization, development, establishment, maintenance, running and management of hospitals and healthcare facilities, including dispensaries, neighborhood centers, ambulatory therapeutic and diagnostic clinics, acute care and referral hospitals, at primary, secondary and tertiary levels for the practice of high quality medicine and for development and implementation of health and medical care programmes for promotion & preservation of health and prevention, detection, diagnosis treatment and rehabilitation of disease and disability in human beings.
3. To carry on in India or elsewhere the business to establish and run, manage, maintain, organize, promote, provide, acquire, buy, sell, convert, develop, erect and handle health centers, yoga centers, beauty salons, poly clinics, natural cure centers, nursing homes pathological laboratories, diagnostic centers, medical and other research centers.
4. To establish, erect, maintain, run, manage, develop, own, acquire, purchase, undertake, improve, equip, promote, initiate, encourage, subsidise & organize hospitals, dispensaries, clinics, diagnostic centers, polyclinics, pathology laboratories, research centers, operation theatres, blood banks, eye banks, kidney banks, nursing homes, physiotherapy centers, investigation centers and other similar establishments for providing treatment & medical reliefs in all its branches by all available means to public at large on suitable fees.

**6.16 The authorized, issued, subscribed and paid-up capital of the Transferee Company as on 31.03.2022 is as follows:**

<b>Share Capital</b>	<b>Amount in Rs.</b>
<b>Authorized Capital</b>	
<b>Equity Shares:</b>	
74,00,000 equity shares of Rs. 10/- each	7,40,00,000
<b>Preference Shares:</b>	
26,00,000 0.01% Compulsorily Convertible Preference Shares of Rs. 10/- each (CCPS)	2,60,00,000
20,00,000 0.01% Series B- Compulsorily Convertible Preference Shares of Rs. 10/- each (CCPS)	2,00,00,000
15,00,000 0.01% Series C- Compulsorily Convertible Preference Shares of Rs. 10/- each (CCPS)	1,50,00,000
<b>Total</b>	<b>13,50,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
<b>Equity Shares:</b>	
58,40,017 equity shares of Rs. 10/- each	5,84,00,170

<b>Preference Shares:</b>		
25,80,128, 0.01% Compulsorily Convertible Preference Shares of Rs. 10/- each (CCPS)		2,58,01,280
20,00,000, 0.01% Series B- Compulsorily Convertible Preference Shares of Rs. 10/- each (CCPS)		2,00,00,000
13,23,186, 0.01% Series C- Compulsorily Convertible Preference Shares of Rs. 10/- each (CCPS)		1,32,31,860
	<b>Total</b>	<b>11,74,33,310</b>

Subsequent to 31.03.2022 and till the date of approving of the resolution for the scheme of Amalgamation by the Board of Directors of the Transferee Company, there has been no change in the capital structure of the Transferee Company.

**6.17** The following is the extract of the register of shareholders of the Transferee Company showing the latest list of the shareholders of the Transferee Company:

<b>Sl. No.</b>	<b>Name of shareholder</b>	<b>Total No. of shares held</b>	<b>% of Shareholding</b>
<b>Equity Shareholders:</b>			
1.	Incor Infrastructure Private Limited	54,97,917	94.14
2.	Madduri Gautham Reddy	1,14,000	1.95
3.	Sandeep Reddy Yaredla	1,14,000	1.95
4.	Venkat Ram Reddy Enjamoori	1,14,000	1.95
5.	Incor Healthcare Private Limited	100	0.00
	<b>TOTAL</b>	<b>58,40,017</b>	<b>100%</b>
<b>Preference Shareholders- CCPS:</b>			
1.	Incor Healthcare Private Limited	25,80,128	100
	<b>Total</b>	<b>25,80,128</b>	<b>100.00%</b>
<b>Preference Shareholders- Series B CCPS</b>			
1.	Incor Healthcare Private Limited	15,00,000	75
2.	Incor Infrastructure Private Limited	5,00,000	25
	<b>TOTAL</b>	<b>20,00,000</b>	<b>100%</b>
<b>Preference Shareholders- Series C CCPS</b>			
1.	Incor Healthcare Private Limited	6,61,593	50
2.	Incor Infrastructure Private Limited	6,61,593	50
	<b>TOTAL</b>	<b>13,23,186</b>	<b>100%</b>

**6.18** Details of Promoters of Transferee Company:

<b>Sl. No.</b>	<b>Full Name</b>	<b>Present Residential / Registered Office Address</b>

1.	Incor Infrastructure Private Limited	Plot No. 69 & 70, Opposite lane to Madhapur P.S., Kavuri Hills, Madhapur, Hyderabad Telangana 500033
2.	Suryanarayana Reddy Pulagam	Plot No. 30/B, BNR Hills, Rai Durgpanmktha, Near Andhra Jyothi office, Shaikpet, Jubilee Hills-500033

**6.19** Details of Directors of Transferee Company:

Full Name	DIN	Present Residential Address	Designation	Date of Appointment
SURYANARAYANA REDDY PULAGAM	00768424	Plot No. 30/B, BNR Hills, Rai Durgpanmktha, Near Andhra Jyothi office, Shaikpet, Jubilee Hills-500033	Managing Director	19/08/2009
BRAHMA REDDY JONNALA	07768368	Villa No. 36, Cyber Meadows, Masjid Banda, Kondapur, Serilingampally, K V Rangareddy, Telangana - 500049.	Director	30/10/2019
SRINIVASA REDDY KOVVURI	07822936	F. No. 1006, B-Block, Srinivasa Colony, Near Vertex Lake View Villas, Nizampet, K V Rangareddy, Telangana - 500090.	Director	10/03/2022

**6.20** Name of the Directors of Incor Hospitals Private Limited (Transferee Company) who voted in favor of the resolution approving the Scheme of Amalgamation between Incor Healthcare

Private Limited (Transferor Company) and Incor Hospitals Private Limited (Transferee Company) and their respective Shareholders and Creditors at the meeting of Board of Directors the Company held on 13.07.2022:

<b>Sl. No.</b>	<b>Name of Directors</b>
1.	SURYANARAYANA REDDY PULAGAM
2.	BRAHMA REDDY JONNALA
3.	SRINIVASA REDDY KOVVURI

**6.21** None of the Directors voted against the resolution.

**6.22** The Transferee Company does not have any Secured Creditors as on 13.07.2022. The Transferor Company has Sole Unsecured Creditor for an amount of Rs. 7,31,389/- (Rupees Seven Lakh Thirty-One Thousand Three Hundred Eighty-Nine) as on 31.03.2022 and the sole Unsecured Creditor of Transferor Company has given its consent to the Scheme of Amalgamation. The Transferee Company has sole Unsecured Creditor for an amount of Rs. 29,94,47,068/- (Rupees Twenty-Nine Crore Ninety-Four Lakhs Forty-Seven Thousand and Sixty-Eight Only) as on 13.07.2022 and the Sole Unsecured creditor of the Transferee Company has given its consent by way of individual affidavit to the Scheme and the Transferee Company has 669 (Six Hundred Sixty-Nine) Trade Creditors for an amount of Rs. 12,21,59,027/- (Rupees Twelve Crore Twenty-One Lakhs Fifty-Nine Thousand and Twenty-Seven only) as on 31.03.2022 and also has 47 (Forty-Seven) Creditors for Capital Expenditure for an amount of Rs.53,02,430/- (Rupees Fifty-Three Lakhs Two thousand and Four Hundred and Thirty Only) as on 31.03.2022. It is submitted that out of the total 669 Trade Creditors, the number of Trade Creditors to whom the Transferee Company owes more than Rs. 1,00,000 (Rupees One Lakh) are 219 in number. the Transferee Company had repaid Rs. 18,86,204/- (Rupees Eighteen Lakhs Eighty-Six Thousand Two Hundred and Four Only), in full, to the 176 (One Hundred and Seventy-Six) Trade Creditors who were outstanding as on 31.03.2022. Therefore, the names of the said 176 Creditors have not been included in the list of Trade Creditors outstanding as on 31.03.2022.

**7. RATIONALE, OBJECTIVE, PURPOSE AND BENEFITS OF THE SCHEME TO THE COMPANY AND ITS STAKEHOLDERS**



a) The Scheme is presented under sections 230 to 232 of the Companies Act, 2013 and it provides for amalgamation of Transferor Company into Transferee Company, resulting in reduction of administrative costs and also result in reduction of overheads and other expenses, reduction in administrative and procedural work, enable the amalgamated company to effect internal economies and optimize profitability as also to reduce administrative inefficiencies by reducing duplication of functions.

b) The proposed scheme of amalgamation is with a view to: -

- Simplify the group structure
- Eliminate the multiple entities within the group
- Integrate the operations
- Achieve operational and management efficiency.

c) The Scheme shall be beneficial and in the best interests of the shareholders, creditors and employees of the Transferor Company, and the Transferee Company and to the interest of public at large and all concerned.

## **8. SCOPE OF THE SCHEME**

This Scheme is presented under sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, and provides for the amalgamation of Transferor Company into Transferee Company. The Scheme also provides for various other matters consequential to, or otherwise integrally connected with the above. The sequence of events contemplated under the scheme is as under:

(1) Amalgamation of Transferor Company with the Transferee Company.

(2) Various other matters consequential to or otherwise integrally connected with the above in the manner provided for in the Scheme.

(3) This Scheme of Amalgamation has been drawn up to comply with the conditions as specified under section 2(1B) of Income Tax Act, 1961, such that:

- a) All the properties of Transferor Company, immediately before the amalgamation, become the properties of Transferee Company by virtue of amalgamation.
- b) All the liabilities of Transferor Company, immediately before the amalgamation, become the liabilities of Transferee Company by virtue of amalgamation.

## **9. SALIENT FEATURES OF THE SCHEME**

### **a) Clause 1.3 of the Scheme: "Amalgamating Undertaking:**

- (a)** All the assets and properties of the Transferor Company as on the Appointed Date.
- (b)** All the secured and unsecured debts, liabilities, whether short term or long-term contingent liabilities or duties and obligations of the Transferor Company, if any, as on the Appointed Date.
- (c)** Without prejudice to the generality of sub clause (a) above, the Undertaking of the Transferor Company shall include all the assets and properties, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but not limited to land and building, all fixed and movable plant and machinery, vehicles, fixed assets, capital work in progress, current assets, investments, reserves, provisions, funds, licenses, franchises, registrations, certificates, permissions, consents, approvals, concessions (including but not limited to sales tax concessions, GST, excise duty, services tax or customs, and other incentives of any nature whatsoever), remissions, remedies, subsidies, guarantees, bonds, copyrights, patents, trade names, trademarks, track record, good-will and other rights and licenses in respect thereof, applications for copyrights, patents, trade names, trademarks, leases, leave and license agreements, software licenses, software agreements, service level agreements, tenancy rights, premises, ownership flats, hire purchase, lending arrangements, benefits of security arrangements, computers, insurance policies, office equipment, telephones, telexes, facsimile connections, communication facilities, website designing equipment's, and utilities, electricity, water and other service connections, contracts and arrangements, powers, authorities, permits, allotments, privileges, liberties, advantages, easements and all the right,

title, interest, goodwill, benefit and advantage, deposits, reserves, preliminary expenses, benefit of deferred revenue expenditure, provisions, advances, receivables, deposits, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, incentives, tax credits, whether granted by state government or central government or any such other authority, (including but not limited to credits in respect of income-tax, tax on book profits, value added tax, sales tax, service tax, etc.), and other claims and powers, all books of accounts, documents and records of whatsoever nature and where so ever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company, as on the Appointed Date.

**(d)** All statutory licenses, registrations including those issued by Income Tax Department, Ministry of Corporate Affairs, and other authorities, franchises, approvals, permissions, no-objection certificates, permits, consents, patents, trademarks, tenancies, offices, depots, quotas, rights, entitlements, privileges, benefits of all contracts / agreements / leases (including, but not limited to, contracts / agreements with vendors, customers, government etc.), all other rights (including, but not limited to, right to use and avail electricity connections, water connections, environmental clearances, telephone connections, facsimile connections, telexes, e-mail, internet, leased line connections and installations, lease rights, easements, powers and facilities), of the Transferor Company's on the Appointed Date.

**(e)** All staff, workmen and employees engaged in the Transferor Company.

**(f)** All records, files, papers, information, computer programs, software applications, manuals, data, catalogues, quotations, advertising materials, lists of present and former customers, pricing information and other records, whether in physical form or electronic form of the Transferor Company.

**b) Clause 1.4 of the Scheme: "Appointed Date" means 01.04.2022 (First day of April Two Thousand Twenty-Two) or such other date as may be approved by the Hon'ble National Company Law Tribunal, Hyderabad Bench or such other competent authority having jurisdiction to sanction the Scheme.**

**c) Clause 2 of the Scheme: Transfer of assets, properties, estates, claims, debts, duties, liabilities, obligations etc.,**

**2.1** Subject to the provisions of this Scheme and upon the sanction of the Scheme by the Tribunal and with effect from the Appointed Date, the entire Amalgamating Undertaking of the Transferor Company shall, under the provisions of Sections 230 to 232 read with Section 66 of the Act and all other applicable provisions, if any, of the Act, without any further act or deed [save as provided in sub clause (b) below] be transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company on a going concern basis so as to become the undertaking of the Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Company therein, in the following manner:

- a) The immovable properties, if any, of the Transferor Company, shall under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become effective as from the Appointed Date the properties of the Transferee Company.
- b) All the movable assets including but not limited to computers and equipment, office equipment, machineries, telephones, telexes, facsimile connections and installations and utilities, trademarks, track record, good-will, products, websites, portals, inventories, insurance policies, cash in hand, advances, loans and advances, loan portfolios, inventories, receivables, all deposits, bank balances, accounts and all other rights, of the Transferor Company capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to the Transferee Company but subject to all liens, mortgages, if any, then affecting the same or part thereof, as may be subsisting and agreed to be created over or in respect of the assets that are movable in nature. All such liens, mortgages, if any, shall continue and be deemed to be charges, hypothecation, liens, mortgages over the assets of the Transferee Company on the Appointed Date.
- c) In respect of movables other than those specified in sub clause (b) above, including, outstanding loans and advances, Investments (whether current or non – current),

trade receivables, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons, the same shall, without any further act, instrument or deed, be transferred to and stand vested in and /or be deemed to be transferred to and stand vested in the Transferee Company under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, of the Act.

- d) All secured and/or unsecured debts, if any, all liabilities, duties and obligations of every kind, nature, description, whether or not provided for in the books of account and whether disclosed or undisclosed in the balance sheets of the Transferor Company shall also, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the debts, liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or restructuring by virtue of which such secured and/or unsecured debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub clause.

It is clarified that in so far as the borrowings / debts and assets comprising the Transferor Company are concerned, the security or charge, if any, created on assets of the Transferor Company including for the loans and borrowings of the Transferee Company, without any further act or deed continue to relate to the said assets after the sanction of the Scheme by the Tribunal.

- e) In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed (including credit on account of tax on book profits, sales tax, excise duty, custom duty, service tax, GST and other incentives), granted by any government body, local authority or by any other person and availed by the Transferor Company, the same shall vest with and be available to the Transferee Company on the same terms and conditions.

- f) The Transferee Company shall be entitled to the benefit of all insurance policies which have been issued in respect of the Transferor Company, and the name of the Transferee Company shall be substituted in all such policies.
- 2.2** The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Company, to implement and carry out all formalities and compliances, if required, referred to above.
- 2.3** All the properties or assets of the Transferor Company whether movable or immovable, being transferred pursuant to this Scheme, which are registered and standing in the name of Transferor Company shall, upon the scheme being sanctioned by the Tribunal, be registered in the name of the Transferee Company and the name of the Transferor Company shall be substituted with the name of the Transferee Company in all such certificates of registration, endorsements, records and in revenue/mutation records in case of immovable properties by such appropriate authorities.
- 2.4** Any tax liabilities under the Income-tax Act, 1961, service tax laws, GST, customs law or other applicable laws/ regulations dealing with taxes/ duties / levies of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date, if any, shall be transferred to Transferee Company.
- 2.5** Any refund under the Income-tax Act, 1961, service tax laws / GST, or other applicable laws / regulations dealing with taxes/ duties / levies tax due to Transferor Company consequent to the assessment made on Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.
- 2.6** Upon the sanction of the Scheme by the Tribunal, all rights, entitlements and powers to revise returns and filings of the Transferor Company under the Income-tax Act, 1961, service tax laws and other laws, and to claim refunds and / or credits for taxes paid, etc. and for matters incidental thereto, shall be available to, and vest with the Transferee Company, including for the period prior to the Appointed Date.
- 2.7** All tax assessment proceedings / appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor

Company shall be continued and / or enforced until the date of sanction of this Scheme by the Tribunal against the Transferor Company and from the date of sanction of this Scheme by the Tribunal, the same shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.

Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company into the Transferee Company or anything contained in the Scheme.

- 2.8** All the tax payments (including, without limitation payments under the Income-Tax Act, 1961 service tax laws, GST, and other laws) whether by way of tax deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Further, any tax deducted at source by the Transferor Company on transactions with the Transferee Company, if any (from Appointed Date till date of sanction of this Scheme by the Tribunal) shall be deemed to be advance taxes paid by the Transferee Company and shall, in all proceedings be dealt with accordingly.
- 2.9** Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company under the Income-tax Act, 1961, service tax laws, GST or other applicable laws / regulations dealing with taxes/ duties / levies shall be made or deemed to have been made and duly complied with by the Transferee Company.
- 2.10** This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section of the Income-Tax Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act, 1961.

**d) Clause 3 of the Scheme - Approval of The Scheme By Hon'ble NCLT and Operative Date:**

The Scheme set out herein in its present form is subject to any modification(s) approved or imposed or directed by the Board of Directors of Transferee Company and / or Transferor Company, or by the members or creditors of the Companies involved and /or by the Regional Director, Registrar of Companies or by the Official Liquidator or by National Company Law Tribunal or by any other appropriate authority, unless otherwise specified in the Scheme, shall be operative from the Appointed Date but shall be effective from the date on which the scheme is approved by Hon'ble NCLT.

**e) Clause 4 of the Scheme - Legal Proceedings:**

Upon the Scheme becoming effective, all legal and other proceedings, including before any statutory or quasi-judicial authority or tribunal of whatsoever nature, if any, by or against the Transferor Company pending and/or arising at the Appointed Date, shall be continued and enforced by or against the Transferee Company only, to the exclusion of the Transferor Company in the manner and to the same extent as it would have been continued and enforced by or against the Transferor Company. On and from the date the scheme is approved by Hon'ble NCLT, the Transferee Company shall and may, if required, initiate any legal proceedings in relation to the Transferor Company in the same manner and to the same extent as it would or might have been initiated by the Transferor Company. After the Appointed Date, if any proceedings are taken against the Transferor Company the same shall be defended by and at the cost of the Transferee Company.

**f) Clause 6 of the Scheme - Saving of Concluded Transactions:**

The transfer of Amalgamating Undertaking under clause **Error! Reference source not found.** above and the continuation of proceedings by or against the Transferee Company under clause 4 above and the effectiveness of the contracts and deeds under clause 5 shall not affect any transactions and proceedings or contracts or deeds already concluded by the Transferor Company on or before the Appointed Date and after the Appointed Date till the scheme is approved by Hon'ble NCLT, to the end and intent that the Transferee Company accepts and adopts all such acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself

**g) Clause 7 of the Scheme - Staff, Workmen & Employees:**

On the Scheme coming into effect, all staff, workmen and employees of the Transferor Company in service, once the scheme is approved by Hon'ble NCLT shall be deemed to have become staff, workmen and employees of the Transferee Company with effect from the date on which scheme is approved by Hon'ble NCLT without any break in



their service and the terms and conditions of their employment with the Transferee Company shall not be less favorable than those applicable to them with reference to the Transferor Company on the date on which scheme is approved by Hon'ble NCLT.

**h) Clause 8 of the Scheme - Increase in the authorized capital of Transferee Company and clubbing of authorized share capital of Transferor Company with the authorized share capital of Transferee company:**

**8.1** Upon sanction of this Scheme by the Tribunal, the authorized share capital of the Transferor Company which is Rs.1,00,000/- (Rupees One Lakhs Only) comprising 10,000 (Ten Thousand) equity shares of Rs.10/- (Rupees Ten only) each, shall be clubbed with the Authorized Share Capital of the Transferee Company and therefore, the Authorized Share Capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to Registrar of Companies, to Rs. 13,51,00,000 (Rupees Thirteen Crore Fifty-One Lakhs) divided into 74,10,000 (Seventy-Four Lakh Ten Thousand) equity shares of Rs. 10/- each, 26,00,000, 0.01% Compulsorily Convertible Preference Shares of Rs. 10/- each, 20,00,000, 0.01% Series B- Compulsorily Convertible Preference Shares of Rs. 10/- each, 15,00,000, 0.01% Series C- Compulsorily Convertible Preference Shares of Rs. 10/- each.

**8.2** It is clarified that the approval of the members of the Transferee Company to the Scheme, whether at a meeting or otherwise, shall be deemed to be their consent/approval under section 13, 61 and 64 and other applicable provisions of the Companies Act, 2013, for increase of the authorized capital of the Transferee Company and consequent alteration to the Memorandum of Association of the Transferee Company. It is hereby clarified that upon such approval, the Transferee Company will not be required to do any act, deed or thing or pass any further resolution for increase in the authorized capital of the Transferee Company except for filing relevant forms required to be filed with the Registrar of Companies.

**8.3** For the purpose of sub clause 8.1 above, the stamp duties and fees paid on the authorized share capital of the Transferor Company shall be utilized and applied to the increased authorized share capital of the Transferee Company and there would

be no requirement for any further payment of stamp duty and/or fee by the Transferee Company for clubbing the authorized share capital of the Transferor Company to that extent.

**8.4** Upon the coming into effect of this Scheme, Clause V of the Memorandum of Association shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13, 61, 64 of the Companies Act, 2013 and other applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause: -

**“V. The Authorized Share Capital of the Company is Rs. 13,51,00,000 (Rupees Thirteen Crore Fifty-One Lakhs) comprising of:**

- i. Rs. 7,41,00,000/- (Rupees Seven Crore Forty-One Lakh) divided into 74,10,000 (Seventy-Four Lakh Ten Thousand) equity shares of Rs. 10/- (Rupees Ten only) each.**
- ii. Rs.2,60,00,000/- (Rupees Two Crore and Sixty Lakhs only) divided into 26,00,000 (Twenty-Six Lakhs) Compulsorily Convertible Preference Shares of Rs.10/- (Rupees Ten only) each.**
- iii. Rs.2,00,00,000/- (Rupees Two Crore only) divided into 20,00,000 (Twenty Lakhs) Series B Compulsorily Convertible Preference Shares of Rs. 10/- (Rupees Ten only) each.**
- iv. Rs.1,50,00,000/- (Rupees One Crore Fifty Lakhs only) divided into 15,00,000 (Fifteen Lakhs) Series C Compulsorily Convertible Preference Shares of Rs. 10/- (Rupees Ten only) each.**

**each with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such**

**manner as may for the time being provide by the regulations of the Company.  
The rights of the preference shall be determined at the time of issue thereof.”**

- i) Clause 10 of the Scheme - Consideration:** Upon sanction of this Scheme by the Tribunal and in consideration of the transfer and vesting of the Transferor Company in the Transferee Company in terms of the Scheme, the Transferee Company shall discharge consideration to the equity shareholders of the Transferor Company, whose names appear in the Register of Members of the Transferor Company as the holders of equity shares, as on the date of Approval of Scheme by the Board of Directors of the Transferor Company, in the following manner:

**“1 (One) Equity Share of the face value of Rs. 10/- (Rupees Ten only) each in the Transferee Company, credited as fully paid up, for every 27 (Twenty-Seven) Equity Share of the face value of Rs. 10/- (Rupees Ten only) each fully paid up held by them in the Transferor Company”**

Any fraction arising out of allotment of equity shares as per above Clause shall be rounded off to the nearest whole number by the Board of the Transferee Company, including the rights in respect of dividend, if declared by the Transferee Company.

- j) Clause 11 of the Scheme - Cancellation of Equity shares and Preference shares of the Transferee Company held by the Transferor Company:**

11.1 On the Scheme becoming effective, the equity shares and preference shares of the Transferee Company held by the Transferor Company shall stand cancelled. Accordingly, the share capital of the Transferee Company shall stand reduced to the extent of face value of equity shares & preference shares held by the Transferor Company in the Transferee Company.

11.2 Such reduction of share capital of the Transferee Company as provided in Clause 11.1 above shall be effected as an integral part of the Scheme and the order of NCLT sanctioning the Scheme shall be deemed to be an order under Section 66 of the Act confirming the reduction and no separate sanction under Section 66 of the Act will be necessary. The Transferee Company shall not be required to add the words ‘and reduced’ as a suffix to its name consequent upon such reduction.

**k) Clause 12 of the Scheme - Accounting Treatment:**

Upon the coming into effect of this Scheme, the amalgamation of the Transferor Company with the Transferee Company shall be accounted in accordance with the pooling of interest method of accounting as prescribed in the applicable Accounting Standards notified under Section 133 of the Act, and other relevant provisions of the Act read with the rules made thereunder and other Generally Accepted Accounting Principles in India, as may be amended from time to time such that:

12.1 The Transferee Company shall, record all the assets and liabilities, including Reserves of the Transferor Company vested in it pursuant to this Scheme, at their respective book values as appearing in the books of the Transferor Company on the Appointed Date. The identity of the reserves of Transferor Company to the extent possible shall be preserved and they shall appear in the financial statements of the Transferee Company in the same manner in which they appear in the financial statements of the Transferor Company, prior to this Scheme being made effective.

12.2 If at time of amalgamation, the Transferor Company and Transferee Company have conflicting accounting policies, a uniform accounting policy shall be adopted by the Transferee Company following the amalgamation. The effect on the financial statements of any change in accounting policies shall be reported in accordance with applicable Accounting Standard 5, 'Prior Period and Extraordinary Items and changes in accounting policies.

12.3 Investment, in the equity/preference share capital of the Transferee Company as appearing in the books of accounts of the Transferor Company, shall stand cancelled and there shall be no further obligation/ outstanding in that behalf.

12.4 The loans and advance or payables or receivables of any kind, held inter-se, if any between the Transferor Company and the Transferee Company, as appearing in its respective books of accounts shall stand cancelled.

**l) Clause 13 of the Scheme - Dissolution of the Transferor Company upon Merger:** On the Scheme coming into effect, the Transferor Company shall, without any further act or deed, stand merged/dissolved without going through the process of winding up.

**m) Clause 18 of the Scheme: CONDITIONALITY OF THE SCHEME:**

**18.1** This Scheme is conditional upon and subject to:

- a. it being agreed to by the respective requisite majorities of the members and various classes of creditors (if any) of the Transferor Company and the Transferee Company as required under the Act and the required consent of Hon'ble NCLT bench, Hyderabad being obtained.
- b. the requisite sanctions and approvals, as may be required by law in respect of this Scheme being obtained including creditors of the Transferee Company and Transferor Company or their nominees or trustees.

**YOU ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME TO GET FULLY ACQUAINTED WITH THE PROVISIONS THEREOF. THE AFORESAID ARE ONLY SOME OF THE KEY PROVISIONS OF THE SCHEME.**

**10. Valuation Report:**

Valuation report issued by Sanka Hari Surya, Registered Valuer, bearing registration no. IBBI/RV/07/2019/12576 determines the swap ratio as follows:

**“1 (One) Equity Share of the face value of Rs. 10/- (Rupees Ten only) each in the Transferee Company, credited as fully paid up, for every 27 (Twenty-Seven) Equity Share of the face value of Rs. 10/- (Rupees Ten only) each fully paid up held by them in the Transferor Company.”**

The valuation has been carried out for the purpose of determining the Share Exchange Ratio in relation to the Scheme. A copy of the Valuation Report dated 01.07.2022, including the basis of valuation, is annexed to this Notice. The valuation report is also available for inspection at the registered office of the Company.

**11. Pre and Post Amalgamation Capital Structure**

- a) The pre amalgamation Capital Structure of the Transferor Company i.e. of Incor Healthcare Private Limited is given at clause 6.5 of this Explanatory Statement.

- b) The pre amalgamation Capital Structure of the Transferee Company i.e. of Incor Hospitals Private Limited is given at clause 6.16 of this Explanatory Statement.
- c) **The post amalgamation Capital Structure of the Transferee Company is as follows:**

Sl. No.	Name of shareholder	Total No. of shares held	% of Shareholding
<b>Equity Shareholders:</b>			
1	Incor Infrastructure Private Limited	54,98,286	94.14%
2	Madduri Gautham Reddy	1,14,000	1.95%
3	Sandeep Reddy Yaredla	1,14,000	1.95%
4	Venkat Ram Reddy Enjamoori	1,14,000	1.95%
6	Suryanarayana Reddy Pulagam	1	0.00%
	<b>TOTAL</b>	<b>58,40,287</b>	<b>100%</b>

<b>Preference Shareholders- Series B CCPS</b>			
1	Incor Infrastructure Private Limited	3,30,797	100%
	<b>TOTAL</b>	<b>3,30,797</b>	<b>100%</b>

<b>Preference Shareholders- Series C CCPS</b>			
1	Incor Infrastructure Private Limited	6,61,593	100%
	<b>TOTAL</b>	<b>6,61,593</b>	<b>100%</b>
<b>GRAND TOTAL</b>			<b>68,32,677</b>

**12.** The Scheme of Amalgamation, if approved by the appropriate authorities and the Tribunal, shall not have any adverse impact or effect on the Directors, Promoters, Non-Promoter Members, Creditors, whether secured or unsecured, employees of Company and / or Transferee or Transferor Company. The Applicant Companies does not have any Depositors or Debenture Holders.

**13.** The Directors of the Applicant Companies have no material interest in the proposed Scheme of Amalgamation except as shareholders in general and the Scheme of Amalgamation shall not have any adverse effect on the Directors of respective Companies.

**14.** A report adopted by the Board of Directors of the Company, explaining the effect of Scheme on promoters and non-promoter Shareholders, is enclosed to this Notice.

- 15.** The rights and interests of creditors of the Applicant Companies will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all called from them nor their rights sought to be modified in any manner and post the Scheme, the Transferee Company will be able to meet its liabilities as they arise in the ordinary course of business.
- 16.** There are no winding up proceedings pending against any of the Applicant Companies as on date.
- 17.** No inquiry or investigation under sections 235 to 251 of the Companies Act, 1956, or under Section 210 to 227 of Companies Act, 2013, is pending against any of the Applicant Companies.
- 18.** The financial position of the Transferee Company will not be adversely affected by the Scheme.
- 19.** A copy of the Scheme has been filed by the Company with the Registrar of Companies, for the State of Telangana.
- 20.** The Scheme of Amalgamation requires the approval / sanction / no objection from the following the regulatory and government authorities:
- a) Registrar of Companies
  - b) Regional Director
  - c) Official Liquidator
  - d) Income Tax Authorities
  - e) National Company Law Tribunal
- f) The Companies are yet to obtain the sanction of Registrar of Companies, Regional Director, Income Tax Authorities, Official Liquidator and the National Company Law Tribunal, Hyderabad Bench. The approval of the aforesaid authorities will be obtained at appropriate time.
- 21.** Inspection and / or extract by the Trade Creditors of the Transferee Company, of the following documents is allowed at the Registered Office of the Company on all working days (excepts on Saturdays, Sundays and Public Holidays) upto 12<sup>th</sup> day of October 2022, between 2:00 PM to 05:00 PM.

- a) Joint Company Application No. C.A. (CAA) NO. 25/230/HDB/2022 filed by the Applicant Companies with the Hon'ble National Company Law Tribunal, Hyderabad Bench.
- b) Certified copy of the order dated 05<sup>th</sup> day of September 2022, passed by the Hon'ble National Company Law Tribunal, Hyderabad Bench in the C.A. (CAA) NO. 25/230/HDB/2022.
- c) Resolution passed by the Board of Directors of Applicant Companies approving the Scheme of Amalgamation at their respective meetings held on 13.07.2022.
- d) Scheme of Amalgamation between Incor Healthcare Private Limited (Transferor Company) and Incor Hospitals Private Limited (Transferee Company) and their respective Shareholders and Creditors.
- e) Valuation report dated 01.07.2022 issued by Mr. Sanka Hari Surya, Registered Valuer, bearing registration no. IBBI/RV/07/2019/12576.
- f) A certificate issued by Auditor of the company to the effect that the accounting treatment proposed in the scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.
- g) Memorandum and Articles of Association of the Applicant Companies.
- h) Audited Financial Statements of the Transferee Company, Transferor Company, for the period ended on 31.03.2022.
- i) Report adopted by the Board of Directors of the Applicant Companies, explaining the effect of Scheme on promoters and non-promoter Shareholders of the Company.
- j) Audited Financial Statements of Incor Hospitals Private Limited (Transferee Company) for the period ended on 31.02.2021.

**22.** The Scheme of Amalgamation, if approved by the Trade Creditors, shall be operative from the Appointed Date subject to the approval and directions of the National Company Law Tribunal Bench at Hyderabad.



23. A copy of the Notice, the Explanatory Statement, the Scheme of Amalgamation, details & information as required under Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Report adopted by the Board of Directors of the Transferee Company, explaining the effect of Scheme promoters and non-promoter Shareholders of the Company, Audited Financial Statements of the Transferee Company, Transferor Company, for the period ended on 31.03.2022, a form of Proxy and other relevant documents are also available on the website of the Company and also available for inspection at the registered office on all working days (except on Saturdays, Sundays and Public Holidays) upto 12<sup>th</sup> day of October, 2022, between 2:00 PM to 05:00 PM.
24. None of the Directors of respective Companies and their respective relatives is concerned or interested, financially or otherwise in the proposed resolution except as shareholders of their respective companies in general.
25. The Board of Directors recommends the resolution set out in the notice in relation to the approval of the proposed Scheme of Amalgamation between Incor Healthcare Private Limited (Transferor Company) and Incor Hospitals Private Limited (Transferee Company) and their respective Shareholders and Creditors.
26. This statement may be treated as an Explanatory Statement under Section 102 read with sections 230 to 232 of the Companies Act, 2013, read with relevant rules made thereunder.
27. A copy of the Scheme, Explanatory Statement and Proxy Forms may be obtained from the Registered Office of the Company.

**Sd/-**  
Datla Divya Raju,  
**Advocate**  
**Chairperson - Tribunal Convened**  
**Meeting of Trade Creditors of**  
**Incor Hospitals Private Limited**

**Dated this the 12<sup>th</sup> day of September 2022**  
**Hyderabad**

SCHEME OF AMALGAMATION  
UNDER SECTIONS 230 AND 232 READ WITH SECTION 66 OF THE  
COMPANIES ACT, 2013  
BETWEEN  
INCOR HOSPITALS PRIVATE LIMITED  
(TRANSFeree COMPANY)  
AND  
INCOR HEALTHCARE PRIVATE LIMITED  
(TRANSFEROR COMPANY)  
AND  
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

**A. PREAMBLE OF THE SCHEME**

This Scheme of Amalgamation is presented under Sections 230 and 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, and it provides for the Amalgamation of M/s. **Incor Healthcare Private Limited** (Transferor Company) with M/s. **Incor Hospitals Private Limited** (Transferee Company).

The Scheme also provides for various other matters consequential to or otherwise integrally connected with the above in the manner provided for in the Scheme.

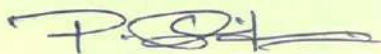
**(1) DESCRIPTION OF THE COMPANIES:**

- (i). M/s. "**Incor Healthcare Private Limited**" is a Private Limited Company incorporated under the provisions of Companies Act, 2013 on 28.02.2022, bearing CIN: U85110TG2022PTC160175 and the PAN of the Company is AAGCI5525D (Hereinafter referred to as the "**Transferor Company**").

The Registered Office of the Transferor Company is presently situated at Plot No. 69 & 70, Opp lane to Madhapur P.S, Kavuri Hills, Madhapur, Hyderabad, Telangana, India, 500033.

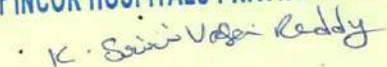
The present main objects of the Transferor Company are as follows:

For INCOR HEALTHCARE PRIVATE LIMITED



Director

For INCOR HOSPITALS PRIVATE LIMITED



Director

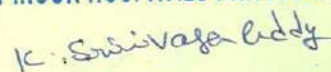


1. To establish, promote, subsidize, encourage, maintain, organize, undertake, manage, build, construct, equip, develop, recondition, operate, conduct and act as consultants to run in India or abroad hospitals, multi specialty hospitals, nursing homes, health centers, clinics, medical pharmacy and other establishment for health care, body care and for treatment of various diseases of Human Body.
2. To promote undertake and assist planning, organization, development, establishment, maintenance, running and management of hospitals and healthcare facilities, including dispensaries, neighborhood centers, ambulatory therapeutic and diagnostic clinics, acute care and referral hospitals, at primary, secondary and tertiary levels for the practice of high quality medicine and for development and implementation of health and medical care programmes for promotion & preservation of health and prevention, detection, diagnosis treatment and rehabilitation of disease and disability in human beings.
3. To carry on in India or elsewhere the business to establish and run, manage, maintain, organize, promote, provide, acquire, buy, sell, convert, develop, erect and handle health centers, yoga centers, beauty salons, poly clinics, natural cure centers, nursing homes, pathological laboratories, diagnostic centers, medical and other research centers.
4. To establish, erect, maintain, run, manage, develop, own, acquire, purchase, undertake, improve, equip, promote, initiate, encourage, subsidise & organize hospitals, dispensaries, clinics, diagnostic centers, polyclinics, pathology laboratories, research centers, operation theatres, blood banks, eye banks, kidney banks, nursing homes, physiotherapy centers, investigation centers and other similar establishments for providing treatment & medical reliefs in all its branches by all available means to public at large on suitable fees.
5. To manufacture, formulate, process, develop, refine, import, export, wholesale and/or retail trade all kinds of pharmaceuticals, products, medicines, drugs, biologics, nutraceuticals, healthcare, ayurvedic and dietary supplement products, medicinal preparations, vaccines, chemicals, chemical products and dry salters, also to engage in

business of LIMITED  
For INCOR HEALTHCARE PRIVATE LIMITED

  
Director

For INCOR HOSPITALS PRIVATE LIMITED

  
Director

Director



manufacturing in India and/or abroad and to manufacture, formulate, process, develop, refine, import, export, wholesale and/or retail trade in medicinal goods such as surgical instruments, contraceptives, photographic goods, oils, perfumes, cosmetics, patent medicines, soaps, artificial limbs, hospital requisites, proprietary medicines, veterinary medicines and tinctures extracts and to carry on the business of vialling, bottling, repacking, processing of tablets, capsules, syrups, injections, ointments, etc. and also to carry on the business of chemists, druggists, buyers, sellers, agents, distributors and stockist of all kinds of pharmaceuticals and allied products.

