



The logo of Valsad Institute of Medical Science (VIMS) features a plus sign, symbolising the essence of healthcare. This plus sign reveals three distinct hearts. Two hearts, depicted in orange and green, converge to form a smaller heart in white that lies at the centre of the logo which embodies love, compassion, and nurturing that metaphorically and literally also lie at the centre of healthcare provision. Notably, the choice of orange and green to denote the plus sign echoes the colours of the parent company, Atul Ltd.

I slept and dreamt that life is beauty.

I awoke and found that life is duty.

~ Jawaharlal Nehru

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### Forward looking statements

In this annual report, we have shared information and made forward looking statements to enable investors to know our product portfolio, business logic and direction and thereby comprehend our prospects. Such statements that we make are based on our assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'believe', 'estimate', 'intend', 'plan', 'project' or words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realised although we believe we have been prudent in our assumptions. The actual results may be affected because of uncertainties, risks and even inaccurate assumptions. If uncertainties or known or unknown risks materialise or if underlying assumptions prove inaccurate, actual results may vary materially from those anticipated, believed, estimated, intended, planned or projected. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

## Corporate identity



Valsad Institute of Medical Sciences Ltd (VIMS) is a 50-50 joint venture between Atul Healthcare Ltd, a subsidiary of Atul Ltd and a group of well-established medical professionals in south Gujarat, engaged in providing tertiary care. The Company envisages effectively leveraging the medical domain expertise of associated doctors, along with effective administrative management and corporate governance of Atul, to provide improved and sustainable healthcare services.

The formation of VIMS is expected to help Valsad District meet community demand, address industrial emergencies and manage disasters, by providing high-end medical and healthcare infrastructure, a team of super specialist doctors, skilled nursing and paramedical staff. The hospital will be a National Accreditation Board for Hospitals and Healthcare Providers (NABH) accredited hospital with state-of-the-art facilities including effective energy conservation, use of natural elements and proper disposal of biomedical waste. Additionally, the hospital may integrate an educational institute, which provides academic courses for nursing and paramedical staff, imparting skilled manpower to the hospital and promoting community development.

# Purpose

We are committed to significantly enhancing value for our stakeholders by:



fostering a spirit of continuous learning and innovation



adopting developments in science and technology



providing high quality product and services, thus becoming the most preferred partner



having people who practice Values and exemplify a high standard of behaviour



seeking sustained, dynamic growth and securing long-term success



taking responsible care of the surrounding environment



improving the quality of life of the communities we operate in

# Values

In an environment where change is a way of life, continuity of Values provides stability and is fundamental to us. We have therefore formalised key Values and are committed to institutionalising them. We will seek to create an environment wherein these Values are consistently practised and nurtured and ensured that they are not compromised.



## INTEGRITY

Working with honesty, following the highest standards of professionalism. Integrity is when our decisions and actions remain consistent with our thoughts and words, written or spoken.



## UNDERSTANDING

How well we work with others depends on our ways to connect and this in turn is based on our level of Understanding of human relationships. This certainly does not mean that we accept poor performance, but that we do it the right way. Understanding is the external manifestation of internal realisation.



## UNITY

Working together and taking advantage of synergy while harnessing unique abilities of each of us to achieve a larger goal. Unity is the realisation that though we may work in different areas, we are finally interconnected and that interdependence is a higher order of living than independence. Though we may be many, we share a common purpose.



## RESPONSIBILITY

Delivering value and taking ownership of actions. Responsibility must also give us the realisation that what is good for the business must be in the overall good. In essence, we must work with a spirit of trusteeship for the shareholders and other stakeholders. What comes to us must be returned many times over.



## EXCELLENCE

A drive that is more from inside than outside; it is about us seeking to continuously improve and develop an eye for innovation even in day to day work. Excellence is about excelling in everything we do and not giving up. Excellence is also a journey, not simply a destination in itself.

# Directors' Report

Dear Members,

The Board of Directors (Board) presents the annual report of Valsad Institute of Medical Sciences Ltd together with the audited Financial Statements for the year ended March 31, 2024.

## 01. Financial results

(₹ lakhs)

Particulars	2023-24	2022-23
Revenue from operations	-	-
Other income	48.58	0.02
Total income	48.58	0.02
Profit   (Loss) before tax	30.03	(28.64)
Tax expenses	11.76	-
Profit   (Loss) for the year	18.26	(28.60)
Balance brought forward	(61.95)	(33.35)
Transfer from comprehensive income	-	-
<b>Balance carried forward</b>	<b>(43.69)</b>	<b>(61.95)</b>

## 02. Performance

The Company is setting up a modern multi-specialty and super specialty NABH compliant 200 bed hospital in Valsad district. The construction work completed to date is considered satisfactory. The Company did not have operational revenue in the year 2023-24 since the project is under construction. Other income comprises income from investing activities. The Company has profit after tax of ₹ 18.26 lakhs during the period under review.

## 03. Dividend

The Board did not recommend any dividend on the equity shares for the financial year ended March 31, 2024, as the Company is yet to commission its business operations.

## 04. Conservation of energy, technology absorption, foreign exchange earnings and outgo

Information required under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the

Companies (Accounts) Rules, 2014, as amended from time to time, forms part of this report, which is given on page number 8.

## 05. Insurance

The project is under construction and the Company has taken adequate insurance to cover the risks to its employees, property (land and building), plant, equipment, other assets and third-parties.

## 06. Risk management

The Company has identified risks and has initiated a mitigation plan for the same.

As per the requirements of Rule 3(1) of the Companies (Accounts) Rules 2014, the Company uses only such accounting software for maintaining its books of accounts that records the audit trail of all transactions, creates an edit log of all changes made in the books of accounts along with when such changes are made and by whom. This feature of recording audit trail has operated throughout the year and was not tampered with during the year.



In respect of aforesaid accounting software, after thorough testing and validation, audit trail was not enabled for direct data changes at database level in view of possible impact on efficient performance of system. In respect of audit trail at database level, the Company has established and maintained an adequate internal control framework over its financial reporting and based on its assessment, has concluded that the internal controls for the year ended March 31, 2024, were effective. The Company is in the process of system upgradation to meet the database level audit trail requirement. We expect to implement this from May 01, 2024.

#### **07. Internal financial controls**

The Management assessed the effectiveness of the internal financial controls over financial reporting as of March 31, 2024, and the Board believes that the controls are adequate.

#### **08. Fixed deposits**

During 2023-24, the Company did not accept any fixed deposits.

#### **09. Loans, guarantees, investments and security**

During 2023-24, the Company did not give any loan, provide guarantee or make any investment.

#### **10. Subsidiary, joint venture and associate company**

The Company does not have any subsidiary, joint venture or associate company.

#### **11. Related party transactions**

All the transactions entered into with the related parties were in ordinary course of business and on arm's length basis. Details of such transactions are given on page number 17. No transactions that required disclosure in Form AOC-2 were entered into by the Company.

#### **12. Corporate social responsibility**

The provisions of Section 135 of the Act are not applicable to the Company.