The authorized, issued, subscribed and paid-up capital of the Transferor Company as on 31.03.2022 is as follows:

Share Capital	Amount in Rs.
<b>Authorised Capital</b>	
10,000 equity shares of Rs. 10/- each	1,00,000
<b>Total</b>	<b>1,00,000</b>
<b>Issued, Subscribed and Paid up Capital</b>	
10,000 equity shares of Rs. 10/- each	1,00,000
<b>Total</b>	<b>1,00,000</b>

The following is the extract of the Register of Members of the Transferor Company showing the list of the equity shareholders of the Transferor Company as on 31.03.2022:

Sl.No.	Name of shareholder	Total No. of shares held	% of Shareholding
1.	M/s. Incor Infrastructure Private Limited	9,999	99.99
2.	Mr. Suryanarayana Reddy Pulagam	1	0.01
	<b>Total</b>	<b>10,000</b>	<b>100.00%</b>

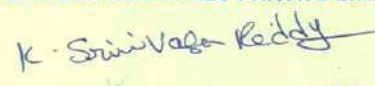
Subsequent to 31.03.2022 and till the date of approving of the resolution for the scheme of Amalgamation by the Board of Directors of the Transferor Company, there has been no change in the capital structure of the Transferor Company.

- (ii). INCOR HOSPITALS PRIVATE LIMITED (Transferee Company) is a Private Limited Company incorporated under the provisions of Companies Act, 1956 on 19.08.2009, bearing CIN: U93000TG2009PTC064790 and the PAN of the Company is AACCI1469G (Hereinafter referred to as the "Transferee Company").

For INCOR HEALTHCARE PRIVATE LIMITED

  
Director

For INCOR HOSPITALS PRIVATE LIMITED

  
Director



The Registered Office of the Transferee Company is situated at Sy. No. 9/1/A, Opposite P.V.T. Market, Kothapet 'X' Road, Dilsukhnagar, Hyderabad, Telangana-500035, India.

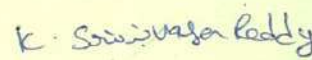
The present main objects of the Transferee Company are as follows:

1. To establish, promote, subsidize, encourage, maintain, organize, undertake, manage, build, construct, equip, develop, recondition, operate, conduct and act as consultants to run in India or abroad hospitals, multi-specialty hospitals, nursing homes, health centers, clinics, medical pharmacy and other establishment for health care, body care and for treatment of various diseases of Human Body.
2. To promote undertake and assist planning, organization, development, establishment, maintenance, running and management of hospitals and healthcare facilities, including dispensaries, neighborhood centers, ambulatory therapeutic and diagnostic clinics, acute care and referral hospitals, at primary, secondary and tertiary levels for the practice of high quality medicine and for development and implementation of health and medical care programmes for promotion & preservation of health and prevention, detection, diagnosis treatment and rehabilitation of disease and disability in human beings.
3. To carry on in India or elsewhere the business to establish and run, manage, maintain, organize, promote, provide, acquire, buy, sell, convert, develop, erect and handle health centers, yoga centers, beauty salons, poly clinics, natural cure centers, nursing homes pathological laboratories, diagnostic centers, medical and other research centers.
4. To establish, erect, maintain, run, manage, develop, own, acquire, purchase, undertake, improve, equip, promote, initiate, encourage, subsidise & organize hospitals, dispensaries, clinics, diagnostic centers, polyclinics, pathology laboratories, research centers, operation theatres, blood banks, eye banks, kidney banks, nursing homes, physiotherapy centers, investigation centers and other similar establishments for providing treatment & medical reliefs in all its branches by all available means to public at large on suitable fees.

For INCOR HEALTHCARE PRIVATE LIMITED

 Director

For INCOR HOSPITALS PRIVATE LIMITED

 Director



The authorized, issued, subscribed and paid-up capital of the Transferee Company as on 31.03.2022 is as follows:

Share Capital	Amount in Rs.
<b>Authorised Capital</b>	
<b>Equity Shares:</b>	
74,00,000 equity shares of Rs. 10/- each	7,40,00,000
<b>Preference Shares:</b>	
26,00,000, 0.01% Compulsorily Convertible Preference Shares of Rs. 10/- each	2,60,00,000
20,00,000, 0.01% Series B- Compulsorily Convertible Preference Shares of Rs. 10/- each	2,00,00,000
15,00,000, 0.01% Series C- Compulsorily Convertible Preference Shares of Rs. 10/- each	1,50,00,000
<b>Total</b>	<b>13,50,00,000</b>
<b>Issued, Subscribed and Paid up Capital</b>	
<b>Equity Shares:</b>	
58,40,017 equity shares of Rs. 10/- each	5,84,00,170
<b>Preference Shares:</b>	
25,80,128 0.01% Compulsorily Convertible Preference Shares of Rs. 10/- each	2,58,01,280
20,00,000, 0.01% Series B- Compulsorily Convertible Preference Shares of Rs. 10/- each	2,00,00,000
13,23,186, 0.01% Series C- Compulsorily Convertible Preference Shares of Rs. 10/- each	1,32,31,860
<b>Total</b>	<b>11,74,33,310</b>

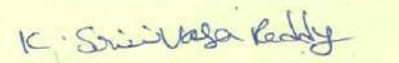
The following is the extract of the Register of Members of the Transferee Company showing the list of the equity shareholders and preference shareholders of the Transferee Company as on 31.03.2022:

Sl. No.	Name of shareholder	Total No. of shares held	% of Shareholding
<b>Equity Shareholders:</b>			
1.	Incor Infrastructure Private Limited	54,97,917	94.14
2.	Madduri Gautham Reddy	1,14,000	1.95
3.	Sandeep Reddy Yaredla	1,14,000	1.95
4.	Venkat Ram Reddy Enjamoori	1,14,000	1.95
5.	Incor Healthcare Private Limited	100	0.00
	<b>TOTAL</b>	<b>58,40,017</b>	<b>100%</b>
<b>Preference Shareholders- CCPS:</b>			
1.	Incor Healthcare Private Limited	25,80,128	100
	<b>Total</b>	<b>25,80,128</b>	<b>100.00%</b>
<b>Preference Shareholders- Series B CCPS</b>			
1.	Incor Healthcare Private Limited	15,00,000	75
2.	Incor Infrastructure Private Limited	5,00,000	25
	<b>TOTAL</b>	<b>20,00,000</b>	<b>100%</b>
<b>Preference Shareholders- Series C CCPS</b>			
1.	Incor Healthcare Private Limited	6,61,593	50
2.	Incor Infrastructure Private Limited	6,61,593	50
	<b>TOTAL</b>	<b>13,23,186</b>	<b>100%</b>

For INCOR HEALTHCARE PRIVATE LIMITED

  
Director

For INCOR HOSPITALS PRIVATE LIMITED

  
Director



Subsequent to 31.03.2022 and till the date of approving of the resolution for the scheme of Amalgamation by the Board of Directors of the Transferee Company, there has been no change in the capital structure of the Transferee Company.

#### **B. RATIONALE, OBJECTIVE & PURPOSE OF THE SCHEME**

- a) The Scheme is presented under sections 230 to 232 of the Companies Act, 2013 and it provides for amalgamation of Transferor Company into Transferee Company, resulting in reduction of administrative costs and also result in reduction of overheads and other expenses, reduction in administrative and procedural work, enable the amalgamated company to effect internal economies and optimize profitability as also to reduce administrative inefficiencies by reducing duplication of functions.
- b) The proposed scheme of amalgamation is with a view to:-
- Simplify the group structure
  - Eliminate the multiple entities within the group
  - Integrate the operations
  - Achieve operational and management efficiency.
- c) The Scheme shall be beneficial and in the best interests of the shareholders, creditors and employees of the Transferor Company, and the Transferee Company and to the interest of public at large and all concerned.

#### **C. SCOPE OF THE SCHEME**

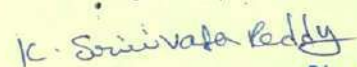
The Scheme of Amalgamation provides for:

- (1) Amalgamation of Transferor Company with the Transferee Company.
- (2) Various other matters consequential to or otherwise integrally connected with the above in the manner provided for in the Scheme.
- (3) This Scheme of Amalgamation has been drawn up to comply with the conditions as specified under section 2(1B) of Income Tax Act, 1961, such that:
  - a) All the properties of Transferor Company, immediately before the amalgamation, become the properties of Transferee Company by virtue of amalgamation.

For INCOR HEALTHCARE PRIVATE LIMITED

  
Director

For INCOR HOSPITALS PRIVATE LIMITED

  
Director

- b) All the liabilities of Transferor Company, immediately before the amalgamation, become the liabilities of Transferee Company by virtue of amalgamation.

**D. PARTS OF THE SCHEME:**

This Scheme of Amalgamation is explained by dividing it into the following parts:

- PART A** : Deals with Definitions.
- PART B** : Deals with the Amalgamation of Transferor Company and Transferee Company.
- PART C** : Deals with General Terms and Conditions

**PART-A**

**DEFINITIONS**

**1. DEFINITIONS**

1.1 "Act" or "the Act" means the Companies Act, 2013 and every modification or re-enactment thereof and references to sections of the Act shall be deemed to mean and include reference to sections enacted in modification or replacement thereof.

1.2 "Applicable Law(s)" means any statute, notification, bye-laws, rules, regulations, guidelines, or common law, policy, code, directives, ordinance, schemes, notices, orders or instructions enacted or issued or sanctioned by any Appropriate Authority including any modification or re-enactment thereof for the time being in force.

1.3 "Amalgamating Undertaking" shall mean:

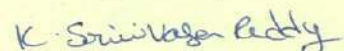
- a) All the assets and properties of the Transferor Company as on the Appointed Date.
- b) All the secured and unsecured debts, liabilities, whether short term or longterm contingent liabilities or duties and obligations of the Transferor Company, if any, as on the Appointed Date.

For INCOR HEALTHCARE PRIVATE LIMITED



Director

For INCOR HOSPITALS PRIVATE LIMITED



Director



c) Without prejudice to the generality of sub clause (a) above, the Undertaking of the Transferor Company shall include all the assets and properties, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but not limited to land and building, all fixed and movable plant and machinery, vehicles, fixed assets, capital work in progress, current assets, investments, reserves, provisions, funds, licenses, franchises, registrations, certificates, permissions, consents, approvals, concessions (including but not limited to sales tax concessions, GST, excise duty, services tax or customs, and other incentives of any nature whatsoever), remissions, remedies, subsidies, guarantees, bonds, copyrights, patents, trade names, trademarks, track record, good-will and other rights and licenses in respect thereof, applications for copyrights, patents, trade names, trademarks, leases, leave and license agreements, software licenses, software agreements, service level agreements, tenancy rights, premises, ownership flats, hire purchase, lending arrangements, benefits of security arrangements, computers, insurance policies, office equipment, telephones, telexes, facsimile connections, communication facilities, website designing equipment's, and utilities, electricity, water and other service connections, contracts and arrangements, powers, authorities, permits, allotments, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, reserves, preliminary expenses, benefit of deferred revenue expenditure, provisions, advances, receivables, deposits, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, incentives, tax credits, whether granted by state government or central government or any such other authority, (including but not limited to credits in respect of income-tax, tax on book profits, value added tax, sales tax, service tax, etc.), and other claims and powers, all books of accounts, documents and records of whatsoever nature and where so ever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company, as on the Appointed Date.

For INCOR HEALTHCARE PRIVATE LIMITED



Director

For INCOR HOSPITALS PRIVATE LIMITED



Director



- d) All statutory licenses, registrations including those issued by Income Tax Department, Ministry of Corporate Affairs, and other authorities, franchises, approvals, permissions, no-objection certificates, permits, consents, patents, trademarks, tenancies, offices, depots, quotas, rights, entitlements, privileges, benefits of all contracts / agreements / leases (including, but not limited to, contracts / agreements with vendors, customers, government etc.), all other rights (including, but not limited to, right to use and avail electricity connections, water connections, environmental clearances, telephone connections, facsimile connections, telexes, e-mail, internet, leased line connections and installations, lease rights, easements, powers and facilities), of the Transferor Company's on the Appointed Date.
- e) All staff, workmen and employees engaged in the Transferor Company.
- f) All records, files, papers, information, computer programs, software applications, manuals, data, catalogues, quotations, advertising materials, lists of present and former customers, pricing information and other records, whether in physical form or electronic form of the Transferor Company.

1.4 "Appointed date" means 01.04.2022 (First day of April Two Thousand Twenty-Two) or such other date as may be approved by the Hon'ble National Company Law Tribunal, Hyderabad Bench or such other competent authority having jurisdiction to sanction the Scheme.

1.5 "Board of Directors" or "Board" in relation to Transferor Company and Transferee Company, as the case may be, shall, unless it is repugnant to the context or otherwise, includes any Committee of Directors or any person authorized by the Board of Directors or such Committee of Directors.

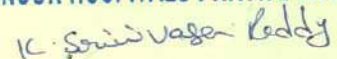
1.6 "Registrar of Companies" means the Registrar of Companies at Hyderabad for the State of Telangana.

1.7 "Regional Director" means the office of the Regional Director of the Southern Region at Hyderabad

For INCOR HEALTHCARE PRIVATE LIMITED

  
Director

For INCOR HOSPITALS PRIVATE LIMITED



Director



- 1.8 "NCLT" means Hon'ble National Company Law Tribunal, Bench at Hyderabad.
- 1.9 "Scheme of Amalgamation" or "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Amalgamation in its present form or with any modifications, imposed or approved or directed by the Board of Directors of Transferee Company and/ or Transferor Company, or by the members or creditors of the Companies involved and /or by the Regional Director, Registrar of Companies or by the Official Liquidator or by any other appropriate authority.
- 1.10 "Shareholders" means respectively the persons registered as holders of Equity Shares and/or Preference Shares of the Company concerned.
- 1.11 "Transferee Company" means M/s. Incor Hospitals Private Limited, a Company incorporated under the provisions of Companies Act, 1956, bearing Corporate Identity Number (CIN) U93000TG2009PTC064790 and having its registered office situated at Sy.No. 9/1/A, Opposite P.V.T. Market Kothapet 'X' Road, Dilsukhnagar, Hyderabad, Telangana-500035, India.
- 1.12 "Transferor Company" means M/s. Incor Healthcare Private Limited, a Company incorporated under the provisions of Companies Act, 1956, bearing Corporate Identity Number (CIN) U85110TG2022PTC160175 and having its registered office situated at Plot No. 69 & 70, Opp. Lane to Madhapur P.S, Kavuri Hills, Madhapur, Hyderabad, Telangana, India, 500033.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribe to them under the Act, the Income-tax Act, 1961 or any other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

#### PART-B

#### AMALGAMATION OF THE TRANSFEROR COMPANY INTO THE TRANSFEEE COMPANY

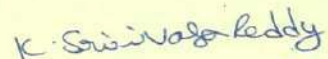
#### SECTION 1: TRANSFER & VESTING OF AMALGAMATING UNDERTAKING

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Director

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Director



2. Transfer of assets, properties, estates, claims, debts, duties, liabilities, obligations etc.,

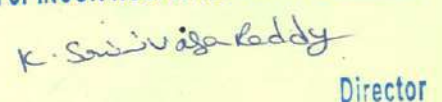
2.1 Subject to the provisions of this Scheme and upon the sanction of the Scheme by the Tribunal and with effect from the Appointed Date, the entire Amalgamating Undertaking of the Transferor Company shall, under the provisions of Sections 230 to 232 read with Section 66 of the Act and all other applicable provisions, if any, of the Act, without any further act or deed [save as provided in sub clause (b) below] be transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company on a going concern basis so as to become the undertaking of the Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Company therein, in the following manner:

- a) The immovable properties, if any, of the Transferor Company, shall under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the properties of the Transferee Company.
- b) All the movable assets including but not limited to computers and equipment, office equipment, machineries, telephones, telexes, facsimile connections and installations and utilities, trademarks, track record, good-will, products, websites, portals, inventories, insurance policies, cash in hand, advances, loans and advances, loan portfolios, inventories, receivables, all deposits, bank balances, accounts and all other rights, of the Transferor Company capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to the Transferee Company but subject to all liens, mortgages, if any, then affecting the same or part thereof, as may be subsisting and agreed to be created over or in respect of the assets that are movable in nature. All such liens, mortgages, if any, shall continue and be deemed to be charges, hypothecation, liens, mortgages over the assets of the Transferee Company on the Appointed Date.
- c) In respect of movables other than those specified in sub clause (b) above, including, outstanding loans and advances, Investments (whether current or non - current), trade receivables, recoverable in cash or in kind

For INCOR HEALTHCARE PRIVATE LIMITED

  
Director

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Director



or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons, the same shall, without any further act, instrument or deed, be transferred to and stand vested in and /or be deemed to be transferred to and stand vested in the Transferee Company under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, of the Act.

- d) All secured and/or unsecured debts, if any, all liabilities, duties and obligations of every kind, nature, description, whether or not provided for in the books of account and whether disclosed or undisclosed in the balance sheets of the Transferor Company shall also, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the debts, liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or restructuring by virtue of which such secured and/or unsecured debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub clause.

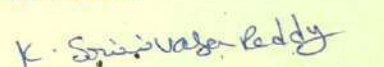
It is clarified that in so far as the borrowings / debts and assets comprising the Transferor Company are concerned, the security or charge, if any, created on assets of the Transferor Company including for the loans and borrowings of the Transferee Company, without any further act or deed continue to relate to the said assets after the sanction of the Scheme by the Tribunal.

- e) In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed (including credit on account of tax on book profits, sales tax, excise duty, custom duty, service tax, GST and other incentives), granted by any government body, local authority or by any other person and availed by the Transferor Company, the same shall vest with and be available to the Transferee Company on the same terms and conditions.
- f) The Transferee Company shall be entitled to the benefit of all insurance policies which have been issued in respect of the Transferor Company, and

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Director

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Director



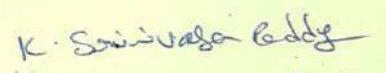
the name of the Transferee Company shall be substituted in all such policies.

- 2.2 The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Company, to implement and carry out all formalities and compliances, if required, referred to above.
- 2.3 All the properties or assets of the Transferor Company whether movable or immovable, being transferred pursuant to this Scheme, which are registered and standing in the name of Transferor Company shall, upon the scheme being sanctioned by the Tribunal, be registered in the name of the Transferee Company and the name of the Transferor Company shall be substituted with the name of the Transferee Company in all such certificates of registration, endorsements, records and in revenue/mutation records in case of immovable properties by such appropriate authorities.
- 2.4 Any tax liabilities under the Income-tax Act, 1961, service tax laws, GST, customs law or other applicable laws/ regulations dealing with taxes/ duties / levies of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date, if any, shall be transferred to Transferee Company.
- 2.5 Any refund under the Income-tax Act, 1961, service tax laws / GST, or other applicable laws / regulations dealing with taxes/ duties / levies tax due to Transferor Company consequent to the assessment made on Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.
- 2.6 Upon the sanction of the Scheme by the Tribunal, all rights, entitlements and powers to revise returns and filings of the Transferor Company under the Income-tax Act, 1961, service tax laws and other laws, and to claim refunds and / or credits for taxes paid, etc. and for matters incidental thereto, shall be available to, and vest with the Transferee Company, including for the period prior to the Appointed Date.
- 2.7 All tax assessment proceedings / appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and

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Director

For INCOR HOSPITALS PRIVATE LIMITED

  
Director



relating to the Transferor Company shall be continued and / or enforced until the date of sanction of this Scheme by the Tribunal against the Transferor Company and from the date of sanction of this Scheme by the Tribunal, the same shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.

Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company into the Transferee Company or anything contained in the Scheme.

- 2.8 All the tax payments (including, without limitation payments under the Income-Tax Act, 1961 service tax laws, GST, and other laws) whether by way of tax deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Further, any tax deducted at source by the Transferor Company on transactions with the Transferee Company, if any (from Appointed Date till date of sanction of this Scheme by the Tribunal) shall be deemed to be advance taxes paid by the Transferee Company and shall, in all proceedings be dealt with accordingly.
- 2.9 Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company under the Income-tax Act, 1961, service tax laws, GST or other applicable laws / regulations dealing with taxes/duties / levies shall be made or deemed to have been made and duly complied with by the Transferee Company.
- 2.10 This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section of the Income-Tax Act, 1961, shall prevail and the Scheme

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Director

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Director



shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act, 1961.

### 3. APPROVAL OF THE SCHEME BY HON'BLE NCLT AND OPERATIVE DATE

The Scheme set out herein in its present form is subject to any modification(s) approved or imposed or directed by the Board of Directors of Transferee Company and / or Transferor Company, or by the members or creditors of the Companies involved and /or by the Regional Director, Registrar of Companies or by the Official Liquidator or by National Company Law Tribunal or by any other appropriate authority, unless otherwise specified in the Scheme, shall be operative from the Appointed Date but shall be effective from the date on which the scheme is approved by Hon'ble NCLT.

### 4. LEGAL PROCEEDINGS

4.1 Upon the Scheme becoming effective, all legal and other proceedings, including before any statutory or quasi-judicial authority or tribunal of whatsoever nature, if any, by or against the Transferor Company pending and/or arising at the Appointed Date, shall be continued and enforced by or against the Transferee Company only, to the exclusion of the Transferor Company in the manner and to the same extent as it would have been continued and enforced by or against the Transferor Company. On and from the date the scheme is approved by Hon'ble NCLT, the Transferee Company shall and may, if required, initiate any legal proceedings in relation to the Transferor Company in the same manner and to the same extent as it would or might have been initiated by the Transferor Company.

4.2 After the Appointed Date, if any proceedings are taken against the Transferor Company the same shall be defended by and at the cost of the Transferee Company.

### 5. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, leave and license agreements, licenses, engagements, certificates, benefits, privileges, entitlements, grants, sanctions, permissions, consents, approvals, concessions, any schemes under which the Transferor Company are registered with the government or any other

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Director



authorities and incentives (including but not limited to benefits under the Income-Tax Act, 1961, service tax, GST and other laws), remissions, remedies, subsidies, guarantees, licenses and other instruments, if any, of whatsoever nature to which the Transferor Company is a party and which have not lapsed and are subsisting or having effect on the scheme is approved by Hon'ble NCLT shall be in full force, and be effective against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto. The Transferee Company may enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite restructurings, confirmations or novation's, to which the Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this Scheme, if so required or if so considered necessary. The Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

#### 6. SAVING OF CONCLUDED TRANSACTIONS

The transfer of Amalgamating Undertaking under clause 2 above and the continuation of proceedings by or against the Transferee Company under clause 4 above and the effectiveness of the contracts and deeds under clause 5 shall not affect any transactions and proceedings or contracts or deeds already concluded by the Transferor Company on or before the Appointed Date and after the Appointed Date till the scheme is approved by Hon'ble NCLT, to the end and intent that the Transferee Company accepts and adopts all such acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

#### 7. STAFF, WORKMEN AND EMPLOYEES

7.1 On the Scheme coming into effect, all staff, workmen and employees of the Transferor Company in service, once the scheme is approved by Hon'ble NCLT shall be deemed to have become staff, workmen and employees of the Transferee Company with effect from the date on which scheme is approved by Hon'ble NCLT without any break in their service and the terms and conditions of their employment with the Transferee Company

For INCOR HEALTHCARE PRIVATE LIMITED

  
Director

For INCOR HOSPITALS PRIVATE LIMITED

*K. Srinivas Reddy*

Director



shall not be less favorable than those applicable to them with reference to the Transferor Company on the date on which scheme is approved by Hon'ble NCLT.

7.2 It is expressly provided that, in so far as the Gratuity Fund, Provident Fund, Superannuation Fund, if applicable, Employee's State Insurance Corporation Contribution, Labour Welfare Fund or any other Fund created or existing for the benefit of the staff, workmen and employees of the Transferor Company is concerned, upon the Scheme coming into effect, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall become those of the Transferee Company and all the rights, duties and benefits of the employees of the Transferor Company under such Funds and Trusts shall be protected, subject to the provisions of law for the time being in force. It is clarified that the services of the staff, workmen and employees of Transferor Company will be treated as having been continuous for the purpose of the said Fund or Funds.

7.3 In so far as the Provident Fund, Gratuity Fund, Superannuation Fund, if applicable, or other Special Scheme(s) Fund(s) created or existing for the benefit of the employees of the Transferor Company are concerned upon the coming into effect of this Scheme, balances lying in the accounts of the employees of Transferor Company, in the said funds as on the Appointed Date shall stand transferred from the trusts / funds of the Transferor Company to the corresponding trusts funds set up by the Transferee Company.

**8. INCREASE IN THE AUTHORISED CAPITAL OF TRANSFEE COMPANY AND CLUBBING OF AUTHORISED SHARE CAPITAL OF TRANSFEROR COMPANY WITH THE AUTHORISED SHARE CAPITAL OF TRANSFEE COMPANY:**

8.1 Upon this Scheme becoming effective, the authorised share capital of the Transferor Company which is Rs.1,00,000/- (Rupees One Lakhs Only) comprising 10,000 (Ten Thousand) equity shares of Rs.10/-

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Director



(Rupees Ten only) each, shall be clubbed with the Authorised Share Capital of the Transferee Company and therefore, the Authorised Share Capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to Registrar of Companies, to Rs. 13,51,00,000 (Rupees Thirteen Crore Fifty-One Lakhs) divided into 74,10,000 (Seventy Four Lakh Ten Thousand) equity shares of Rs. 10/- each, 26,00,000, 0.01% Compulsorily Convertible Preference Shares of Rs. 10/- each, 20,00,000, 0.01% Series B- Compulsorily Convertible Preference Shares of Rs. 10/- each, 15,00,000, 0.01% Series C- Compulsorily Convertible Preference Shares of Rs. 10/- each.

8.2 It is clarified that the approval of the members of the Transferee Company to the Scheme, whether at a meeting or otherwise, shall be deemed to be their consent/approval under section 13, 61 and 64 and other applicable provisions of the Companies Act, 2013, for increase of the authorised capital of the Transferee Company and consequent alteration to the Memorandum of Association of the Transferee Company. It is hereby clarified that upon such approval, the Transferee Company will not be required to do any act, deed or thing or pass any further resolution for increase in the authorised capital of the Transferee Company except for filing relevant forms required to be filed with the Registrar of Companies.

8.3 For the purpose of sub clause 8.1 above, the stamp duties and fees paid on the authorized share capital of the Transferor Company by the Transferor Company shall be utilized and applied to the increased authorized share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee by the Transferee Company for clubbing the authorized share capital of the Transferor Company to that extent.

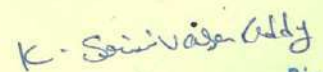
8.4 Upon the coming into effect of this Scheme, Clause V of the Memorandum of Association shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13, 61, 64 of the Companies Act, 2013 and other applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause:-

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Director

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Director



"V. The Authorised Share Capital of the Company is Rs. 13,51,00,000 (Rupees Thirteen Crore Fifty One Lakhs) comprising of:

- i. Rs. 7,41,00,000/- (Rupees Seven Crore Forty One Lakh) divided into 74,10,000 (Seventy Four Lakh Ten Thousand) equity shares of Rs. 10/- each;
- ii. Rs. 2,60,00,000/- (Rupees Two Crore and Sixty Lakhs only) divided into 26,00,000 (Twenty Six Lakhs) Compulsorily Convertible Preference Shares of Rs. 10/- (Rupees Ten only) each;
- iii. Rs. 2,00,00,000/- (Rupees Two Crore only) divided into 20,00,000 (Twenty Lakhs) Series B Compulsorily Convertible Preference Shares of Rs. 10/- (Rupees Ten only);
- iv. Rs. 1,50,00,000/- (Rupees One Crore Fifty Lakhs only) divided into 15,00,000 (Fifteen Lakhs) Series C Compulsorily Convertible Preference Shares of Rs. 10/- (Rupees Ten only).

each with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being provide by the regulations of the Company. The rights of the preference shall be determined at the time of issue thereof.

9. CONDUCT OF BUSINESS:

With effect from the Appointed Date up to and including the date on which the scheme is approved by Hon'ble NCLT:

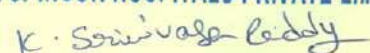
9.1 The Transferor Company shall carry on and be deemed to have carried on its business and activities and shall stand possessed of Amalgamating Undertaking, in trust for the Transferee Company and shall account for the same to the Transferee Company.

9.2 Any income or profit accruing or arising to the Transferor Company and all costs, charges, expenses and losses or taxes incurred by the Transferor Company shall for all purposes be treated as the income, profits, costs,

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Director

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Director

Director



charges, expenses and losses or taxes, as the case may be, of the Transferee Company and shall be available to the Transferee Company for being disposed off in any manner as it thinks fit.

9.3 All liabilities debts, duties, obligations which arise or accrue on or after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of the Transferee Company.

9.4 The Transferor Company shall carry on its business with reasonable diligence and in the same manner as it had been doing hitherto and the Transferor Company shall not alter or substantially expand its business except with the written concurrence of the Transferee Company.

9.5 It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent of approval also to the ancillary and incidental alterations, if any, to be carried out to the Memorandum of Association of the Company as may be required under the Act and there would be no further requirement of obtaining the members approval for such alterations arising pursuant to the sanctioned Scheme.

#### 10. CONSIDERATION

In consideration of the transfer and vesting of the Transferor Company in the Transferee Company in terms of the Scheme, the Transferee Company shall discharge consideration to the equity shareholders of the Transferor Company, whose names appear in the Register of Members of the Transferor Company as the holders of equity shares, as on the date of Approval of Scheme by the Board of Directors of the Transferor Company, in the following manner:


10.1 The Transferee Company shall, without further application, issue and allot to the Equity Shareholder(s) of the Transferor Company, 1 (One) Equity Share of the face value of Rs. 10/- (Rupees Ten only) each in the Transferee Company, credited as fully paid up, for every 27 (Twenty Seven) Equity Share of the face value of Rs. 10/- (Rupees Ten only) each fully paid up held by them in the Transferor Company.

10.2 Any Fractional entitlement arising out of issue and allotment of Equity Shares of Transferee Company to the shareholders of the Transferor Company pursuant to clause No. 10.1 herein above shall be rounded off to the nearest whole number by the Board of the Transferee Company, including the rights in respect of dividend, if declared by the Transferee Company.

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Director

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Director



10.3 The Transferee Company shall issue and allot the Equity Shares in physical form. All those equity shareholders who hold shares of the Transferor Company in physical form shall be issued Equity Shares in physical form.

10.4 Notwithstanding anything to the contrary in this Scheme, upon the Equity Shares in the Transferee Company being issued and allotted by it to the members of the Transferor Company, the share certificates in relation to the Equity Shares held by them in the Transferor Company shall stand cancelled.

10.5 Approval of this Scheme by the Shareholders of the Transferee Company shall be deemed to be the due compliance of Section 62 (1) (c) and other applicable provisions as are relevant and applicable for the issue and allotment of Equity Shares by the Transferee Company. The new shareholding pattern of the Transferee Company post-merger shall be as follows:

Sl. No.	Name of shareholder	Total No. of shares held	% of Shareholding
<b>Equity Shareholders:</b>			
1	Incor Infrastructure Private Limited	54,98,286	94.14%
2	Madduri Gautham Reddy	1,14,000	1.95%
3	Sandeep Reddy Yaredla	1,14,000	1.95%
4	Venkat Ram Reddy Enjamoori	1,14,000	1.95%
6	Suryanarayana Reddy Pulagam	1	0.00%
	<b>TOTAL</b>	<b>58,40,287</b>	<b>100%</b>

<b>Preference Shareholders- Series B CCPS</b>			
1	Incor Infrastructure Private Limited	3,30,797	100%
	<b>TOTAL</b>	<b>3,30,797</b>	<b>100%</b>

<b>Preference Shareholders- Series C CCPS</b>			
1	Incor Infrastructure Private Limited	6,61,593	100%
	<b>TOTAL</b>	<b>6,61,593</b>	<b>100%</b>

<b>GRAND TOTAL</b>		<b>68,32,677</b>
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#### 11. CANCELLATION OF EQUITY SHARES AND PREFERENCE SHARES OF THE TRANSFEE COMPANY HELD BY THE TRANSFEROR COMPANY

11.1. On the Scheme becoming effective, the equity shares and preference shares of the Transferee Company held by the Transferor Company shall stand cancelled. Accordingly, the share capital of the Transferee Company shall

For INCOR HEALTHCARE PRIVATE LIMITED

  
Director

For INCOR HOSPITALS PRIVATE LIMITED



Director



stand reduced to the extent of face value of equity shares & preference shares held by the Transferor Company in the Transferee Company.

- 11.2. Such reduction of share capital of the Transferee Company as provided in Clause 11.1 above shall be effected as an integral part of the Scheme and the order of NCLT sanctioning the Scheme shall be deemed to be an order under Section 66 of the Act confirming the reduction and no separate sanction under Section 66 of the Act will be necessary. The Transferee Company shall not be required to add the words 'and reduced' as a suffix to its name consequent upon such reduction.

## 12. ACCOUNTING TREATMENT

Upon the coming into effect of this Scheme, the amalgamation of the Transferor Company with the Transferee Company shall be accounted in accordance with the pooling of interest method of accounting as prescribed in the applicable Accounting Standards notified under Section 133 of the Act, and other relevant provisions of the Act read with the rules made thereunder and other Generally Accepted Accounting Principles in India, as may be amended from time to time such that:

- 12.1 The Transferee Company shall, record all the assets and liabilities, including Reserves of the Transferor Company vested in it pursuant to this Scheme, at their respective book values as appearing in the books of the Transferor Company on the Appointed Date. The identity of the reserves of Transferor Company to the extent possible shall be preserved and they shall appear in the financial statements of the Transferee Company in the same manner in which they appear in the financial statements of the Transferor Company, prior to this Scheme being made effective.

- 12.2 If at time of amalgamation, the Transferor Company and Transferee Company have conflicting accounting policies, a uniform accounting policy shall be adopted by the Transferee Company following the amalgamation. The effect on the financial statements of any change in accounting policies shall be reported in accordance with applicable Accounting Standard 5, 'Prior Period and Extraordinary Items and changes in accounting policies.

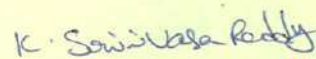
- 12.3 Investment, in the equity/preference share capital of the Transferee Company as appearing in the books of accounts of the Transferor Company, shall stand cancelled and there shall be no further obligation/ outstanding in that behalf.

For INCOR HEALTHCARE PRIVATE LIMITED



Director 22

For INCOR HOSPITALS PRIVATE LIMITED



Director



12.4 The loans and advance or payables or receivables of any kind, held inter-se, if any between the Transferor Company and the Transferee Company, as appearing in its respective books of accounts shall stand cancelled.

### 13. Dissolution of the Transferor Company upon Merger

On the Scheme coming into effect, the Transferor Company, i.e. M/s. Incor Healthcare Private Limited shall, without any further act or deed, stand merged/ dissolved without going through the process of winding up.

## PART-C

### GENERAL TERMS AND CONDITIONS

#### 14. Impact of the Scheme on creditors

This Scheme of Amalgamation, if approved by the appropriate authorities, shall not have any adverse impact on the creditors whether secured or unsecured, of Transferee Company and / or Transferor Company.


#### 15. DIVIDENDS

15.1 Nothing contained in this Scheme shall be construed as restricting or restraining any of the Companies from being entitled to declare and pay dividends, whether interim or Final, to their respective equity/preference shareholders, whether during the pendency of the Scheme or otherwise.


15.2 The holders of the Shares of respective Companies shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under the Articles of Association of the respective Companies concerned including the right to receive dividends.

15.3 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of any Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the Boards of Directors of the respective Companies and subject to the approval of the shareholders of the respective Companies.

For INCOR HEALTHCARE PRIVATE LIMITED

  
Director

For INCOR HOSPITALS PRIVATE LIMITED

  
Director



## 16. FILING OF APPLICATIONS/PETITIONS WITH NCLT

The Transferee Company and the Transferor Company shall, jointly or severally, with all reasonable diligence, make and file all necessary applications, affidavits, petitions etc., before Hon'ble NCLT for obtaining the sanction to this Scheme of Amalgamation under Section 230 and 232 of the Companies Act, 2013 and each of them shall apply for all necessary approvals as may be required under law.

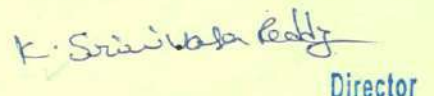
## 17. MODIFICATION TO THE SCHEME

17.1 The Transferee Company and Transferor Company by their respective Board of Directors or any Committee thereof or any Director authorized in that behalf (hereinafter referred to as the "Delegate") may assent to, or make, from time to time, any modifications or amendments or additions to this Scheme which the Regional Director, Registrar of Companies or Official liquidator or Hon'ble Tribunal or any appropriate authority (ies) under law may deem fit to approve or impose and which Transferee Company and Transferor Company may in their discretion accept or such modifications or amendments or additions as Transferee Company and Transferor Company or as the case may be, their respective Delegates may deem fit, or required for the purpose of resolving any doubts or difficulties that may arise for carrying out this Scheme, and Transferee Company and Transferor Company by their respective Boards of Directors or Delegates are hereby authorised to do, perform and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect. In the event that any conditions may be imposed by any authorities, which Transferee Company and Transferor Company find unacceptable for any reason, then Transferee Company and Transferor Company shall be at liberty to withdraw the Scheme. The aforesaid powers of Transferee Company and Transferor Company may be exercised by their respective Delegates. The consent accorded by the members and the creditors to this scheme shall be deemed and treated as their consent for the modification, if any, of the scheme in any manner and no further or separate consent shall be required to carry out such modification.

For INCOR HEALTHCARE PRIVATE LIMITED

  
Director

For INCOR HOSPITALS PRIVATE LIMITED

  
Director



17.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Delegates (acting jointly) of Transferee Company and Transferor Company may give such directions as they may consider necessary to settle any question or difficulty arising under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders of the respective Companies), or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those conditions (to the extent permissible under law).

#### 18. SCHEME CONDITIONAL UPON

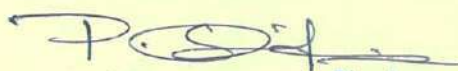
18.1 This Scheme is conditional upon and subject to:

- a. it being agreed to by the respective requisite majorities of the members and various classes of creditors. (if any) of the Transferor Company and the Transferee Company as required under the Act and the required consent of Hon'ble NCLT bench, Hyderabad being obtained.
- b. the requisite sanctions and approvals, as may be required by law in respect of this Scheme being obtained including creditors of the Transferee Company and Transferor Company or their nominees or trustees.

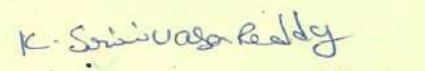
#### 19. VALIDITY OF EXISTING RESOLUTIONS, ETC. IN RESPECT OF THE PRIOR ACTS

Upon this Scheme becoming effective, the resolutions passed by the Transferor Company, as are considered necessary by the Board of the Transferee Company and which are valid and subsisting on the date of this Scheme becoming effective, shall continue to be valid and subsisting in respect of the relative acts performed steps taken prior to the date of this Scheme becoming effective and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then said limits as are considered necessary by the Board of the Transferee Company shall be added to the limits, if any,

For INCOR HEALTHCARE PRIVATE LIMITED

  
Director

For INCOR HOSPITALS PRIVATE LIMITED

  
Director



under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

#### 20. EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the said sanctions and approvals referred to in clause 18 above not being obtained (unless otherwise decided by the Board of Directors) and / or the consent of the Hon'ble NCLT bench, Hyderabad is not obtained, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

#### 21. SEVERABILITY

If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Board of Directors of the Transferor Company and/or the Transferee Company, affect the validity or implementation of the other parts/provisions of this Scheme.

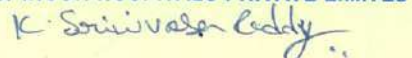
#### 22. COSTS, CHARGES, ETC.

All costs, charges, levies and expenses (including stamp duty) in relation to or in connection with or incidental to this Scheme or the implementation thereof shall be borne and paid by Transferee Company.

For INCOR HEALTHCARE PRIVATE LIMITED

  
Director

For INCOR HOSPITALS PRIVATE LIMITED

  
Director

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH AT HYDERABAD**

**C.A. (CAA)No.25/230/HDB/2022**

**U/s. 230 to 232 read with section 66 of the Companies Act,  
2013**

**IN THE MATTER OF SCHEME OF AMALGAMATION  
BETWEEN  
INCOR HOSPITALS PRIVATE LIMITED  
(TRANSFEEE COMPANY)  
AND  
INCOR HEALTHCARE PRIVATE LIMITED  
(TRANSFEROR COMPANY)  
AND  
THEIR RESPECTIVE SHAREHOLDERS  
AND CREDITORS**

**Incor Healthcare Private Limited**


registered office at Plot No. 69 & 70,  
Opposite lane to Madhapur P.S., Kavuri Hills,  
Madhapur, Hyderabad - 500033.

**... Applicant / Transferor Company**

**Incor Hospitals Private Limited,**

Registered office at Sy. No. 9/1/A,  
Opposite P.V.T. Market, Kothapet 'X' Road,  
Dilsukhnagar, Hyderabad - 500035.

**... Applicant / Transferee Company**



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Date of Order: 05.09.2022

**Date of Order: 05.09.2022**

**Coram:**

**Hon'ble Justice Telaprolu Rajani, Hon'ble Member (Judicial)**

**Hon'ble Veera Brahma Rao Arekapudi, Member (Technical)**

**Parties/counselors present:**

For the Applicants: Shri. Y. Suryanarayana, Counsel.

**PER-BENCH**

1. This is the Joint Company Application filed by Incor Healthcare Private Limited (Transferor Company) and Incor Hospitals Private Limited (Transferee Company) under Sections 230 to 232 read with section 66 of the Companies Act, 2013, inter-alia seeking an order to dispense with the requirement of holding the meeting of the Equity Shareholders and Unsecured Creditors of the Transferor Company and to convene the meeting of the Secured Creditors of the Transferor Company and also to convene the meetings of the Trade Creditors and Creditors for Capital Expenditures of Transferee Company for consideration of Scheme of Amalgamation.







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## 2. Gist of the Application:

### Applicant / Transferor Company:

- A. M/s. “**Incor Healthcare Private Limited**” is a Private Limited Company incorporated under the provisions of Companies Act, 2013 on 28.02.2022, bearing CIN: U85110TG2022PTC160175. The Registered office of the Transferor Company is same as mentioned in the cause title. The Transferor Company is engaged, inter alia, in the business of establish, promote, subsidize, encourage, maintain, organize, undertake, manage, build, construct, equip, develop, recondition, operate, conduct and act as consultants to run in India or abroad hospitals, multi-specialty hospitals, nursing homes, health centers, clinics, medical pharmacy and other establishment for health care, body care and for treatment of various diseases of Human Body. Certified copy of Memorandum of Articles of Association of the Transferor Company is annexed as **Annexure-1** to the Application.
- B. The authorized, issued, subscribed and paid-up share capital of the Transferor Company as on 31.03.2022 is as follows:



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<b>Share Capital</b>	<b>Amount in Rs.</b>
<b>Authorized Capital</b>	
10,000 equity shares of Rs. 10/- each	1,00,000
<b>Total</b>	<b>1,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
10,000 equity shares of Rs. 10/- each	1,00,000
<b>Total</b>	<b>1,00,000</b>

Subsequent to 31.03.2022 and till the date of approving of the resolution for the scheme of Amalgamation by the Board of Directors of the Transferor Company, there has been no change in the capital structure of the Transferor Company. The certified copy of the provisional financial statements as on 31.03.2022 of the Transferor Company is annexed as “Annexure –2” to the Application.

**Applicant / Transferee Company:**

- C. M/s. “Incor Hospitals Private Limited is a Private Limited Company incorporated under the provisions of Companies Act, 1956 on 19.08.2009, bearing CIN: U93000TG2009PTC064790. The Registered Office of

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the Transferee Company is same as mentioned in the cause title. Certified copy of Memorandum of Articles of Association of the Transferee Company is annexed as **Annexure-3** to the Application. The Transferee Company is engaged, inter alia, in the business of establish, promote, subsidize, encourage, maintain, organize, undertake, manage, build, construct, equip, develop, recondition, operate, conduct and act as consultants to run in India or abroad hospitals, multi-specialty hospitals, nursing homes, health centers, clinics, medical pharmacy and other establishment for health care, body care and for treatment of various diseases of Human Body.

- D. The authorized, issued, subscribed and paid-up capital of the Transferee Company as on 31.03.2022.

Share Capital	Amount in Rs.
<b>Authorized Capital</b>	
<b>Equity Shares:</b>	
74,00,000 equity shares of Rs. 10/- each	7,40,00,000
<b>Preference Shares:</b>	

*ABE*

*7/11/22*



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26,00,000 0.01% Compulsorily Convertible Preference Shares of Rs. 10/- each (CCPS)	2,60,00,000
20,00,000 0.01% Series B- Compulsorily Convertible Preference Shares of Rs. 10/- each (CCPS)	2,00,00,000
15,00,000 0.01% Series C- Compulsorily Convertible Preference Shares of Rs. 10/- each (CCPS)	1,50,00,000
<b>Total</b>	<b>13,50,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
<b>Equity Shares:</b>	
58,40,017 equity shares of Rs. 10/- each	5,84,00,170
<b>Preference Shares:</b>	
25,80,128, 0.01% Compulsorily Convertible Preference Shares of Rs. 10/- each (CCPS)	2,58,01,280
20,00,000, 0.01% Series B- Compulsorily Convertible Preference Shares of Rs. 10/- each (CCPS)	2,00,00,000
13,23,186, 0.01% Series C- Compulsorily Convertible Preference Shares of Rs. 10/- each (CCPS)	1,32,31,860
<b>Total</b>	<b>11,74,33,310</b>

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Subsequent to 31.03.2022 and till the date of approving of the resolution for the scheme of Amalgamation by the Board of Directors of the Transferee Company, there has been no change in the capital structure of the Transferee Company. The certified copy of audited financial statements as on 31.03.2021 and a certified copy of the provisional financial statements as on 31.03.2022 of the Transferee Company is annexed as "Annexure -4" to the Application.

**BOARD RESOLUTION:**

3. The Board of Directors of the Applicant Companies at their respective meetings held on 13.07.2022 approved the Scheme of Amalgamation between M/s. Incor Healthcare Private Limited (Transferor Company) and M/s. Incor Hospitals Private Limited (Transferee Company) and their respective Shareholders and Creditors. The certified copy of the Board Resolutions passed by the Board of Directors of the Applicant Companies are annexed as "**Annexure - 8 & 9**" to the Application.
4. The **benefits/rationale** of the proposed Scheme is:
  - a) The Scheme is presented under sections 230 to 232 of the Companies Act, 2013 and it provides for amalgamation of Transferor Company into Transferee Company, resulting in reduction of administrative costs



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and also result in reduction of overheads and other expenses, reduction in administrative and procedural work, enable the amalgamated company to effect internal economies and optimize profitability as also to reduce administrative inefficiencies by reducing duplication of functions.

- b) The proposed scheme of amalgamation is with a view to:
- Simplify the group structure
  - Eliminate the multiple entities within the group
  - Integrate the operations
  - Achieve operational and management efficiency.
- c) The Scheme shall be beneficial and in the best interests of the shareholders, creditors and employees of the Transferor Company, and the Transferee Company and to the interest of public at large and all concerned.

#### 5. Equity Shareholders of the Applicant Companies :

- (i). The Transferor Company has the following equity shareholders as on 31.03.2022.

Sl. No.	Name of shareholder	Total No. of shares held	% of Shareholding
1.	M/s. Incor Infrastructure Private Limited	9,999	99.99






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2.	Mr. Suryanarayana Reddy Pulagam	1	0.01
<b>Total</b>		<b>10,000</b>	<b>100.00%</b>

The Certificate issued by V Madhumita & Associates, Practicing Company Secretary, certifying the list of Equity Shareholders and the Consents given by the Shareholders stating no objection to the proposed scheme are attached are annexed as “**Annexure -10 and 11**” to the Application.

- (ii). The Transferee Company has the following equity and preference shareholders as on 31.03.2022:

Sl. No.	Name of shareholder	Total No. of shares held	% of Shareholding
<b>Equity Shareholders:</b>			
1.	Incor Infrastructure Private Limited	54,97,917	94.14
2.	Madduri Gautham Reddy	1,14,000	1.95
3.	Sandeep Reddy Yaredla	1,14,000	1.95
4.	Venkat Ram Reddy Enjamoori	1,14,000	1.95
5.	Incor Healthcare Private Limited	100	0.00
<b>TOTAL</b>		<b>58,40,017</b>	<b>100%</b>
<b>Preference Shareholders- CCPS:</b>			
1.	Incor Healthcare Private Limited	25,80,128	100
<b>Total</b>		<b>25,80,128</b>	<b>100.00%</b>
<b>Preference Shareholders- Series B CCPS</b>			




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1.	Incor Healthcare Private Limited	15,00,000	75
2.	Incor Infrastructure Private Limited	5,00,000	25
	<b>TOTAL</b>	<b>20,00,000</b>	<b>100%</b>
<b>Preference Shareholders- Series C CCPS</b>			
1.	Incor Healthcare Private Limited	6,61,593	50
2.	Incor Infrastructure Private Limited	6,61,593	50
	<b>TOTAL</b>	<b>13,23,186</b>	<b>100%</b>

A Certificate issued by V Madhumita & Associates Practicing Company Secretary, certifying the list of Equity & Preference shareholders and the consent given by the Shareholders stating no objection to the proposed Scheme are annexed as “Annexure- 12 &13” in the Application.

#### 6. Creditors of Applicant Companies:

- (i). The **Transferor Company** have following Secured Creditors as on 13.07.2022:

Sl. No.	Name of the Secured Creditor	Amount in Rs.
1.	Emerging India Credit Opportunities Fund	121,00,00,000/-
2.	Investec Bank Plc	34,00,00,000/-




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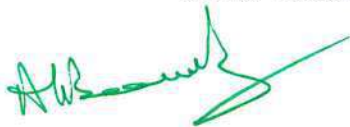
<b>Total</b>	<b>155,00,00,000/-</b>
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- (ii). The **Transferor Company** have following Unsecured Creditors as on 13.07.2022:

Sl. No.	Name of the Unsecured Creditor	Amount
1.	Incor Hospitals Private Limited	7,31,389/-
	<b>Total</b>	<b>7,31,389/-</b>

A Certificate issued by KCP&Co. Chartered Accountant, certifying the list of Secured & Unsecured Creditors of the Transferor Company and the amounts due to them by the Transferor Company, is annexed as **Annexure- 14**. The Unsecured creditor of the Transferor Company has given its consent by way of affidavit to the Scheme stating no objection to the proposed Scheme of Amalgamation.

- (iii). The **Transferee Company** does not have any Secured Creditors as on 13.07.2022.
- (iv) The **Transferee Company** has sole Unsecured Creditor for an amount of Rs. 29,94,47,068/- (Rupees Twenty-Nine Crore Ninety-Four Lakhs Forty-Seven Thousand






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and Sixty-Eight Only/-) as on 13.07.2022. The Sole Unsecured creditor of the Transferee Company has given its consent by way of affidavit to the Scheme stating no objection to the proposed Scheme of Amalgamation. Consent given by the Unsecured Creditor of the Transferee Company is annexed as **Annexure – 17** in the Application.

- (v) Further the **Transferee Company** has 669 (Six Hundred Sixty-Nine) Trade Creditors for an amount of Rs. 12,21,59,027/- (Rupees Twelve Crore Twenty-One Lakhs Fifty-Nine Thousand and Twenty-Seven only/-) as on 31.03.2022 and Out of the total 669 Trade Creditors, the number of Trade Creditors to whom the Transferee Company owes more than Rs. 1,00,000 (Rupees One Lakh) are 219 in number and post 31.03.2022, the Transferee Company had repaid Rs. 18,86,204/- (Rupees Eighteen Lakhs Eighty-Six Thousand Two Hundred and Four Only/-), in full, to the 176 (One Hundred and Seventy-Six) Trade Creditors who were outstanding as on 31.03.2022. Therefore, the names of the said 176 Creditors have not been included in the list of Trade Creditors outstanding as on 31.03.2022.



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- (vi) The Transferee Company has 47 (Forty-Seven) Creditors for Capital Expenditure for an amount of Rs.53,02,430/- (Rupees Fifty-Three Lakhs Two thousand and Four Hundred and Thirty Only/-) as on 31.03.2022.

A Certificate issued by the Chartered Accountant, certifying that the Transferee Company does not have any Secured Creditors and list of Unsecured, Trade Creditors and Creditors for Capital Expenditure of the Transferee Company and showing the amounts due to them by the Transferee Company and the details of Trade Creditors of the Transferee Company to whom the Company owes more than Rs. 1,00,000 (Rupees One Lakh) are annexed as “**Annexure-16**” in the Application.

#### **7. Accounting Treatment**

Accounting Treatment Certificates issued by MSKA & Associates, Chartered Accountant, dated 12.07.2022 in respect of Applicant Companies to the effect that accounting treatment proposed in the Scheme is in conformity with Accounting Standard as prescribed under Section 133 of the Companies Act, 2013. The Copy of the said Certificate is annexed and marked as **Annexure – 7** to the Application.



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### **8. Valuation Report**

Valuation report dated 01.07.2022 issued by Sanka Hari Surya (Registered Valuers), is annexed to the application as **Annexure- 6** to the Application.

### **9. Declaration by the Applicant Companies**

No petition under Section 241 or 242 read with section 66 of the Companies Act, 2013, has been filed against any of the Applicant Companies and there has been no material change in the affairs of any of the Applicant Companies, except for what was done in the normal course of business.

There are no proceedings pending under Section 210 to 227 of Companies Act, 2013, against any of the Applicant Companies.

The Scheme of Amalgamation between M/s. Incor Healthcare Private Limited (Transferor Company) and M/s. Incor Hospitals Private Limited (Transferee Company) and their respective Shareholders and Creditors does not have an adverse effect on any of the shareholders or creditors or other stakeholders of the Applicant Companies in any manner whatsoever.

### **10. Observation**

We have heard the Learned Counsel and we have seen the consent Affidavits filed by shareholders and un secured creditors of the Applicant Companies. We have also seen the





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certificates given by chartered accountants certifying the list of shareholders and secured creditors, trade creditors, Capital Expenditure Creditors and unsecured creditors of the Applicant Companies.

*Section 230 (i) of Companies Act, 2013 contemplates holding of meeting unless 90% of the Creditors gave consent by way of Affidavits to dispense with meetings. In this case, the shareholders and un secured creditors of the Applicant Companies have given consent by way of Affidavits to dispense with meetings Applicant Companies. Section 230(9) of Companies Act, 2013 provides that 90% of the Creditors to give consent for dispensing with convening of meeting. Therefore, the request of the 1<sup>st</sup> Applicant Company for conveying meetings of secured creditors of transferor Company and the request of the 2<sup>nd</sup> Applicant Company for conveying meeting of Trade creditors and capital expenditure creditors is considered. The meetings are to be convened and held in the manner mentioned below.*

11. After hearing the Counsel and after perusing the documents filed, We pass the following order:-
  - (i). We hereby dispensed with the requirement of conducting meeting of the Equity Shareholders and Unsecured Creditors, of the Applicant Companies.



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- (ii). With regard to the Secured Creditors of the Transferor Company the following order is passed: The meeting of the Secured Creditors of the Transferor Company will be held on 15<sup>th</sup> day of October, 2022 at 11:00 AM through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) for the purpose of considering the Scheme.
- (iii). Appointed Ms. Niharika Agarwal, Advocate (Mobile Number +91-8099730592) as the Chairperson and Ms. J. Anantha Laxmi , (Mobile Number +91-8008012987) as the Scrutinizer of the aforesaid meetings . The remuneration of Chairperson is fixed at Rs.1,20,000/- and that of the scrutinizer is fixed at Rs.70,000/- for above meeting.
- (iv). The quorum for the meeting of the Secured Creditors be 1 (One) as the Transferor Company have 2 (Two) Secured Creditors. Voting by the Secured creditors be in person or by proxy through electronic means.
- (v). The notice of the Meetings of secured creditors of Transferor Company shall be published in "Business Standard", English Daily, Hyderabad Edition and one in Telugu Edition of "Nava Telangana", Hyderabad Edition. The Voting shall be through E-Voting by person or by proxy or by authorized representative.



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- (vi). With regard to the Trade Creditors and creditors for Capital Expenditure of the Transferee Company -The meeting of the Trade Creditors of the Transferee Company will be held on 15<sup>th</sup> day of October 2022 at 12:00 PM through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) for the purpose of considering the Scheme. The meeting of the Creditors for Capital Expenditure of the Transferee Company will be held on 15<sup>th</sup> day of October 2022 at 01:30 PM through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) for the purpose of considering the Scheme.
- (vii). Appointed Ms. Datla Divya Raju, Advocate (Mobile Number +91- 9440192334) as the Chairperson and Ms. Kruthi Kalaga, (Mobile Number +91-9959831194) as the Scrutinizer of the aforesaid meetings. The remuneration of Chairperson is fixed at Rs. 1,20,000/- and that of the scrutinizer is fixed at Rs. 70,000/- for above meeting.
- (viii). The quorum for the meeting of the Trade Creditors and Creditors for Capital Expenditure shall be 40 (Forty) and 5 (Five) persons present in person / proxy. The Voting shall be through E-Voting by person or by proxy or by authorized representative.





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- (ix). The notice of the Meetings of trade creditors and creditors for capital expenditure of Transferee Company shall be published in "Business Standard", English Daily, Hyderabad Edition and one in Telugu Edition of "Nava Telangana", Hyderabad Edition. The Voting shall be through E-Voting by person or by proxy or by authorized representative.
- (x). The Applicant Companies or their respective authorized Signatory are directed to issue notices (s) to the secured creditors of the Transferor Company and trade creditors, creditors for capital expenditure of the Transferee Company by Registered Post/ Courier/Ordinary Post/ Registered email to their last known address 30 days before the said meetings as per Form No. CAA2 (Rule 6) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ensuring convening the said meeting of the Applicant Companies. Further directed to intimate day, date and time, a copy of Explanatory Statement, pursuant to be sent under Section 230 of the Companies Act, 2013 and Proxy as per Form No. MGT-11 (Rule 19) of the Companies (Management and Administration) Rules, 2014.



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- (xi). The Applicant Companies to serve notices upon the Regional Director, South-East Region, Ministry of Corporate Affairs, Hyderabad pursuant to Section 230 (5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 if no response is received by the Tribunal from Regional Director within 30 days of the date of receipt of the notice, it will be presumed that Regional Director and/or Central Government has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016.
- (xii). The Applicant Companies to serve the notice upon the Registrar of Companies Hyderabad pursuant to Section 230 (5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises Arrangement and Amalgamations) Rules, 2016 and if no response is received by the Tribunal from Registrar of Companies, Hyderabad within 30 days of the date of receipt of the notice, it will be presumed that Registrar of Companies, Hyderabad has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromise Arrangements and Amalgamations) Rules, 2016.



CA(CAA) No.25/230/HDB/2022

Date of Order: 05.09.2022

- (xiii). The Applicant Companies to serve notice upon the Income Tax Authority, within whose jurisdiction that Applicant Companies Assessment are made, pursuant to Section 230 (5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 if no response is received by the Tribunal from Income Tax Authority within 30 days of the date of receipt of the notice, it will be presumed that Income Tax Authority has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2016.
- (xiv). The Applicant Companies to serve notice upon the Official Liquidator pursuant to Section 230 (5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises Arrangements and Amalgamations) Rules, 2016 if no response is received by the Tribunal from Official Liquidator within 30 days of the date of receipt of the notice it will be presumed that Official Liquidator has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2016.
- (xv). The Chairmen shall have all powers under the Companies (Compromises, Arrangement and





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Amalgamation) Rules, 2016 in relation to the conduct of the meetings (s) including for deciding procedural questions that may arise before or at any adjournment thereof or any other matter including an amendment to the Scheme or resolution, if any, proposed at the meeting by any person (s).

- (xvi). The voting shall be in person or by proxy or authorized representative in case be permitted, provided that the proxy in the Form No. MGT-11 authorization duly signed by the person entitled to attend and vote at the meeting, is to be filed with the Applicant Company at its Registered office, not later than, forty eight hours before the aforesaid meeting in accordance with Rule 10 of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2016.
- (xvii). The Chairmen to file affidavit within 7 days before the date of the said meetings to this Tribunal that the direction regarding convening and issuance of notice (s) to all the necessary parties have been duly complied with in conformity with the relevant provisions of the Companies Act, 2013 R/w Companies (Compromise, Arrangement and Amalgamation) Rules, 2016. The Chairman shall report the conclusion of the aforesaid meetings within 10 days from the date of such meetings




CA(CAA) No.25/230/HDB/2022  
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as per Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

12. Accordingly, the Company Application C.A. (CAA) No. 25/230/HDB/2022 is allowed and the same is disposed.

  
**VEERA BRAHMA RAO AREKAPUDI**  
**MEMBER TECHNICAL**

  
**JUSTICE TELAPROLU RAJANI**  
**MEMBER JUDICIAL**

# INCOR HEALTHCARE PRIVATE LIMITED

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REPORT ADOPTED BY THE BOARD OF DIRECTORS OF INCOR HEALTHCARE PRIVATE LIMITED, AT ITS MEETING HELD ON WEDNESDAY, THE 13<sup>TH</sup> DAY OF JULY, 2022 AT 2.00 P.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT PLOT NO. 69 & 70, OPP. LANE TO MADHAPUR P.S, KAVURI HILLS, MADHAPUR, HYDERABAD, TELANGANA, INDIA, 500033.

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## MEMBERS PRESENT:

Mr. Suryanarayana Reddy Pulagam	:	Director
Mr. Srinivasa Reddy Kovvuri	:	Director
Mr. Sri Hari Pulagam	:	Director

## BACKGROUND:

1. A Scheme of Amalgamation between M/s. Incor Healthcare Private Limited (Transferor Company) and M/s. Incor Hospitals Private Limited (Transferee Company) and their respective Shareholders and Creditors ("**Scheme**"), was approved by the Board of Directors of the Transferee Company and the Board of Directors of the Transferor Company on 13.07.2022 for the purpose of Amalgamation of M/s. Incor Healthcare Private Limited (Transferor Company) with Incor Hospitals Private Limited (Transferee Company) on a going concern basis with effect from 01.04.2022 (First day of April Two Thousand Twenty-Two) being the appointed date.
2. This report is being adopted pursuant to the requirement of section 232(2)(c) of the Companies Act, 2013, for circulating to the equity shareholders / Creditors and Stakeholders of the Company. This report explains the effect of the Scheme of Amalgamation on shareholders, key managerial personnel, promoters, non-promoter shareholders and other stake holders laying out in particular the share exchange ratio.
3. The Scheme of Amalgamation between M/s. Incor Healthcare Private Limited (Transferor Company) and M/s. Incor Hospitals Private Limited (Transferee Company) and their respective Shareholders and Creditors ("**Scheme**") was approved by the Board of Directors of the Company taking into consideration the rationale, benefits, the Valuation Report dated 01.07.2022, issued by Mr. Sanka Hari Surya, Registered Valuer, acting as independent Valuer.
4. **RATIONALE, OBJECTIVE, PURPOSE AND BENEFITS OF THE SCHEME TO THE COMPANY AND ITS STAKEHOLDERS**



## **INCOR HEALTHCARE PRIVATE LIMITED**

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- a) The Scheme is presented under sections 230 to 232 of the Companies Act, 2013 and it provides for amalgamation of Transferor Company into Transferee Company, resulting in reduction of administrative costs and also result in reduction of overheads and other expenses, reduction in administrative and procedural work, enable the amalgamated company to effect internal economies and optimize profitability as also to reduce administrative inefficiencies by reducing duplication of functions.
- b) The proposed scheme of amalgamation is with a view to: -
- Simplify the group structure
  - Eliminate the multiple entities within the group
  - Integrate the operations
  - Achieve operational and management efficiency.
- c) The Scheme shall be beneficial and in the best interests of the shareholders, creditors and employees of the Transferor Company, and the Transferee Company and to the interest of public at large and all concerned.
- 5. A BRIEF SUMMARY OF THE VALUATION REPORT ISSUED BY MR. SANKA HARI SURYA, REGISTERED VALUER IS AS FOLLOWS:**

(a) The basis of the amalgamation of Incor Healthcare Private Limited (IHCPL) with Incor Hospitals Private Limited (IHPL) would have to be determined after taking into consideration all the factors and methods mentioned in the Valuation Report. Though different values have been arrived at under each of the methods, for the purposes of recommending the fair exchange ratio of equity shares it is necessary to arrive at a final value for each of the Companies' shares. The Fair Equity Share Exchange Ratio has been arrived at on the basis of a relative equity valuation of the Companies based on the various approaches / methods explained in the Valuation Report and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Companies, having regard to information base, key underlying assumptions and limitations.

### **6. CONCLUSION:**

On the basis of our review and the information/ representations made available to us, the share swap in the following proportion would be fair and reasonable in the current context:

## INCOR HEALTHCARE PRIVATE LIMITED

" Exchange Ratio of each share of IHPL for shares of IHCPL: 0.0365: 1 i.e. 1 Equity share of face value of Rs. 10/- each, credited as fully paid up, of IHPL shall be issued in exchange for every 27 Equity Shares of face value of Rs. 10/- each held by the Shareholders of IHCPL."

### 7. REPORT OF THE BOARD OF DIRECTORS :

- a. Based on review of the Scheme/ Documents, the Board is of the view that the Scheme is fair and reasonable.
- b. The Board observed that there are no issues or difficulties regarding the valuation mentioned in the Valuation Report.
- c. Upon amalgamation of the Transferor Company with the Transferee Company, 1 Equity Share of the Transferee Company having a face value of Rs. 10/- each, shall be issued to every 27 (Twenty-Seven) equity shares of Transferor Company of face value of Rs. 10/- each fully paid up as consideration.
- d. The Scheme of Amalgamation, if approved by the appropriate authorities and the Hon'ble Tribunal, shall not have any adverse impact or effect on Shareholders, Key Managerial Personnel (KMP), Directors, Promoters, Non-Promoter Members, Creditors, whether secured or unsecured, employees of Transferee Company and / or Transferor Company.

In the opinion of the Board, the said Scheme will be beneficial to the Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable.

The Board has adopted this Report after considering the information set out herein. The Board or any duly authorised committee or official(s) authorised by it is entitled to make relevant modifications to this Report, if required, and such modifications shall be deemed to form part of this Report.

FOR INCOR HEALTHCARE PRIVATE LIMITED

  
SRI HARI PULAGAM  
DIRECTOR  
(DIN: 08549530)







REPORT ADOPTED BY THE BOARD OF DIRECTORS OF INCOR HOSPITALS PRIVATE LIMITED, AT ITS MEETING HELD ON WEDNESDAY, THE 13<sup>TH</sup> DAY OF JULY, 2022 AT 3.00 P.M. AT THE CORPORATE OFFICE OF THE COMPANY SITUATED AT PLOT NO. 69 & 70, OPP. LANE TO MADHAPUR P.S., KAVURI HILLS, MADHAPUR, HYDERABAD - 500033.

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**MEMBERS PRESENT:**

Mr. Suryanarayana Reddy Pulagam : Managing Director  
Mr. Srinivasa Reddy Kovvuri : Director  
Mr. Brahma Reddy Jonnala : Director

**BACKGROUND:**

1. A Scheme of Amalgamation between M/s. Incor Healthcare Private Limited (Transferor Company) and M/s. Incor Hospitals Private Limited (Transferee Company) and their respective Shareholders and Creditors (“Scheme”), was approved by the Board of Directors of the Transferee Company and the Board of Directors of the Transferor Company on 13.07.2022 for the purpose of Amalgamation of M/s. Incor Healthcare Private Limited (Transferor Company) with Incor Hospitals Private Limited (Transferee Company) on a going concern basis with effect from 01.04.2022 (First day of April Two Thousand Twenty-Two) being the appointed date.
2. This report is being adopted pursuant to the requirement of section 232(2)(c) of the Companies Act, 2013, for circulating to the equity shareholders / Creditors and Stakeholders of the Company. This report explains the effect of the Scheme of Amalgamation on shareholders, key managerial personnel, promoters, non-promoter shareholders and other stake holders laying out in particular the share exchange ratio.
3. The Scheme of Amalgamation between M/s. Incor Healthcare Private Limited (Transferor Company) and M/s. Incor Hospitals Private Limited (Transferee Company) and their respective Shareholders and Creditors (“Scheme”) was approved by the Board of Directors of the Company taking into consideration the rationale, benefits, the Valuation Report dated 01.07.2022, issued by Mr. Sanka Hari Surya, Registered Valuer, acting as independent Valuer.
4. **RATIONALE, OBJECTIVE, PURPOSE AND BENEFITS OF THE SCHEME TO THE COMPANY AND ITS STAKEHOLDERS**





a) The Scheme is presented under sections 230 to 232 of the Companies Act, 2013 and it provides for amalgamation of Transferor Company into Transferee Company, resulting in reduction of administrative costs and also result in reduction of overheads and other expenses, reduction in administrative and procedural work, enable the amalgamated company to effect internal economies and optimize profitability as also to reduce administrative inefficiencies by reducing duplication of functions.

b) The proposed scheme of amalgamation is with a view to: -

- Simplify the group structure
- Eliminate the multiple entities within the group
- Integrate the operations
- Achieve operational and management efficiency.

c) The Scheme shall be beneficial and in the best interests of the shareholders, creditors and employees of the Transferor Company, and the Transferee Company and to the interest of public at large and all concerned.

**5. A BRIEF SUMMARY OF THE VALUATION REPORT ISSUED BY MR. SANKA HARI SURYA; REGISTERED VALUER IS AS FOLLOWS:**

(a) The basis of the amalgamation of Incor Healthcare Private Limited (IHCPL) with Incor Hospitals Private Limited (IHPL) would have to be determined after taking into consideration all the factors and methods mentioned in the Valuation Report. Though different values have been arrived at under each of the methods, for the purposes of recommending the fair exchange ratio of equity shares it is necessary to arrive at a final value for each of the Companies' shares. The Fair Equity Share Exchange Ratio has been arrived at on the basis of a relative equity valuation of the Companies based on the various approaches / methods explained in the Valuation Report and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Companies, having regard to information base, key underlying assumptions and limitations.

**6. CONCLUSION:**

On the basis of our review and the information/ representations made available to us, the share swap in the following proportion would be fair and reasonable in the current context:



*" Exchange Ratio of each share of IHPL for shares of IHCPL: 0.0365: 1 i.e. 1 Equity share of face value of Rs. 10/- each, credited as fully paid up, of IHPL shall be issued in exchange for every 27 Equity Shares of face value of Rs. 10/- each held by the Shareholders of IHCPL."*

**7. REPORT OF THE BOARD OF DIRECTORS:**

- a. Based on review of the Scheme/Documents, the Board is of the view that the Scheme is fair and reasonable.
- b. The Board observed that there are no issues or difficulties regarding the valuation mentioned in the Valuation Report.
- c. Upon amalgamation of the Transferor Company with the Transferee Company, 1 Equity Share of the Transferee Company having a face value of Rs. 10/- each, shall be issued to every 27 (Twenty-Seven) equity shares of Transferor Company of face value of Rs. 10/- each fully paid up as consideration.
- d. The Scheme of Amalgamation, if approved by the appropriate authorities and the Hon'ble Tribunal, shall not have any adverse impact or effect on Shareholders, Key Managerial Personnel (KMP), Directors, Promoters, Non-Promoter Members, Creditors, whether secured or unsecured, employees of Transferee Company and / or Transferor Company.

In the opinion of the Board, the said Scheme will be beneficial to the Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable.

The Board has adopted this Report after considering the information set out herein. The Board or any duly authorised committee or official(s) authorised by it is entitled to make relevant modifications to this Report, if required, and such modifications shall be deemed to form part of this Report.

**FOR INCOR HOSPITALS PRIVATE LIMITED**

  
**SURYANARAYANA REDDY PULAGAM**  
**MANAGING DIRECTOR**  
**(DIN: 00768424)**

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of INCOR HEALTHCARE PRIVATE LIMITED**

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

**Opinion**

We have audited the financial statements of **Incor Healthcare Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss and Statement of Cash Flows for the period then ended, and notes to the 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 financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with Companies (Accounts) Rules, 2014 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and loss and its cash flows for the period ended on that date.

**Basis for Opinion**

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





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

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

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

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

### **Responsibilities of Management and Those charged with Governance for Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting 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 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, the Board of Directors 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 the Board of Directors 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 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.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

## **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 "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, 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 Statement of Cash Flow 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 Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.



- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- 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:
- 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.
    - (1) The Management has represented that, to the best of it's 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) / entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary has, 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;
    - (2) The Management has represented that, to the best of it's knowledge and belief, no funds have been received by the Company from any person(s) / entity(ies), including foreign entities, that the company has 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;
    - (3) Based on the audit procedures which we have considered reasonable and appropriate in the circumstances and according to the information and explanations provided to us by the Management in this regard, nothing has come to our notice that has caused us to believe that the representations made by the





Management under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The Company has neither declared nor paid any dividend during the period.

3. In our opinion, according to information, explanations given to us, the provisions of Section 197 of the Act and the rules thereunder are not applicable to the Company as it is a Private Company.

**For M S K A & Associates**

**Chartered Accountants**

ICAI Firm Registration No. 105047W



**Ananthakrishnan Govindan**

**Partner**

Membership No. 205226

UDIN: 22205226APPIKE7561



Place: Hyderabad

Date: July 28, 2022

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF INCOR HEALTHCARE PRIVATE LIMITED FOR THE PERIOD ENDED MARCH 31, 2022.**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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.

**For M S K A & Associates**

**Chartered Accountants**

ICAI Firm Registration No. 105047W



**Ananthakrishnan Govindan**

**Partner**

Membership No. 205226

UDIN: 22205226APPIKE7561



Place: Hyderabad

Date: July 28, 2022



**ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF INCOR HEALTHCARE PRIVATE LIMITED FOR THE PERIOD ENDED MARCH 31, 2022.**

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report]

- i. The Company does not own any Property, Plant and Equipment and Intangible Assets. Accordingly, the provisions stated in paragraph 3(i) (a) to (e) of the Order are not applicable to the Company.
- ii.
  - (a) The Company has no Inventory. Accordingly, the provisions stated in the paragraph 3(ii) of the Order are not applicable to the Company.
  - (b) The Company has not been sanctioned any working capital limits during the period. Accordingly, the requirements under paragraph 3(ii)(b) of the Order is not applicable to the Company.
- iii. According to the information and explanations provided to us, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the requirements under paragraph 3(iii)(a) and 3(iii)(c) to 3(iii)(f) of the Order are not applicable to the Company. With respect to investments made by the Company, we are of the opinion that the terms and conditions in relation to same are not prejudicial to the interest of 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 Act, in respect of loans, investments, guarantees and security made, to the extent applicable.
- v. In our opinion and according to the information and explanations given to us, there are no amounts outstanding which are in the nature of deposits as on March 31, 2022 and the Company has not accepted any deposits during the period. Hence, the requirements under paragraph 3(v) of the Order are not applicable to the Company.
- vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3(vi) of the Order are not applicable to the Company.



vii.

- (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess have been regularly deposited by the company with appropriate authorities in all cases during the period.
- (b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of Income tax, goods and service tax, customs duty, cess and any other statutory dues which have not been deposited on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the period in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

ix.

- (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained, other than ₹ 358.56 million which remains unutilised as at March 31, 2022.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) The Company does not have any subsidiary, associate or joint venture. Hence reporting under the clause (ix)(e) of the order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate or joint venture. Hence, reporting under the clause 3(ix)(f) of the order is not applicable to the Company.



x.

(a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.

(b) 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 private placement of shares or fully, partly or optionally convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.

xi.

(a) During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company.

(b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the financial statement for the year ended March 31, 2022, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the course of audit. Accordingly, the provisions stated in paragraph (xi)(c) of the Order is not applicable to company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our 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. In our opinion and based on our examination, the Company does not require to comply with provision of section 138 of the Act. Hence, the provisions stated in paragraph 3(xiv) (a) to (b) of the Order are not applicable to the Company.





xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi.

(a) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi)(a) of the Order are not applicable to the Company.

(b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(b) of the Order are not applicable to the Company

(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) of the Order are not applicable to the Company.

(d) The Company does not have more than one CIC as a part of its group. Hence, the provisions stated in paragraph clause 3 (xvi)(d) of the Order are not applicable to the Company.

xvii. Based on the review of financial statements, the Company has incurred cash losses in the current financial year. The details of the same are as follows:

Particulars	March 31, 2022	March 31, 2021
Cash Losses	₹ 2.38 Million	Not Applicable

xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph clause 3 (xviii) of the Order are not applicable to the Company.

xix. According to the information and explanations given to us and based on our examination of financial ratios, ageing and expected date of realization of financial assets and payment of liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of audit report and the Company is 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.



- xx. According to the information and explanations given to us, the provisions of section 135 of the Act are not applicable to the Company. Hence, the provisions of the paragraph (xx)(a) to (b) of the Order are not applicable to the Company.
- xxi. According to the information and explanations given to us, the Company does not have any Subsidiary, Associate or Joint Venture. Accordingly, reporting under clause 3(xxi) of the Order is not applicable.

**For M S K A & Associates**

**Chartered Accountants**

ICAI Firm Registration No. 105047W



**Ananthakrishnan Govindan**

**Partner**

**Membership No.205226**

**UDIN: 22205226APPIKE7561**



**Place: Hyderabad**

**Date: July 28, 2022**

**ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF INCOR HEALTHCARE PRIVATE LIMITED FOR THE PERIOD ENDED MARCH 31, 2022.**

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the Members of Incor Healthcare Private Limited on the Financial Statements for the period ended March 31, 2022]

**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 Incor Healthcare Private Limited ("the Company") as of March 31, 2022 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 with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit





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

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

### **Meaning of Internal Financial Controls With reference to Financial Statements**

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies 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 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, 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, 2022, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

**For M S K A & Associates**

**Chartered Accountants**

ICAI Firm Registration No. 105047W



**Ananthakrishnan Govindan**

**Partner**

**Membership No.205226**

**UDIN: 22205226APPIKE7561**

**Place: Hyderabad**

**Date: July 28 ,2022**

**Incor Healthcare Private Limited**

Balance sheet as at March 31, 2022

(All amounts are in ₹ million unless otherwise stated)

	Note	As at 31 March 2022
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' funds</b>		
Share capital	3	0.10
Reserves and surplus	4	(2.38)
		<u>(2.28)</u>
<b>Non-current liabilities</b>		
Long-term borrowings	5	1,550.00
		<u>1,550.00</u>
<b>Current liabilities</b>		
Trade payables	6	
Total outstanding dues to micro and small enterprises		0.73
Total outstanding dues to creditors other than micro and small enterprises		-
Other current liabilities	7	1.63
		<u>2.36</u>
<b>TOTAL</b>		<u><u>1,550.08</u></u>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, Plant and Equipment and Intangible assets		
Property, Plant and Equipment		-
Intangible assets		-
Non - Current Investments	8	1,161.26
Other non-current assets	9	0.01
		<u>1,161.27</u>
<b>Current assets</b>		
Trade receivables		-
Cash and bank balances	10	358.56
Other Current Assets	11	30.25
		<u>388.81</u>
<b>TOTAL</b>		<u><u>1,550.08</u></u>
<b>Significant accounting policies</b>	2	-
The notes referred to above form an integral part of balance sheet.		