#### **13. Annual return**

Annual return for 2023-24 is available for inspection at the registered office of the Company.

#### **14. Auditors**

Desai Shah & Associates, Chartered Accountants were appointed as the Statutory Auditors of the Company at the 3<sup>rd</sup> Annual General Meeting (AGM), until the conclusion of the 8<sup>th</sup> AGM.

The Auditor's Report for the financial year ended March 31, 2024, does not contain any qualification, reservation or adverse remark. The report is enclosed with the Financial Statements in this annual report.

#### **15. Directors' responsibility statements**

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors confirm that, to the best of their knowledge and belief:

- a) In preparation of the annual accounts for the financial year ended March 31, 2024, the applicable accounting standards have been followed and there are no material departures.
- b) The accounting policies were selected and applied consistently and judgements and estimates thus made were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.
- c) Proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The attached annual accounts for the year ended March 31, 2024, were prepared on a going concern basis.
- e) Adequate internal financial controls to be followed by the Company were laid down and the same were adequate and operating effectively.

- f) Proper systems were devised to ensure compliance with the provisions of all applicable laws and the same were adequate and operating effectively.

## 16. Directors

### 16.1 Appointments | Reappointments | Cessations

According to the Articles of Association of the Company, Dr Sunil Choksi and Mr Sunil Joshi retire by rotation and being eligible offer themselves for reappointment at the forthcoming Annual General Meeting.

### 16.2 Policy on appointment and remuneration

The salient features of the Policy are as under:

#### 16.2.1 Appointment

While appointing the Directors, the Board considers the following factors:

- a) Qualification: well-educated and experienced in senior leadership positions in industry | profession
- b) Trait: positive attributes and qualities
- c) Independence: criteria prescribed in Section 149(6) of the Companies Act, 2013, for the Independent Directors, including no pecuniary interest and conflict of interest

#### 16.2.2 Remuneration of the Non-executive Directors

- a) Sitting fees: up to ₹ 40,000 for attending the Board and Audit Committees meetings
- b) Commission: nil

#### 16.2.3 Remuneration of the Managing Director | Chief Executive Officer

This is given under page number 57.

### 16.3 Criteria and method of annual evaluation

- 16.3.1 The criteria for evaluation of performance of
  - a) the Non-independent Directors (Executive)
  - b) the Non-independent Directors (Non-executive)
  - c) the Independent Directors
  - d) the Chairman
  - e) the Committees of the Board and
  - f) the Board as a whole are summarised in the table at the end of the Directors' Report.

- 16.3.2 The Board has carried out the annual evaluation of performance of a) its Committees and b) the Directors.

## 17. Key Managerial Personnel and other employees

### 17.1 Appointments and cessations of Key Managerial Personnel

Mr Nilay Jatakia was appointed as the Company Secretary effective July 22, 2023, and Chief Financial Officer effective October 14, 2023.

### 17.2 Remuneration

The Remuneration Policy of the Key Managerial Personnel and other employees consists of the following:

#### 17.2.1 Components:

- a) Fixed pay -
  - i) Basic salary
  - ii) Allowances
  - iii) Perquisites
  - iv) Retirals, and
- b) Variable pay

#### 17.2.2 Factors for determining and changing fixed pay:

- a) Existing compensation
- b) Education
- c) Experience
- d) Salary bands
- e) Performance
- f) Market benchmark

#### 17.2.3 Factors for determining and changing variable pay:

- a) Business performance
- b) Individual performance
- c) Work level

## 18. Analysis of remuneration

There is no employee who falls within the criteria provided in Section 134(3)(q) and Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Thus, the disclosure of the information in respect thereof is not applicable.





## 19. Management Discussion and Analysis

The Management Discussion and Analysis covering performance of the Company is given on page number 9.

Valsad

April 18, 2024

For and on behalf of the Board of Directors

Sandeep Desai

**Chairman**

(DIN: 02667533)

Ajitsingh Batra

**Director**

(DIN: 02780698)

## 20. Corporate Governance Report

### 20.1. Report

The Corporate Governance Report is given on page number 11. Details about the number of meetings of the Board held during 2023-24 are given on page number 14.

### 20.2. Secretarial standards

Standards as applicable to the Company were followed and complied with during 2023-24.

### 20.3. Prevention, prohibition and redressal of sexual harassment

Details required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and rules thereunder are given on page number 17.

## 21. Acknowledgements

The Board expresses its sincere thanks to all the employees, suppliers, investors, lenders, regulatory and government authorities for their support.

### Annexure - 3

Sr. No.	Name	%
1	Atul Healthcare Ltd	50.00
2	Anilkumar Lallubhai Patel	4.71
3	Satishchandra Amrutlal Desai	0.50
4	Nikhil Patel (USA)	3.41
5	Dr Mahipal Padhiyar	0.50
6	AMD Consultancy Services LLP	3.00
	<b>Total allottees</b>	<b>62.11</b>
7	Other existing shareholders	37.89
	<b>Total</b>	<b>100</b>

Evaluation of	Evaluation by	Criteria
Directors	All other Board members	Qualification, Experience, Availability and attendance, Integrity, Commitment, Governance, Transparency, Communication, Preparedness, Participation and Value addition
Committees	Board members	Composition, Process and Dynamics

# Annexure to the Directors' Report

## Index

No.	Subject title	Page
<b>1.</b>	<b>Energy conservation technology absorption and foreign exchange earnings and outgo</b>	
1.1	Energy conservation	10
1.2	Technology absorption	10
1.3	Foreign exchange earnings and outgo: nil	10

### **1. Energy conservation technology absorption and foreign exchange earnings and outgo**

#### 1.1 Energy conservation

##### 1.1.1 Measures taken:

The project of the Company is under constructions and the Company endeavours to conserve the energy by deploying energy saver devices for construction and engineering works.

##### 1.1.2 Additional investments and proposals being implemented: nil

#### 1.2 Technology absorption

##### 1.2.1 Research and Development: nil

##### 1.2.2 Technology absorption, adaptation and innovation: nil

#### 1.3 Foreign exchange earnings and outgo: nil

# Management Discussion and Analysis



Valsad Institute of Medical Sciences Ltd (VIMS) is setting up a modern multi-specialty and super specialty NABH compliant 200 bed hospital in Valsad, Gujarat. The purpose of it is to improve the healthcare infrastructure for Valsad and nearby districts.

The Company is yet to commence its operations because the project is under the construction stage. The construction work completed to date is considered satisfactory. During 2023-24 the Company did not generate any operational revenue. VIMS has identified a single reporting segment, namely, healthcare.

The Indian healthcare sector has become a major contributor to the growth and employment of India, covering diverse segments like hospitals, medical devices, clinical trials, telemedicine, medical tourism, health insurance and medical equipment. The Indian healthcare sector continues to witness remarkable growth, with a compound annual growth rate (CAGR) of approximately 15% over the past few years. This growth is driven by factors such as increasing healthcare awareness, rising disposable incomes,

and government initiatives to improve the healthcare infrastructure. The sector is estimated to be worth ₹ 11.5 trillion in 2024, with projections indicating further expansion in the coming years.