As per our report of even date.

For M S K A &amp; Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

  
Ananthkrishnan Govindan

Partner

Membership No. 205226

For and on behalf of the Board of Directors of  
Incor Healthcare Private Limited

CIN : U85110TC2022PHC160175

  
Sri Hari Pulagam

Director

DIN: 08549530

  
Konguri Srinivasa Reddy

Director

DIN:07822936

Place: Hyderabad

Date: July 28, 2022

Place: Hyderabad

Date: July 28, 2022



**Incor Healthcare Private Limited**  
**Statement of profit and loss for the year ended March 31, 2022**  
 (All amounts are in ₹ million unless otherwise stated)

	Note	For the year ended 31 March 2022
<b>Revenue</b>		
Revenue from operations		-
Other income		-
<b>Total revenue</b>		<u>-</u>
<b>Expenses</b>		
Employee benefits		-
Finance cost	12	1.62
Depreciation		-
Other expenses	13	0.76
<b>Total expenses</b>		<u>2.38</u>
<b>Loss before tax</b>		<u>(2.38)</u>
Tax expense		-
Current tax		-
Deferred tax		-
<b>Loss for the year</b>		<u>(2.38)</u>
<b>Earnings per share (EPS) (Nominal value per share - Rs. 10/- each )</b>		
Basic and diluted EPS	14	(237.62)

**Significant accounting policies**

2

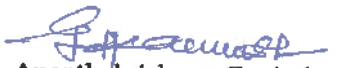
The notes referred to above form an integral part of the statement of profit and loss.

As per our report of even date.

**For M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

  
**Ananthakrishnan Govindan**  
 Partner  
 Membership No. 205226



For and on behalf of the Board of Directors of  
**Incor Healthcare Private Limited**

CIN : U85110TG2022PTC160175

  
**Sri Hari Pulagam Kovvuri Srinivasa Reddy**  
 Director  
 DIN: 08549530      DIN: 07822936



Place: Hyderabad  
 Date: July 28, 2022

Place: Hyderabad  
 Date: July 28, 2022

**Incor Healthcare Private Limited**  
**Cash flow statement for the year ended March 31, 2022**  
**(All amounts are in ₹ million unless otherwise stated)**

	March 31, 2022
<b>A. Cash flow from operating activities</b>	
Profit Before Tax	(2.38)
<b>Adjustment for :</b>	
Interest expense	1.62
Depreciation and amortisation	-
<b>Operating loss before working capital changes</b>	<b>(0.76)</b>
<b>Movements in working capital:</b>	
(Decrease)/Increase in trade payables, current liabilities and provisions	0.73
(Increase)/Decrease in other current assets	(30.25)
<b>Cash generated from operations</b>	<b>(30.28)</b>
Taxes paid, net of refunds	-
<b>Net cash used in operating activities (A)</b>	<b>(30.28)</b>
<b>B. Cash flows from investing activities</b>	
Investment in subsidiaries including share application money	(1,161.26)
<b>Net cash used in investing activities (B)</b>	<b>(1,161.26)</b>
<b>C. Cash used in financing activities</b>	
Proceeds from issuance of share capital including share premium	0.10
Proceeds from long term borrowings	1,550.00
Interest paid including other borrowing cost	-
<b>Net cash flows from financing activities (C)</b>	<b>1,550.10</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>358.56</b>
Cash and cash equivalents, beginning of the year	-
<b>Cash and cash equivalents, end of the year</b>	<b>358.56</b>
<b>Components of cash and cash equivalents</b>	
Cash on hand	
Balance with banks in current accounts	358.56
<b>Cash and cash equivalents (note 10)</b>	<b>358.56</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

**For M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

  
**Anantha Krishnan Govindan**

Partner

Membership No. 205226



For and on behalf of the Board of Directors of  
**Incor Healthcare Private Limited**

CIN : U85110TG2021PTC0168175

   
**Sri Hari Pulaganti / K. Govind Srinivasa Reddy**

Director

Director

DIN: 08549530

DIN: 07822936

Place: Hyderabad

Date: July 28, 2022

Place: Hyderabad

Date: July 28, 2022

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

### 1. Corporate Information/Background

Incor Healthcare Private Limited ('the Company') is a multi - specialty hospital engaged in the business of providing healthcare services incorporated on February 28, 2022. As it is newly incorporated entity there are no major transactions.

### 2. Summary of significant accounting policies

#### a. Basis of Preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspects of the Accounting Standards (AS) notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014. The accounting policies adopted in the preparation of financial statements have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy until now (hitherto) in use with those of previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of business and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

#### b. Use of estimates

The preparation of financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although, these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### c. Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets' net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation/amortization is provided on the revised carrying amount of the asset over its remaining useful life.





**d. Borrowing Costs**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings

**e. Investments**

**Accounting treatment**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Long-term investments are carried at cost.

**Classification in the financial statements**

Investments that are realisable within the period of twelve months from the balance sheet date are classified as current investment. All other investments are classified as non-current investments.

**f. Revenue recognition**

Revenue is recognised to the extent, that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**Interest Income**

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and applicable interest rate.

**g. Cash and cash equivalents**

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

**h. Contingent Liability, Provisions and Contingent Asset**

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

Contingent assets are neither recorded nor disclosed in the financial statements.



**i. Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

The weighted average numbers of equity shares are adjusted for events such as bonus issue, bonus element in the rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

As per our report of even date.

For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No. 105047W

  
Ananthakrishnan Govindan  
Partner Managing  
Membership No. 205226



For and on behalf of the Board of Directors of  
Incor Healthcare Private Limited  
CIN: U85110TG2022PTC160175

  
Sri Hari Pulagam  
Director  
DIN: 08549530

  
Koyvuri Srinivasa Reddy  
Director  
DIN: 07822936



Place: Hyderabad  
Date: July 28, 2022

Place: Hyderabad  
Date: July 28, 2022

**3 Share capital**

	March 31, 2022
<b>Authorised equity capital</b>	
10,000 equity shares of ₹ 10 each	0.10
	0.10
	March 31, 2022
<b>Issued, subscribed and fully paid-up equity share capital</b>	
10,000 Equity shares of ₹ 10/- each fully paid up	0.10
	0.10

(a) **Reconciliation of the equity shares outstanding at the beginning and at the end of the period is set out below:**

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

(b) **Terms and rights attached to Equity Shares**

The company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholdings.

(c) **The details of shareholder holding more than 5% of equity shares:**

Particulars	As at 31 March 2022	
	Number of shares	% of equity shares held
Incor InfraStructure Private Limited	9,999	99.99%

(d) **Details of the shares held by holding company**

Out of the total Equity Shares issued by the company, shares held by its holding company is given below:

Name of Equity Shareholder	As at 31-Mar-22
Incor InfraStructure Private Limited	9,999
9,999 Equity shares of ₹ 10/- each fully paid up	

(e) **Rights, preferences & restrictions attached to equity shares**

The Company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. 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.

(f) **Details of Shares held by Promoters at the end of the year**

Promoter name	March 31, 2022		
	No. Of Shares	% of total shares	% Change during the year*
Incor Infrastructure Private Limited	9,999	100%	
Suryanarayana Reddy Pulagam	1	0%	
	10,000	100%	-

**4 Reserves and surplus**

	March 31, 2022
<b>Surplus / (Deficit)</b>	
At the commencement of the year	
Add: Net Profit / (Loss) for the year	(2.28)
<b>Balance as at the end of the year</b>	<b>(3.38)</b>





5 Long Term Borrowings

March 31, 2022

Secured Term Loans - Debentures

From Alternative Investment Fund

1210 Redeemable Non Convertible Debentures of ₹ 10 million each

1,210.00

From Banks

340 Redeemable Non Convertible Debentures of ₹ 10 million each

340.00

1,550.00

a) 1210 Redeemable Non Convertible Debentures from Alternative Investment Fund (AIF) - Emerging India Credit Opportunities Fund amounting to ₹ 1210 million carries a fixed interest rate of 12.80% p.a. and is repayable as per the schedule mentioned in the Debenture trust deed. The loan is secured by way of First ranking pari passu charge over all fixed and floating assets of the Incor Hospitals Private Limited (IHPL), Incor Hospitals Vizag Private Limited (IHVPL) and Incor Padmachandra Hospitals Private Limited (IPHPL). Personal guarantee of Mr. P Suryanarayana Reddy and corporate guarantee of IHPL, IHVPL and IPHPL. Pledge over 100% shares of the company and 76% shares of IHPL, IHVPL and IPHPL against the loan availed by the Company.

a) 340 Redeemable Non Convertible Debentures from banks - Investec Bank Plc amounting to ₹ 340 million carries a fixed interest rate of 12.25% p.a. and is repayable as per the schedule mentioned in the Debenture trust deed. The loan is secured by way of First ranking pari passu charge over all fixed and floating assets of the Incor Hospitals Private Limited (IHPL), Incor Hospitals Vizag Private Limited (IHVPL) and Incor Padmachandra Hospitals Private Limited (IPHPL). Personal guarantee of Mr. P Suryanarayana Reddy and corporate guarantee of IHPL, IHVPL and IPHPL. Pledge over 100% shares of the company and 76% shares of IHPL, IHVPL and IPHPL against the loan availed by the Company.

Emerging India Credit Opportunities Fund

March 31, 2022

Number of installments due (Nos)

60

Rate of Interest (%)

12.80%

Within one year (₹)

-

After one year but not more than 5 years (₹)

1,210.00

More than 5 years (₹)

-

Investec Bank Plc

March 31, 2022

Number of installments due (Nos)

60

Rate of Interest (%)

12.75%

Within one year (₹)

-

After one year but not more than 5 years (₹)

340.00

More than 5 years (₹)

-

6 Trade payables

March 31, 2022

- Due to micro and small enterprises

0.73

- Others

-

0.73

MSME Disclosure

March 31, 2022

Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company:

Particulars

(a) Amount remaining unpaid to any supplier at the end of each accounting year:

Principal

0.73

Interest

-

Total

0.73

(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.

-

(c) 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.

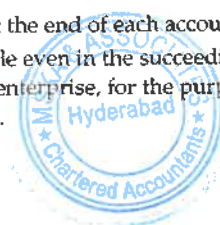
-

(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.

-

(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.

-



Trade Payables

As at March 2022	Current						
	Unbilled Payables	Payables Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	0.73	-	-	-	0.73
(ii) Disputed dues - MSME	-	-	-	-	-	-	-
(iii) Others	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	-	-	0.73	-	-	-	0.73

7 Other Current liabilities

	March 31, 2022
- Provision for expenses	1.63
	1.63

8 Non - Current Investments

(valued at historical cost unless stated otherwise) March 31, 2022

Trade investments, unquoted

Investment in equity shares

**Incor Hospitals Private Limited**

100 equity shares of ₹ 10/- each fully paid up 0.03

Investment in Preference shares

**Incor Hospitals Private Limited**

25,80,128 Compulsorily convertible preference shares of ₹ 10/- each fully paid up 707.62

15,00,000 Series B- Compulsorily convertible preference shares of ₹ 10/- each fully paid up 272.17

6,61,593 Series C- Compulsorily convertible preference shares of ₹ 10/- each fully paid up 181.45

**1,161.26**

9 Other non current assets

	March 31, 2022
Security deposits	0.01
	0.01

10 Cash and bank balances

	March 31, 2022
<b>Cash and cash equivalents</b>	
On current accounts	358.56
Cash on hand	-
	358.56

11 Other Current Assets

	March 31, 2022
Other Receivables	30.25
	30.25

12 Finance cost

	March 31, 2022
Interest & Finance Cost	1.62
	1.62



<b>13 Other expenses</b>	<b>March 31, 2022</b>
Auditors' remuneration - Statutory audit	0.01
Professional Charges	0.16
Rates & Taxes	0.53
Office and other expenses	0.06
	<b>0.76</b>

<b>14 Earnings per share</b>	<b>March 31, 2022</b>
Loss for the year	(2.38)
Weighted average of number of shares considered for calculation of basic earning per share.	10,000
Weighted average of number of shares considered for calculation of diluted earning per share.	10,000
<b>Basic &amp; Dilutive EPS</b>	<b>(237.62)</b>

**15 Details of Benami Property held**

The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

**16 Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act,**

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,

**17 Compliance with number of layers of companies**

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

**18 Utilisation of Borrowed funds and share premium:**

(i) The Company has 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.

(ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**19 Undisclosed income**

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous 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.

**20 Contingent liabilities**

During the year there is no such contingent liabilities.

**21 Registration of charges or satisfaction with Registrar of Companies.**

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

**22 Details of Crypto Currency or Virtual Currency**

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.



**23 Subsequent Event:**

**Amalgamation in the nature of Merger.**

Management of IHPL (Transferee) & IHCPL (Transferor) has decided to amalgamate into one company, for which The Scheme is presented under sections 230 and 232 of the Companies Act, 2013 and it provides for amalgamation of Transferor Company into Transferee Company, resulting in reduction of administrative costs and also result in reduction of overheads and other expenses, reduction in administrative and procedural work, enable the amalgamated company to effect internal economies and optimize profitability as also to reduce administrative inefficiencies by reducing duplication of functions.

The Scheme shall be beneficial and in the best interests of the shareholders, creditors and employees of the Transferor Company, and the Transferee Company and to the interest of stakeholders at large and all concerned.

The company is in a process to apply with NCLT with all the relevant documents.

24 In the opinion of the Board, the Current assets and loans and advances are approximately of the value stated, if realized in the ordinary course or business, except otherwise stated. The provision for all the known liabilities is adequate and not in excess of amount considered reasonably necessary.

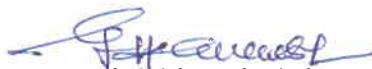
23 As the company incorporated as on February 28,2022. There are no previous year numbers Accordingly not presented previous year numbers.

As per our report of even date.

**For M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W



**Ananthakrishnan Govindan**

Partner

Membership No. 205226



For and on behalf of the Board of Directors of

**Incor Healthcare Private Limited**

CIN : U85110TG030220175



**Sri Hari Pulagam Kovuri Srinivasa Reddy**

Director

Director

DIN: 08549530

DIN:07822936

Place: Hyderabad

Date: July 28, 2022



**INDEPENDENT AUDITOR'S REPORT**

To the Members of INCOR HOSPITALS PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements

**Opinion**

We have audited the Standalone Financial Statements of Incor Hospitals Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss and Statement of Cash Flows for the year then ended, and notes to the standalone 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 standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with Companies (Accounts) Rules, 2014 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and profit and its cash flows for the year ended on that date.

**Basis for Opinion**

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



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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone 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 Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained 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.

## **Responsibilities of Management and Those charged with Governance for Standalone 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 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 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 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors 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 the Board of Directors 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 Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

## **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 "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, 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 Statement of Cash Flow 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 March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 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 standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- 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:
- 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.
    - (1) The Management has represented that, to the best of it's 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) / entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary has, 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;
    - (2) The Management has represented that, to the best of it's knowledge and belief, no funds have been received by the Company from any person(s) / entity(ies), including foreign entities, that the company has 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
    - (3) Based on the audit procedures which we have considered reasonable and appropriate in the circumstances and according to the information and explanations provided to us by the Management in this regard, nothing has come to our notice that has caused us to believe that the representations made by the Management under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement; and





v. The Company has neither declared nor paid any dividend during the year.

3. In our opinion, according to information, explanations given to us, the provisions of Section 197 of the Act and the rules thereunder are not applicable to the Company as it is a private Company.

**For M S K A & Associates**  
**Chartered Accountants**  
ICAI Firm Registration No. 105047W



**Ananthakrishnan Govindan**  
**Partner**

**Membership No. 205226**  
**UDIN: 22205226AOUITP8609**



**Place: Hyderabad**

**Date: July 29, 2022**

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF INCOR HOSPITALS PRIVATE LIMITED**

**Auditor's Responsibilities for the Audit of the Standalone 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 standalone 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)(l) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to standalone 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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.

**For M S K A & Associates**

**Chartered Accountants**

**ICAI Firm Registration No: 105047W**



**Ananthakrishnan Govindan**

**Partner**

**Membership No. 205226**

**UDIN: 22205226AOUITP8609**



**Place: Hyderabad**

**Date: July 29, 2022**

**ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF INCOR HOSPITALS PRIVATE LIMITED FOR THE YEAR ENDED MARCH 31, 2022.**

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report]

i.

(a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment by which all these assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. Pursuant to above program, certain of these assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given to us, there are no immovable properties, and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(d) According to the information and explanations given to us, the Company has not revalued its Property, Plant and Equipment and its Intangible assets. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company.

ii.

(a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage and procedure of such verification is reasonable and appropriate. No material discrepancies were noticed on such verification.





- (b) The Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from Banks on the basis of security of current assets. Quarterly returns / statements are filed with such Banks are not in agreement with the books of account for the below respective periods, details of the same are as follows :

Amount in Rs. Million

Particulars for the Month	As per Books				As per Statements Submitted to Bank				Variances			
	June'2021	Sep'2021	Dec'2021	Mar'2022	June'2021	Sep'2021	Dec'2021	Mar'2022	June'2021	Sep'2021	Dec'2021	Mar'2022
Inventory*	30.67	30.27	26.61	26.17	34.05	48.26	47.63	47.55	(3.38)	(17.99)	(21.02)	(21.37)
Trade Receivables*	183.10	166.70	163.50	155.80	183.64	166.34	163.41	162.57	(0.54)	0.36	0.09	(6.77)
Trade Payables*	40.00	39.60	44.20	48.60	36.15	37.69	41.50	48.12	3.85	1.91	2.70	0.48

\*Note: Management comments on reasons for above variances are as mentioned below and same provided in note 36 to the standalone financial statements :

- Inventory variance is on account of maximum retail price (MRP) was considered instead purchase cost.
- Trade payables represent only pharmacy vendor payables and does not include any other general trade payables.

- iii. According to the information and explanations provided to us, the Company has made investments in, provided guarantee and granted loans, secured or unsecured, to companies or any other parties during the year, in respect of which :

- (a) The Company has provided loans and guarantee during the year and details of which are given below:

Amount in Rs. Million

Particulars	Guarantees	Security	Loans
A) Aggregate amount granted / provided during the year:			
- Subsidiaries	Nil	Nil	40.31
- Joint Ventures / Associates	NA	NA	NA
- Others	Nil	Nil	9.38
B) Balance Outstanding as at balance sheet date in respect of above cases			
- Subsidiaries	103.34	Nil	145.34
- Joint Ventures / Associates	NA	NA	NA
- Others	Nil	Nil	141.73

The Company has not provided any advances in the nature of loans to any other entity during the year.

- (b) The Investments made, guarantees provided, securities given and the terms and conditions of grant of all above loans and guarantees during the year are, in our opinion, not prejudicial to the interest of the Company.
- (c) In case of the loans granted by the Company, schedule of repayment of principal and payment of interest have been stipulated and the borrowers have been regular in the payment of the principal and interest.



- (d) There are no amounts overdue for more than ninety days in respect of the loan granted to Company/ Other Parties.
- (e) According to the information and explanations provided to us, the loans granted has not fallen due during the year. Hence, the requirements under paragraph 3(iii) (e) of the Order are not applicable to the Company.
- (f) According to the information and explanations provided to us, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, the requirements under paragraph 3(iii)(f) 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 Act, in respect of loans, investments, guarantees and security made, to the extent applicable.
- v. In our opinion and according to the information and explanations given to us, there are no amounts outstanding which are in the nature of deposits as on March 31, 2022 and the Company has not accepted any deposits during the year. Hence, the requirements under paragraph 3(v) of the Order are not applicable to the Company.
- vi. We have broadly reviewed the books of account relating to materials and other items of cost maintained by the Company pursuant as specified by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii.
- (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess have been regularly deposited by the company with appropriate authorities in all cases during the year.
- (b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, customs duty, cess and any other statutory dues which have not been deposited on account of any dispute.



viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in tax assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

ix.

(a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, no money was raised by way of term loans. Accordingly, the provision stated in paragraph 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

x.

(a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.

(b) 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 private placement of shares or fully, partly or optionally convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.



- xi.
- (a) During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company.
- (b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the standalone financial statements for the year ended March 31, 2022, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the course of audit. Accordingly, the provisions stated in paragraph (xi)(c) of the Order is not applicable to company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our 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 standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered internal audit reports of the company issued till date, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to Company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.





xvi.

- (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi)(a) of the Order are not applicable to the Company.
- (b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(b) of the Order are not applicable to the Company
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) of the Order are not applicable to the Company.
- (d) The Company does not have more than one CIC as a part of its group. Hence, the provisions stated in paragraph clause 3 (xvi)(d) of the Order are not applicable to the Company.

xvii. According to the information and explanations provided to us, the Company has not Incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph clause 3 (xvii) of the Order are not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph clause 3 (xviii) of the Order are not applicable to the Company.

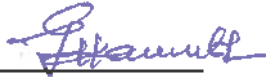
xix. According to the information and explanations given to us and based on our examination of financial ratios, ageing and expected date of realisation of financial assets and payment of liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of audit report and the Company is 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.

xx. According to the information and explanations given to us, the provisions of section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred either to a Fund or to a Special Account as per the provisions of section 135 of the act read with schedule VII. Accordingly, reporting under clause 3(xx)(a) and clause 3(xx)(b) of the Order is not applicable to the Company.



xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in the report.

**For M S K A & Associates**  
**Chartered Accountants**  
ICAI Firm Registration No. 105047W



**Ananthakrishnan Govindan**  
**Partner**  
Membership No.205226  
UDIN: 22205226AOUITP8609



**Place: Hyderabad**  
**Date: July 29, 2022**

**ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF INCOR HOSPITALS PRIVATE LIMITED**

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the Members of Incor Hospitals Private Limited on the Standalone Financial Statements for the year ended March 31, 2022]

**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 standalone financial statements of Incor Hospitals Private Limited ("the Company") as of March 31, 2022 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 with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to standalone 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial



statements included obtaining an understanding of internal financial controls with reference to standalone 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 standalone 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 standalone financial statements.

#### **Meaning of Internal Financial Controls With reference to Standalone Financial Statements**

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone 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 standalone 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 standalone financial statements.

#### **Inherent Limitations of Internal Financial Controls With reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone 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, internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31,2022, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

**For M S K A & Associates**

**Chartered Accountants**

ICAI Firm Registration No. 105047W



**Ananthkrishnan Govindan**

**Partner**

Membership No.205226

UDIN: 22205226AOUITP8609



Place: Hyderabad


Date: July 29, 2022

Incor Hospitals Private Limited  
Balance sheet as at March 31, 2022  
(All amounts are in ₹ million unless otherwise stated)

	Notes	March 31, 2022	March 31, 2021
<b>Equity and Liabilities</b>			
<b>Shareholders funds</b>			
Share capital	3	117.43	117.43
Reserves and surplus	4	989.90	798.26
		<b>1,107.33</b>	<b>915.69</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	-	33.43
Other long term liabilities	6	129.02	110.80
Long-term provisions	7	24.05	18.83
		<b>153.07</b>	<b>163.06</b>
<b>Current liabilities</b>			
Short-term borrowings	8	104.42	151.65
Trade payables	9		
Total outstanding dues to micro and small enterprises		14.06	9.40
Total outstanding dues to creditors other than micro and small enterprises		116.20	109.52
Other current liabilities	10	88.80	50.76
Short-term provisions	7	144.02	58.74
		<b>467.50</b>	<b>380.07</b>
<b>TOTAL</b>		<b>1,727.90</b>	<b>1,458.82</b>
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Property, Plant and Equipment and Intangible assets</b>			
Property, Plant and Equipment	11	409.66	357.48
Intangible assets	11	0.89	0.44
Non current investments	12	387.77	387.77
Deferred tax asset (net)	13	14.50	9.78
Long-term loans and advances	14	389.46	298.44
Other non-current assets	15	110.46	104.30
		<b>1,312.74</b>	<b>1,158.21</b>
<b>Current assets</b>			
Inventories	16	26.18	19.59
Trade receivables	17	143.10	139.84
Cash and bank balances	18	144.22	81.21
Short-term loans and advances	14	44.71	22.50
Other current assets	15	56.95	37.47
		<b>415.16</b>	<b>300.61</b>
<b>TOTAL</b>		<b>1,727.90</b>	<b>1,458.82</b>
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For M S K A & Associates  
Chartered Accountants  
Firm Registration No. 105047W


  
Ananthakrishnan Govindan  
Partner  
Membership No. 205226




Place : Hyderabad  
Date: July 29, 2022

For and on behalf of the Board of Directors of  
Incor Hospitals Private Limited  
CIN: U93000TG2009PTC064790

  
P. Suryanarayana Reddy  
Managing Director  
DIN: 00768424

  
M. Bhargavi  
Company Secretary

Place : Hyderabad  
Date: July 29, 2022

  
K. Srinivasa Reddy  
Director  
DIN: 07822936


**Incor Hospitals Private Limited**  
**Statement of profit and loss for the year ended March 31, 2022**  
(All amounts are in ₹ million unless otherwise stated)

	Notes	March 31, 2022	March 31, 2021
<b>INCOME</b>			
Revenue from operations	19	1,572.11	1,144.68
Other income	20	47.16	42.73
<b>Total revenue</b>		<b>1,619.27</b>	<b>1,187.41</b>
<b>EXPENSES</b>			
Cost of material consumed	21	320.80	232.42
Employee benefit expense	22	271.28	213.75
Depreciation and amortization expense	23	41.10	43.59
Finance costs	24	17.32	39.34
Other expenses	25	697.93	506.44
<b>Total expenses</b>		<b>1,348.43</b>	<b>1,035.54</b>
<b>Profit Before Tax</b>		<b>270.84</b>	<b>151.87</b>
<b>Tax expense :-</b>			
Current tax		83.92	51.91
Deferred tax benefit	13	(4.72)	(6.64)
<b>Total Tax Expense</b>		<b>79.20</b>	<b>45.27</b>
<b>Profit for the year</b>		<b>191.64</b>	<b>106.60</b>
<b>Earnings per share (EPS) (Nominal value per share - Rs. 10/- each (March 31 2021 - Rs. 10/- each))</b>			
Basic EPS	31	32.81	18.25
Diluted EPS		17.32	9.63

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For M S K A & Associates  
Chartered Accountants  
Firm Registration No. 105047W

  
**Ananthakrishnan Govindan**  
Partner  
Membership No. 205226




Place: Hyderabad  
Date: July 29, 2022

For and on behalf of the Board of Directors of  
**Incor Hospitals Private Limited**  
CIN: U93000TG2009PTC064790

  
**P. Suryanarayana Reddy**  
Managing Director  
DIN: 00768424



  
**K. Srinivasa Reddy**  
Director  
DIN: 07822936

  
**M. Bhargavi**  
Company Secretary

Place : Hyderabad  
Date: July 29, 2022

Incor Hospitals Private Limited  
Cash flow statement for the year ended March 31, 2022  
(All amounts are in ₹ million unless otherwise stated)

	March 31, 2022	March 31, 2021
<b>A. Cash flow from operating activities</b>		
Profit Before Tax	270.84	151.87
Adjustment for :		-
Interest expense	10.79	32.14
Gain on sale of Fixed Asset	0.43	-
Interest income	(30.26)	(30.43)
Provision for doubtful trade receivable and advances/debts written off	3.69	1.50
Depreciation and amortisation	41.10	43.59
Liabilities/ provisions no longer required written back	(3.32)	(3.62)
<b>Operating profit before working capital changes</b>	<b>293.27</b>	<b>195.05</b>
<b>Movements in working capital:</b>		
(Decrease)/Increase in trade payables, current liabilities and	76.02	(0.68)
(Increase)/Decrease in inventories	(6.59)	5.89
Increase in trade receivables and other assets	(26.68)	(11.31)
(Increase)/Decrease in loans and advances	(25.22)	7.26
<b>Cash generated from operations</b>	<b>310.79</b>	<b>196.21</b>
Taxes paid, net of refunds	(88.00)	7.07
<b>Net cash flow from operating activities (A)</b>	<b>222.79</b>	<b>203.28</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipments and intangible assets	(91.96)	(18.60)
Interest income received	16.92	27.03
Investments in bank deposits (having original maturity of more than three n	7.44	(1.60)
<b>Net cash used in investing activities (B)</b>	<b>(67.60)</b>	<b>6.83</b>
<b>C. Cash used in financing activities</b>		
Repayment of long term borrowings	(33.42)	(76.37)
Proceeds of short term borrowings, net	(47.23)	(13.17)
Interest paid including other borrowing cost	(11.54)	(55.78)
<b>Net cash used in financing activities (C)</b>	<b>(92.18)</b>	<b>(145.32)</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>63.01</b>	<b>64.79</b>
Cash and cash equivalents, beginning of the year	81.21	16.42
<b>Cash and cash equivalents, end of the year</b>	<b>144.22</b>	<b>81.21</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	1.18	1.37
Balance with banks in current accounts	143.04	79.84
<b>Cash and cash equivalents (note 18)</b>	<b>144.22</b>	<b>81.21</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For M S K A & Associates

ICAI Firm Registration No. 105047W

Chartered Accountants

  
Ananthakrishnan Govindan

Partner

Membership No. 205226



Place: Hyderabad

Date: July 29, 2022

For and on behalf of the Board of Directors of

Incor Hospitals Private Limited

CIN: U93000TG2009PTC064790

  
P. Suryanarayana Reddy

Managing Director

DIN: 00768424

  
M. Bhargavi

Company Secretary

Place : Hyderabad

Date: July 29, 2022

  
K. Srinivasa Reddy

Director

DIN:07822936





## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

### 1. Corporate Information/Background

Incor Hospitals Private Limited ('the Company') is a multi - specialty hospital engaged in the business of providing healthcare services.

### 2. Summary of significant accounting policies

#### a. Basis of Preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspects of the Accounting Standards (AS) notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014. The accounting policies adopted in the preparation of financial statements have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy until now (hitherto) in use with those of previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of business and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

#### b. Use of estimates

The preparation of financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although, these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### c. Property, Plant and Equipment and Intangible assets

Tangible assets, capital work in progress are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, borrowing costs, if capitalization criteria are met and any cost attributable to bringing the assets to its working condition for its intended use which includes taxes, freight, and installation and allocated incidental expenditure during construction/ acquisition and exclusive Input tax credit (IGST/CGST and SGST) or other tax credit available to the Company.

When parts of an item of tangible assets have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure relating to tangible assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.



An item of Property, Plant and Equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition is recognized in the Statement of Profit and Loss.

#### Intangible assets

An intangible asset is recognized when it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment losses, if any. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use which includes taxes, freight, and installation and allocated incidental expenditure during construction/ acquisition and exclusive of Input tax credit (IGST/CGST and SGST) or other tax credit available to the Company.

Subsequent expenditure relating to intangible assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit and Loss.

#### d. Depreciation on Property, plant and equipment

Based on management's evaluation, useful life prescribed in Schedule II of the Companies Act, 2013 represent actual useful life of property, plant and equipment except in the case of Plant & Machinery and Medical & Surgical Equipment which is different as compared to that prescribed under the Schedule II of the Companies Act, 2013. The estimates of useful life of these assets based on technical evaluation have not undergone a change on account of transition of the Companies Act, 2013. The Company uses Straight Line Method and has used following useful lives to provide depreciation of different class of its property, plant and equipment.

Particulars	Year ended March 31, 2022 (Useful life In years)	Year ended March 31, 2021 (Useful life in years)
Office Equipment	1-25	1-25
Plant and Machinery	15	15
Electrical Installations	10	10
Computers & Peripherals	3	3
Servers	6	6
Furniture & Fixtures	1- 10	1-10
Medical & Surgical Equipment	1 - 15	1 - 15
Vehicles	8	8

Leasehold improvements are depreciated over their estimated useful life, or the remaining period of lease from the date of capitalization, whichever is shorter.

Depreciation on addition to tangible assets is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation on sale/discard from tangible assets is provided for upto the date of sale, deduction or discard of tangible assets as the case may be.



Depreciation is recognized so as to depreciate the cost of assets (other than Lease hold Improvements and Intangible assets) less their residual values @3% over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

**e. Amortization of Intangible assets**

Amortization of intangible assets has been calculated on straight line basis at the following rates, based on management estimates, which in the opinion of the management are reflective of the estimated useful lives of the Intangible assets.

Particulars	Useful life (In years)
Computer Software	
- ERP	3
- Other than ERP	3

Amortization on addition to intangible assets is provided on pro-rata basis from the date the assets are ready for intended use. Amortization on sale/discard from intangible assets is provided for upto the date of sale, deduction or discard of intangible assets as the case may be.

**f. Impairment of Assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets' net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation/amortization is provided on the revised carrying amount of the asset over its remaining useful life.

**g. Borrowing Costs**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use are capitalized. All other borrowing costs are recognised as expenditure in the period in which they are incurred.



**h. Investments**

**Accounting treatment**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

**Classification in the financial statements**

Investments that are realisable within the period of twelve months from the balance sheet date are classified as current investment. All other investments are classified as non-current investments.

**i. Revenue recognition**

Revenue is recognised to the extent, that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**Revenue from sale of goods**

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer and are recorded net of trade discounts, rebates, Sales Tax, Value Added Tax, Goods and Service Tax and gross of Excise Duty.

**Revenue from services**

Revenue from services is recognised as and when services are rendered and the collectability is reasonably assured.

Revenue recognised by the Company where services are rendered to the customer and for which Final bill has not been raised (which we refer as unbilled revenue).

**Interest Income**

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and applicable interest rate.

**Dividend Income**

Dividend is recognised when the Company's right to receive dividend is established.





**j. Retirement and other employee benefits**

**Defined contribution plan**

The Company makes defined contribution to Government Employee Provident Fund, ESI which are recognised in the Statement of Profit and Loss on accrual basis.

The Company has no further obligations under these plans beyond its monthly contributions.

**Defined Benefit Plan- Gratuity**

The Company provides for retirement benefits in the form of Gratuity. Benefits payable to eligible employees of the company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the Balance Sheet date. In accordance with the Payment of Gratuity Act, 1972, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled. The resultant actuarial gain or loss on change in present value of the defined benefit obligation or change in return of the plan assets is recognised as an income or expense in the Statement of Profit and Loss. The expected return on plan assets is based on the assumed rate of return of such assets. The Company contributes to a fund set up by Life Insurance Company of India/trust managed by the Company.

**Other long-term benefits**

The company provides for the liability at year end on account of unavailed leave as per the actuarial valuation using the Projected Unit Credit Method. Liabilities in respect of this kind of leave are unfunded.

Actuarial gains and losses are recognised in the Statement of Profit and Loss as and when incurred.

**k. Cash and cash equivalents**

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

**l. Inventories**

Inventory of all medicines and drugs are valued at lower of Cost or Net Realizable Value.

Cost of inventories (medicines and drugs) is computed on FIFO basis. Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition.

Provision for obsolescence on inventories is not considered on the basis of management's estimate as the inventory in healthcare industry can be reused after expiry by way of Gaseous and ETO sterilization technique.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on item by item basis.



**m. Income taxes**

Tax expense for the period comprises of current tax, deferred tax and Minimum alternate tax credit.

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income-tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts, and there is an intention to settle the asset and the liability on a net basis.

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the reporting date.

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and are written-down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

At each reporting date, the Company reassesses the unrecognized deferred tax assets, if any.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

**n. Leases**

**As a Lessee:**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.



**o. Contingent Liability, Provisions and Contingent Asset**

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

Contingent assets are neither recorded nor disclosed in the financial statements.

**p. Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

The weighted average numbers of equity shares are adjusted for events such as bonus issue, bonus element in the rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**q. Foreign currency translation**

**Initial recognition:**

Foreign currency transactions are recorded in the reporting currency by applying the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**Conversion:**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when such values were determined.

**Exchange differences:**

Exchange differences arising on the settlement of monetary items or on reporting the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they occur.



r. **Corporate Social Responsibility**

CSR expenditure are recognized in Statement of profit on loss on accrual basis and hence no provision is made against unspent amount.

As per our report of even date.