The current landscape of the healthcare sector is marked by the rapid adoption of digital health solutions, telemedicine services, and artificial intelligence (AI) in healthcare delivery. The COVID-19 pandemic has accelerated the adoption of telemedicine, with the sector witnessing a growth of over 500% in consultations compared to pre-pandemic levels. Additionally, there is a growing trend towards preventive healthcare and wellness, with an increasing number of individuals opting for health screenings and wellness programs. Healthcare is expected to remain a major contributor to the economy in the coming years as various policies, innovations and investments are anticipated to shape the industry's future, impacting economic growth. The increasing focus on digital health solutions, telemedicine and other technological advancements in the healthcare industry has opened new avenues

for growth and innovation. The government plans to increase the budget allocation for public health spending to 2.5% by 2025, which will be beneficial given the huge demand for tertiary care and specialty hospitals. Government schemes like Ayushman Bharat, Pradhan Mantri Jan Arogya Yojana (PMJAY), Citizen Health Insurance Scheme (SCHIS), Rashtriya Swasthya Bima Yojana (RSBY), Pradhan Mantri Suraksha Bima Yojana, Aam Aadmi Bima Yojana (AABY), Employees' State Insurance Scheme, Mukhyamantri Amrutam Yojana (by Government of Gujarat) are also boosting the healthcare sector.

The Company has considered the current healthcare scenario, demand for tertiary care, requirement for improvement of healthcare amenities in Valsad district and decided to set up an in-patient healthcare facility to meet community demand, address industrial emergencies, and manage disasters by providing high-end medical and healthcare infrastructure, team of super specialist doctors, skilled nursing and paramedical staff. The project is a green project with state-of-the-art facilities including effective energy conservation, use of natural elements and proper disposal of biomedical waste. Additionally, the hospital may integrate an educational institute, which provides academic courses for nursing and paramedical staff, providing skilled manpower to the hospital and promoting community development.

Uncertainty of government schemes, low affordability in tier 3 cities may strain the payback period of the project. Additionally, the competition from other upcoming hospitals may pose challenge at initial stage. The Company will take necessary actions to ensure the provision of improved healthcare service at affordable prices and achieve further growth.

### Internal control systems

Internal control systems of the Company are commensurate with the nature of its business and the size and complexity of its operations. The established systems provide reasonable assurance on the effectiveness and efficiency of its operations,

reliability of financial reporting and compliance with the applicable laws and regulations. These are routinely tested, certified and upgraded whenever required by the Auditors covering all key business areas. Significant audit observations and follow-up actions and recommendations thereon are reported to the Senior Management and the Audit Committee for their review.

### Human Resources

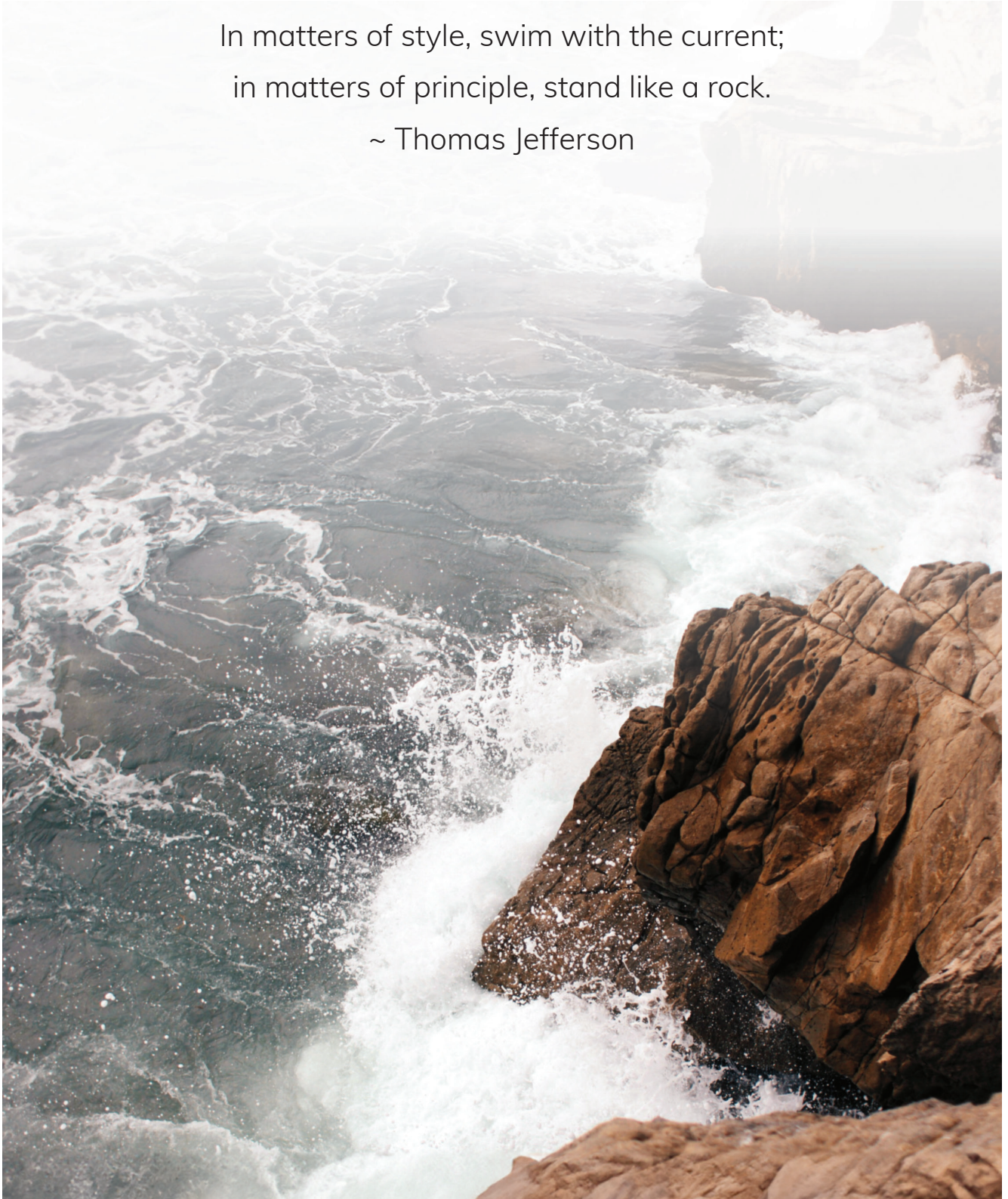
The Company leverages continuous learning and building strong capabilities to align with the pace of evolution and expansion of the business. It emphasises on use of technology in HR processes with parallel creative initiatives to keep enhancing people engagement.



# Corporate Governance Report



In matters of style, swim with the current;  
in matters of principle, stand like a rock.  
~ Thomas Jefferson



## 1. Philosophy

Transparency and accountability are the two basic tenets of corporate governance. The Company is committed to conducting business the right way, which means taking decisions and acting in a way that is ethical and in compliance with the applicable legal requirements. It endeavours to continuously improve its corporate governance performance with a view to earn trust and respect of all its stakeholders.