**For M S K A & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

  
**Ananthakrishnan Govindan**  
Partner Managing  
Membership No. 205226



For and on behalf of the Board of Directors of  
**Incor Hospitals Private Limited**  
CIN: U93000TG2009PTC064790

  
**P. Suryanarayana Reddy** **Kovuri Srinivasa Reddy**  
Director Director  
DIN: 00768424 DIN:07822936

  
**M. Bhargavi**  
Company Secretary

Place: Hyderabad  
Date: July 29, 2022

Place: Hyderabad  
Date: July 29, 2022



3 Share capital

	March 31, 2022	March 31, 2021
<b>Authorised Share Capital</b>		
<b>Equity shares</b>		
7,400,000 (March 31, 2021: 7,400,000) equity shares of ₹ 10/- each	74.00	74.00
<b>Preference shares</b>		
2,600,000 (March 31, 2021: 2,600,000) 0.01% Compulsorily Convertible Preference Shares of ₹ 10/- each	26.00	26.00
2,000,000 (March 31, 2021: 2,000,000) 0.01% Series B - Compulsorily Convertible Preference Shares of ₹ 10/- each	20.00	20.00
1,500,000 (March 31, 2021: 1,500,000) 0.01% Series C - Compulsorily Convertible Preference Shares of ₹ 10/- each	15.00	15.00
	<b>135.00</b>	<b>135.00</b>
<b>Issued, Subscribed and Paid up Capital</b>		
<b>Equity shares</b>		
5,840,017 (March 31, 2021: 5,840,017) equity shares of ₹ 10/- each	58.40	58.40
<b>Preference Shares</b>		
2,580,128 (March 31, 2021: 2,580,128) 0.01% Compulsorily Convertible Preference Shares of ₹ 10/- each	25.80	25.80
2,000,000 (March 31, 2021: 2,000,000) 0.01% Series B - Compulsorily Convertible Preference Shares of ₹ 10/- each	20.00	20.00
1,323,186 (March 31, 2021: 1,323,186) 0.01% Series C - Compulsorily Convertible Preference Shares of ₹ 10/- each	13.23	13.23
	<b>117.43</b>	<b>117.43</b>

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	March 31, 2022		March 31, 2021	
	No.	Amount	No.	Amount
<b>Equity shares of ₹ 10/- each fully paid up</b>				
At the beginning of the year	5,840,017	58.40	5,840,017	58.40
Issued during the year	-	-	-	-
Outstanding at the end of the year	<b>5,840,017</b>	<b>58.40</b>	<b>5,840,017</b>	<b>58.40</b>

	March 31, 2022		March 31, 2021	
	No.	Amount	No.	Amount
<b>0.01% Compulsorily Convertible Preference Shares of ₹ 10/- each</b>				
At the beginning of the year	2,580,128	25.80	2,580,128	25.80
Issued during the year	-	-	-	-
Outstanding at the end of the year	<b>2,580,128</b>	<b>25.80</b>	<b>2,580,128</b>	<b>25.80</b>

	March 31, 2022		March 31, 2021	
	No.	Amount	No.	Amount
<b>0.01% Series B - Compulsorily Convertible Preference Shares of ₹ 10/- each</b>				
At the beginning of the year	2,000,000	20.00	2,000,000	20.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	<b>2,000,000</b>	<b>20.00</b>	<b>2,000,000</b>	<b>20.00</b>

	March 31, 2022		March 31, 2021	
	No.	Amount	No.	Amount
<b>0.01% Series C - Compulsorily Convertible Preference Shares of ₹ 10/- each</b>				
At the beginning of the year	1,323,186	13.23	1,323,186	13.23
Issued during the year	-	-	-	-
Outstanding at the end of the year	<b>1,323,186</b>	<b>13.23</b>	<b>1,323,186</b>	<b>13.23</b>

b) Rights, preferences & restrictions attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. 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.

c) Rights, preferences & restrictions attached to compulsory convertible preference shares (CCPS)

The Company has three classes of preference shares.

i) 0.01% Compulsorily Convertible Preference Shares have par value of ₹ 10/- per share. All the CCPS shall be convertible into equity shares within a period of twenty years from the date of their issuance in proportion of one equity share for every CCPS at the option of the holder. In the event of liquidation of the Company before conversion of CCPS, the holders of CCPS will have priority over equity shares in the payment of dividend and repayment of capital.

ii) 0.01% Series B - Compulsorily Convertible Preference Shares have a par value of ₹ 10/- per share. All the CCPS shall be convertible into equity shares within a period of twenty years from the date of their issuance. The conversion ratio is based on the company's adjusted pre-money valuation as determined in accordance with the terms of the Preference Share Subscription Agreement. In the event of liquidation of the Company before conversion of CCPS, the holders of CCPS will have priority over equity shares in the payment of dividend and repayment of capital.

iii) 0.01% Series C - Compulsorily Convertible Preference Shares have a par value of ₹ 10/- per share. All the CCPS shall be convertible into equity shares within a period of twenty years from the date of their issuance in proportion of one equity share for every CCPS at the option of the holder. In the event of liquidation of the Company before conversion of CCPS, the holders of CCPS will have priority over equity shares in the payment of dividend and repayment of capital.



d) Details of shareholders holding more than 5% of aggregate shares in the Company

	March 31, 2022		March 31, 2021	
	No.	% of holding	No.	% of holding
<b>(i) Equity shares of ₹ 10/- each fully paid up</b>				
Incor Infrastructure Private Limited, Holding company	5,497,917	94%	5,497,917	94%
<b>(ii) Compulsorily convertible preference shares of ₹ 10/- each fully paid up</b>				
Vistra ITCL (India) Limited as the trustee of ASK Pravi Private Equity Opportunities Fund.	-	-	2,580,128	100%
Incor Healthcare Private Limited	2,580,128	100%	-	-
<b>(iii) Series B- Compulsorily convertible preference shares of ₹ 10/- each fully paid up</b>				
Vistra ITCL (India) Limited as the trustee of ASK Pravi Private Equity Opportunities Fund.	-	-	1,500,000	75%
Incor Healthcare Private Limited	1,500,000	75%	-	-
Incor Infrastructure Private Limited, Holding company	500,000	25%	500,000	25%
<b>(iv) Series C- Compulsorily convertible preference shares of ₹ 10/- each fully paid up</b>				
Vistra ITCL (India) Limited as the trustee of ASK Pravi Private Equity Opportunities Fund.	-	-	661,593	50%
Incor Healthcare Private Limited	661,593	50%	-	-
Incor Infrastructure Private Limited, Holding company	661,593	50%	661,593	50%

As per records of the Company, including its register of shareholders and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares. 18,69,292 shares held by Incor Infrastructure Private Limited in the Company are pledged with a financial institution against the loan availed by the Company as on March 31, 2021 (Refer Note 5 and 8). The pledge has been released in the FY 21-22 as the total loan was repaid in the current FY 21-22. 14,60,005 shares held by Incor Infrastructure Private Limited in the Company are pledged with the bank against the loan availed by the Company (Refer Note 5).

e) Details of the shares held by holding company

	March 31, 2022	March 31, 2021
<b>Incor Infrastructure Private Limited, the holding company</b>		
5,497,917 (March 31, 2021 : 5,497,917) Equity shares of ₹ 10/- each fully paid up	54.98	54.98
500,000 (March 31, 2021 : 500,000) Series B Preference shares of ₹ 10/- each fully paid up	5.00	5.00
6,61,593 (March 31, 2021 : 6,61,593) Series C Preference shares of ₹ 10/- each fully paid up	6.62	6.62

f) Details of Shares held by Promoters at the end of the year

Promoter name	March 31, 2022			March 31, 2021		
	No. Of Shares	% of total shares	% Change during the year*	No. Of Shares	% of total shares	% Change during the year*
<b>Incor Infrastructure Private Limited</b>	5,497,917	94%	0%	5,497,917	94%	0%
	5,497,917	94%		5,497,917	94%	

4 Reserves and surplus

	March 31, 2022	March 31, 2021
<b>Securities premium</b>		
Balance at beginning of the year	671.82	671.82
Add: Premium on issue of Shares	-	-
Balance at the end of the year	671.82	671.82
<b>Surplus in statement of profit and loss</b>		
Balance at the beginning of the year	126.44	19.84
Add: Profit for the year	191.64	106.60
Balance at the end of the year	318.08	126.44
	989.90	798.26

5 Long-term borrowings

	Non current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Secured</b>				
<b>From banks</b>				
Term loan	-	33.01	33.01	39.57
<b>Financial Institutions</b>				
Term loan	-	0.42	-	51.52
	-	33.43	33.01	91.08



- a) Term loans from banks amounting to ₹ Nil (March 31, 2021: ₹ 8.14 Million ) carries an interest rate of 10.25% - 11.47% p.a. and is repayable in 72 equal monthly instalments commencing from Nov, 2015. The loan is secured by way of first and exclusive charge on the entire current assets of the Company both present and future, first charge on the unencumbered fixed assets of the Company both present and future, equitable mortgage on commercial space admeasuring 5,000 sft in Third Floor in 'Incor Square' owned by Incor Infrastructure Private Limited, the holding company and personal guarantee of Mr. P Suryanarayana Reddy and corporate guarantee of Incor Infrastructure Private Limited, the holding company. 14,60,005 shares held by Incor Infrastructure Private Limited in the Company are pledged with the bank against the loan availed by the Company. This loan was repaid in current financial year.
- b) Term loans from banks amounting to ₹ Nil (March 31, 2021: ₹ 28.44 Million ) carries an interest rate of 10.25% - 10.85% p.a. and is repayable in 72 equal monthly instalments commencing from April, 2016. The loan is secured by way of first and exclusive charge on the medical equipment funded by the bank, personal guarantee of Mr. P Suryanarayana Reddy and corporate guarantee of Incor Infrastructure Private Limited, the holding company. This loan was repaid in current financial year.
- c) Secured term loans from Financial Institutions amounting to ₹ Nil ₹ Nil and ₹ Nil (March 31, 2021: ₹ 31.10 Million ₹ 10.65 Million and ₹ 4.92 Million) carries an interest rate of 15.5% p.a., 15.5% p.a. and 15.5% p.a. respectively and is repayable in 48 equal monthly instalments commencing from October, 2017, April, 2018 and September, 2018 respectively. The loans are secured by way of first & exclusive charge on medical equipments, pledge of 18,69,292 shares held by Incor Infrastructure Private Limited in the Company, first and pari passu charge on all existing and future fixed and current assets of the Company (Including book debts, stock trade etc.) to the extent of 1.1 times of the outstanding amount under the facility ranking pari passu with other lenders who have charge on such assets, personal guarantee of Mr. P Suryanarayana Reddy and Mr. G Anand Reddy and corporate guarantee of Incor Infrastructure Private Limited, the holding company. This is further secured by way of lien on fixed deposits of ₹ 6.19 Million. This loan was repaid in current financial year.
- d) Secured term loan from financial institutions amounting to ₹ Nil (March 31, 2021: ₹ 5.14 ) carries an interest rate of 12% p.a. and is repayable in 60 equal monthly instalments commencing from December, 2016. The loan is secured by the hypothecation of assets for which finance is provided and personal guarantee of Mr. P Suryanarayana Reddy and Mr. G Anand Reddy. This loan was repaid in current financial year.
- e) Secured term loan from financial institutions amounting to ₹ Nil (March 31, 2021: ₹ 0.086 ) carries an interest rate of 0% p.a. and is repayable in 24 equal monthly instalments commencing from December, 2018. The loan is secured by the hypothecation of assets for which finance is provided and personal guarantee of Mr. P Suryanarayana Reddy. This loan was repaid in current financial year.
- f) Working Capital Term loan from Banks amounting to ₹ 21.1 Million (March 31, 2021: ₹ 24 Million ) carries an interest rate of 8.25% p.a. and is repayable in 12 months principal moratorium and 36 months equal monthly installments after moratorium commencing from November, 2021. The loan is secured by the personal guarantee of Mr. P Suryanarayana Reddy and Corporate guarantee of Incor Infrastructure Limited.
- g) Working Capital Term loan from Banks amounting to ₹ 12 Million (March 31, 2021: ₹ 12 Million) carries an interest rate of 8.25% p.a. and is repayable in 12 months principal moratorium and 36 months equal monthly installments after moratorium commencing from May, 2022. The loan is secured by the personal guarantee of Mr. P Suryanarayana Reddy and Corporate guarantee of Incor Infrastructure Limited.

Siemens Financial Services	31 March 2022	31 March 2021
Number of installments due (Nos)	0.00	13.00
Rate of Interest (%)	12.00%	12.00%
Within one year (₹)	-	0.00
After one year but not more than 5 years (₹)	-	-
More than 5 years (₹)	-	-

Siemens Financial Services	31 March 2022	31 March 2021
Number of installments due (Nos)	0.00	1.00
Rate of Interest (%)	0.00%	0.00%
Within one year (₹)	-	0.09
After one year but not more than 5 years (₹)	-	-
More than 5 years (₹)	-	-

Northern Arc - 1	31 March 2022	31 March 2021
Number of installments due (Nos)	0.00	11.00
Rate of Interest (%)	15.50%	15.50%
Within one year (₹)	-	13.60
After one year but not more than 5 years (₹)	-	-
More than 5 years (₹)	-	-

Northern Arc - TL F	31 March 2022	31 March 2021
Number of installments due (Nos)	0.00	12.00
Rate of Interest (%)	15.50%	15.50%
Within one year (₹)	-	9.95
After one year but not more than 5 years (₹)	-	-
More than 5 years (₹)	-	-

Northern Arc - TL 2A	31 March 2022	31 March 2021
Number of installments due (Nos)	0.00	11.00
Rate of Interest (%)	15.50%	15.50%
Within one year (₹)	-	10.65
After one year but not more than 5 years (₹)	-	-
More than 5 years (₹)	-	-



**Incor Hospitals Private Limited**  
**Notes to financial statements as at and for the year ended March 31, 2022**  
**(All amounts are in ₹ million unless otherwise stated)**

	31 March 2022	31 March 2021
<b>Northern Arc - TL 2B</b>		
Number of installments due (Nos)	0.00	16.00
Rate of Interest (%)	15.50%	15.50%
Within one year (₹)	-	4.93
After one year but not more than 5 years (₹)	-	-
More than 5 years (₹)	-	-

	31 March 2022	31 March 2021
<b>Northern Arc - TL 3</b>		
Number of installments due (Nos)	0.00	12.00
Rate of Interest (%)	15.50%	15.50%
Within one year (₹)	-	7.54
After one year but not more than 5 years (₹)	-	-
More than 5 years (₹)	-	-

	31 March 2022	31 March 2021
<b>HDFC- Infra Finance Loan</b>		
Number of installments due (Nos)	0.00	12.00
Rate of Interest (%)	10.25% - 11.47%	10.25% - 11.47%
Within one year (₹)	-	8.22
After one year but not more than 5 years (₹)	-	-
More than 5 years (₹)	-	-

	31 March 2022	31 March 2021
<b>HDFC- Medical Equipment Loan</b>		
Number of installments due (Nos)	0.00	12.00
Rate of Interest (%)	10.25% - 10.85%	10.25% - 10.85%
Within one year (₹)	-	28.44
After one year but not more than 5 years (₹)	-	-
More than 5 years (₹)	-	-

	31 March 2022	31 March 2021
<b>HDFC- ECGLS 1</b>		
Number of installments due (Nos)	31.00	43.00
Rate of Interest (%)	8.25%	8.25%
Within one year (₹)	21.01	2.99
After one year but not more than 5 years (₹)	-	18.02
More than 5 years (₹)	-	-

	31 March 2022	31 March 2021
<b>HDFC- ECGLS 2</b>		
Number of installments due (Nos)	36.00	48.00
Rate of Interest (%)	8.25%	8.25%
Within one year (₹)	12.00	-
After one year but not more than 5 years (₹)	-	12.00
More than 5 years (₹)	-	-

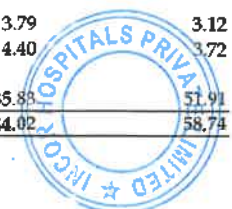
Particulars of Loans	Purpose (as per Loan Agreement)	Whether used for the purpose stated in the loan Agreement	If no, mention the purpose for which it is utilised
Siemens Financial Services	Medical Equipment Loan	Yes	
Siemens Financial Services	Medical Equipment Loan	Yes	
Northern Arc - 1	Secured Term Loan	Yes	
Northern Arc - TLF	Secured Term Loan	Yes	
Northern Arc - TL 2A	Secured Term Loan	Yes	
Northern Arc - TL 2B	Secured Term Loan	Yes	
Northern Arc - TL 3	Secured Term Loan	Yes	
HDFC- Infra Finance Loan	Infra Finance Term Loan	Yes	
HDFC- Medical Equipment Loan	Medical Equipment Loan	Yes	
HDFC- ECGLS 1	WC Term Loan	Yes	
HDFC- ECGLS 2	WC Term Loan	Yes	

**6 Other Long term liabilities**

	March 31, 2022	March 31, 2021
Provision for Rent Straight lining	129.02	110.80
	129.02	110.80

**7 Provisions**

	Long-term		Short-term	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Provision for employee benefits (refer note 30)				
Provision for gratuity	20.41	15.30	3.79	3.12
Provision for leave encashment	3.64	3.53	4.40	3.72
Others				
Provision for taxation			135.85	51.91
	24.05	18.83	144.02	58.74





8 Short-term borrowings

	March 31, 2022	March 31, 2021
<b>Secured</b>		
Working capital loan from banks	71.41	60.57
Current Maturity of Long Term Borrowings (refer note 5)	33.01	91.08
	<b>104.42</b>	<b>151.65</b>

a) Working capital loans from bank amounting to ₹ 67.10 Million (March 31, 2021: ₹ 63.36 Million) carry an interest rate of 10.00% p.a (March 31, 2021 : 10.00% p.a.) Floating and are secured by first and exclusive charge on entire current assets of the Company both present and future, first and exclusive charge on book debts and stock of the Company both present and future, equitable mortgage on commercial space admeasuring 5,000 sft in Third Floor in 'Incor Square' owned by Incor Infrastructure Private Limited (the holding company), personal guarantee of Mr. P Suryanarayana Reddy, Managing Director and corporate guarantee of the holding company. This loan is for a period of 12months which is renewed on yearly basis.

b) Working capital loans from bank amounting to ₹ 4.31 Million (March 31, 2021: ₹ -2.79 Million) carry an interest rate of 10.00% p.a. (March 31, 2021 : 10.00% p.a.) Floating and are secured by first and exclusive charge on Card receivables and is further secured by way of lien on fixed deposits of ₹ 1 Million ( March 31, 2021: ₹ 1 Million) and personal guarantee of Mr. P Suryanarayana Reddy, Director and corporate guarantee of the holding company. This loan is for a period of 12 months which is renewed on yearly basis.

9 Trade payables

	Short-term	
	March 31, 2022	March 31, 2021
Total outstanding dues of micro enterprises and small enterprises	14.06	9.40
Total outstanding dues of creditors other than micro enterprises and small enterprises	116.20	109.52
	<b>130.26</b>	<b>118.92</b>

MSME Disclosure

	March 31, 2022	March 31, 2021
Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company:		

Particulars

(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	14.06	9.40
Interest	-	-
Total	<b>14.06</b>	<b>9.40</b>
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) 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.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

Trade Payables

As at March 2022	Particulars	Unbilled Payables	Payables Not Due	Current				Total
				Outstanding for following periods from due date of payment				
				Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	15.58	0.00	0.01	-	15.59	
(ii) Disputed dues - MSME	-	-	-	-	-	-	-	
(iii) Others	6.42	-	102.21	2.87	3.16	-	114.66	
(iv) Disputed dues - Others	-	-	-	-	-	-	-	
<b>Total</b>	<b>6.42</b>	<b>-</b>	<b>117.79</b>	<b>2.88</b>	<b>3.17</b>	<b>-</b>	<b>130.26</b>	

As at March 2021	Particulars	Unbilled Payables	Payables Not Due	Current				Total
				Outstanding for following periods from due date of payment				
				Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	9.24	0.00	-	-	9.24	
(ii) Disputed dues - MSME	-	-	-	-	-	-	-	
(iii) Others	2.80	-	102.65	4.17	2.85	-	109.68	
(iv) Disputed dues - Others	-	-	-	-	-	-	-	
<b>Total</b>	<b>2.80</b>	<b>-</b>	<b>111.90</b>	<b>4.18</b>	<b>2.85</b>	<b>-</b>	<b>118.92</b>	

10 Other current liabilities

	March 31, 2022	March 31, 2021
Interest accrued but not due on borrowings	0.32	1.07
Advance received from patients	6.45	2.37
Statutory dues	12.61	11.50
Creditors for capital goods	5.30	3.10
Salaries payable	24.55	18.87
Others	39.57	13.85
	<b>88.80</b>	<b>50.76</b>



**Incor Hospitals Private Limited**

Notes to financial statements as at and for the year ended March 31, 2022

(All amounts are in ₹ million unless otherwise stated)

**11. Property, Plant and Equipment**

Particulars	Leasehold improvements	Medical and Surgical Equipment	Plant and Machinery	Electrical equipment	Office Equipment	Computers and Accessories	Furniture and Fixtures	Vehicles	Total Property, Plant and Equipment	Software	Total intangible assets
<b>Cost</b>											
As at March 31, 2020	198.77	257.60	67.75	15.99	15.28	15.02	47.19	4.18	621.76	4.75	4.75
Additions	-	11.44	0.26	-	1.75	1.61	0.58	-	15.64	0.09	0.09
Deletions	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2021	198.77	269.03	68.01	15.99	17.02	16.63	47.77	4.18	637.40	4.85	4.85
Additions	30.17	49.00	2.51	-	6.25	3.81	0.98	0.61	93.33	1.05	1.05
Deletions	-	(3.10)	(0.28)	-	-	-	-	-	(3.38)	-	-
As at March 31, 2022	228.94	314.93	70.22	15.99	23.27	20.44	48.75	4.79	727.35	5.90	5.90
<b>Depreciation and amortisation</b>											
As at March 31, 2020	53.81	93.10	22.42	12.19	12.33	13.05	27.38	2.45	236.74	3.99	3.99
Charge for the year	8.69	21.50	4.53	1.09	1.59	1.25	4.07	0.46	43.18	0.41	0.41
Deletions	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2021	62.51	114.60	26.95	13.28	13.93	14.30	31.45	2.91	279.92	4.40	4.40
Charge for the year	7.54	21.88	3.82	0.54	1.86	1.46	3.10	0.38	40.59	0.61	0.61
Deletions	-	(2.63)	(0.18)	-	-	-	-	-	(2.82)	-	-
As at March 31, 2022	70.05	133.85	30.58	13.82	15.79	15.77	34.55	3.29	317.69	5.01	5.01
<b>Net Block</b>											
As at March 31, 2020	144.95	164.50	45.33	3.80	2.94	1.96	19.81	1.73	385.02	0.76	0.76
As at March 31, 2021	136.26	154.44	41.06	2.71	3.10	2.33	16.32	1.27	357.48	0.44	0.44
As at March 31, 2022	158.89	181.08	39.64	2.17	7.48	4.67	14.20	1.50	409.66	0.89	0.89



12 Non-current investments

(valued at historical cost unless stated otherwise)	March 31, 2022	March 31, 2021
<b>Trade investments, unquoted</b>		
<b>Investment in equity shares of subsidiaries</b>		
<b>Incor Hospitals Vizag Private Limited</b>		
1,31,12,255 (March 31, 2021: 9,449,997) equity shares of ₹ 10/- each fully paid up *	198.82	98.10
<b>Incor Pharma and Diagnostics Private Limited (Formerly known as Incor Hospitals Bhubaneswar Private Limited)</b>		
9,900 (March 31, 2021: 9,900) equity shares of ₹ 10/- each fully paid up	0.10	0.10
<b>Udai Omni Hospitals Private Limited</b>		
1,205,001 (March 31, 2021: 1,205,001) equity shares of ₹ 10/- each fully paid up	90.00	90.00
<b>Incor Padmachandra Hospitals Private Limited</b>		
9,884,999 (March 31, 2021: 9,884,999) equity shares of ₹ 10/- each fully paid up	98.85	98.85
<b>Investment in preference shares of subsidiaries</b>		
<b>Incor Hospitals Vizag Private Limited</b>		
Nil (March 31, 2021: 8,789,418) 15% Compulsory convertible preference shares of ₹ 10/- each fully paid up	-	100.72
	<b>387.77</b>	<b>387.77</b>
	<b>387.77</b>	<b>387.77</b>

\* During the Financial year 21-22, 15% Compulsory convertible preference shares amounting ₹ 100.72 Million was converted to Equity Shares in Incor Hospitals Vizag Private Limited.

13 Deferred tax liabilities/(asset) (Net)

	March 31, 2022	Charge/(benefit) for the year	March 31, 2021
<b>Deferred tax asset</b>			
Expenses provided but allowable in Income Tax on payment basis	46.84	7.23	39.61
Provision for doubtful debts	0.35	(0.04)	0.39
<b>Gross deferred tax asset (A)</b>	<b>47.19</b>	<b>7.19</b>	<b>40.00</b>
<b>Deferred tax liability</b>			
Difference between Net book value as per companies act & IT act	32.69	2.47	30.22
<b>Gross deferred tax liability (B)</b>	<b>32.69</b>	<b>2.47</b>	<b>30.22</b>
<b>Net deferred tax liability/(asset) (B-A)</b>	<b>(14.50)</b>	<b>(4.72)</b>	<b>(9.78)</b>

14 Loans and advances

	Non current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
(Unsecured, considered good, unless stated otherwise)				
Loans and advances to related parties (refer note 27)*	148.75	147.47	1.10	-
Prepaid expenses	0.80	0.95	4.90	4.14
Advances recoverable in cash or in kind	116.80	114.92	38.71	18.36
Advance taxes (net of provisions)	123.11	35.10	-	-
	<b>389.46</b>	<b>298.44</b>	<b>44.71</b>	<b>22.50</b>

\*Pertains to loan given to Incor Padmachandra Hospitals Private Limited, subsidiary company towards capital expenditure and working capital requirements.

\*Pertains to loan given to Udai Omni Hospitals Private Limited, subsidiary company towards capital expenditure and working capital requirements.

\*Pertains to loan given to Incor Pharma and Diagnostics Private Limited (Formerly known as Incor Bhubaneswar Hospitals Private Limited), subsidiary company towards working capital requirements.

Type of Borrower	Loans/Advances granted Individually or Jointly with other.	Repayable on demand	Terms/Period of repayment is specified	March 31, 2022		March 31, 2021	
				Amount outstanding	% of Total	Amount outstanding	% of Total
KMPs	Individually	No	Yes	0.30	0.10%	-	-
Related Parties	Individually	No	Yes	149.55	48.98%	147.47	52.53%
Total of Loan and Advances in the nature of Loan (Refer Note 14)				<b>305.36</b>	<b>100%</b>	<b>280.75</b>	<b>100%</b>



15 Other assets

	Non Current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Non-current bank balances (Note 18)	4.15	11.59	-	-
Security deposits	34.15	33.95	-	-
Others	-	-	-	-
Interest receivable	72.16	58.77	34.48	21.14
Unbilled revenue	-	-	-	-
Other receivables	-	-	-	-
- related parties	-	-	20.84	14.70
- others	-	-	1.63	1.63
	110.46	104.30	56.95	37.47

16 Inventories (valued at lower of cost and net realisable value)

	March 31, 2022	March 31, 2021
Medicine and drugs	26.18	19.59
	26.18	19.59

17 Trade receivables

	Current	
	March 31, 2022	March 31, 2021
<b>Unsecured</b>		
Outstanding for a period exceeding six months from the date they became due for payment		
Considered good	85.77	70.83
Considered doubtful	3.24	1.36
Less: Provision for doubtful receivables	(3.24)	(1.36)
	85.77	70.83
<b>Other receivables</b>		
Considered good	57.32	69.02
	57.32	69.02
	143.10	139.84

Particulars	March 31, 2022		Current					
	Unbilled Dues	Not Due	Outstanding for following periods from due date of Receipts					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	1.53	-	55.79	37.42	35.22	10.54	2.59	143.10
(ii) Undisputed Trade Receivables - considered doubtful	-	-	-	-	3.48	1.02	0.09	4.58
(iii) Disputed Trade Receivables-considered good	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-	-
Less: Provision for doubtful receivable (Disputed + Undisputed)	-	-	-	-	(3.48)	(1.02)	(0.09)	(4.58)
<b>Total</b>	<b>1.53</b>	<b>-</b>	<b>55.79</b>	<b>37.42</b>	<b>35.22</b>	<b>10.54</b>	<b>2.59</b>	<b>143.10</b>

Particulars	March 31, 2021		Current					
	Unbilled Dues	Not Due	Outstanding for following periods from due date of Receipts					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	14.86	-	54.15	16.17	26.83	20.05	7.78	139.84
(ii) Undisputed Trade Receivables - considered doubtful	-	-	-	-	1.12	1.27	0.57	2.97
(iii) Disputed Trade Receivables-considered good	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-	-
Less: Provision for doubtful receivable (Disputed + Undisputed)	-	-	-	-	(1.12)	(1.27)	(0.57)	(2.97)
	14.86	-	54.15	16.17	26.83	20.05	7.78	139.84

18 Cash and bank balances

	Non current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Cash and cash equivalents</b>				
On current accounts	-	-	79.82	79.84
Cash on hand	-	-	1.18	1.37
	-	-	81.00	81.21
<b>Other bank balances</b>				
- Non Current maturities				
-Deposits with remaining maturity for more than 12 months	4.15	11.59	63.22	-
	4.15	11.59	63.22	-
	4.15	11.59	144.22	81.21

Bank deposits amounting to ₹ 6.19 Million, ₹ 1.04 Million, ₹ 2.74 Million and ₹ 1 Million (March 31, 2021 : ₹ 6.19 Million, ₹ 1.04 Million, ₹ 2.74 Million ) are under lien for the term loan, working capital facility, margin money deposits and guarantee given for CGHS empanelment respectively.





**Incor Hospitals Private Limited**  
**Notes to financial statements as at and for the year ended March 31, 2022**  
**(All amounts are in ₹ million unless otherwise stated)**

**19 Revenue from Operations**

	March 31, 2022	March 31, 2021
Sale of services	1,102.40	794.61
Sale of goods	469.71	350.07
	<b>1,572.11</b>	<b>1,144.68</b>

**20 Other income**

	March 31, 2022	March 31, 2021
Interest income on		
-bank deposits	2.89	0.91
-others	27.37	29.52
Liabilities/provisions no longer required written back	3.32	3.62
Corporate support services	10.41	6.55
Miscellaneous income	3.17	2.13
	<b>47.16</b>	<b>42.73</b>

**21 Cost of material consumed**

	March 31, 2022	March 31, 2021
Inventory at the beginning of the year	19.59	25.48
Add : Purchases during the year	327.39	226.53
Less: Inventory at the end of the year	26.18	19.59
Cost of material consumed ( Pharmacy, Implants & Consumables)	<b>320.80</b>	<b>232.42</b>

**22 Employee benefit expense**

	March 31, 2022	March 31, 2021
Salaries, wages and bonus	237.60	189.21
Contribution to provident and other funds	12.36	10.99
Gratuity expense	6.15	4.72
Staff welfare expenses	15.17	8.83
	<b>271.28</b>	<b>213.75</b>

**23 Depreciation and amortisation expense**

	March 31, 2022	March 31, 2021
On Property, Plant and Equipment	40.50	43.18
On intangible assets	0.61	0.41
	<b>41.10</b>	<b>43.59</b>

**24 Finance costs**

	March 31, 2022	March 31, 2021
Interest expense		
- On bank loan	6.78	11.37
- On others	4.02	20.77
Bank charges	6.52	7.20
	<b>17.32</b>	<b>39.34</b>

**25 Other expenses**

	March 31, 2022	March 31, 2021
Fees to doctors	306.62	225.59
Rent	61.04	45.48
Rent equalization expense	18.22	15.19
Advertisement and business promotion	119.67	68.87
House keeping and security expenses	38.23	29.63
Printing and stationery	8.61	5.71
Hospital maintenance	41.02	31.69
Diagnostic expenses	9.41	10.04
Travelling and conveyance	4.79	2.46
Power and fuel	18.37	15.42
Repairs and maintenance		
Plant and machinery	4.23	2.92
Others	6.75	5.98
Professional fees	40.94	35.25
Communication expenses	1.97	1.88
Provision for doubtful trade receivable	3.24	1.36
Advances/ debts written off	0.45	0.14
Insurance	0.78	0.78
Rates and taxes	3.35	3.03
Auditor's remuneration - "Refer note below"	1.00	1.01
Corporate social responsibility ( Refer Note 26)	2.02	0.73
Loss on sale of fixed asset, net	0.43	-
Miscellaneous expenses	6.79	3.29
	<b>697.93</b>	<b>506.44</b>

Note : The following is the break-up of Auditors remuneration

As auditor:		
Statutory audit	0.80	0.80
Consolidation	0.20	0.20
Reimbursement of expenses and GST		0.01
Total	<b>1.00</b>	<b>1.01</b>



**Incor Hospitals Private Limited**  
**Notes to financial statements as at and for the year ended March 31, 2022**  
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**26 Corporate Social Responsibility (CSR)**

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. CSR amount has been transferred to a Foundation where they treat patients with mental illness and prevention of Suicides through counselling by trained professionals. The funds are utilized on the activities which are specified in Schedule VII of the Companies Act, 2013.

A. Particulars	March 31, 2022	March 31, 2021
Gross Amount required to be spent as per Section 135 of the Act	2.02	0.73
Add: Amount Unspent from previous years	-	-
<b>Total Gross amount required to be spent during the year</b>	<b>2.02</b>	<b>0.73</b>
<b>B. Amount approved by the Board to be spent during the year</b>	<b>2.02</b>	<b>0.73</b>
<b>C. Amount spent during the year on</b>		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	2.02	0.73

**D. Details related to amount spent/ unspent**

Particulars	March 31, 2022	March 31, 2021
Contribution to Indis Foundation Trust	2.02	0.73
<b>Accrual towards unspent obligations in relation to:</b>		
Ongoing projects	-	-
Other than Ongoing projects	-	-
<b>TOTAL</b>	<b>2.02</b>	<b>0.73</b>

**27 Related Party Disclosures**

In accordance with the requirement of Accounting Standard (AS)- 18 on "Related Party Disclosures" the names of the related parties where control exists /able to exercise significant influence along with the aggregate transactions/year end balances with them as identified and certified by the management are given below:

a) Names of related parties	Nature of Relationship
Incor Infrastructure Private Limited	Holding Company
Incor Hospitals Vizag Private Limited	Subsidiary
Incor Pharma and Diagnostics Private Limited (formerly Known as Incor Hospitals Bhubaneswar Private Limited)	Subsidiary
Incor Padmachandra Hospitals Private Limited	Subsidiary
Udai Omni Hospitals Private Limited	Subsidiary
Giggles Hospitals Private Limited	Subsidiary
Incor Healthcare Private Limited	Fellow Subsidiary [from March'2022]
Vistra ITCL (India) Limited as the trustee of ASK Pravi Private Equity Opportunities Fund.	Significant influence [upto March'22]
Mr. P. Suryanarayana Reddy	Director, Key management personnel
Mr. Jayanta Kumar Banarjee	Director, Key management personnel [upto March'2022]
Mr. Brahma Reddy J	Director, Key management personnel
Mr. Srinivas Reddy K	Director, Key management personnel [from Mar'2022]
Ms. Purnima P.	Relative of key management personnel
Ms. Jonnala Shivamma	Relative of key management personnel
Ms. Karri Sneha	Relative of key management personnel
Mr. Jonnala Manu Chandra	Relative of key management personnel
Ms. Bhargavi Maheshuni	Company Secretary, Key management personnel

\* The Key Managerial Personnel (KMPs) are identified and disclosed as per Companies Act, 2013 and AS-18.

**b) The Company had the following transactions with the related parties during the year:**

	March 31, 2022	March 31, 2021
<b>Incor Infrastructure Private Limited</b>		
Loans taken	-	248.97
Loans repaid	-	(341.95)
Expenditure incurred by the Company on behalf	0.23	-
Interest expense	-	7.14



**Incor Hospitals Private Limited**  
**Notes to financial statements as at and for the year ended March 31, 2022**  
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<b>Incor Hospitals Vizag Private Limited</b>		
Loans given	-	5.30
Loans recovered	-	55.80
Expenditure incurred by the Company on behalf	1.98	0.23
Expenditure incurred by the Company on behalf- Reim by IHVPL	(1.34)	2.63
<b>Incor Padmachandra Hospitals Private Limited</b>		
Loans given	10.71	4.76
Expenditure incurred by the Company on behalf	0.01	0.01
Loans recovered	40.20	11.77
Interest income	11.08	13.65
<b>Incor Pharma and Diagnostics Private Limited( Formerly Known as Incor Hospitals Bhubaneswar Private Limited)</b>		
Expenditure incurred by the Company on behalf	0.03	0.02
<b>Udai Omni Hospitals Private Limited</b>		
Corporate Support services	10.41	6.55
Interest Income	3.80	1.45
Expenditure incurred by the Company on behalf	-	0.26
Loans given	29.60	-
Loans recovered	-	6.50
<b>Incor Healthcare Private Limited [IHCPL]</b>		
Expenditure incurred by the Company on behalf of IHCPL	0.73	-
<b>Ms. Purnima P.</b>		
Interest expense	-	1.11
Loan Repaid	-	8.50
<b>Ms. Karri Sneha</b>		
Professional fee	1.20	0.40
Advance Given	0.50	-
<b>Ms. Jonnala Shivamma</b>		
Professional fee	1.89	0.86
<b>Mr. Jonnala Brahma Reddy</b>		
Professional fee	1.89	0.86

# Refer note 5 and 8 for details of pledge of shares by Incor Infrastructure Private Limited for loans taken by the Company

**c) Balances receivable/(payable) as at:**

	March 31, 2022	March 31, 2021
Incor Infrastructure Private Limited	0.23	(0.14)
Incor Hospitals Vizag Private Limited	0.64	-
Incor Padmachandra Hospitals Private Limited	168.58	188.09
Incor Pharma and Diagnostics Private Limited( Formerly Known as Incor Hospitals Bhubaneswar Private Limited)	2.51	2.48
Udai Omni Hospitals Private Limited	58.83	28.89
Incor Healthcare Private Limited	0.73	-
Mr. Jonnala Brahma Reddy	0.30	-
Ms. Jonnala Shivamma	0.30	-
Ms. Karri Sneha	0.50	-

\*Refer note 34 (a) for guarantees provided by the Company on behalf of the subsidiary.

# Refer note 5 and 8 for details of pledge of shares by Incor Infrastructure Private Limited for loans taken by the Company.

**28 Capital and other commitments**

a) Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2022 : Nil (March 31, 2021: ₹ 1.35 Million).

b) For commitments relating to lease arrangements, please refer note 29.



**29 Operating leases**

**Buildings**

The Company has taken buildings on operating lease. These are generally non-cancellable in nature. The leases are for a term of five to twenty five years without purchase option. Lease escalation is in the range of 5%-15% per annum. There are no restrictions imposed by lease arrangements.

There are no subleases. Gross rental expenses debited to Statement of profit and loss for the year aggregated to ₹ 59.06 (March 31, 2021: ₹ 44.50).

Future minimum rentals payable under non- cancellable operating leases are as follows:

	March 31, 2022	March 31, 2021
Within one year	50.67	48.15
After one year but not more than five years	221.93	212.63
More than five years	659.62	679.46

**30 Retirement benefits**

In accordance with the Accounting Standard-15 'Employee Benefits', the Company has calculated the various benefits provided to employees as under:

**A. Defined contribution plans**

a) Provident fund

b) Employee State Insurance Fund

During the period the Company has recognized the following amounts in the Statement of profit and loss:-

	March 31, 2022	March 31, 2021
Employers Contribution to Provident fund	10.27	9.09
Employers Contribution to Employee state insurance	2.12	1.90
	12.39	10.99

**B. Defined benefit plans and Other long-term benefits**

a) Contribution to gratuity funds - Employee's gratuity fund (Defined benefit plan)

b) Leave Encashment (Other long-term benefit)

In accordance with Accounting Standard 15, an actuarial valuation was carried out in respect of the aforesaid defined benefit plans based on the following assumptions.

	Leave encashment	
	March 31, 2022	March 31, 2021
Discount rate p.a.	5.15%	4.25%
Employee turnover	50.00%	50.00%
Salary Escalation Rate p.a.	8.00%	8.00%

	Employee gratuity (funded)	
	March 31, 2022	March 31, 2021
Discount rate p.a.	5.15%	4.25%
Employee turnover	50.00%	50.00%
Salary Escalation Rate p.a.	8.00%	8.00%

The discount rate assumed is 5.15% per annum (Previous Year 4.25% p.a) which is determined by reference to market yield at the Balance Sheet date on government bonds. The estimates of future salary increases, considered in actuarial valuation, taken account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

**(A) Net employee benefit expenses**

	March 31, 2022	March 31, 2021
Interest cost	0.62	0.58
Current service cost	3.12	2.43
Net actuarial losses	2.17	2.15
Net benefit expense	5.91	5.16

**(B) Details of provision for gratuity**

	March 31, 2022	March 31, 2021
Defined benefit obligations	24.44	18.64
Fair value of plan assets	(0.24)	(0.22)
Net liability	24.20	18.42





**Incor Hospitals Private Limited**  
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**(C) Changes in the present value of the defined benefit obligation**

	March 31, 2022	March 31, 2021
Opening defined benefit obligation	18.64	14.40
Interest cost	0.62	0.58
Current service cost	3.12	2.43
Actuarial losses	2.19	2.16
Benefits paid	(0.12)	(0.93)
<b>Closing defined benefit obligation</b>	<b>24.45</b>	<b>18.64</b>

**(D) Changes in fair value of plan assets**

	March 31, 2022	March 31, 2021
Opening fair value of plan assets	0.22	0.21
Actuarial gain	0.01	0.01
<b>Closing fair value of plan assets</b>	<b>0.23</b>	<b>0.22</b>

**Amounts for the current and previous years are as follows:**

	March 31, 2022	March 31, 2021
Defined benefit obligation	24.45	18.64
Fair value of plan assets	0.23	0.22
<b>Deficit</b>	<b>24.22</b>	<b>18.42</b>

**General Description of the plan**

The Company operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service. In case of some employees, the Company's scheme is more favorable as compared to the obligation under Payment of Gratuity Act, 1972.

**31 Earnings per share**

	March 31, 2022	March 31, 2021
Profit for the year	191.64	106.60
Less: Dividend on preference shares not provided for	0.01	0.01
Net profit for calculation of basic earning per share	191.64	106.59
Add: Dividend on preference shares	0.01	0.01
Net profit for calculation of diluted earning per share	191.64	106.60
Weighted average of number of shares considered for calculation of basic earning per share	5,840,017	5,840,017
Add: Weighted average number of shares which would be issued on conversion of compulsorily convertible preference shares	5,226,502	5,226,502
Weighted average of number of shares considered for calculation of diluted earning per share	11,066,519	11,066,519
Basic EPS	32.81	18.25
Diluted EPS	17.32	9.63

**32 Segment information**

The Company's operations fall within a single business segment "Healthcare Services" and single geographical segment and therefore segment information is not provided.

**33 Pharmacy, implants and consumables**

	March 31, 2022	March 31, 2021
Indigenous	320.80	232.42



34 Contingent liabilities

a) Security against loan taken by others

The Company had provided security by way of corporate guarantees amounting to ₹ 103.34 Millions (March 31, 2021: ₹ 144.96 Millions) for securing the loans taken by its subsidiaries.

b) Details of loans given, investment made and guarantee given covered u/s 186(4) of the Companies Act, 2013

Investments made are disclosed under the respective head (refer note no. 12).

c) Loans given by the company as at March 31, 2022 & March 31, 2021

Name of the Company	March 31, 2022	March 31, 2021
Incor Pharma and Diagnostics Private Limited( Formerly Known as Incor Hospitals Bhubaneswar Private Limited)	2.03	2.00
Incor Padmachandra Hospitals Pvt Ltd	103.71	133.21
Udai Omni Hospitals Private Limited	39.60	13.42
Ms. Madhuri Reddy	47.05	42.94
Mr. E. Raji Reddy	7.81	7.32
Ms. Sridevi Aljala	47.35	43.03
Ms. E Amruthamma	39.53	35.71

Corporate guarantee given

Name of the Company	March 31, 2022	March 31, 2021
Incor Padmachandra Hospitals Pvt Ltd	-	19.25
Incor Hospital Vizag Pvt Ltd	103.34	125.71

Preference dividend:

	March 31, 2022	March 31, 2021
Preference dividend	0.04	0.04

35 Details of Benami Property held

The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

36 Reconciliation of quarterly returns or statements of current assets filed with banks or financial institutions.

Particulars	As per Books			
	Jun-21	Sep-21	Dec-21	Mar-22
<b>For the Period</b>				
Inventory	30.67	30.27	26.61	26.17
Trade Receivables	183.10	166.70	163.50	155.80
Trade Payables	40.00	39.60	44.20	48.60

Particulars	As per Statement Submitted to Bank			
	Jun-21	Sep-21	Dec-21	Mar-22
<b>For the Period</b>				
Inventory	34.05	48.26	47.63	47.55
Trade Receivables	183.64	166.34	163.41	162.57
Trade Payables	36.15	37.69	41.50	48.12

Particulars	Variances			
	Jun-21	Sep-21	Dec-21	Mar-22
<b>For the Period</b>				
Inventory	(3.38)	*(17.99)	*(21.02)	*(21.37)
Trade Receivables	(0.54)	0.36	0.09	(6.77)
Trade Payables	3.85	1.91	2.70	0.48

\* Reasons for material variances:

\* Material variance in Inventory during last three quarters is mainly because of considering Maximum Retail Price (MRP) instead of Cost price (CP).

Note :

Trade Receivables does not contain unbilled receivables and other receivables.

Trade Payables contains only pharmacy vendor payables.



37 Ratios

a) Current Ratio = Current Assets divided by Current Liabilities

Particulars	March-22	March-21	March-20
Current Assets	415.16	300.61	283.40
Current Liabilities	467.50	380.07	429.61
Ratio	0.89	0.79	0.66
% Change from previous year	12%	20%	

Reason for change more than 25%: NA

b) Debt Equity ratio = Total debt divided by Total equity where total debt refers to sum of current & non current borrowings

Particulars	March-22	March-21	March-20
Total debt	104.42	185.08	274.63
Total equity	1,107.33	915.69	809.09
Ratio	0.09	0.20	0.34
% Change from previous year	-53%	-40%	

Reason for change more than 25%:

The equity has increased in March 2022 as compared to March 2021 mainly due to increase in sales and optimisation of related costs during the FY 21-22, which results in increase in profits. There is no increase in equity. During the FY 21-22 we have cleared majority of the loans.

c) Debt Service Coverage Ratio = Earnings available for debt services divided by Total interest and principal repayments

Particulars	March-22	March-21	March-20
Profit before tax	270.84	151.87	102.63
Add: Non cash operating expenses and finance cost	58.42	82.93	96.93
-Depreciation and amortizations	41.10	43.59	45.21
-Finance cost	17.32	39.34	51.71
Earnings available for debt services	329.26	234.80	199.55
Interest cost on borrowings	10.79	32.14	45.01
Principal repayments (including certain prepayments during year ended March 31, 2022)	91.50	30.34	55.67
Total Interest and principal repayments	102.29	62.47	100.68
Ratio	3.22	3.76	1.98
% Change from previous year	-14%	90%	

Reasons for change more than 25%: NA

d) Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by Equity

Particulars	March-22	March-21	March-20
Net profit after tax	191.64	106.60	79.03
Total equity	1,107.33	915.69	809.09
Ratio	17.31%	11.64%	9.77%
Change in basis points (bps) from previous year	567	187	
% Change from previous year	49%	19%	

Reason for change more than 25%:

The return on equity has increased by 379 bps in March 2022 as compared to March 2021 mainly due to increase in sales and optimisation of related costs during the FY 21-22, which results in increase in profits.

e) Inventory Turnover Ratio = Cost of materials consumed divided by closing inventory

Particulars	March-22	March-21	March-20
Cost of materials consumed	320.80	232.42	213.10
Closing Inventory	26.18	19.59	25.48
Inventory Turnover Ratio	12.25	11.86	8.36
% Change from previous year	3%	42%	

Reason for change more than 25%: NA



f) Trade Receivables turnover ratio = Credit Sales divided by Closing trade receivables

Particulars	March-22	March-21	March-20
Credit Sales	628.47	383.89	468.22
Closing Trade Receivables	143.10	139.84	141.23
Ratio	4.39	2.75	3.32
% Change from previous year	60%	-17%	

Reason for change more than 25%:

This ratio has increased from 2.75 in March 2021 to 4.39 in March 2022 mainly due to better collection efficiency and better working capital management.

g) Trade payables turnover ratio = Credit purchases divided by closing trade payables

Particulars	March-22	March-21	March-20
Credit Purchases	1,018.73	738.86	722.34
Closing Trade Payables	130.26	118.92	137.59
Ratio	7.82	6.21	5.25
% Change from previous year	26%	18%	#REF!

Reason for change more than 25%:

This ratio has increased from 6.21 in March 2021 to 7.82 in March 2022 mainly due to leveraging on our cashflows for payment to vendors to secure supplies at lower cost.

h) Net capital Turnover Ratio = Sales divided by Net Working capital whereas net working capital= current assets - current liabilities

Particulars	March-22	March-21	March-20
Sales	1,572.11	1,144.68	1,116.07
Net Working Capital	-52.34	-79.46	-146.21
Ratio	-30.04	-14.41	-7.63
% Change from previous year	109%	89%	

Reason for change more than 25%:

This ratio has moved from -14.41 in March 2021 to -30.05 in March 2022 mainly due to increase in Sales & net working capital which is due to increase in Current assets value to an extent of ₹ 114 Million. ₹ 114 Million mainly constitutes increase in trade receivables to an extent of ₹ 16 Million because of increase in credit revenue from 33% to 39% & during the FY 21-22 the company had created a Fixed deposit worth ₹ 55 Million. Accordingly there is an improvement in ratio.

i) Net profit ratio = Net profit after tax divided by Sales

Particulars	March-22	March-21	March-20
Net profit after tax	191.64	106.60	79.03
Sales	1,572.11	1,144.68	1,116.07
Ratio	12.19%	9.31%	7.08%
Change in basis points (bps) from previous year	288	223	#REF!
% Change from previous year	31%	32%	

Reason for change more than 25%:

This ratio has increased by 65 bps, from 32% in March 2021 to 31% in March 2022 mainly due to increase in Net profit after tax resulting from increase in sales & decrease in prices of procurements and direct costs, during the year FY 21-22.

j) Return on Capital employed (pre cash)=Earnings before interest and taxes(EBIT) divided by Capital Employed(pre cash)

Particulars	March-22	March-21	March-20
Profit before tax (A)	270.84	151.87	102.63
Finance Costs (B)	17.32	39.34	51.71
Other Income (C)	47.16	42.73	37.00
EBIT (D) = (A)+(B)-(C)	241.00	148.48	117.34
Capital Employed (Pre Cash) (J)=(E)-(F)-(G)-(H)-(I)	1,164.90	987.76	971.50
Total Assets* (E)	1,713.40	1,449.04	1,417.55
Current Liabilities (F)	467.50	380.07	429.61
Current Investments (G)	-	-	-
Cash and Cash equivalents (H)	1.18	1.37	1.08
Bank balances other than cash and cash equivalents (I)	79.82	79.84	15.36
Ratio (D)/(J)	20.69%	15.03%	12.08%
Change in basis points (bps) from previous year	566	295	
% Change from previous year	38%	24%	

\* excludes deferred tax assets

Reason for change more than 25%:

There is a decrease in finance cost to an extent of ₹22 Million, when compared to previous financial year mainly because of Pre payment of majority of high interest bearing loans and also there is an increase in earnings, because of increase in the business during the FY 2122. Also during the FY 21-22 there is an addition of fixed assets to the tune of ₹93 Million, which includes Medical equipment ~₹50 Million, improvement in leasehold premises ~₹30 Million. This resulted in increase return on capital employed.





**38 Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.**

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

**39 Registration of charges or satisfaction with Registrar of Companies.**

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

**40 Compliance with number of layers of companies.**

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

**41 Utilisation of Borrowed funds and share premium:**

(i) The Company has 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.

(ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**42 Details of Crypto Currency or Virtual Currency**

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

**43 Undisclosed income**

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous 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.

**44 Subsequent Event:**

**Amalgamation in the nature of Merger.**

Management of IHPL (Transferee) & IHCPL (Transferor) has decided to amalgamate into one company, for which The Scheme is presented under sections 230 and 232 of the Companies Act, 2013 and it provides for amalgamation of Transferor Company into Transferee Company, resulting in reduction of administrative costs and also result in reduction of overheads and other expenses, reduction in administrative and procedural work, enable the amalgamated company to effect internal economies and optimize profitability as also to reduce administrative inefficiencies by reducing duplication of functions.


The Scheme shall be beneficial and in the best interests of the shareholders, creditors and employees of the Transferor Company, and the Transferee Company and to the interest of stakeholders at large and all concerned.

The company is in a process to apply with NCLT with all the relevant documents

In the opinion of the board, the current assets and loans and advances are approximately of the value stated, if recognised in the ordinary courses of the business, except otherwise stated. The provision for all the know liabilities is adequate and not in excess of amount considered reasonably necessary.

46 Previous year figures have been regrouped/ reclassified, where necessary, to conform to this year's classification.

As per our report of even date.  
For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No. 105047W

  
Ananthakrishnan Govindan  
Partner  
Membership No. 205226

Place: Hyderabad  
Date: July 29, 2022



For and on behalf of the Board of Directors of  
Incor Hospitals Private Limited  
CIN: U93000TG2009PTC064790

  
P. Suryanarayana Reddy  
Managing Director  
DIN: 00768424

  
M. Bhargavi  
Company Secretary

Place: Hyderabad  
Date: July 29, 2022



  
Kovvuri Srinivasa Reddy  
Director  
DIN: 07822936

### INDEPENDENT AUDITOR'S REPORT

To the Members of Incor Hospitals Private Limited

Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the Standalone financial statements of Incor Hospitals Private Limited, which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss and Statement of Cash Flows for the year then ended, and notes to the Standalone 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 Standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with Companies (Accounts) Rules, 2014 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit and its cash flows for the year ended on that date.

#### Basis for Opinion

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



## **Emphasis of Matter**

We draw attention to Note 36 to the financial statements which states that the management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2021 and has concluded that there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

Our opinion is not modified in respect of this matter.

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

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

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained 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.

## **Responsibilities of Management and Those charged with Governance for Standalone 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 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 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 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 Standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.





In preparing the Standalone financial statements, the Board of Directors 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 the Board of Directors 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 Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

#### **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 Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, 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 Statement of Cash Flow 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 with reference to Standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- 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:
- 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.
3. In our opinion, according to information, explanations given to us, the provisions of Section 197 of the Act and the rules thereunder are not applicable to the Company as it is a private Company.

**For MSKA & Associates**

**Chartered Accountants**

ICAI Firm Registration No. 105047W

  
Ananthakrishnan Govindan

Partner

Membership No. 205226

UDIN: 21205226AAAAIC4413

Place: Hyderabad

Date: September 27, 2021

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF INCOR HOSPITALS PRIVATE LIMITED**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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.

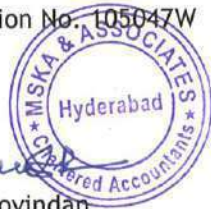
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W



Ananthakrishnan Govindan

Partner

Membership No. 205226

UDIN: 21205226AAAAIC4413

Place: Hyderabad

Date: September 27, 2021



**ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF INCOR HOSPITALS PRIVATE LIMITED FOR THE YEAR ENDED 31<sup>st</sup> March 2021**

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i.
  - (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).
  - (b) All the fixed assets (Property, Plant and Equipment) have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us, there are no immovable properties, and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- ii. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on verification between the physical stock and the book records.
- iii. The Company has granted loans, secured or unsecured to Companies covered in the register maintained under section 189 of the Act.
  - a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the rate of interest and other terms and conditions on which the loans have been granted to the Company/ Other Parties listed in the register maintained under Section 189 of the Act are not, prima facie, prejudicial to the interest of the Company.
  - b. In case of the loans granted to the Company/Other Parties listed in the register maintained under section 189 of the Act, schedule of repayment of principal and payment of interest have been stipulated and the borrowers have been regular in the payment of the principal and interest.
  - c. There are no amounts overdue for more than ninety days in respect of the loan granted to Company/ Other Parties listed in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the





Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. The Company has complied with the provisions of section 186 of the Act, in respect of loans, investments, guarantees and security made.

- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii.
  - (a) According to the information and explanations given to us and the records of the Company examined by us , in our opinion , undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
  - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
  - (c) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, customs duty, cess and any other statutory dues which have not been deposited 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 dues to the financial institution, bank or debenture holders.
- ix. In our opinion, according to the information explanation provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.
- x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.
- xi. According to the information and explanations given to us, since the Company is a Private Company, the provisions of section 197 of the Act will not be applicable. Accordingly, the provisions stated in paragraph 3(xi) of the Order are not applicable to the Company.



- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 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. The Provisions of section 177 is not applicable to the Company.
- 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 private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.
- 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, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

For MSKA & Associates  
Chartered Accountants  
ICAI Firm Registration No. 105047W

  
Ananthakrishnan Govindan  
Partner  
Membership No. 205226  
UDIN: 21205226AAAAIC4413



Place: Hyderabad  
Date: September 27, 2021



**ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF INCOR HOSPITALS PRIVATE LIMITED**

[Referred to in paragraph f under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Incor Hospitals Private Limited on the Financial Statements for the year ended 31<sup>st</sup> March 2021]

**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 standalone financial statements of Incor Hospitals Private Limited 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 with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with



reference to standalone 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone 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 standalone 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 standalone financial statements.

#### **Meaning of Internal Financial Controls With reference to Standalone Financial Statements**

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone 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 standalone 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 standalone financial statements.

#### **Inherent Limitations of Internal Financial Controls With reference to Standalone financial statements**

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone 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, internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W



Ananthakrishnan Govindan

Partner

Membership No. 205226

UDIN: 21205226AAAAIC4413

Place: Hyderabad

Date: September 27, 2021

**Incor Hospitals Private Limited**  
**Balance sheet as at March 31, 2021**  
**(All amounts in Indian Rupees, unless otherwise stated)**

	Notes	March 31, 2021	March 31, 2020
<b>Equity and Liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	11,74,33,310	11,74,33,310
Reserves and surplus	4	79,82,53,360	69,16,56,503
		<b>91,56,86,670</b>	<b>80,90,89,813</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	3,34,29,293	7,17,87,817
Other long term liabilities	6	11,08,04,350	9,56,12,282
Long-term provisions	7	1,88,36,713	1,45,92,093
		<b>16,30,70,356</b>	<b>18,19,92,192</b>
<b>Current liabilities</b>			
Short-term borrowings	8	6,05,70,843	7,37,47,849
Trade payables	9		
Total outstanding dues to micro and small enterprises		94,00,835	1,40,77,910
Total outstanding dues to creditors other than micro and small		9,99,42,240	12,35,14,709
Other current liabilities	10	14,18,46,026	21,20,75,248
Short-term provisions	7	68,35,803	61,95,168
		<b>31,85,95,747</b>	<b>42,96,10,884</b>
<b>TOTAL</b>		<b>1,39,73,52,773</b>	<b>1,42,06,92,889</b>
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Property, Plant and Equipment</b>			
Tangible assets	11	35,74,82,401	38,50,19,679
Intangible assets	11	4,44,830	7,59,464
Non current investments	12	38,77,71,960	38,77,71,960
Deferred tax asset (net)	13	97,84,509	31,43,502
Long-term loans and advances	14	27,97,07,117	30,58,16,166
Other non-current assets	15	7,03,52,084	5,47,78,224
		<b>1,10,55,42,901</b>	<b>1,13,72,88,995</b>
<b>Current assets</b>			
Inventories	16	1,95,90,937	2,54,80,514
Trade receivables	17	12,49,81,718	14,12,29,440
Cash and bank balances	15	8,12,05,973	1,64,39,501
Short-term loans and advances	14	1,37,00,724	6,34,12,073
Other current assets	18	5,23,30,520	3,68,42,366
		<b>29,18,09,872</b>	<b>28,34,03,894</b>
<b>TOTAL</b>		<b>1,39,73,52,773</b>	<b>1,42,06,92,889</b>
Summary of significant accounting policies	2		

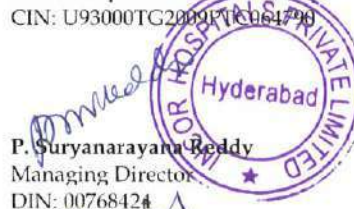
The accompanying notes are an integral part of the financial statements.


As per our report of even date  
**For MSKA & Associates**  
Chartered Accountants  
Firm Registration No. 1050473C

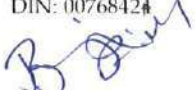
  
**Ananthkrishnan Govindan**  
Partner  
Membership No. 205226

Place : Hyderabad  
Date : September 27, 2021

For and on behalf of the Board of Directors of  
**Incor Hospitals Private Limited**  
CIN: U93000TG2009PTC064790

  
**P. Suryanarayana Reddy**  
Managing Director  
DIN: 00768424

  
**J. Brahma Reddy**  
Director  
DIN: 07768368

  
**M. Bhargavi**  
Company Secretary

Place : Hyderabad  
Date : September 27, 2021

Incor Hospitals Private Limited  
Statement of profit and loss for the year ended March 31, 2021  
(All amounts in Indian Rupees, unless otherwise stated)

	Notes	March 31, 2021	March 31, 2020
<b>INCOME</b>			
Revenue from operations	19	1,14,46,82,486	1,11,60,73,227
Other income	20	4,27,22,229	3,70,01,304
<b>Total revenue</b>		<b>1,18,74,04,715</b>	<b>1,15,30,74,531</b>
<b>EXPENSES</b>			
Cost of material consumed	21	23,24,19,251	21,31,00,696
Employee benefit expense	22	21,47,64,900	23,11,83,539
Depreciation and amortization expense	23	4,35,84,083	4,52,13,258
Finance costs	24	3,93,39,258	5,17,14,704
Other expenses	25	50,54,34,666	50,92,35,316
<b>Total expenses</b>		<b>1,03,55,42,158</b>	<b>1,05,04,47,513</b>
<b>Profit Before Tax</b>		<b>15,18,62,557</b>	<b>10,26,27,018</b>
<b>Tax expenses</b>			
Current tax		5,19,06,707	2,66,18,208
Deferred tax charge		(66,41,007)	(30,25,558)
<b>Total tax expense</b>		<b>4,52,65,700</b>	<b>2,35,92,650</b>
<b>Profit for the year</b>		<b>10,65,96,857</b>	<b>7,90,34,368</b>
<b>Earnings per share (EPS) (Nominal value per share - Rs. 10/- each (March 31 2021 - Rs. 10/- each))</b>			
	31		
Basic EPS		18.25	13.53
Diluted EPS		9.63	7.14
Summary of significant accounting policies	2		


The accompanying notes are an integral part of the financial statements.


As per our report of even date  
For MSKA & Associates  
Chartered Accountants  
Firm Registration No. 1050158


  
Ananthakrishnan Govindan  
Partner  
Membership No. 205226

Place: Hyderabad  
Date: September 27, 2021

For and on behalf of the Board of Directors of  
**Incor Hospitals Private Limited**  
CIN: U93000TG2009PTC004790

  
P. Suryanarayana Reddy  
Managing Director  
DIN: 00768424

  
J Brahma Reddy  
Director  
DIN: 07768368

  
M. Bhargavi  
Company Secretary

Place : Hyderabad  
Date: September 27, 2021



**Incor Hospitals Private Limited**

Cash flow statement for the year ended March 31, 2021

(All amounts in Indian Rupees, unless otherwise stated)

	March 31, 2021	March 31, 2020
<b>A. Cash flow from operating activities</b>		
Profit Before Tax	15,18,62,557	10,26,27,018
<b>Adjustment for :</b>		
Interest expense	3,21,38,953	4,50,08,946
Interest income	(3,04,28,404)	(2,85,55,673)
Provision for doubtful trade receivable and advances/debts written off	14,95,731	16,56,236
Depreciation and amortisation	4,35,84,083	4,52,13,258
Liabilities/provisions no longer required written back	(36,16,524)	(7,97,512)
<b>Operating profit before working capital changes</b>	<b>19,50,36,396</b>	<b>16,51,52,273</b>
<b>Movements in working capital:</b>		
(Decrease) in trade payables, current liabilities and provisions	(1,02,57,858)	1,28,44,417
(Increase)/Decrease in inventories	58,89,577	(4,622)
Increase in trade receivables and other assets	(1,13,10,511)	(6,50,89,450)
(Increase)/Decrease in loans and advances	1,60,63,702	(9,44,65,780)
<b>Cash generated/(used in) from operations</b>	<b>19,54,21,306</b>	<b>1,84,36,838</b>
Taxes paid, net of refunds	78,49,989	(2,73,00,631)
<b>Net cash flow used in operating activities (A)</b>	<b>20,32,71,295</b>	<b>(88,63,793)</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipments and intangible assets including capital work in progress	(1,86,03,422)	(1,00,15,219)
Interest income received	2,70,33,628	4,74,72,371
Investments in bank deposits (having original maturity of more than three months)	(16,04,737)	(15,325)
<b>Net cash flow used in investing activities (B)</b>	<b>68,25,469</b>	<b>3,74,41,827</b>
<b>C. Cash flow used in financing activities</b>		
Repayment of long term borrowings	(7,63,68,192)	(2,00,31,896)
Proceeds of short term borrowings, net	(1,31,77,006)	1,81,93,843
Interest paid including other borrowing cost	(5,57,85,094)	(2,81,28,325)
<b>Net cash flow from financing activities (C)</b>	<b>(14,53,30,292)</b>	<b>(2,99,66,378)</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>6,47,66,472</b>	<b>(13,88,344)</b>
Cash and cash equivalents, beginning of the year	1,64,39,501	1,78,27,845
<b>Cash and cash equivalents, end of the year</b>	<b>8,12,05,973</b>	<b>1,64,39,501</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	13,68,175	10,79,542
Balance with banks in current accounts	7,98,37,798	1,53,59,959
<b>Cash and cash equivalents (note 15)</b>	<b>8,12,05,973</b>	<b>1,64,39,501</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For **MSKA & Associates**

ICAI Firm Registration No. 105047W

Chartered Accountants

Ananthakrishnan Govindan

Partner

Membership No. 205226

Place: Hyderabad

Date: September 27, 2021

For and on behalf of the Board of Directors of

**Incor Hospitals Private Limited**

CIN: U93000TG2009PTC064790

P. Suryanarayana Reddy

Managing Director

DIN: 00768424

M. Bhargavi

Company Secretary

Place: Hyderabad

Date: September 27, 2021

Brahma Reddy

Director

DIN: 07768368



## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

### 1. Corporate Information/Background

Incor Hospitals Private Limited ('the Company') is a multi - specialty hospital engaged in the business of providing healthcare services.

### 2. Summary of significant accounting policies

#### a. Basis of Preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspects of the Accounting Standards (AS) notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014. The accounting policies adopted in the preparation of financial statements have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy until now (hitherto) in use with those of previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of business and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

#### b. Use of estimates

The preparation of financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although, these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### c. Property, Plant and Equipment

##### Tangible assets

Tangible assets, capital work in progress are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, borrowing costs, if capitalization criteria are met and any cost attributable to bringing the assets to its working condition for its intended use which includes taxes, freight, and installation and allocated incidental expenditure during construction/ acquisition and exclusive Input tax credit (IGST/CGST and SGST) or other tax credit available to the Company.

When parts of an item of tangible assets have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure relating to tangible assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.



An item of Property, Plant and Equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition is recognized in the Statement of Profit and Loss.

#### Intangible assets

An intangible asset is recognized when it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment losses, if any. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use which includes taxes, freight, and installation and allocated incidental expenditure during construction/ acquisition and exclusive of Input tax credit (IGST/CGST and SGST) or other tax credit available to the Company.

Subsequent expenditure relating to intangible assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit and Loss.

#### d. Depreciation on property, plant and equipment

Based on management's evaluation, useful life prescribed in Schedule II of the Companies Act, 2013 represent actual useful life of property, plant and equipment except in the case of Plant & Machinery and Medical & Surgical Equipment which is different as compared to that prescribed under the Schedule II of the Companies Act, 2013. The estimates of useful life of these assets based on technical evaluation have not undergone a change on account of transition of the Companies Act, 2013. The Company uses Straight Line Method and has used following useful lives to provide depreciation of different class of its property, plant and equipment.

Particulars	Year ended March 31, 2021 (Useful life in years)	Year ended March 31, 2020 (Useful life in years)
Office Equipment	5	5
Plant and Machinery	15	15
Electrical Installations	10	10
Computers & Peripherals	3	3
Servers	6	6
Furniture & Fixtures	10	10
Medical & Surgical Equipment	1 - 13	1 - 13
Vehicles	8	8

Leasehold improvements are depreciated over their estimated useful life, or the remaining period of lease from the date of capitalization, whichever is shorter.

Depreciation on addition to tangible assets is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation on sale/discard from tangible assets is provided for upto the date of sale, deduction or discard of tangible assets as the case may be.





**e. Amortization of Intangible assets**

Amortization of intangible assets has been calculated on straight line basis at the following rates, based on management estimates, which in the opinion of the management are reflective of the estimated useful lives of the Intangible assets.

Particulars	Useful life (In years)
Computer Software	
- ERP	3
- Other than ERP	3

Amortization on addition to intangible assets is provided on pro-rata basis from the date the assets are ready for intended use. Amortization on sale/discard from intangible assets is provided for upto the date of sale, deduction or discard of intangible assets as the case may be.

**f. Impairment of Assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets' net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation/amortization is provided on the revised carrying amount of the asset over its remaining useful life.

**g. Borrowing Costs**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use are capitalized. All other borrowing costs are recognised as expenditure in the period in which they are incurred.

**h. Investments**

**Accounting treatment**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the



acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

#### **Classification in the financial statements**

Investments that are realisable within the period of twelve months from the balance sheet date are classified as current investment. All other investments are classified as non-current investments.

#### **i. Revenue recognition**

Revenue is recognised to the extent, that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

##### **Revenue from sale of goods**

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer and are recorded net of trade discounts, rebates, Sales Tax, Value Added Tax, Goods and Service Tax and gross of Excise Duty.

##### **Revenue from services**

Revenue from services is recognised as and when services are rendered and the collectability is reasonably assured.

Revenue recognised by the Company where services are rendered to the customer and for which Final bill has not been raised (which we refer as unbilled revenue).

##### **Interest Income**

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and applicable interest rate.

##### **Dividend Income**

Dividend is recognised when the Company's right to receive dividend is established.

#### **j. Retirement and other employee benefits**

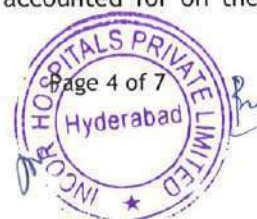
##### **Defined contribution plan**

The Company makes defined contribution to Government Employee Provident Fund, ESI which are recognised in the Statement of Profit and Loss on accrual basis.

The Company has no further obligations under these plans beyond its monthly contributions.

##### **Defined Benefit Plan- Gratuity**

The Company provides for retirement benefits in the form of Gratuity. Benefits payable to eligible employees of the company with respect to gratuity, a defined benefit plan is accounted for on the





basis of an actuarial valuation as at the Balance Sheet date. In accordance with the Payment of Gratuity Act, 1972, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled. The resultant actuarial gain or loss on change in present value of the defined benefit obligation or change in return of the plan assets is recognised as an income or expense in the Statement of Profit and Loss. The expected return on plan assets is based on the assumed rate of return of such assets. The Company contributes to a fund set up by Life Insurance Company of India/trust managed by the Company.

#### **Other long-term benefits**

The company provides for the liability at year end on account of unavailed leave as per the actuarial valuation using the Projected Unit Credit Method. Liabilities in respect of this kind of leave are unfunded.

Actuarial gains and losses are recognised in the Statement of Profit and Loss as and when incurred.

#### **k. Cash and cash equivalents**

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

#### **l. Inventories**

Inventory of all medicines and drugs are valued at lower of Cost or Net Realizable Value.

Cost of inventories (medicines and drugs) is computed on FIFO basis. Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition.

Provision for obsolescence on inventories is not considered on the basis of management's estimate as the inventory in healthcare industry can be reused after expiry by way of Gaseous and ETO sterilization technique.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on item by item basis.

#### **m. Income taxes**

Tax expense for the period comprises of current tax, deferred tax and Minimum alternate tax credit.

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income-tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts, and there is an intention to settle the asset and the liability on a net basis.



The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the reporting date.

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and are written-down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

At each reporting date, the Company reassesses the unrecognized deferred tax assets, if any.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

**n. Leases**

**As a Lessee:**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

**o. Contingent Liability, Provisions and Contingent Asset**

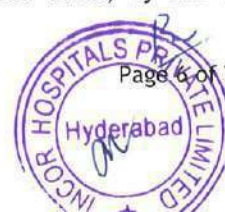
The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

Contingent assets are neither recorded nor disclosed in the financial statements.

**p. Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted





average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

The weighted average numbers of equity shares are adjusted for events such as bonus issue, bonus element in the rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**q. Foreign currency translation**

**Initial recognition:**

Foreign currency transactions are recorded in the reporting currency by applying the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**Conversion:**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when such values were determined.

**Exchange differences:**

Exchange differences arising on the settlement of monetary items or on reporting the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they occur.

**r. Corporate Social Responsibility**

CSR expenditure are recognized in Statement of profit on loss on accrual basis and hence no provision is made against unspent amount.

As per our report of even date.

For MSKA & Associates  
Chartered Accountants  
ICAI Firm Registration No. 105047W

  
Ananthakrishnan Gowindan  
Partner Managing  
Membership No. 205226



For and on behalf of the Board of Directors of  
Incor Hospitals Private Limited  
CIN: U93000TG2009PTC064790

  
P. Suryanarayana Reddy  
Director  
DIN: 00768424

  
J. Brahma Reddy  
Director  
DIN: 07768368

  
M. Bhargavi  
Company Secretary



Place: Hyderabad  
Date: September 27, 2021

Place: Hyderabad  
Date: September 27, 2021

**Incor Hospitals Private Limited**

Notes to financial statements as at and for the year ended March 31, 2021

(All amounts in Indian Rupees, unless otherwise stated)

**3 Share capital**

	March 31, 2021	March 31, 2020
<b>Authorised Share Capital</b>		
<b>Equity shares</b>		
7,400,000 (March 31, 2020: 7,400,000) equity shares of Rs. 10/- each	7,40,00,000	7,40,00,000
<b>Preference shares</b>		
2,600,000 (March 31, 2020: 2,600,000) 0.01 % Compulsorily Convertible Preference Shares of Rs. 10/-	2,60,00,000	2,60,00,000
2,000,000 (March 31, 2020: 2,000,000 ) 0.01% Series B - Compulsorily Convertible Preference Shares of Rs. 10/- each	2,00,00,000	2,00,00,000
1,500,000 (March 31, 2020: 1,500,000 ) 0.01% Series C - Compulsorily Convertible Preference Shares of Rs. 10/- each	1,50,00,000	1,50,00,000
	<b>13,50,00,000</b>	<b>13,50,00,000</b>
<b>Issued, Subscribed and Paid up Capital</b>		
<b>Equity shares</b>		
5,840,017 (March 31, 2020: 5,840,017) equity shares of Rs.10/- each	5,84,00,170	5,84,00,170
<b>Preference Shares</b>		
2,580,128 (March 31, 2020: 2,580,128) 0.01 % Compulsorily Convertible Preference Shares of Rs. 10/- each	2,58,01,280	2,58,01,280
2,000,000 (March 31, 2020: 2,000,000 ) 0.01% Series B - Compulsorily Convertible Preference Shares of Rs. 10/- each	2,00,00,000	2,00,00,000
1,323,186 (March 31, 2020: 1,323,186 ) 0.01% Series C - Compulsorily Convertible Preference Shares of Rs. 10/- each	1,32,31,860	1,32,31,860
	<b>11,74,33,310</b>	<b>11,74,33,310</b>

**a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year**

	March 31, 2021		March 31, 2020	
	No.	Amount	No.	Amount
<b>Equity shares of Rs. 10/- each fully paid up</b>				
At the beginning of the year	58,40,017	5,84,00,170	58,40,017	5,84,00,170
Issued during the year	-	-	-	-
Outstanding at the end of the year	58,40,017	5,84,00,170	58,40,017	5,84,00,170

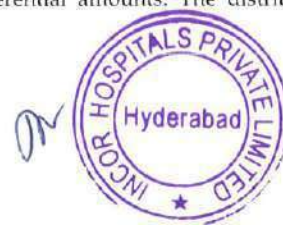
	March 31, 2021		March 31, 2020	
	No.	Amount	No.	Amount
<b>0.01% Compulsorily Convertible Preference Shares of Rs. 10/- each</b>				
At the beginning of the year	25,80,128	2,58,01,280	25,80,128	2,58,01,280
Issued during the year	-	-	-	-
Outstanding at the end of the year	25,80,128	2,58,01,280	25,80,128	2,58,01,280

	March 31, 2021		March 31, 2020	
	No.	Amount	No.	Amount
<b>0.01% Series B - Compulsorily Convertible Preference Shares of Rs. 10/- each</b>				
At the beginning of the year	20,00,000	2,00,00,000	20,00,000	2,00,00,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	20,00,000	2,00,00,000	20,00,000	2,00,00,000

	March 31, 2021		March 31, 2020	
	No.	Amount	No.	Amount
<b>0.01% Series C - Compulsorily Convertible Preference Shares of Rs. 10/- each</b>				
At the beginning of the year	13,23,186	1,32,31,860	13,23,186	1,32,31,860
Issued during the year	-	-	-	-
Outstanding at the end of the year	13,23,186	1,32,31,860	13,23,186	1,32,31,860

**b) Rights, preferences & restrictions attached to equity shares**

The Company has only one class of equity shares having par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. 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.





**Incor Hospitals Private Limited****Notes to financial statements as at and for the year ended March 31, 2021**

(All amounts in Indian Rupees, unless otherwise stated)

**c) Rights, preferences & restrictions attached to compulsory convertible preference shares (CCPS)**

The Company has three classes of preference shares.

i) 0.01% Compulsorily Convertible Preference Shares have par value of Rs.10/- per share. All the CCPS shall be convertible into equity shares within a period of twenty years from the date of their issuance in proportion of one equity share for every CCPS at the option of the holder. In the event of liquidation of the Company before conversion of CCPS, the holders of CCPS will have priority over equity shares in the payment of dividend and repayment of capital.

ii) 0.01% Series B - Compulsorily Convertible Preference Shares have a par value of Rs.10/- per share. All the CCPS shall be convertible into equity shares within a period of twenty years from the date of their issuance. The conversion ratio is based on the company's adjusted pre-money valuation as determined in accordance with the terms of the Preference Share Subscription Agreement. In the event of liquidation of the Company before conversion of CCPS, the holders of CCPS will have priority over equity shares in the payment of dividend and repayment of capital.

iii) 0.01% Series C - Compulsorily Convertible Preference Shares have a par value of Rs.10/- per share. All the CCPS shall be convertible into equity shares within a period of twenty years from the date of their issuance in proportion of one equity share for every CCPS at the option of the holder. In the event of liquidation of the Company before conversion of CCPS, the holders of CCPS will have priority over equity shares in the payment of dividend and repayment of capital.