The Board of Directors (Board) is responsible for and is committed to good corporate governance and plays a critical role in overseeing how the Management serves the short-term and long-term interests of the shareholders and other stakeholders.

## 2. Board

### 2.1 Board business

The normal business of the Board comprises:

#### 2.1.1 Approving:

- a) appointment of the Cost Auditors
- b) capital expenditure and operating budgets
- c) commission payable to the Directors within the limit set by the shareholders
- d) contracts in which the Director(s) are deemed to be interested
- e) creation of charge on assets in favour of lenders
- f) cost audit reports
- g) declaration of interim dividend
- h) joint ventures, collaborations, mergers and acquisitions
- i) loans and investments
- j) matters requiring statutory | Board consent
- k) sale of investments and assets
- l) short, medium or long-term borrowings
- m) unaudited quarterly financial results and audited annual accounts, including segments revenue, results and capital employed

#### 2.1.2 Monitoring:

- a) effectiveness of the governance practices and making desirable changes
- b) implementation of performance objectives and corporate performance
- c) potential conflicts of interest of the Management, the Board members and the shareholders, including misuse of corporate assets and abuse in related party transactions
- d) the Board nomination process such that it is transparent and results in diversity of experience, gender, knowledge, perspective and thoughts in the Board
- e) the Management and providing strategic guidance while ensuring that encouraging positive thinking does not result in over-optimism that either leads to significant risks not being recognised or exposes the Company to excessive risk

#### 2.1.3 Noting:

- a) general notices of interest of the Directors
- b) minutes of the meetings of the Board and its committees and also the resolution(s) passed by circulation

#### 2.1.4 Recommending:

- a) appointment of the Statutory Auditors
- b) final dividend

#### 2.1.5 Reviewing:

- a) corporate strategy, major plans of action, Risk Policy, annual budgets and business plans
- b) default in payment of statutory dues
- c) fatal or serious accidents, dangerous occurrences and material environmental matters
- d) foreign exchange exposure and exchange rate movement, if material
- e) the integrity of the accounting and financial reporting systems, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards



## 2.1.6 Setting:

- a) a corporate culture and the Values
- b) a well-defined mandate, composition and working procedures of the Committees

## 2.1.7 Others:

- a) Acting on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company and the shareholders
- b) Aligning remuneration of the key executives and the Board members with the long-term interests of the Company and the shareholders
- c) Applying high ethical standards
- d) Assigning sufficient number of the Non-executive Board members capable of exercising independent judgement to items where there is a potential for conflict of interest
- d) Assisting the Executive Management by challenging the assumptions underlying strategy, strategic initiatives (such as

acquisitions), risk appetite, exposures and the key areas of focus for the Company

- e) Encouraging training of the Directors on a continuous basis to ensure that the Board members are kept updated
- f) Exercising objective and independent judgement on corporate affairs
- g) Facilitating the Independent Directors to perform their role effectively as the Board members and also as the members of Committees
- h) Meeting the expectations of operational transparency of the stakeholders while maintaining confidentiality of information in order to foster a culture of good decision-making

## 2.2 Appointment and tenure

2 | 3<sup>rd</sup> of the Directors are rotational Directors. 1 | 3<sup>rd</sup> of rotational Directors retire in every Annual General Meeting (AGM) and, if eligible, offer themselves for reappointment.

## 2.3 Composition, name, other directorships | committee memberships.

The Board comprises experts drawn from diverse fields | professions. It consists of eight members:

No.	Name	Directorship(s) in other company(ies) <sup>1</sup>	Membership(s) of the Committee(s) of the Board(s) <sup>2</sup>	Chairmanship(s) of the Committee(s) of the Board(s) <sup>2</sup>
	<b>Chairman</b>			
1	Sandeep Desai	–	–	–
	<b>Non-executive Directors</b>			
2	Dhananjay Desai	1	–	–
3	Pramod Lele	2	–	2
4	Sunil Choksi	–	–	–
5	Hitendrasinh Padhiyar	–	–	–
6	Sunil Joshi	9	–	–
7	Ajitsingh Batra	9	–	–
8	Nishtha Lalbhai	–	–	–

<sup>1</sup> Excludes Directorships in foreign companies and private limited companies.

<sup>2</sup> Memberships | Chairmanships of only the Audit Committees and Stakeholders Relationship Committees of all public limited companies, including the Company were considered.

## 2.4 Board meetings

The Board meeting dates and attendance in meetings

No.	1	2	3	4	5	6	7
Date	Saturday, Apr 20, 2023	Saturday, July 22, 2023	Saturday, July 29, 2023	Saturday, October 14, 2023	Saturday, January 13, 2024	Meeting attended	AGM July 29, 2023
Venue	Atul	Atul	Atul	Atul	Atul		Atul
Sandeep Desai	✓	✓	✓	✓	✓	5	✓
Dhananjay Desai	✓	✓	✓	✓	✓	5	✓
Pramod Lele	✓	✓	✓	✓	✓	5	✓
Sunil Choksi	✓	✓	✓	✓	✓	5	✓
Hitendrasinh Padhiyar	✓	✓	✓	✓	✓	5	✓
Sunil Joshi	✓	✓	✓	✓	✓	5	✓
Ajitsingh Batra	✓	✓	✓	✓	✓	5	✓
Nishtha Lalbhai	A	✓	✓	✓	A	3	✓
<b>Total attendees</b>	<b>7</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>7</b>		

✓: Present | A: Leave of absence

## 2.5 Appointment | Cessation

Appointed: nil

Ceased: nil

## 2.6 Remuneration

No.	Name	Remuneration during the year (₹)			
		Sitting fees	Salary and perquisites	Commission	Total
	<b>Chairman</b>				
1	Sandeep Desai	-	-	-	-
	<b>Non-executive Directors</b>				
2	Dhananjay Desai	-	-	-	-
3	Pramod Lele	2,40,000	-	-	2,40,000
4	Sunil Choksi	-	-	-	-
5	Hitendrasinh Padhiyar	-	-	-	-
6	Sunil Joshi	-	-	-	-
7	Ajitsingh Batra	-	-	-	-
8	Nishtha Lalbhai	-	-	-	-

Mr Dhananjay Desai waived his right to receive sitting fees for attending the meetings or any other payment that may become payable to him. Thus such payments will not accrue to him as a Director. The Directors were not paid remuneration.





### 3. Committees of the Board

The Board has constituted the following Committees:

- Audit Committee
- Nomination and Remuneration Committee

#### 3.1. Audit Committee

##### 3.1.1 Role

- a) Approving:
    - i) appointment of the Chief Financial Officer
    - ii) transactions with related parties and subsequent modifications thereof
  - b) Conducting:
    - i) pre-audit discussions with the Auditors regarding nature and scope of the audit and post-audit discussion to ascertain any area of concern
    - ii) valuation of undertakings or assets, wherever necessary
  - c) Formulating:
    - i) code of conduct and related matters
    - ii) scope, functioning, periodicity and methodology for conducting the internal audit in consultation with the Internal Auditor
  - d) Reviewing:
    - i) adequacy of the internal audit function, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
    - ii) compliance reports of all applicable laws as well as steps taken to rectify instances of non-compliances periodically
    - iii) financial reporting process and the disclosure of financial information to ensure that the Financial Statements are correct, credible and sufficient
    - iv) following information mandatorily:
      - appointment, removal and terms of remuneration of the Chief Internal Auditor
      - Internal Audit Reports relating to weaknesses in the internal control systems
      - Management Discussion and Analysis of financial condition and results of operations
      - management letters | letters of internal control weaknesses issued by the Statutory Auditors
- v) periodically with the Auditors, the internal control systems, the scope of audit, including the observations of the Auditors and the Financial Statements before submission to the Board
  - vi) reasons for substantial defaults, if any, in the payment to the depositors, the debenture holders, the members (in case of non-payment of declared dividends) and creditors
  - vii) significant transactions and arrangements entered into by the unlisted subsidiary companies
  - viii) statement of related party transactions submitted by the Management
  - ix) the annual Financial Statements and Auditor's Report with the Management before submission to the Board for approval with particular reference to:
    - any change in accounting policies and practices in compliance with accounting standards
    - disclosure of any related party transactions
    - going concern assumption
    - major accounting entries involving estimates based on the exercise of judgement by the Management
    - matters required to be included in the Directors' Responsibility Statement for the Directors' Report
    - qualifications in the draft Audit Report
    - significant adjustments made in the Financial Statements arising out of audit findings

- x) the Auditors' independence, performance and effectiveness of the audit process
  - xi) the Financial Statements, in particular, investments made by unlisted subsidiary companies
  - xii) with the Internal Auditors any significant findings and follow-up thereon, including findings of any internal investigations into matters where there is suspected fraud or irregularity or failure of the internal control systems of material nature and reporting such matters to the Board
  - xiii) with the Management the statement of uses | applications of funds raised through an issue (public issue, rights issue, preferential issue, etc), the statement of funds utilised for the purposes other than those stated and the report submitted by the monitoring agency monitoring the utilisation of proceeds of such issue
- e) Others:
- i) Determining procedures for risk assessment and minimisation, and reviewing them periodically to ensure that the Executive Management controls risks through means of a properly defined framework
  - ii) Evaluating internal financial controls and risk management system
  - iii) Remuneration and terms of appointment of the Auditors and approval for payment for any other services
  - iv) Scrutinising inter-corporate loans and investments
  - v) Other function as mentioned in the terms of reference of the Audit Committee

### 3.1.2 Composition, meetings and attendance

The Committee comprises following members, all having relevant experience in financial matters. During 2023-24, two meetings were held:

No.	Name	Designation	Meetings entitled	Meetings attended
1.	Dhananjay Desai	Chairman	2	2
2.	Sandeep Desai	Member	2	2
3.	Pramod Lele	Member	2	2
4.	Sunil Joshi	Member	2	2

The Statutory Auditors, the Chairman, the Chief Executive Officer, the Chief Financial Officer, the Company Secretary and the Internal Auditors are permanent invitees to the meetings. The Board notes the minutes of the Audit Committee meetings.

## 3.2. Nomination and Remuneration Committee

### 3.2.1 Role

- a) Devising a policy on the Board diversity
- b) Formulating criteria for determining qualifications, traits and independence of a Director and recommending to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees
- c) Formulating criteria for evaluation of the Independent Directors and the Board
- d) Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of performance of every Director
- e) Recommending | determining remuneration of the Executive Director as per the policy



### 3.2.2 Composition, meetings and attendance

The Committee comprises following members. During 2023-24, one meeting was held:

No.	Name	Designation	Meeting entitled	Meeting attended
1.	Pramod Lele	Chairman	1	1
2.	Sandeep Desai	Member	1	1
3.	Sunil Choksi	Member	1	-
4.	Ajitsingh Batra	Member	1	1

The Board notes the minutes of the Nomination and Remuneration Committee meetings.

## 4. Company policies

### 4.1 Compliance

Compliance certificates confirming due compliance with statutory requirements are placed at the Board meeting for review by the Directors. A system of ensuring material compliance with the laws, orders, regulations and other legal requirements concerning the business and affairs of the Company is in place. Instances of non-compliance, if any, are also separately reported to the Board and subsequently rectified.

### 4.2 Code of conduct

The Company is yet to adopt code of conduct however it follows the code of conduct adopted by Atul Ltd, a joint venture partner.

### 4.3 Prevention of sexual harassment of women at workplace

Pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013, the Company has framed a policy on prevention of sexual harassment of women at workplace and constituted Internal Complaints Committee. The status of complaints received during 2023-24 is as under:

Filed during 2023-24	Nil
Disposed of during 2023-24	Nil
Pending as at end of 2023-24	Nil

### 4.4 Related party transactions

The Company is yet to adopt a Related Party Transactions Policy.

## 5. Affirmation and disclosure

There were no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors or the Management and their subsidiary companies or relatives, among others, during 2023-24 that may have a potential conflict with the interests of the Company at large. All details relating to financial and commercial transactions where the Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor vote on such matters.

The Company complied with the statutory provisions, rules and regulations, and in the last three years, no strictures or penalties were imposed on the Company by any statutory authority.

## 6. Shareholders' information

### 6.1 Last three Annual General Meetings (AGMs):

Year	Location	Date	Time
2020-21	Valsad	July 31, 2021	4:00 pm
2021-22	Valsad	September 30, 2022	3:00 pm
2022-23	Atul	July 29, 2023	6:00 pm

### 6.2 Special resolutions passed in the previous three AGMs: yes

### 6.3 Resolutions passed through postal ballot: nil

### 6.4 Annual General Meeting 2024

Details of the 4<sup>th</sup> AGM are as under:

Year	Location	Date	Time
2023-24	Valsad 396 007	June 01, 2024	5:00 pm

As required, particulars of the Directors seeking reappointment | appointment are given in the Notice of the AGM.

### 6.5 Financial year

April 01 to March 31

### 6.6 Location of hospital

Valsad, India

### 6.7 Address for correspondence:

Survey No 644, Khokhra Faliya, Parnera Pardi, Valsad 396 007, Gujarat, India

E-mail address: newhealthhospitals@gmail.com

### 6.8 Tentative Board meeting dates for consideration of results for 2024-25

No.	Name	Date
1.	First quarter results	July 06, 2024
2.	Second quarter and half-yearly results	October 12, 2024
3.	Third quarter results	January 11, 2025
4.	Fourth quarter and annual results	April 12, 2025

For Valsad Institute of Medical Sciences Ltd

Atul  
April 18, 2024

(Sandeep Desai)  
**Chairman**  
DIN: 02667533

# Notice



Notice is hereby given that the 4<sup>th</sup> Annual General Meeting of the members of Valsad Institute of Medical Sciences Ltd will be held on June 01, 2024, at 5:00 pm at Survey No 644, Khokhra Faliya, Parnera Pardi, Valsad 396 007, Gujarat, India to transact the following businesses:

## Ordinary business:

- To receive, consider and adopt the audited Financial Statements of the Company for the financial year ended March 31, 2024, and the Reports of the Directors and the Auditors thereon.
- To appoint a Director in place of Dr Sunil Choksi (DIN: 09249579) who retires by rotation and being eligible, offers himself for reappointment.
- To appoint a Director in place of Mr Sunil Joshi (DIN: 00198728) who retires by rotation and being eligible, offers himself for reappointment.