**d) Details of shareholders holding more than 5% of aggregate shares in the Company**

	March 31, 2021		March 31, 2020	
	No.	% of holding	No.	% of holding
<b>(i) Equity shares of Rs.10/- each fully paid up</b>				
Incor Infrastructure Private Limited, Holding company	54,97,917	94%	54,97,917	94%
<b>(ii) Compulsorily convertible preference shares of Rs. 10/- each fully paid up</b>				
Vistra ITCL (India) Limited (Formerly Known as IL & FS Trust Company Limited) as the trustee of ASK Pravi Private Equity Opportunities Fund.	25,80,128	100%	25,80,128	100%
<b>(iii) Series B- Compulsorily convertible preference shares of Rs. 10/- each fully paid up</b>				
Vistra ITCL (India) Limited (Formerly Known as IL & FS Trust Company Limited) as the trustee of ASK Pravi Private Equity Opportunities Fund.	15,00,000	75%	15,00,000	75%
Incor Infrastructure Private Limited, Holding company	5,00,000	25%	5,00,000	25%
<b>(iv) Series C- Compulsorily convertible preference shares of Rs. 10/- each fully paid up</b>				
Vistra ITCL (India) Limited (Formerly Known as IL & FS Trust Company Limited) as the trustee of ASK Pravi Private Equity Opportunities Fund.	6,61,593	50%	6,61,593	50%
Incor Infrastructure Private Limited, Holding company	6,61,593	50%	6,61,593	50%

As per records of the Company, including its register of shareholders and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares. 18,69,292 shares held by Incor Infrastructure Private Limited in the Company are pledged with a financial institution against the loan availed by the Company (Refer Note 5 and 8).

**e) Details of the shares held by holding company**

	March 31, 2021	March 31, 2020
<b>Incor Infrastructure Private Limited, the holding company</b>		
5,497,917 (March 31, 2020 : 5,497,917) Equity shares of Rs.10/- each fully paid up	5,49,79,170	5,49,79,170
500,000 (March 31, 2020 : 500,000) Series B Preference shares of Rs.10/- each fully paid up	50,00,000	50,00,000
6,61,593 (March 31, 2020 : 6,61,593) Series C Preference shares of Rs.10/- each fully paid up	66,15,930	66,15,930



**Incor Hospitals Private Limited**

**Notes to financial statements as at and for the year ended March 31, 2021**

(All amounts in Indian Rupees, unless otherwise stated)

**4 Reserves and surplus**

	March 31, 2021	March 31, 2020
<b>Securities premium</b>		
Balance at beginning of the year	67,18,15,615	67,18,15,615
Add: Premium on issue of Shares	-	-
Balance at the end of the year	<u>67,18,15,615</u>	<u>67,18,15,615</u>
<b>(Deficit)/Surplus in statement of profit and loss</b>		
Balance at the beginning of the year	1,98,40,887	(5,91,93,481)
Add: Profit for the year	10,65,96,857	7,90,34,368
Balance at the end of the year	<u>12,64,37,744</u>	<u>1,98,40,887</u>
	<u>79,82,53,359</u>	<u>69,16,56,502</u>

**5 Long-term borrowings**

	Non current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
<b>Secured</b>				
<b>From banks</b>				
Term loan	3,30,09,949	3,65,83,698	3,95,65,642	1,20,81,837
<b>Financial Institutions</b>				
Term loan	4,19,344	3,02,04,102	5,15,17,207	3,99,77,699
<b>Unsecured</b>				
<b>Others</b>				
Loan from related party (refer note 27)	-	50,00,000	-	7,70,32,981
	<u>3,34,29,293</u>	<u>7,17,87,817</u>	<u>9,10,82,849</u>	<u>12,90,92,517</u>

a) Term loans from banks amounting to Rs.8,135,582 (March 31, 2020: Rs.12,441,846) carries an interest rate of 10.25% - 11.47% p.a. and is repayable in 72 equal monthly instalments commencing from Nov, 2015. The loan is secured by way of first and exclusive charge on the entire current assets of the Company both present and future, first charge on the unencumbered fixed assets of the Company both present and future, equitable mortgage on commercial space admeasuring 5,000 sft in Third Floor in 'Incor Square' owned by Incor Infrastructure Private Limited, the holding company and personal guarantee of Mr. P Suryanarayana Reddy and corporate guarantee of Incor Infrastructure Private Limited, the holding company.

b) Term loans from banks amounting to Rs.28,440,008 (March 31, 2020: Rs.36,223,688) carries an interest rate of 10.25% - 10.85% p.a. and is repayable in 72 equal monthly instalments commencing from April, 2016. The loan is secured by way of first and exclusive charge on the medical equipment funded by the bank, personal guarantee of Mr. P Suryanarayana Reddy and corporate guarantee of Incor Infrastructure Private Limited, the holding company.

c) Secured term loans from Financial Institutions amounting to Rs.31,101,728 Rs.10,652,019 and Rs.4,928,350 (March 31, 2020: Rs.40,516,461 Rs.14,787,722 and Rs.6,121,786) carries an interest rate of 15.5% p.a., 15.5%p.a. and 15.5%p.a. respectively and is repayable in 48 equal monthly instalments commencing from October, 2017, April, 2018 and September, 2018 respectively. The loans are secured by way of first & exclusive charge on medical equipments, pledge of 18,69,292 shares held by Incor Infrastructure Private Limited in the Company, first and pari passu charge on all existing and future fixed and current assets of the Company (Including book debts, stock trade etc.) to the extent of 1.1 times of the outstanding amount under the facility ranking pari passu with other lenders who have charge on such assets, personal guarantee of Mr. P Suryanarayana Reddy and Mr. G Anand Reddy and corporate guarantee of Incor Infrastructure Private Limited, the holding company. This is further secured by way of lien on fixed deposits of Rs. 6,198,000.

d) Secured term loan from financial institutions amounting to Rs. 5,139,058 (March 31, 2020: Rs. 7,642,928) carries an interest rate of 12% p.a. and is repayable in 60 equal monthly instalments commencing from December, 2016. The loan is secured by the hypothecation of assets for which finance is provided and personal guarantee of Mr. P Suryanarayana Reddy and Mr. G Anand Reddy.

e) Secured term loan from financial institutions amounting to Rs. Nil (March 31, 2020: Rs. 423,236) carries an interest rate of 0% p.a. and is repayable in 24 equal monthly instalments commencing from September, 2018. The loan is secured by the hypothecation of assets for which finance is provided and personal guarantee of Mr. P Suryanarayana Reddy and Mr. G Anand Reddy.

f) Secured term loan from financial institutions amounting to Rs.86,208 (March 31, 2020: Rs.689,672) carries an interest rate of 0% p.a. and is repayable in 24 equal monthly instalments commencing from December, 2018. The loan is secured by the hypothecation of assets for which finance is provided and personal guarantee of Mr. P Suryanarayana Reddy.





**Incor Hospitals Private Limited****Notes to financial statements as at and for the year ended March 31, 2021**

(All amounts in Indian Rupees, unless otherwise stated)

g) Working Capital Term loan from Banks amounting to Rs.24,000,000 (March 31, 2020: Rs.Nil) carries an interest rate of 8.25% p.a. and is repayable in 12 months principal moratorium and 36 months equal monthly installments after moratorium commencing from November,

2021. The loan is secured by the personal guarantee of Mr. P Suryanarayana Reddy and Corporate guarantee of Incor Infrastructure Limited.

h) Working Capital Term loan from Banks amounting to Rs.12,000,000 (March 31, 2020: Rs.Nil) carries an interest rate of 8.25% p.a. and is repayable in 12 months principal moratorium and 36 months equal monthly installments after moratorium commencing from May, 2022.

The loan is secured by the personal guarantee of Mr. P Suryanarayana Reddy and Corporate guarantee of Incor Infrastructure Limited.

i) Unsecured loans from related party amounting to Rs.8,500,000/- was repaid during the FY 2020-21 carrying interest @ 24% p.a, during the PY 2019-20 the balance outstanding was Rs.8,500,000/-

j) Unsecured loans from related party amounting to Rs.5,000,000/- was repaid during the FY 2020-21 carrying interest @ 24% p.a, during the PY 2019-20 the balance outstanding was Rs.5,000,000/-

k) Unsecured loans from others amounting to Rs.68,532,981/- was repaid during the FY 2020-21 carrying interest @ 24% p.a, during the PY 2019-20 the balance outstanding was Rs.68,532,981/-

**6 Other Long term liabilities**

	March 31, 2021	March 31, 2020
Provision for Rent Straight lining	11,08,04,350	9,56,12,282
	<b>11,08,04,350</b>	<b>9,56,12,282</b>

**7 Provisions**

	Long-term		Short-term	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
<b>Provision for employee benefits (refer note 30)</b>				
Provision for gratuity	1,53,02,008	1,17,61,631	31,15,643	24,27,346
Provision for leave encashment	35,34,705	28,30,462	37,20,160	37,67,822
	<b>1,88,36,713</b>	<b>1,45,92,093</b>	<b>68,35,803</b>	<b>61,95,168</b>

**8 Short-term borrowings**

	March 31, 2021	March 31, 2020
<b>Secured</b>		
Working capital loan from banks	6,05,70,843	7,37,47,849
	<b>6,05,70,843</b>	<b>7,37,47,849</b>

a) Working capital loans from bank amounting to Rs. 63,365,182 (March 31, 2020: Rs.71,285,337) carry an interest rate of 10.00% p.a (March 31, 2020 : 10.00% p.a.) Floating and are secured by first and exclusive charge on entire current assets of the Company both present and future, first and exclusive charge on book debts and stock of the Company both present and future, equitable mortgage on commercial space admeasuring 5,000 sft in Third Floor in 'Incor Square' owned by Incor Infrastructure Private Limited (the holding company), personal guarantee of Mr. P Suryanarayana Reddy, Director and corporate guarantee of the holding company. This loan is for a period of 12months which is renewed on yearly basis.

b) Working capital loans from bank amounting to Rs.(2,794,340) (March 31, 2020: Rs.2,462,512) carry an interest rate of 10.00% p.a. (March 31, 2020 : 10.00% p.a.) Floating and are secured by first and exclusive charge on Card receivables and is further secured by way of lien on fixed deposits of Rs. 1,000,000 ( March 31, 2020: Rs. 1,000,000) and personal guarantee of Mr. P Suryanarayana Reddy, Director and corporate guarantee of the holding company. This loan is for a period of 12 months which is renewed on yearly basis.

**9 Trade payables**

	Short-term	
	March 31, 2021	March 31, 2020
Total outstanding dues of micro enterprises and small enterprises	94,00,835	1,40,77,910
Total outstanding dues of creditors other than micro enterprises and small enterprises	9,99,42,240	12,35,14,709
	<b>10,93,43,075</b>	<b>13,75,92,619</b>



**Incor Hospitals Private Limited****Notes to financial statements as at and for the year ended March 31, 2021**

(All amounts in Indian Rupees, unless otherwise stated)

**MSME Disclosure****March 31, 2021**      **March 31, 2020**

Disclosure relating to suppliers registered under MSME Act based on the information available with the Company:

**Particulars**

(a) Amount remaining unpaid to any supplier at the end of each accounting year:

Principal 94,00,835 1,40,77,910

Interest - -

**Total** 94,00,835 1,40,77,910

(b) The amount of interest paid by the buyer in terms of section 16 of the MSME Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year:

(c) 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 MSME Act. - -

(d) The amount of interest accrued and remaining unpaid at the end of each accounting year. - -

(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSME Act. - -

**10 Other current liabilities****March 31, 2021**      **March 31, 2020**

Current maturities of long-term borrowings (Note 5) 9,10,82,849 12,90,92,517

Interest accrued but not due on borrowings 10,71,806 2,47,17,947

Advance from patient 23,66,964 69,02,096

Statutory dues 1,14,99,527 1,13,19,112

Creditors for capital goods 30,99,339 59,70,590

Provisions for Expenses 1,34,02,884 1,22,32,182

Salaries payable 1,88,72,625 2,11,16,753

Others 4,50,032 7,24,051

**14,18,46,026**      **21,20,75,248**



**Incor Hospitals Private Limited**

**Notes to financial statements as at and for the year ended March 31, 2021**

(All amounts in Indian Rupees, unless otherwise stated)

**11. Property, Plant and Equipment**

Particulars	Leasehold improvements	Medical and Surgical Equipment	Plant and Machinery	Electrical equipment	Office Equipment	Computers and Accessories	Furniture and Fixtures	Vehicles	Total Tangible assets	Software	Total intangible assets
<b>Cost</b>											
As at March 31, 2019	19,87,67,895	25,28,89,004	6,77,46,657	1,59,92,564	1,35,35,548	1,38,32,664	4,63,34,152	41,80,685	61,32,79,169	39,41,390	39,41,390
Additions	-	47,07,998	-	-	17,71,152	11,83,728	8,50,885	-	85,13,763	8,12,450	8,12,450
Deletions					(30,500)				(30,500)		
As at March 31, 2020	19,87,67,895	25,75,97,002	6,77,46,657	1,59,92,564	1,52,76,200	1,50,16,392	4,71,85,037	41,80,685	62,17,62,432	47,53,840	47,53,840
Additions	-	1,14,37,667	2,62,924	-	17,46,376	16,10,883	5,81,395	-	1,56,39,245	92,926	92,926
Deletions											
As at March 31, 2021	19,87,67,895	26,90,34,669	6,80,09,581	1,59,92,564	1,70,22,576	1,66,27,275	4,77,66,432	41,80,685	63,74,01,677	48,46,766	48,46,766
<b>Depreciation and amortisation</b>											
As at March 31, 2019	4,55,81,882	7,19,83,073	1,80,29,633	98,06,828	1,04,83,924	1,14,67,109	2,25,74,294	20,46,451	19,19,73,194	35,77,768	35,77,768
Charge for the year	82,32,577	2,11,14,598	43,89,900	23,87,144	18,78,029	15,85,702	48,02,198	4,06,502	4,47,96,650	4,16,608	4,16,608
Deletions					(27,091)				(27,091)		
As at March 31, 2020	5,38,14,459	9,30,97,671	2,24,19,533	1,21,93,972	1,23,34,862	1,30,52,812	2,73,76,492	24,52,952	23,67,42,753	39,94,376	39,94,376
Charge for the year	86,92,100	2,15,00,832	45,28,589	10,88,095	15,91,421	12,48,866	40,70,547	4,56,075	4,31,76,523	4,07,560	4,07,560
Deletions											
As at March 31, 2021	6,25,06,559	11,45,98,503	2,69,48,121	1,32,82,067	1,39,26,283	1,43,01,678	3,14,47,039	29,09,027	27,99,19,276	44,01,936	44,01,936
<b>Net Block</b>											
As at March 31, 2020	14,49,53,436	16,44,99,331	4,53,27,124	37,98,592	29,41,338	19,63,580	1,98,08,545	17,27,733	38,50,19,679	7,59,464	7,59,464
As at March 31, 2021	13,62,61,336	15,44,36,166	4,10,61,460	27,10,497	30,96,294	23,25,597	1,63,19,393	12,71,658	35,74,82,401	4,44,830	4,44,830



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**Incor Hospitals Private Limited**

Notes to financial statements as at and for the year ended March 31, 2021

(All amounts in Indian Rupees, unless otherwise stated)

**12 Non-current investments**

(valued at historical cost unless stated otherwise)	March 31, 2021	March 31, 2020
<b>Trade investments, unquoted</b>		
<b>Investment in equity shares of subsidiaries</b>		
<b>Incor Hospitals Vizag Private Limited</b>		
9,449,997 (March 31, 2020: 9,449,997 ) equity shares of Rs. 10/- each fully paid up	9,80,99,970	9,80,99,970
<b>Incor Hospitals Bhubaneswar Private Limited</b>		
9,900 (March 31, 2020: 9,900) equity shares of Rs.10/- each fully paid up	99,000	99,000
<b>Udai Omni Hospitals Private Limited</b>		
1,205,001 (March 31, 2020: 1,205,001) equity shares of Rs.10/- each fully paid up	9,00,00,000	9,00,00,000
<b>Incor Padmachandra Hospitals Private Limited</b>		
9,884,999 (March 31, 2020 :9,884,999) equity shares of Rs.10/- each fully paid up	9,88,49,990	9,88,49,990
<b>Investment in preference shares of subsidiaries</b>		
<b>Incor Hospitals Vizag Private Limited</b>		
Nil (March 31,2020 : 8,789,418) 15% redeemable preference shares of Rs.10/- each fully paid up	-	10,07,23,000
8,789,418 (March 31,2020 : Nil) 15% Compulsory convertible preference shares of Rs.10/- each fully paid up	10,07,23,000	-
	<b>38,77,71,960</b>	<b>38,77,71,960</b>
<b>Total value of unquoted investments</b>	<b>38,77,71,960</b>	<b>38,77,71,960</b>

**13 Deferred tax liabilities/(asset) (Net)**

	March 31, 2021	Charge/(benefit) for the year	March 31, 2020
<b>Deferred tax asset</b>			
Expenses provided but allowable in Income Tax on payment basis	3,96,05,077	73,53,597	3,22,51,480
Provision for doubtful debts	3,94,874	(34,153)	4,29,027
<b>Gross deferred tax asset (A)</b>	<b>3,99,99,951</b>	<b>73,19,444</b>	<b>3,26,80,507</b>
<b>Deferred tax liability</b>			
Difference between Net book value as per companies act & IT act	3,02,15,442	6,78,437	2,95,37,005
<b>Gross deferred tax liability (B)</b>	<b>3,02,15,442</b>	<b>6,78,437</b>	<b>2,95,37,005</b>
<b>Net deferred tax liability/(asset) (B-A)</b>	<b>97,84,509</b>	<b>66,41,007</b>	<b>31,43,502</b>

**14 Loans and advances**

	Non current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
<b>(Unsecured, considered good, unless stated otherwise)</b>				
Security deposits	3,39,46,057	3,33,55,022	-	-
Loans and advances to related parties (refer note 27)*	25,62,34,973	22,29,12,753	-	4,93,63,972
Prepaid expenses	9,54,766	77,896	41,40,674	30,53,073
Advances recoverable in cash or in kind	61,51,922	72,94,400	95,60,050	1,09,95,028
Advance taxes (net of provisions)	(1,75,80,601)	4,21,76,095	-	-
	<b>27,97,07,117</b>	<b>30,58,16,166</b>	<b>1,37,00,724</b>	<b>6,34,12,073</b>

\*Pertains to loan given to Incor Padmachandra Hospitals Private Limited, subsidiary company towards capital expenditure and working capital requirements. \*Pertains to loan given to Udai Omni Hospitals Private Limited, subsidiary company towards capital expenditure .

\*Pertains to loan given to Incor Bhubaneshwar Hospitals Private Limited, subsidiary company towards working capital requirements.



Incor Hospitals Private Limited

Notes to financial statements as at and for the year ended March 31, 2021

(All amounts in Indian Rupees, unless otherwise stated)

15 Cash and bank balances

	Non current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
<b>Cash and cash equivalents</b>				
On current accounts	-	-	7,98,37,798	1,53,59,959
Cash on hand	-	-	13,68,175	10,79,542
	-	-	8,12,05,973	1,64,39,501
<b>Other bank balances</b>				
<b>- Non Current maturities</b>				
-Deposits with remaining maturity for more than 12 months	1,15,86,355	99,81,618	-	-
	1,15,86,355	99,81,618	-	-
	1,15,86,355	99,81,618	8,12,05,973	1,64,39,501

# Bank deposits amounting to Rs. 6,198,000, Rs. 1,040,117, Rs. 2,743,500 and Rs. 10,00,000 (March 31,2020 : Rs. 6,198,000, Rs. 1,040,117 and Rs. 2,743,500 ) are under lien for the term loan, working capital facility, margin money deposits and guarantee given for CGHS empanelment respectively.

16 Inventories (valued at lower of cost and net realisable value)

	March 31, 2021	March 31, 2020
Medicine and drugs	1,95,90,937	2,54,80,514
	1,95,90,937	2,54,80,514

17 Trade receivables

	Non current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
<b>Unsecured</b>				
<b>Outstanding for a period exceeding six months from the date they became due for payment</b>				
Considered good	-	-	7,26,68,515	8,86,93,242
Considered doubtful	13,56,021	15,12,155		
Less: Provision for doubtful receivables	(13,56,024)	(15,12,155)	-	-
	-	-	7,26,68,515	8,86,93,242
<b>Other receivables</b>				
Considered good	-	-	5,23,13,203	5,25,36,198
	-	-	5,23,13,203	5,25,36,198
	-	-	12,49,81,718	14,12,29,440

18 Other assets

	Non Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
<b>Unsecured, considered good unless otherwise stated</b>				
<b>Others</b>				
Interest receivable	5,87,65,729	4,47,96,606	2,11,40,003	1,77,45,227
Unbilled revenue	-	-	1,48,63,049	58,42,167
Other receivables				
- related parties	-	-	1,46,99,023	1,16,26,527
- others	-	-	16,28,445	16,28,445
	5,87,65,729	4,47,96,606	5,23,30,520	3,68,42,366





**Incor Hospitals Private Limited**

Notes to financial statements as at and for the year ended March 31, 2021

(All amounts in Indian Rupees, unless otherwise stated)

**19 Revenue from Operations**

	March 31, 2021	March 31, 2020
Sale of services	79,46,14,121	78,25,62,323
Sale of goods	35,00,68,365	33,35,10,904
	<b>1,14,46,82,486</b>	<b>1,11,60,73,227</b>

**20 Other income**

	March 31, 2021	March 31, 2020
Interest income on		
-bank deposits	9,08,523	6,71,513
-others	2,95,19,881	2,78,84,160
Liabilities/provisions no longer required written back	36,16,524	7,97,512
Corporate support services	65,52,001	52,02,698
Miscellaneous income	21,25,300	24,45,421
	<b>4,27,22,229</b>	<b>3,70,01,304</b>

**21 Cost of material consumed**

	March 31, 2021	March 31, 2020
Inventory at the beginning of the year	2,54,80,514	2,54,75,892
Add : Purchases during the year	22,65,29,674	21,31,05,318
Less: Inventory at the end of the year	1,95,90,937	2,54,80,514
<b>Cost of material consumed ( Pharmacy, Implants &amp; Consumables)</b>	<b>23,24,19,251</b>	<b>21,31,00,696</b>

**22 Employee benefit expense**

	March 31, 2021	March 31, 2020
Salaries, wages and bonus	19,02,15,073	20,40,81,662
Contribution to provident and other funds	1,09,92,098	1,25,79,092
Gratuity expense	47,24,699	49,39,543
Staff welfare expenses	88,33,030	95,83,242
	<b>21,47,64,900</b>	<b>23,11,83,539</b>

**23 Depreciation and amortisation expense**

	March 31, 2021	March 31, 2020
On tangible assets ( refer note no 11)	4,31,76,523	4,47,96,650
On intangible assets ( refer note no 11)	4,07,560	4,16,608
	<b>4,35,84,083</b>	<b>4,52,13,258</b>

**24 Finance costs**

	March 31, 2021	March 31, 2020
Interest expense		
On bank loan	1,13,65,475	1,25,54,770
On others	2,07,73,478	3,24,54,176
Bank charges	72,00,305	67,05,758
	<b>3,93,39,258</b>	<b>5,17,14,704</b>





**Incor Hospitals Private Limited**

**Notes to financial statements as at and for the year ended March 31, 2021**

(All amounts in Indian Rupees, unless otherwise stated)

**25 Other expenses**

	March 31, 2021	March 31, 2020
Fees to doctors	22,55,93,037	23,68,24,083
Rent	4,54,77,790	5,39,10,913
Rent equalization expense	1,51,92,068	47,74,652
Advertisement and business promotion	6,88,71,106	8,22,73,300
House keeping and security expenses	2,96,30,163	3,13,55,989
Printing and stationery	57,14,013	69,50,681
Hospital maintenance	3,16,90,159	3,26,15,348
Diagnostic expenses	1,00,40,516	99,47,338
Travelling and conveyance	24,57,383	45,42,891
Power and fuel	1,54,15,306	1,87,24,566
Repairs and maintenance		
Plant and machinery	29,16,644	31,13,277
Others	49,71,359	34,30,131
Professional fees	3,52,46,412	65,54,148
Communication expenses	18,79,353	20,09,488
Provision for doubtful trade receivable	13,56,024	15,42,155
Advances/ debts written off	1,39,707	1,14,081
Insurance	7,82,306	9,12,249
Donations	-	31,501
Rates and taxes	30,33,795	28,81,578
Auditor's remuneration - "Refer note below"	10,05,000	11,51,500
Corporate social responsibility ( Refer Note 26)	7,30,000	-
Miscellaneous expenses	32,92,525	55,75,446
	<b>50,54,34,666</b>	<b>50,92,35,316</b>

Note : The following is the break-up of Auditors remuneration

**As auditor:**

Statutory audit	8,00,000	8,00,000
Consolidation	2,00,000	2,00,000
Reimbursement of expenses and GST	5,000	1,51,500
<b>Total</b>	<b>10,05,000</b>	<b>11,51,500</b>

**26 Corporate Social Responsibility (CSR)**

	March 31, 2021	March 31, 2020
Gross amount required to be spent	7,30,000	-

**Amount spent during the year**

	In cash	Yet to be paid in cash	Total
i. construction/acquisition of any asset	-	-	-
-under control of the Company for future use			
-not under control of the Company for future use			
ii. On purpose other than (i) above	7,30,000	-	7,30,000
<b>Total</b>	<b>7,30,000</b>	<b>-</b>	<b>7,30,000</b>



**Incor Hospitals Private Limited**

**Notes to financial statements as at and for the year ended March 31, 2021**

(All amounts in Indian Rupees, unless otherwise stated)

**27 Transactions with related parties:**

In accordance with the requirement of Accounting Standard (AS)- 18 on "Related Party Disclosures" the names of the related parties where control exists /able to exercise significant influence along with the aggregate transactions/year end balances with them as identified and certified by the management are given below:

a) Names of related parties	Relationship
Mr. P. Suryanarayana Reddy	Key management personnel
Mr. Jayanta Kumar Benarjee	Key management personnel
Mr. E. Venkat Ramana Reddy	Key management personnel
Mr. Y. Sundeeep Reddy	Key management personnel
Mr. M. Gautam Reddy	Key management personnel
Mr. Brahma Reddy	Key management personnel
Mrs. Purnima P.	Relative of key management personnel
Mrs. Madhuri Reddy	Relative of key management personnel
E Amruthamma	Relative of key management personnel
Mr. E. Raji Reddy	Relative of key management personnel
Mrs. Sridevi Aljala	Relative of key management personnel
Mrs. Jonnala Shivamma	Relative of key management personnel
Ms. Karri Sneha	Relative of key management personnel
NV Associates	Significant influence of key management personnel
AV Associates	Significant influence of key management personnel
E.Venkata Ramana Reddy - HUF	Significant influence of key management personnel
AN Management	Significant influence of key management personnel
Veptor Projects Private Limited	Significant influence of key management personnel
Incor Infrastructure Private Limited	Holding Company
Incor Hospitals Vizag Private Limited	Subsidiary
Incor Hospitals Bhubaneswar Private Limited	Subsidiary
Incor Padmachandra Hospitals Private Limited	Subsidiary
Udai Omni Hospitals Private Limited	Subsidiary
Vistra ITCL (India) Limited (Formerly Known as IL & FS Trust Company Limited) as the trustee of ASK Pravi Private Equity Opportunities Fund.	Significant influence

**b) The Company had the following transactions with the related parties during the year:**

	March 31, 2021	March 31, 2020
<b>Incor Infrastructure Private Limited#</b>		
Loans taken	24,89,74,718	20,35,00,000
Loans repaid	(34,19,50,000)	(16,78,60,000)
Interest expense	71,36,452	1,57,07,535
<b>Incor Hospitals Vizag Private Limited</b>		
Loans given	53,04,265	19,95,53,972
Loans recovered	5,58,00,000	(16,40,00,000)
Expenditure incurred by the Company on behalf	2,29,408	72,284
Interest income	26,30,835	49,44,434
<b>Incor Padmachandra Hospitals Private Limited</b>		
Loans given	47,64,940	1,93,15,247
Expenditure incurred by the Company on behalf	11,006	1,72,110
Realised in IPHPL related to IHPL.	-	3,73,517
Loans recovered	1,17,72,032	28,61,675
Interest income	1,36,51,728	1,57,85,264



**Incor Hospitals Private Limited****Notes to financial statements as at and for the year ended March 31, 2021**

(All amounts in Indian Rupees, unless otherwise stated)

**Incor Hospitals Bhubaneswar Private Limited**

Expenditure incurred by the Company on behalf 16,050 30,100

**Udai Omni Hospitals Private Limited**

Corporate Support services 65,52,001 52,02,698

Interest Income 14,50,027 18,62,951

Expenditure incurred by the Company on behalf 2,55,682 57,200

Loans given - 65,00,000

Loans recovered 65,00,000 -

**Mr. E. Venkat Ramana Reddy**

Consultancy charges 1,19,89,729 66,00,000

**Mr. Y. Sundeep Reddy**

Consultancy charges 77,45,214 66,00,000

Advance given 2,000 1,56,900

Advance recovered - 8,25,000

**Mr. M. Gautam Reddy**

Consultancy charges 62,94,765 49,33,333

**Mrs. Purnima P.**

Interest expense 11,12,328 20,40,000

Loan Repaid 85,00,000 -

**Mrs. Madhuri Reddy**

Consultancy charges 16,66,667 16,66,669

Loan given 1,33,06,192 1,11,80,000

Interest income 29,59,532 17,63,422

**Mrs. Sridevi Aljala**

Loan given 1,33,06,192 1,11,80,000

Interest income 29,59,532 17,63,422

**Mr. E Raji Reddy**

Interest income 4,86,000 4,86,000

**E Amruthamma**

Loan given 1,33,06,192 1,11,80,000

Interest income 24,73,532 12,78,668

**E.Venkata Ramana Reddy - HUF**

Marketing expenses 19,50,000 16,50,000

**NV Associates**

Marketing expenses 28,50,000 19,00,000

**AV Associates**

Marketing expenses 44,32,438 14,74,560

**AN Management**

Marketing expenses 49,68,671 49,84,604

**Veptor Projects Private Limited**

Loan Repaid 77,48,283 -

Interest Expense 7,06,639 10,80,000

**Karri Sneha**

Professional fee 4,00,000 -

**Jonnala Shivamma**

Professional fee 8,64,864 -

**Jonnala Brahma Reddy**

Professional fee 8,64,864 -

# Refer note 5 and 8 for details of pledge of shares by Incor Infrastructure Private Limited for loans taken by the Company





**Incor Hospitals Private Limited****Notes to financial statements as at and for the year ended March 31, 2021**

(All amounts in Indian Rupees, unless otherwise stated)

**A. Defined contribution plans**

a) Provident fund

b) Employee State Insurance Fund

During the period the Company has recognized the following amounts in the Statement of profit and loss:-

	March 31, 2021	March 31, 2020
Employers Contribution to Provident fund	90,89,061	1,06,48,845
Employers Contribution to Employee state insurance	19,03,037	28,73,509
	<b>1,09,92,098</b>	<b>1,35,22,354</b>

**B. Defined benefit plans and Other long-term benefits**

a) Contribution to gratuity funds – Employee’s gratuity fund (Defined benefit plan)

b) Leave Encashment (Other long-term benefit)

In accordance with Accounting Standard 15, an actuarial valuation was carried out in respect of the aforesaid defined benefit plans based on the following assumptions.

	Leave encashment	
	March 31, 2021	March 31, 2020
Discount rate p.a.	4.25%	5.20%
Employee turnover	50.00%	55.00%
Salary Escalation Rate p.a.	8.00%	8.00%

	Employee gratuity (funded)	
	March 31, 2021	March 31, 2020
Discount rate p.a.	4.25%	5.20%
Employee turnover	50.00%	55.00%
Salary Escalation Rate p.a.	8.00%	8.00%

The discount rate assumed is 4.25% per annum (Previous Year 5.2%p.a) which is determined by reference to market yield at the Balance Sheet date on government bonds. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

**(A) Net employee benefit expenses**

	March 31, 2021	March 31, 2020
Interest cost	5,81,801	4,74,604
Current service cost	24,27,346	17,09,338
Net actuarial losses	21,45,281	27,55,601
<b>Net benefit expense</b>	<b>51,54,428</b>	<b>49,39,543</b>

**(B) Details of provision for gratuity**

	March 31, 2021	March 31, 2020
Defined benefit obligations	1,86,38,328	1,43,95,568
Fair value of plan assets	(2,20,677)	(2,06,591)
<b>Net liability</b>	<b>1,84,17,651</b>	<b>1,41,88,977</b>





**Incor Hospitals Private Limited****Notes to financial statements as at and for the year ended March 31, 2021**

(All amounts in Indian Rupees, unless otherwise stated)

**(C) Changes in the present value of the defined benefit obligation**

	March 31, 2021	March 31, 2020
Opening defined benefit obligation	1,43,95,568	94,41,861
Interest cost	5,81,801	4,74,604
Current service cost	24,27,346	17,09,338
Actuarial losses	21,59,367	27,69,765
Benefits paid	(9,25,754)	
<b>Closing defined benefit obligation</b>	<b>1,86,38,328</b>	<b>1,43,95,568</b>

**(D) Changes in fair value of plan assets**

	March 31, 2021	March 31, 2020
Opening fair value of plan assets	2,06,591	1,92,427
Actuarial gain	14,086	14,164
<b>Closing fair value of plan assets</b>	<b>2,20,677</b>	<b>2,06,591</b>

**Amounts for the current and previous years are as follows:**

	March 31, 2021	March 31, 2020
Defined benefit obligation	1,86,38,328	1,43,95,568
Fair value of plan assets	2,20,677	2,06,591
Deficit	1,84,17,651	1,41,88,977

**General Description of the plan**

The Company operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service. In case of some employees, the Company's scheme is more favorable as compared to the obligation under Payment of Gratuity Act, 1972.

**31 Earnings per share**

	March 31, 2021	March 31, 2020
Profit for the year	10,65,96,857	7,90,34,368
Less: Dividend on preference shares not provided for	5,903	5,903
Net profit for calculation of basic earning per share	10,65,90,954	7,90,28,465
Add: Dividend on preference shares	5903	5903
Net profit for calculation of diluted earning per share	10,65,96,857	7,90,34,368
Weighted average of number of shares considered for calculation of basic earning per share	58,40,017	58,40,017
Add: Weighted average number of shares which would be issued on conversion of compulsorily convertible preference shares*	52,26,502	52,26,502
Weighted average of number of shares considered for calculation of diluted earning per share	1,10,66,519	1,10,66,519
Basic EPS	18.25	13.53
*Anti-dilutive in the current year	9.63	7.14



**Incor Hospitals Private Limited****Notes to financial statements as at and for the year ended March 31, 2021**

(All amounts in Indian Rupees, unless otherwise stated)

**32 Segment information**

The Company's operations fall within a single business segment "Healthcare Services" and single geographical segment and therefore segment information is not provided.

**33 Pharmacy, implants and consumables**

	March 31, 2021	March 31, 2020
Indigenous	23,24,19,251	21,02,64,211
Imported	-	28,36,485

**34 Contingent liabilities****a) Security against loan taken by others**

The Company had provided security by way of corporate guarantees amounting to Rs.144,960,878 (March 31, 2020: Rs.140,733,588) for securing the loans taken by its subsidiaries.

**Details of loans given, investment made and guarantee given covered u/s 186(4) of the Companies Act, 2013**

Investments made are disclosed under the respective head.

Loans given by the company as at March 31, 2021 & March 31, 2020

Name of the Company	March 31, 2021	March 31, 2020
Incor Hospitals Bhubaneswar Pvt Ltd	19,97,821	19,81,771
Incor Padmachandra Hospitals Pvt Ltd	13,32,08,589	14,02,15,681
Udai Omni Hospitals	1,34,23,440	1,74,92,706
Incor Hospital Vizag Pvt Ltd	-	4,28,63,972
Mrs. Madhuri Reddy	4,29,43,286	2,68,06,033
Mr. E. Raji Reddy	73,20,003	68,34,003
Mrs. Sridevi Aljala	4,30,33,160	2,67,67,435
E Amruthamma	3,57,07,610	1,99,27,886

**Corporate guarantee given**

Name of the Company	March 31, 2021	March 31, 2020
Incor Padmachandra Hospitals Pvt Ltd	1,92,50,116	2,58,21,374
Udai Omni Hospitals	-	30,47,270
Incor Hospital Vizag Pvt Ltd	12,57,10,762	11,18,64,944

**Preference dividend:**

	March 31, 2021	March 31, 2020
Preference dividend	35,092	29,189

35 In the opinion of the board, the current assets and loans and advances are approximately of the value stated, if recognised in the ordinary courses of the business, except otherwise stated. The provision for all the know liabilities is adequate and not in excess of amount considered reasonably necessary.



**Incor Hospitals Private Limited**

**Notes to financial statements as at and for the year ended March 31, 2021**

(All amounts in Indian Rupees, unless otherwise stated)

36 The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus. This pandemic and response thereon have impacted most of the industries. Consequent to the nationwide lock down on March 24, 2020, the Company's operations were scaled down in compliance with applicable regulatory orders. Subsequently, during the year, the Company's operations have been scaled up in a phased manner taking into account directives from various Government authorities. The impact on future operations would, to a large extent, depend on how the pandemic further develops and it's resultant impact on the operations of the Company. The Company continues to monitor the situation and take appropriate action, as considered necessary in due compliance with the applicable regulations.

The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2021 and has concluded that there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

37 Previous year figures have been regrouped/ reclassified, where necessary, to conform to this year's classification.

As per our report of even date.

**For MSKA & Associates**

Chartered Accountants

ICAI Firm Registration No. 105847W

  
**Ananthakrishnan Govindan**

Partner

Membership No. 205226

Place: Hyderabad

Date: September 27, 2021

For and on behalf of the Board of Directors of

**Incor Hospitals Private Limited**

CIN: U93000TG2009PTC064790

  
**P. Suryanarayana Reddy**

Managing Director

DIN: 00768424

  
**M. Bhargavi**

Company Secretary

Place: Hyderabad

Date: September 27, 2021

  
**Brahma Reddy**

Director

DIN: 07768368





## **Independent Auditor's Certificate on the proposed accounting treatment contained in the Draft Scheme of Amalgamation**

The Board of Directors,  
**INCOR HEALTHCARE PRIVATE LIMITED**  
CIN : U85110TG2022PTC160175  
Plot No 69 and 70, Opp lane to Madhapur P.S., Kavuri Hills,  
Madhapur Hyderabad Hyderabad TG 500033 IN

**Independent Auditor's Certificate on the proposed accounting treatment contained in the Draft Scheme of Amalgamation of M/s. Incor Healthcare Private Limited ['Transferor Company'], M/s. Incor Hospitals Private Limited ['Transferee Company'] and their respective shareholders under sections 230 to 232 read with other applicable provisions of the Companies Act, 2013 ('the 2013 Act') and rules framed thereunder as at Appointed Date i.e April 01, 2022.**

1. We, M S K A & Associates, Chartered Accountants, the Statutory Auditors of **Incor Healthcare Private Limited** (the "Company" or "Transferor Company" or "IHCL") having its registered office at the above mentioned address, have been requested vide engagement letter dated June 30, 2022, to certify the proposed accounting treatment specified in Clause 12 of Part B of the Draft Scheme of Amalgamation (herein referred as 'the Draft Scheme') amongst the Company, **Incor Hospitals Private Limited** ("Transferee Company" or "IHPL") and their respective Shareholders and Creditors under sections 230 to 232 of the 2013 Act read with other applicable provisions and rules framed thereunder, with reference to its compliance with the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the rules made thereunder and Other Generally Accepted Accounting Principles for the purpose of onward submission to National Company Law Tribunal, Hyderabad Bench ("the Tribunal").