## Special business:

- To consider and, if thought fit, to pass, with or without modification(s), the following resolutions as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 13(1), 61, any other applicable provisions of the Companies Act, 2013, (including any statutory amendments or re-enactments thereof) and rules thereunder, the authorised share capital of the Company be and is hereby increased from ₹ 27,00,00,000 divided into 27,00,000 equity shares of ₹ 100 each to ₹ 36,00,00,000 divided into 36,00,000 equity shares of ₹ 100 each.

RESOLVED FURTHER THAT the Memorandum of Association of the Company be and is hereby altered by substituting the existing clause V thereof by following Clause V(a):

- The Authorised share capital of the Company ₹ 36,00,00,000 divided into 36,00,000 equity shares of ₹ 100 each.

RESOLVED FURTHER THAT the Directors and the Company Secretary be and they are hereby severally authorised to issue certified copies of this resolution and to do all such acts, deeds and

things and to execute all such deeds, documents, writings as he may in his absolute discretion deem necessary or incidental in order to give effect to this resolution.

- To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

RESOLVED THAT pursuant to Section 62 and all other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and provisions of the Memorandum and Articles of Association of the Company, the consent of the Company do hereby create, offer, issue and allot up to 5,78,034 equity shares of ₹ 100 each at of ₹ 173 each as determined by the registered valuer on preferential basis to following persons, in one or more tranches within the period of one year from the date of passing resolution by the Shareholders, provided that aggregate value of equity shares so to allot should not exceed ₹ 10 cr.

Proposed allottees:

Sr. No.	Name	Proposed no. of shares
1	Atul Healthcare Ltd	2,89,017
2	Anilkumar Lallubhai Patel	46,243
3	Satishchandra Amrutlal Desai	16,390
4	Nikhil Patel (USA)	1,11,653
5	Dr Mahipal Padhiyar	16,390
6	AMD Consultancy Services LLP	98,341
	Total	5,78,034

RESOLVED FURTHER THAT all such Equity shares shall rank pari-passu with the existing equity shares of the Company in all respects.

RESOLVED FURTHER THAT the Directors of the Company and the Company Secretary be and they are hereby severally authorised to issue certified copies of the resolution.

- To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, and the Articles of Association of the Company, consent be and is hereby accorded to the Board of Directors (Board) to borrow money by way of loans, or otherwise from time to time for business purpose upon such terms and conditions as the Board may in its absolute discretion deem fit even if the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the bankers of the Company in the ordinary course of business) may exceed the aggregate of the paid-up share capital and free reserves of the Company. Provided however that the total amount of monies so borrowed shall not exceed ₹ 20 cr over and above the paid-up share capital, free reserves and securities premium.

7 To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 180 (1) (a) of the Companies Act, 2013, and other applicable provisions, if any, for the time being in force and the Articles of Association, consent of the Company be and is hereby accorded to the Board of Directors (Board) to create mortgages and | or charges on all or any of the immovable and | or movable properties, the whole or substantially the whole undertaking or undertakings of the Company both present and future, wherever situated, from time to time as may be required on such terms and conditions as the Board may deem fit, to secure borrowing obtained | to be borrowed in accordance with Section 180(1) (c) of the Act from lenders, banks, institutions, debenture holders and any other entity | authority.

### Notes:

1. A member entitled to attend and vote at the

meeting, is entitled to appoint a proxy to attend and vote instead of himself | herself and the proxy need not be a member. A person can act as a proxy on behalf of not more than 50 members and holding in aggregate not more than 10% of the total share capital of the Company. In order that the appointment of a proxy is effective, the instrument appointing the proxy must be received at the registered office of the Company not later than 48 hours before the commencement of the meeting, that is, by 09:00 am on May 29, 2024.

2. Copies of the Balance Sheet, the Statement of Profit and Loss, the Directors' Report, the Auditor's Report and every other document required by law to be annexed or attached to the Balance Sheet for the financial year ending March 31, 2024 are annexed | attached.

3. The Register of Members and the Share Transfer Books of the Company will remain closed from May 19, 2024 to May 29, 2024 (both days inclusive).

4. The physical copies of the documents which are referred in this Notice and not attached will also be available at the registered office of the Company for inspection during normal business hours on working days. The members are entitled to receive communication in physical form (upon making a request for the same) by post, free of cost.

5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.

6. The members, desiring any information relating to the accounts, are requested to write to the Company at least seven days before the date of Annual General Meeting (AGM) so as to enable the Management to keep the information ready and provide at the AGM.

7. At the ensuing Annual General Meeting, Dr Sunil Choksi retires by rotation and being eligible offers



himself for reappointment. The information or details pertaining to him are as under:

Name	Dr Sunil Choksi
Date of birth	August 16, 1961
Brief résumé	<p>Dr Sunil Choksi is a Director of the Company since October 2021. He is a Member of Nomination and remuneration Committee of the Board.</p> <p>Dr Choksi has about 34 years of experience and is a leading Ear, Nose and Throat (ENT) surgeon of Gujarat. He has been associated with various hospitals of South Gujarat namely a) Kasturba Vaidyakiya Rahat Mandal, Valsad b) Municipal Hospital, Valsad. c) Civil Hospital, Valsad d) Mohanlal Dayal Hospital, Killa Pardi. e) Cottage Hospital, Silvassa.</p> <p>Dr Choksi holds graduate degree in medical science and post graduate degree in ENT from Gujarat University.</p>
Directorship in other companies	Nil
Membership in committees of other companies	Nil
Cessation from directorship of listed company in past three years	Nil
Relationship with other Directors	None
Number of shares held in the Company	27,000

8. At the ensuing Annual General Meeting, Sunil Joshi retires by rotation and being eligible offers himself for reappointment. The information or details pertaining to him are as under:

Name	Mr Sunil Joshi
Date of birth	August 25, 1971
Brief	<p>Mr Sunil Joshi is a Director of the Company since October 2022. He is a member of Audit Committee of the Board.</p> <p>Mr Sunil Joshi has about 30 years of experience in Finance, Management, Strategic Planning etc. He is Vice President, Corporate, Atul Ltd.</p> <p>Mr Sunil Joshi holds graduate degree in commerce and he is a fellow member of Institute of Cost and Works Accountants of India.</p>

Name	Mr Sunil Joshi
Directorship in other companies	Public companies Aasthan Dates Ltd Atul Bio Space Ltd Atul Fin Resource Ltd Atul Hospitality Ltd Atul Infotech Pvt Ltd Atul Nivesh Ltd Biyaban Agri Ltd Jayati Infrastructure Ltd Raja Dates Ltd
Membership in committees of other companies	Nil
Cessation from directorship of listed company in past three years	Nil
Relationship with other Directors	None
Number of shares held in the Company	Nil

9. Route map for the venue of the Annual General Meeting is given separately.

**By order of the Board of Directors**

(Sandeep Desai)

**Chairman**

DIN: 02667533

Valsad

April 18, 2024

Registered office: Survey No 644,

Khokhra Faliya, Parnera Pardi,

Valsad 396 007, Gujarat, India





## EXPLANATORY STATEMENT

The following explanatory statement, as required by Section 102 of the Companies Act, 2013, sets out material facts including the nature and concern or interest of the Directors in relation to the items of Special business under item number 4 to 7 mentioned in the accompanying Notice dated April 18, 2024.

### Item number 4:

The exiting authorised share capital of the Company is ₹ 27,00,00,000 divided into 27,00,000 equity shares of ₹ 100/- each to ₹ 36,00,00,000. The Company require additional fund to meet the capital expenditures for the hospital project. It is therefore proposed to increase the share capital of the Company to ₹ 36,00,00,000 divided into 3600000 equity shares of ₹ 100 each.

Pursuant to Section 13, 61, and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory amendments thereto or re-enactment thereof) and rules made thereunder, the power to increase the authorised share capital and alteration of Capital Clause in the Memorandum of Association has to be exercised by the Company in general meeting by passing an ordinary resolution.

Existing Clause V of the Memorandum of Association of the Company is proposed to substitute with following Clause V.

"The Authorised share capital of the Company ₹ 36,00,00,000 divided into 36,00,000 equity shares of ₹ 100 each"

Accordingly, the resolution at Item number 4 seeks approval of the members for increasing the authorised share capital.

The Directors recommend the resolution as set out in item number 4 of the accompanying notice for approval of the members of the Company as an ordinary resolution.

Memorandum of interest

None of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolution set out in Item number 4.

Item number 6:

In terms of the provisions of the Section 62 of the Companies Act, 2013 read with Rule 13 of the Companies

(Share Capital and Debentures) Rules, 2014 for making a preferential offer of equity shares to following persons a Special Resolution has to be passed.

Proposed allottees:

Sr. No.	Name	Proposed no. of shares
1	Atul Healthcare Ltd	2,89,017
2	Anilkumar Lallubhai Patel	46,243
3	Satishchandra Amrutlal Desai	16,390
4	Nikhil Patel (USA)	1,11,653
5	Dr Mahipal Padhiyar	16,390
6	AMD Consultancy Services LLP	98,341
	Total	<b>5,78,034</b>

- Objects of the issue  
The Company proposes to issue equity shares to meet the fund requirements of the Project and other general corporate purpose.
- Total number of shares or other securities to be issued Up to 5,78,034 fully paid equity shares of ₹ 100 each, to be issued at premium of ₹ 73.
- Price or price band | within which the allotment is proposed  
Based on the Valuation Report from, each equity share is proposed to be priced at ₹ 173.
- Basis on which the price is arrived at along with report of the Practicing Chartered Accountants  
Price is arrived on the basis of income approach method by registered valuer, CA Navin Khandelwal (Registration No. BBI/RV/05/2019/10779)
- Relevant date with reference to which the price been arrived at  
Audited Financial Statements as on March 31, 2024.
- Class or classes of persons to whom the allotment is proposed to be made  
Body corporate and Individuals.
- Intention of promoters, directors or key managerial personnel to subscribe to the offer  
Promoters will subscribe to the issue.
- Proposed time within which the allotment shall be completed  
Allotment will be completed within 12 months from the approval of the Shareholders.

- i) Names of the proposed allottees and the percentage of post preferential offer capital that may be held by them;

Sr. No.	Name	%
1	Atul Healthcare Ltd	50.00
2	Anilkumar Lallubhai Patel	4.71
3	Satishchandra Amrutlal Desai	0.50
4	Nikhil Patel (USA)	3.41
6	Dr Mahipal Padhiyar	0.50
7	AMD Consultancy Services LLP	3.00
<b>Total of allottees</b>		<b>62.11</b>
8	Other existing shareholders	37.89
<b>Total</b>		<b>100</b>

- j) Change in control, if any, in the Company that would occur consequent to the preferential offer  
Consequent to preferential offer there will be no change in overall control over the Company.

- k) Number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price

Not applicable

- l) Justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer

Not applicable

- m) Pre issue and post issue shareholding pattern of the Company in the following format;

Sr. No.	Category	Pre Issue		Post Issue	
		No. of Shares held	% of share holding	No. of Shares held	% of share holding
A	Promoters' holding	-	-	-	-
1	Indian	-	-	-	-
	Individual	13,50,000	50%	15,40,676	47%
	Bodies Corporate	13,50,000	50%	17,37,358	53%
2	Foreign	-	-	-	-
	<b>Sub Total (A)</b>	<b>27,00,000</b>	<b>100%</b>	<b>32,78,034</b>	<b>100%</b>
B	Non Promoters' holding				
1	Institutional	-	-	-	-
2	Non-institutional	-	-	-	-
	Private Corporate Bodies	-	-	-	-
	Director & Relatives	-	-	-	-
	Indian Public	-	-	-	-
	Others (including NRIs)	-	-	-	-
	<b>Sub Total (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Grand Total</b>	<b>27,00,000</b>	<b>100%</b>	<b>32,78,034</b>	<b>100%</b>

The resolution is recommended for the shareholders' approval as a special resolution.



### Memorandum of interest

None of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out in Item number 5.

#### Item number 6:

Considering future fund requirements of the Hospital project that contemplated borrowing from banks, a special resolution is proposed in line with the requirements of Section 180(1)(c) of the Companies Act, 2013.

Section 180(1)(c) provides that if the borrowing of the Company, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, exceeds aggregate of its paid-up share capital, free reserves and securities premium, approval of shareholders by way of special resolution is required.

At present the paid-up share capital, free reserves and securities premium of the Company aggregates to ₹ 35 cr. The borrowing from banks may exceed the prescribe limits under section 180 (1) (c). Therefore, it is proposed to obtain approval of shareholders by way of a special resolution to borrow money, together with moneys already borrowed by the Company (apart from temporary loans obtained from the bankers of the Company in the ordinary course of business), exceeding the aggregate of the paid-up share capital and free reserves of the Company. Provided however that the total amount of monies so borrowed shall not exceed ₹ 20 cr over and above the paid-up share capital, free reserves and securities premium.

The resolution is recommended for the shareholders' approval as a special resolution.

### Memorandum of interest

None of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolution set out in Item number 6.

#### Item number 7:

In order to avail the loan from the Banks and financial institutions as mentioned in item number 7. It may require to create the mortgage over the assets of the Hospital for availing the loans and advances from the Bank.