### **Management's Responsibility**

2. The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards prescribed under Section 133 of the Act read with Companies (Accounts) Rules, 2014 ("the applicable Accounting Standards") and Other Generally Accepted Accounting Principles as aforesaid, is that of the Board of Directors of the Companies involved. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
3. The Management is also responsible for providing all relevant information to National Company Law Tribunal ("NCLT") in connection with the draft Scheme.



# MSKA & Associates

Chartered Accountants

## Auditor's Responsibility

4. Pursuant to the requirements of sections 230 to Section 232 of the 2013 Act, read with the Rules made thereunder, our responsibility is only to provide a reasonable assurance whether the proposed accounting treatment referred to in Clause 12 of Part B of the Draft Scheme referred to above comply with the applicable accounting standards.
5. The following documents have been furnished by the Company:
  - a) Copy of the Draft Scheme of Amalgamation ;
  - b) Certified true copy of the board resolution for the proposed amalgamation and
  - c) Written representation from the Management in this regard.
6. We have verified that the proposed accounting treatment specified in Clause 12 of Part B of the Draft Scheme of the Company in terms of the provisions of sections 230 to 232 of the Companies Act, 2013 is in compliance with the applicable Accounting Standards notified under section 133 of the Companies Act, 2013 and Other Generally Accepted Accounting Principles.
7. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (ICAI). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI.

## Opinion

9. Based on our examination, as above, and according to the information and explanations given to us, we certify that the proposed accounting treatment in the books of Transferor Company specified in Clause 12 of Part B of the Draft Scheme is in compliance with the applicable accounting standards prescribed under Section 133 of the Act read with Companies (Accounts) Rules, 2014. The specified accounting treatment in Clause 12 of Part B of the Draft Scheme, duly authenticated on behalf of the Company, is reproduced in Annexure 1 to this Certificate and is initialled by us only for the purposes of identification.

## Restriction on Use

10. The certificate is addressed to the Board of Directors of the Company solely for the purpose of enabling it to comply with the provisions of sections 230 to 232 of the 2013 Act read with the rules made thereunder and for onward submission to the Tribunal at Hyderabad Bench in accordance with the 2013 Act. This certificate should not be used by any other person or for any other purpose. M S K A & Associates shall not be liable to the Company, Board of Directors or to any other concerned for any claims, liabilities or expenses relating to this assignment, except to the extent of fees relating to this assignment.

# MSKA & Associates

Chartered Accountants

11. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For M S K A & Associates**

**Chartered Accountants**

ICAI Firm Registration No. 105047W



Ananthakrishnan Govindan

Partner

Membership No. 205226

UDIN: 22205226ANNKEL6441

Place: Hyderabad

Date: July 12, 2022

Encl: Annexure 1 on Proposed Accounting Treatment.

INCOR HEALTHCARE PRIVATE LIMITED  
Plot No 69 and 70, Opp lane to Madhapur P.S., Kavuri Hills,  
Madhapur Hyderabad Hyderabad TG 500033 IN

ANNEXURE - 1

**Statement on Proposed Accounting Treatment of Amalgamation in books of INCOR HEALTHCARE PRIVATE LIMITED - "IHCLP"**

							Amount in INR	
S. No	Date of Accounting Entry	In the Books of IHCLP	FSA Line Item	BS/PL	Dr/Cr	Amount in ₹ Debit/(Credit)	Narration	
1	01-Apr-2022	<b>MERGER ENTRIES - Assets &amp; Liabilities Transferred.</b>						
		Incor Infrastructure Pvt Ltd	Equity Share Capital	BS	Dr	99,990	Being Transfer of Balances as per the Scheme of Arrangement Dated _____ with Effective Date as Apr 1, 2022 - (Pooling of Interest Method)	
		Mr.Suryanarayana Reddy	Equity Share Capital	BS	Dr	10		
		Retained Earnings - Surplus/(deficit) in statement of Profit & Loss	Reserves & Surplus	BS	Cr	(7,60,889)		
		NCD Holder - Emerging India Credit Opportunities Fund	Long Term Borrowings	BS	Dr	1,21,00,00,000		
		NCD Holder - INVESTEC	Long Term Borrowings	BS	Dr	34,00,00,000		
		RP Payables - INCOR HOSPITALS PVT LTD	Trade Payables	BS	Dr	7,31,389		
		Other Payables	Trade Payables	BS	Dr	10,000		
		Receivables - KMBL Custody Corporation Action	Other Current Assets	BS	Cr	(3,02,50,000)		
		Investment in IHPL - Equity & CCPs	Long Term Investments	BS	Cr	(1,16,12,58,954)		
		Deposits (Asset)	Cash & Bank Balances	BS	Cr	(10,000)		
		Bank Balances	Cash & Bank Balances	BS	Cr	(35,85,61,546)		
		<b>Grand Total</b>				-		

1. The above Annexure 1 is prepared, for the purpose of proposed accounting treatment in the books of Transferor Company specified in Clause 12 of Part B of the Draft Scheme and same is in compliance with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014.

2. The above Proposed Accounting Treatment is recorded on Dated April 1, 2022 [i.e Appointed Date] basis Provision Financial Statements as of April 1, 2022, and has been extracted from books of accounts of the Company.

For INCOR HEALTHCARE PRIVATE LIMITED

Name :  
Director




Place : Hyderabad  
Date : July 12, 2022

## **Independent Auditor's Certificate on the proposed accounting treatment contained in the Draft Scheme of Amalgamation**

The Board of Directors,  
**Incor Hospitals Private Limited**  
CIN : U93000TG2009PTC064790  
Sy.No. 9/1/A, Opposite P.V.T. Market  
Kothapet 'X' Road, Dilsukhnagar, Hyderabad TG 500035 IN

**Independent Auditor's Certificate on the proposed accounting treatment contained in the Draft Scheme of Amalgamation of M/s. Incor Healthcare Private Limited ['Transferor Company'], M/s. Incor Hospitals Private Limited ['Transferee Company'] and their respective shareholders under sections 230 to 232 read with other applicable provisions of the Companies Act, 2013 ('the 2013 Act') and rules framed thereunder as at Appointed Date i.e April 01, 2022.**

1. We, M S K A & Associates, Chartered Accountants, the Statutory Auditors of **Incor Hospitals Private Limited** (the "Company" or "Transferee Company" or "IHPL") having its registered office at the above mentioned address, have been requested vide engagement letter dated June 30, 2022, to certify the proposed accounting treatment specified in Clause 12 of Part B of the Draft Scheme of Amalgamation (herein referred as 'the Draft Scheme') amongst the Company, **Incor Healthcare Private Limited** ("Transferor Company" or "HCPL") and their respective Shareholders and Creditors under sections 230 to 232 of the 2013 Act read with other applicable provisions and rules framed thereunder, with reference to its compliance with the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the rules made thereunder and Other Generally Accepted Accounting Principles for the purpose of onward submission to National Company Law Tribunal, Hyderabad Bench ("the Tribunal").

### **Management's Responsibility**

2. The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards prescribed under Section 133 of the Act read with Companies (Accounts) Rules, 2014 ("the applicable Accounting Standards") and Other Generally Accepted Accounting Principles as aforesaid, is that of the Board of Directors of the Companies involved. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
3. The Management is also responsible for providing all relevant information to National Company Law Tribunal ("NCLT") in connection with the draft Scheme.



# MSKA & Associates

Chartered Accountants

## Auditor's Responsibility

4. Pursuant to the requirements of sections 230 to Section 232 of the 2013 Act, read with the Rules made thereunder, our responsibility is only to provide a reasonable assurance whether the proposed accounting treatment referred to in Clause 12 of Part B of the Draft Scheme referred to above comply with the applicable accounting standards.
5. The following documents have been furnished by the Company:
  - a) Copy of the Draft Scheme of Amalgamation ;
  - b) Certified true copy of the board resolution for the proposed amalgamation and
  - c) Written representation from the Management in this regard.
6. We have verified that the proposed accounting treatment specified in Clause 12 of Part B of the Draft Scheme of the Company in terms of the provisions of sections 230 to 232 of the Companies Act, 2013 is in compliance with the applicable Accounting Standards notified under section 133 of the Companies Act, 2013 and Other Generally Accepted Accounting Principles.
7. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (ICAI). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI.

## Opinion

9. Based on our examination, as above, and according to the information and explanations given to us, we certify that the proposed accounting treatment in the books of Transferee Company specified in Clause 12 of Part B of the Draft Scheme is in compliance with the applicable accounting standards prescribed under Section 133 of the Act read with Companies (Accounts) Rules, 2014. The specified accounting treatment in Clause 12 of Part B of the Draft Scheme, duly authenticated on behalf of the Company, is reproduced in Annexure 1 to this Certificate and is initialled by us only for the purposes of identification.

## Restriction on Use

10. The certificate is addressed to the Board of Directors of the Company solely for the purpose of enabling it to comply with the provisions of sections 230 to 232 of the 2013 Act read with the rules made thereunder and for onward submission to the Tribunal at Hyderabad Bench in accordance with the 2013 Act. This certificate should not be used by any other person or for any other purpose. M S K A & Associates shall not be liable to the Company, Board of Directors or to any other concerned for any claims, liabilities or expenses relating to this assignment, except to the extent of fees relating to this assignment.

# MSKA & Associates

Chartered Accountants

11. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For M S K A & Associates**

**Chartered Accountants**

ICAI Firm Registration No. 105047W



Ananthkrishnan Govindan

Partner

Membership No. 205226

UDIN: 22205226ANNKFT4255

Place: Hyderabad

Date: July 12, 2022

Encl: Annexure 1 on Proposed Accounting Treatment.

INCOR HOSPITALS PRIVATE LIMITED

Reg office : Sy.No. 9/1/A, Opposite P.V.T. Market Kothapet 'X' Road,

Dilsukhnagar, Hyderabad TG 500035 IN

ANNEXURE - 1

Statement on Proposed Accounting Treatment of Amalgamation in books of INCOR HOSPITALS PRIVATE LIMITED - "IHPL"

Amount in INR

Entry S No	Date of Accounting Entry	In the Books of IHPL	FSA Line Item	BS/PL	Dr/Cr	Amount in ₹ Debit/(Credit)	Narration
1	01-Apr-2022	<b>MERGER ENTRIES - Assets &amp; Liabilities of IHPL Transferred.</b>					
		Incor Infrastructure Pvt Ltd - Equity Shareholder of IHPL	Equity Share Capital	BS	Cr	(99,990)	Being Transfer of Balances as per the Scheme of Arrangement Dated _____ with Effective Date as Apr 1, 2022 - (Pooling of Interest Method)
		Mr.Suryanarayana Reddy - Equity Shareholder of IHPL	Equity Share Capital	BS	Cr	(10)	
		Retained Earnings - Surplus/(deficit) in statement of Profit & Loss	Reserves & Surplus	BS	Dr	7,60,889	
		NCD Holder - Emerging India Credit Opportunities Fund	Long Term Borrowings	BS	Cr	(1,21,00,00,000)	
		NCD Holder - INVESTEC	Long Term Borrowings	BS	Cr	(34,00,00,000)	
		RP Payables - INCOR HOSPITALS PVT LTD	Trade Payables	BS	Cr	(7,31,389)	
		Other Payables	Trade Payables	BS	Cr	(10,000)	
		Receivables - KMBL Custody Corporation Action A/c	Other Current Assets	BS	Dr	3,02,50,000	
		Investment in IHPL - Equity & CCPS	Long Term Investments	BS	Dr	1,16,12,58,954	
		Deposits (Asset)	Cash & Bank Balances	BS	Dr	10,000	
		Bank Balances	Cash & Bank Balances	BS	Dr	35,85,61,546	
		<b>Grand Total</b>				-	
2	01-Apr-2022	<b>MERGER ENTRIES - Issue of Equity Shares to Shareholders of IHPL</b>					
		Incor Infrastructure Pvt Ltd - Equity Shareholder of IHPL	Equity Share Capital	BS	Dr	99,990.00	Issue of Equity Shares of IHPL to Shareholders of IHPL, as per Scheme of Arrangement. i.e in the Ratio of 0.0370 : 1, which 370 No. of Equity Shares in IHPL for 10,000 Equity Shares in IHPL and issued at the rate of ₹ 274/- each having Face Value of 10/- . Fraction Amount of ₹ 1380/- is received through Cash from the shareholders.
		Mr.Suryanarayana Reddy - Equity Shareholder of IHPL	Equity Share Capital	BS	Dr	10.00	
		Cash A/c	Cash & Bank Balances	BS	Dr	1,380.00	
		Incor Infrastructure Pvt Ltd - Equity Shareholder of IHPL	Equity Share Capital	BS	Cr	(3,700.00)	
		Mr.Suryanarayana Reddy - Equity Shareholder of IHPL	Equity Share Capital	BS	Cr	(97,680.00)	
		<b>Grand Total</b>				-	
3	01-Apr-2022	<b>MERGER ENTRIES - CANCELLATION OF INTER COMPANY TRANSACTIONS</b>					
		Investment in IHPL - Equity & CCPS	Long Term Investments	BS	Cr	(1,16,12,58,954)	Cancellation of Investment held by IHPL in- IHPL in below sequence : 1. Cancellation of Securities at Face Values. 2. Excess amount is adjusted to Securities Premium and then balance amount retained earnings - Surplus / (Deficit) in Profit / Loss.
		Equity Share Capital	Equity Share Capital	BS	Dr	1,000	
		CCPS	Preference Share Capital	BS	Dr	2,58,01,280	
		Series B - CCPS	Preference Share Capital	BS	Dr	1,50,00,000	
		Series C - CCPS	Preference Share Capital	BS	Dr	66,15,930	
		Securities Premium	Reserves & Surplus	BS	Dr	67,19,13,296	
		Retained Earnings - Surplus/(deficit) in statement of Profit & Loss	Reserves & Surplus	BS	Dr	44,19,27,448	
		<b>Grand Total</b>				-	
4	01-Apr-2022	<b>MERGER ENTRIES - CANCELLATION OF INTER COMPANY TRANSACTIONS</b>					
		RP Payables - INCOR HOSPITALS PVT LTD	Trade Payables	BS	Dr	7,31,389	Cancellation of Inter Company
		IHPL Account in IHPL Books	Other Current Assets	BS	Cr	(7,31,389)	
		<b>Grand Total</b>				-	

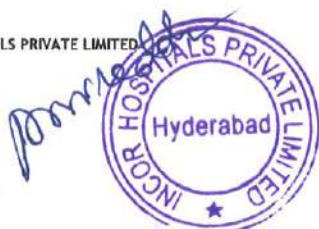
1. The above Annexure 1 is prepared, for the purpose of proposed accounting treatment in the books of Transferee Company specified in Clause 12 of Part B of the Draft Scheme and same is in compliance with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014.

2. The above Proposed Accounting Treatment is recorded on Dated April 1, 2022 [i.e Appointed Date] basis Provision Financial Statements as of April 1, 2022, and has been extracted from books of accounts of the Company.

For INCOR HOSPITALS PRIVATE LIMITED

Name :  
Director

Place : Hyderabad  
Date : July 12, 2022



**Consolidated Share Swap Ratio**  
**Of**  
**Equity Shares**  
**For the proposed merger**  
**Between**

**M/S. INCOR HEALTHCARE PRIVATE LIMITED INTO M/S. INCOR HOSPITALS  
PRIVATE LIMITED**

**Prepared by:**  
**SANKA HARI SURYA**  
**(IBBI REGISTERED VALUER)**  
**Registration No: IBBI/RV/07/2019/12576**

**Contact Details**  
**Shree Mahavir Sadhana Chs, D-602,**  
**Plot No. 18 EFG, Sector-14,**  
**Navi Mumbai, Sanpada- 400705**  
**Maharashtra**

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**M: +91 9833932080, E-Mail: ca.harisurya@gmail.com**



**Date: 1<sup>st</sup> July, 2022**



**Date: 1<sup>st</sup> July, 2022**

To  
The Board of Directors  
Incor Healthcare Private Limited  
Plot No 69 and 70, Opp lane to Madhapur P.S., Kavuri Hills,  
Madhapur Hyderabad TG 500033

To  
The Board of Directors  
Incor Hospitals Private Limited  
Sy.No. 9/1/A, Opposite P.V.T. Market Kothapet 'X' Road,  
Dilsukhnagar, Hyderabad TG 500035

Dear Sir,

**Subject:-Report on recommendation of Share Swap ratio for the Proposed Merger of M/S. INCOR HEALTHCARE PRIVATE LIMITED INTO M/S. INCOR HOSPITALS PRIVATE LIMITED.**

I, Sanka Hari Surya, Registered Valuer under the Companies Act, 2013 and having its IBBI Regn. No. IBBI/RV/07/2019/12576 (hereinafter referred to as (“Registered Valuer”) has been mandated by the Board of Directors on behalf of the Company, M/s. Incor Healthcare Private Limited, a Company incorporated under the provisions of the Companies Act, 2013 and having its registered office at Plot No 69 and 70, Opp lane to Madhapur P.S., Kavuri Hills, Madhapur Hyderabad TG 500033 (hereinafter referred to as “Transferor Company”/ “IHCPL”) and M/s. Incor Hospitals Private Limited, a Company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Sy.No. 9/1/A, Opposite P.V.T. Market Kothapet 'X' Road, Dilsukhnagar, Hyderabad TG 500035 (hereinafter referred to as “Transferee Company”/“IHPL”) for valuation of Equity Shares to carry out the calculation of Share Swap ratio for the Proposed Merger of M/s. Incor Healthcare Private Limited into M/s. Incor Hospitals Private Limited (hereinafter collectively called as “Companies”) under the provisions of Sections 230 to 232 & Section 66 of the Companies Act, 2013 read with Companies (Compromises, Arrangements & Amalgamations) Rules, 2016.

The scope of services is to summarizing the valuation analysis and share swap ratio calculation as on 31<sup>st</sup> March, 2022 considering various data as stated in Source of Information in accordance with Valuation Standards for the limited purpose of compliance under the Companies Act, 2013 and may not be used for any other purpose. Even though the Swap ratio proposed here is said to be true and fair as per underlying guidelines of valuation.

Based on the Discussion with the management, we have considered the valuation cut- off date as closure of business hours of 31<sup>st</sup> March, 2022 (Valuation Date).



**Scope of the Report:**

Our scope of services under this letter is restricted to the services specified in scope of work as above and does not cover any other services including, illustratively, the following:

- Legal advice, opinion and representation in any form;
- Accounting and taxation matters, opinion and representation in any form;
- Any other certification services. Reliance would be placed on the information that may be provided by the Company. We have not independently verified the accuracy of data provided to us for review.

**Purpose of the Report:**

1. We have been informed that the Board of Directors of the Companies are considering a proposal for the merger of IHCPL into IHPL under a Scheme of Amalgamation pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 (“Proposed Merger”). Subject to necessary approvals, IHCPL would be merged into IHPL with effect from an Appointed Date. In consideration of the Proposed Merger, equity shares of IHPL are proposed to be issued to the equity shareholders of IHCPL.
2. Pursuant to the Proposed Merger, the entire business undertaking including all the assets, liabilities, employees etc. of IHCPL would be transferred and vested with and into IHPL.
3. For this purpose, we have carried out a valuation of IHCPL and IHPL, with a view to recommend ratio of equity shares of IHPL to be issued to the equity shareholders of IHCPL on merger of IHCPL into IHPL, for the consideration of the Board of Directors of both the Companies.
4. The information contained herein, and our report is absolutely confidential. It is intended for the sole use and information of the Companies, and only in connection with the Proposed Merger. Any person/ party intending to provide finance/ invest in the shares/ businesses of any of the Companies shall do so after seeking professional advice from their advisors and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is hereby notified that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the Proposed Merger as aforesaid, can be done only with our prior permission in writing.



**BACKGROUND INFORMATION:**

**Incor Hospitals Private Limited (IHPL)**

IHPL (CIN: U93000TG2009PTC064790) is a private limited company incorporated under the Companies Act, 1956 having its registered office at Sy.No. 9/1/A, Opposite P.V.T. Market Kothapet 'X' Road, Dilsukhnagar, Hyderabad TG 500035 (hereinafter referred to as the “Transferee Company / IHPL”). IHPL is engaged in providing health-care services.

**Share Capital**

Sl. No.	Share Capital	No of Shares of face value of INR 10 each
I	Paid up Share Capital 58,40,017 Equity Share of INR 10 each 59,03,314 Compulsory Convertible Preference Shares (CCPS) of INR 10 each;	11,74,33,310

Class of Shares	No. of Shares Allotted	No of Equivalent Shares (on Conversion)
Equity	58,40,017	58,40,017
CCPS	25,80,128	25,80,128
S - B CCPS	20,00,000	13,23,188
S - C CCPS	13,23,186	13,23,186
<b>Grand Total</b>	<b>1,17,43,331</b>	<b>1,10,66,519</b>

Subsequent to the above balance sheet date, there is no change in the authorised share capital of the Transferee Company.

**Incor Healthcare Private Limited (IHCPL)**

IHCPL, (CIN: U85110TG2022PTC160175) is a private limited company incorporated under the Companies Act, 2013 having its registered office at Plot No 69 and 70, Opp lane to Madhapur P.S., Kavuri Hills, Madhapur Hyderabad Hyderabad TG 500033 (hereinafter referred to as the “Transferor Company / IHCPL”). The Transferor Company is presently engaged in the business of providing healthcare services. However, the Company is yet to start its business activities.

**Share Capital**

Particulars	No. of Shares
<b>Issued, Subscribed and Fully Paid up:</b>	
Equity shares	10,000



Subsequent to balance sheet there is no change in the Authorised, Issued, Subscribed and Paid-up share capital of the Transferor Company.

### **SOURCES OF INFORMATION:**

For the purposes of the valuation exercise, we have relied upon the following sources of information:

- (a) Discussion and indications on Draft Scheme of arrangement of IHCPL and IHPL and their respective shareholders;
- (b) Provisional Financials of IHCPL and IHPL for the period ended 31<sup>st</sup> March, 2022;
- (c) Projection of IHPL comprising projected Balance Sheet and Profit and Loss statement for the period from Financial year 2022-23 to Financial year 2027-28;
- (d) Brief overview of IHCPL, IHPL and their past and current operations;
- (e) Other information provided as well as discussions held with the management and other personnel of the Companies; and
- (f) Published and secondary sources of data whether or not made available by the Companies.

### **PROCEDURE ADOPTED AND VALUATION METHOD(S) FOLLOWED FOR THE ASSIGNMENT:**

#### **I. APPROACH CONSIDERED IN OUR VALUE ANALYSIS:**

##### **General Principle for Valuation**

There is no single definition of the term 'Value' that is suitable for all purposes or at all times. The value of a particular asset may vary according to different valuation methodologies that are adopted to ascertain the value for a specific purpose. Valuation of securities is an inexact science. It may sometimes involve a set of judgments and assumptions that may be subject to certain uncertainties.

##### **Selection of Valuation Methodology**

The objective of the valuation process is to make a best reasonable judgment of the value of the shares of the Company. There are a number of valuation methodologies to value companies / businesses using historical and forecast financials of the company. Commonly used valuation methodologies are as follows:

##### **✚ Net Asset Value (NAV) Method**

In Net Asset Value (NAV) Method, the assets and liabilities are considered at realizable value or book value, including intangible assets and contingent liabilities, if any, which are not stated in the





balance sheet. From the value of the assets, the potential liabilities which would have to be paid would be deducted and resultant figure is the NAV of the company.

This valuation approach is mainly used in case where the asset base dominates the earnings capability or in a case where the valuing entity is a holding company deriving significant value from its assets and investments. NAV Method is most applicable for the business where the value lies in the underlying assets or in cases where the ongoing operations of the business and the potential future cash flows of the business cannot be reasonably estimated or where the operations / business of an entity is discontinued. In the present instance, IHPL has ongoing business operations, therefore, we have not considered the NAV method to calculate the value of equity share of IHPL. However, IHCPL has recently been incorporated and yet to start the business operations, therefore, we have considered NAV method for valuation of equity shares of IHCPL.

#### **✚ Discounted Cash Flow (DCF) Method**

The Income Method focuses on the profit/earnings potential of the business being valued. The Income Method of valuation includes Discounted Cash Flow (“DCF”) Method which has been discussed hereinafter.

Under DCF Method, the free cash flows attributable to the firm for a predetermined number of future years and perpetuity are considered and discounted to their present value. The free cash flows attributable to the firm are the cash flows from operating activities as reduced by the estimated/ planned capital expenditure and working capital requirement in each of the future years.

The cash flow projections, the estimations of capital expenditure and working capital requirement are based on the management’s view of the future business prospects of the company and the anticipated economic conditions in relation to the industry in which the company operates.

In the present instance, IHPL has on going business operations. Accordingly, the Management of IHPL has provided the future projections. Therefore, the discounted cash flow approach has been applied for the purpose of valuation of IHPL. However, IHCPL has recently been incorporated and yet to start the business operations, therefore, we have not considered DCF method for valuation of equity shares of IHCPL.

#### **✚ Market Price Method**

The market price of and equity share quoted on a stock exchange is normally considered as the value of equity share of the Company, if such shares are frequently traded subject to speculative support that may be inbuilt in the value of such shares. Equity Shares of the Companies are not



traded on any stock exchanges and therefore, Market Price Method is not relevant for the present valuation exercise. Hence, we have not considered this method for the valuation.

#### **+ Comparable Company Multiples (CCM) Method**

Under the Comparable Companies Multiple Method, the value is determined on the basis of multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation method is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation.

Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. The base(s) to which a multiple is commonly applied include sales, EBITDA, cash flows and book value.

Given that the non-comparability with listed companies, this method has not been used to calculate the fair value of equity shares of the Companies.

## **II. Basis for arriving at Swap Ratio:**

Based on the discussions in the preceding paragraphs w.r.t valuation methodologies as well as regulatory requirements, we have determined appropriate value of the equity shares of IHCPL and IHPL based on the methodology of NAV method and Discounted Cash flow Method respectively.

## **III. VALUATION OF EQUITY SHARES**

### **The valuation summary of IHPL as per Discounted Cash Flow Method is as under:**

The valuation has been done on the basis of Provisional Financials for the period ended 31<sup>st</sup> March, 2022 and Projection comprising projected Balance Sheet and Profit and Loss statement for the period from Financial year 2022-23 to Financial year 2027-28.

The value per equity share of IHPL of par value of Rs. 10 each has been determined under Discounted Cash flow Method as Rs. 274.00 per Equity Share.

**Refer Annexure –I for details.**

### **The valuation summary of IHCPL as per NAV Method is as under:**

The valuation has been done on the basis of Provisional Financials for the period ended 31<sup>st</sup> March, 2022.



The value per equity share of IHCPL of par value of Rs. 10 each has been determined under NAV Method as negative Rs. 172.47 or Nil per Equity Share. Therefore, we have considered Rs. 10 per Equity Share i.e. Face value as fair value per equity share.

**Refer Annexure – II for details.**

### **SWAP RATIO**

To the best of our knowledge and on the basis of valuation of shares IHPL and IHCPL on the basis of information and explanations provided to us, we are of the opinion that:

- **Exchange Ratio of each share of IHPL for shares of IHCPL: 0.0365: 1 i.e. 1 Equity share of face value of Rs. 10 each, credited as fully paid up, of IHPL shall be issued in exchange for every 27 Equity Shares of face value of Rs. 10 each held by the Shareholders of IHCPL.**

### **DISCLAIMER/LIMITATIONS ON THE RECOMMENDATION OF SWAP RATIO**

- Our report is subject to the scope and limitations detailed hereinafter. As such the report is to be read in totality, and not in parts.
- Our work did not constitute an audit, a due diligence, an independent validation of the financial statements for any of the businesses and accordingly, we do not express any opinion on the same.
- Valuation analysis and results are also specific to the date of this report. A valuation of this nature involves consideration of various factors including those impacted by prevailing stock market trends in general and industry trends in particular. This report is issued on the understanding that the Companies have drawn our attention to the relevant material information, which they are aware of concerning the financial position and any other matter, which may have an impact on our recommendation.
- In the course of the valuation, we were provided with both written and verbal information. The terms of our engagement were such that we were entitled to rely upon the information provided by the Companies without detailed inquiry. Our conclusions are based on these assumptions, forecasts and other information given by/on behalf of the Companies. The management of the Companies have indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Accordingly, we assume no responsibility for any errors in the above information furnished by the Companies and their impact on the present exercise.
- The determination of valuation, by its very nature, cannot be regarded as an exact science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. Given the same set of facts and using the same assumptions, expert opinion may differ due to a number of separate judgments and decisions which have to be made. There can therefore be no standard formulae to establish an undisputable share



**Private and Confidential**  
**Share Swap Report**

swap ratio. The final responsibility for the determination of share swap ratio/ fair equity value at which the Proposed Merger shall take place, will be with the Board of Directors of both the Companies.

- This report is prepared for the Clients and must be used only for the specific engagement and regulatory reporting purposes and must not be copied, disclosed or circulated or referred to in correspondence or discussion with any person. The report is confidential to the Clients and it is given on the express undertaking that it is not communicated, in whole or in part, to any third party without our prior written consent. Neither this report nor its contents may be used for any other purpose without our prior written consent.
- Whilst all reasonable care has been taken to ensure that the facts stated in the report are accurate and the opinions given are fair and reasonable, neither ourselves, nor any of our partners, officers or employees shall in any way be responsible for the contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of completeness, authenticity or accuracy of such statements. We expressly disclaim any and all liabilities which may arise based upon the information used in this report. We are not liable to any third party in relation to the issue of this report. In no event we shall be liable for any loss, damage, cost or expense arising in any way from fraudulent acts, misrepresentations or willful default on the part of the Companies, their management, directors, employees or agents.
- Our report is not, nor should it be construed as our opining or certifying the compliance of the Proposed Merger with the provisions of any law including company law and taxation law or as regards any legal implications or issues arising from such Proposed Merger.
- We have no obligation to update this report because of events or transactions occurring subsequent to the date of this report.
- This report is based on the information provided to us by the management. This report has been prepared solely for the aforesaid purpose and should not be used for any other purpose.

  
**Sanka Hari Surya**  
**(Registered Valuer)**  
**IBBI/RV/07/2019/12576**





**Valuation of IHPL**

(E) Estimated, Figures in INR Crore except no of shares

	<b>FY 2022-23 (E)</b>	<b>FY 2023-24 (E)</b>	<b>FY 2024-25 (E)</b>	<b>FY 2025-26 (E)</b>	<b>FY 2026-27 (E)</b>	<b>FY 2027-28 (E)</b>
<b>Profit After Tax (PAT)</b>	14.14	17.51	19.35	22.78	25.44	28.37
Add: Depreciation and amortization	4.40	4.47	4.40	4.51	4.62	4.74
Less: Capital Expenditure	-6.08	1.50	1.50	1.50	1.50	1.50
Less: Increase in Working Capital	-10.22	5.26	6.04	4.06	3.64	4.18
Add: Interest Post Tax Saving	0.75	0.68	0.60	16.15	18.04	20.17
<b>Free cash flow to the Company (FCF)</b>	<b>35.59</b>	<b>15.89</b>	<b>16.81</b>	<b>37.88</b>	<b>42.96</b>	<b>47.60</b>
Discount factor	0.8612	0.7417	0.6387	0.5501	0.4737	0.4080
Discounting Period	1.00	2.00	3.00	4.00	5.00	6.00
<b>Present value of FCF</b>	<b>30.65</b>	<b>11.78</b>	<b>10.74</b>	<b>20.84</b>	<b>20.35</b>	<b>19.42</b>
Sum of Present Values						113.77
Terminal value with growth rate of 5.00 % (Discounted)						183.43
<b>Enterprise Value</b>						<b>297.20</b>
Less: Debt funds as on 31 <sup>st</sup> March, 2022						7.14
Add: Cash and cash equivalents as on 31 <sup>st</sup> March, 2022						8.08
Add: Investment as on 31 <sup>st</sup> March, 2022						38.777
<b>Equity value for Shareholders</b>						<b>336.92</b>
Less: Discount for lack of marketability (10%)						33.69
<b>Adjusted Equity Value for Shareholders</b>						<b>303.23</b>
No. of Shares outstanding on fully dilution basis						1,10,66,519
<b>Value per Share (in INR) (Face Value of INR 10 each)</b>						<b>274.00</b>

<b>(i) Calculation of cost of equity</b>			
Risk free rate (Rf)			6.84%
Beta			1
Market risk premium (Rm-Rf)			7.79%
Company specific risk premium (α)			2.00%
<b>Cost of equity</b>			<b>16.63%</b>



<b>(i) Calculation of cost of equity</b>			
Cost of equity= $R_f + \text{Beta} (R_m - R_f) + a$			
<b>(ii) Weighted average</b>			
<b>Source of capital</b>	<b>Cost</b>	<b>Ratio (Weights)</b>	<b>Weighted average</b>
Debt post tax	7.57%	0.06	0.43%
Equity	16.63%	0.94	15.69%
			<b>16.12%</b>

**Valuation assumptions:**

Valuation under DCF method is based on management Provisional Financials for the period ended 31<sup>st</sup> March, 2022 and Projection comprising projected Balance Sheet and Profit and Loss statement for the period from Financial year 2022-23 to Financial year 2027-28 (“explicit period”) as provided to us by the Management.

For the explicit period, free cash flows from the business have been arrived at as follows:

- Profits after Tax as per the projections have been considered.
- Depreciation & amortization on fixed assets have been added.
- Interest post tax have been added.
- Fund requirements for incremental working capital and capital expenditure have been reduced from the cash earnings of the respective years.
- The cash flows of each year are then discounted at the Adjusted Weighted Average Cost of Capital (WACC). WACC is considered as the most appropriate discount rate in the DCF Method, since it reflects both the business and the financial risk of the Company. In other words, WACC is the weighted average of the firm's cost of equity and debt. The WACC is worked out using the following parameters:

- Cost of Equity is worked out using the following formula:

- Risk Free Return + (Beta x Equity Risk Premium) + Company specific premium;
- The risk free rate of return is taken at 6.84% based on Indian government bond rate for 10 years – source, (<https://countryeconomy.com/bonds/india?dr=2022-03>).
- Industry leveraged Beta is considered as 1.00 since we don't any exact comparable listed company.
- Based on qualitative analysis of long term, equity risk premium, expected premium is arrived – source, CAGR of BSE Sensex S&P 500 from 1<sup>st</sup> February, 1999 to 31<sup>st</sup> March, 2022 i.e. 14.63% - Source: [www.bseindia.com](http://www.bseindia.com);
- Company specific premium of 2.00% has been considered based on size of IHPL and past profit history of IHPL;
- Based on the above, the Cost of Equity is determined to be 16.63%.



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**Share Swap Report**

- Based on the above and Since, there is interest bearing debt of 7.57% post tax, WACC works out to 16.12%.
- After the explicit period, the business will continue to generate cash. In DCF Method, therefore, perpetuity value is also considered to arrive at the enterprise value. For arriving at the perpetuity value, we have considered a growth rate of 5.00% *based on management estimate*.
- Cash flows for perpetuity have been arrived at after considering the corporate taxes, estimated capital expenditure and incremental working capital requirements.
- The discounted perpetuity value is added to the discounted cash flows for the explicit period to arrive at the enterprise value.
- Appropriate adjustments have been made for cash and cash equivalents and loan funds to arrive at the Equity Value.
- Since IHPL is an unlisted company, discount for lack of marketability has been considered at the rate of 10% on the Equity Value.
- The value so arrived is divided by the outstanding number of equity shares on fully diluted basis as on the date of this report to arrive at the value per share.





**Annexure II**

**Valuation of IHCPL**

**Amount in INR Crores**

<b>Particulars</b>	<b>Amount</b>	<b>Amount</b>
<b>Book Value of all Assets</b>	<b>155.01</b>	
Less: Book Value of Investment	116.13	
Add: Fair Value of Investment	116.02	
<b>Net Value of Assets</b>	<b>154.90</b>	<b>154.90</b>
<b>Book value of Liabilities</b>	<b>155.01</b>	
Less: Share Capital	0.01	
Less: Reserve and Surplus	-0.08	
<b>Net Liabilities</b>	<b>155.07</b>	<b>155.07</b>
<b>Fair Value</b>		<b>-0.17</b>
<b>No of Shares</b>		<b>10000</b>
<b>Fair Value per Equity Shares</b>		<b>-172.47</b>

  
**Sanka Hari Surya**  
**(Registered Valuer)**  
**IBBI/RV/07/2019/12576**



**Date: 1<sup>st</sup> July, 2022**

**Place: Mumbai**



**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL**  
**BENCH AT HYDERABAD**  
**C.A. (CAA) NO. 25/230/HDB /2022**  
**IN THE MATTER OF COMPANIES ACT, 2013 (18 of 2013)**  
**IN THE MATTER OF SECTIONS 230 AND 232 READ WITH SECTION 66 OF THE COMPANIES**  
**ACT, 2013**  
**AND**  
**ALL OTHER APPLICABLE PROVISIONS OF THE SAID ACT**  
**AND**  
**IN THE MATTER OF SCHEME OF AMALGAMATION**  
**BETWEEN**  
**INCOR HOSPITALS PRIVATE LIMITED**  
**(TRANSFEREE COMPANY)**  
**AND**  
**INCOR HEALTHCARE PRIVATE LIMITED**  
**(TRANSFEROR COMPANY)**  
**AND**  
**THEIR RESPECTIVE SHAREHOLDERS**  
**AND CREDITORS**

M/s. Incor Hospitals Private Limited is a Private Limited Company incorporated under the provisions of Companies Act, 1956 on 19.08.2009, bearing CIN: U93000TG2009PTC064790, having its registered office situated at Sy. No. 9/1/A, Opposite P.V.T. Market, Kothapet 'X' Road, Dilsukhnagar, Hyderabad, Telangana - 500035.

....Applicant / Transferee Company

**HON'BLE NATIONAL COMPANY LAW TRIBUNAL CONVENED MEETING 15<sup>th</sup> DAY OF**  
**OCTOBER 2022 THROUGH VC/OAVM**  
**PROXY FORM**

NAME OF THE TRADE CREDITOR(S) :  
ADDRESS :  
AMOUNT DUE:

I / We, being the Creditor(s) of the above-named company, hereby appoint:

1. Name: \_\_\_\_\_

E-mail:

Address:

Signature:

as my / our proxy to attend and vote for me and on my behalf at the Tribunal Convened Meeting of the Trade Creditors of the Company, to be held on Saturday, the 15<sup>th</sup> day of October 2022, at 12.00 NOON., through video conferencing ("VC") / other audio-visual means ("OAVM") and at any adjournment thereof in respect of such resolution as are indicated below:

Sl. No.	Resolution	For	Against
<b>Special Business:</b>			
1.	Approval to the scheme of amalgamation of Incor Healthcare Private Limited (Transferor Company) with Incor Hospitals Private Limited (Transferee Company) and their respective Shareholders and Creditors.		

Signed this ..... day of .....

Affix revenue stamp of One Rupee
--

Signature of the Trade Creditor(s)

Signature of the proxy holder(s)

**Notes:**

1. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the meeting. A Proxy need not be a member of the Company.
2. The submission by a Creditor of this form of proxy will not preclude such creditor from attending in person and voting at the meeting.