It is necessary to obtain approval of the shareholders by means of a special resolution, to enable the Board of Directors of the Company to create charge | mortgage | hypothecation on the Company's assets, both present and future, in favour of the lenders. It is therefore, necessary to obtain members' approval by way of a Special Resolution under Section 180 (1) (a) of the Act for creation of charges | mortgages | hypothecations.

The proposed borrowings of the Company may, if necessary, be secured by way of charge | mortgage | hypothecation on the Company's assets in favour of the lenders. As the documents to be executed between the lenders | security holders | trustees for the holders of the said securities and the Company may contain provisions to take over substantial assets of the Company in certain events, it is necessary to pass a special resolution under Section 180(1)(a) of the Act, for creation of charge | mortgage | hypothecation.

The resolution is recommended for the shareholders' approval as a special resolution.

### Memorandum of interest

None of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolution set out in Item number 7.

By order of the Board of Directors  
(Nilay Jatakia)

**Company Secretary**

Valsad

April 18, 2024

Registered office: Survey No 644,  
Khokhra Faliya, Parnera Pardi,  
Valsad 396 007, Gujarat, India

# Independent Auditor's Report

**To the members of Valsad Institute of Medical Sciences Ltd** (Formerly known as Kshitij Multispeciality Hospital Private Ltd)

## Report on the audit of the Financial Statements

### Opinion

01. We have audited the accompanying Financial Statements of Valsad Institute of Medical Sciences Ltd – (Formerly known as Kshitij Multispeciality Hospital Private Ltd, hereinafter referred to as the Company), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the Financial Statements”).
02. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for opinion

03. We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Financial Statements

under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

### Key audit matters

04. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current financial year. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

No.	Key audit matter	Auditor's response
1.	Property Plant and Equipment	Principal Audit Procedures
	The Company is a development stage Company. The property plant and equipment are not ready for use. Amount spent during the construction phase are recognised as Capital work-in-progress. (CWIP). Directly attributable cost are capitalised till the property plant and equipment, mainly hospital building are capitalised. The borrowing costs incurred on qualifying assets are capitalised.	Our audit procedures related to the evaluation of internal controls related to cost incurred and estimated cost and time to complete. Test checking the borrowing costs and other directly attributable costs incurred during the construction phase, which have capitalised during the construction period. Obtained the understanding from the Management about the progress of the CWIP. Refer to Note 2 to the Financial Statements



### Information other than the Financial Statements and Auditor's Report thereon.

05. The Company's Board of Directors is responsible for the other information. The "Other Information" comprises of the Report of the Board of Directors, Management Discussions and Analysis, Corporate Governance, but does not include Financial Statements, and our Auditor's Report thereon.
06. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance or conclusion thereon.
07. In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
08. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### Responsibility of Management and those charged with governance for the Financial Statements

09. 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, including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view

and are free from material misstatement, whether due to fraud or error.

10. In preparing the Financial Statements, the Management is responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
11. The Board of Directors is also responsible for overseeing the financial reporting process of the Company.

### Auditor's responsibility for the audit of the Financial Statements

12. 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 can reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.
13. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - a) 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.
- b) Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
  - d) Conclude on the appropriateness of use of the going concern basis of accounting by the Management and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company 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.
  - e) 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.
  - f) Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the Financial Statements.

Materiality is the magnitude of misstatements in

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

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

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

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

#### **Report on other legal and regulatory requirements.**

14. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the attached Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.





15. As required by Section 143(3) of the Act, based on our audit we report that:
- a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books, except for matters stated in (h)(vi) below.
  - c) Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts.
  - d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the Directors as on March 31, 2024, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2024, from being appointed as a Director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure B**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations, which would have any impact on 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. The Company at preset is not required to transfer amounts, to the Investor Education and Protection Fund.
    - iv.
      - The Management has represented that, to the best of its knowledge and belief, other than as disclosed in notes to the accounts, 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
      - The Management has represented that, to the best of its knowledge and

belief, as disclosed in note to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- Based on the audit procedures performed that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided in a) and b) above, contain any material misstatement.
- v. The Company has not declared or paid dividend during the year.
- vi. Based on our examination which included test checks, the Company, in respect of financial year commencing on April 01, 2023, has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature was not enabled at database level for accounting software to log

any direct data changes. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where such feature is enabled.

**For Desai Shah & Associates**

Chartered Accountants

ICAI Firm Registration Number: 118174W

Anand Desai

**Partner**

Mumbai  
April 18, 2024

Membership Number: 145560  
UDIN: 24145560BKALDK1723



# Annexure A to the Independent Auditor's Report



Referred to in para 1 under '**Report on other legal and regulatory requirements**' section of our report of even date, we report that:

**Re: Valsad Institute of Medical Sciences Ltd (Formerly known as Kshitij Multispeciality Hospital Private Ltd – the Company)**

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

a) In respect of the Company's fixed assets:

- i)
  - The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - The Company does not own any Intangible assets hence it is not required to maintain any records showing full particulars of the same.
- ii) The Company has a program of verification of property, plant and equipment to cover all the items in a phased manner over a period of two years which, in our opinion, is reasonable having regards to size of the Company and nature of its property, plant and equipment. Pursuant to the program, certain property plant equipment – including capital work-in-progress (CWIP) were physically verified by the Management during the year. According to the information and explanations given to us and based our audit procedure, no material discrepancies were noticed on such verification.
- iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- iv) The Company has not revalued its property, plant and equipment (including Right-of-use

assets) during the year.

- v) No proceedings have been initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- b) In respect of the Company's inventories:
  - i) As explained to us, there are no inventories as the Company has not commenced business operations during the year under consideration.
  - ii) The Company has not availed of working capital limits from banks or financial institutions on the basis of security of current assets. Accordingly, the reporting requirements of the clause (ii)(b) of the order is not applicable to the Company.
- c) During the year the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. Accordingly, the reporting requirements of the clauses (iii) (a), (b), (c), (d), (e) and (f) are not applicable to the Company.
- d) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under the provisions of section 185 and 186 of the Act. Accordingly, the reporting requirement of the of clause (iv) of the Order is not applicable to the Company.
- e) The Company has not accepted any deposit from the public and does not have any amounts deemed to be deposits. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013. under Accordingly, reporting requirements to report of clause (v) of the Order is not applicable to the Company.
- f) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act read with Companies (cost records and audit) Rules, 2014 for the business activities carried out by the Company. Accordingly,

reporting requirements of clause (vi) of the order is not applicable to the Company.

g) In respect of statutory dues:

i) According to the records of the Company, 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 and other statutory dues have been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2024 for a period of more than six months from the date of becoming payable.

ii) According to the information and explanations given to us, there are no material dues in respect of Income Tax, Goods and Service Tax, which have not been deposited with the appropriate authorities on account of any dispute as at 31st March, 2024.

h) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the reporting requirement to report on clause (viii) of the Order is not applicable to the Company.

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

ii) The Company is not declared as a wilful defaulter by any bank or financial institution or government or any government authority.

iii) The term loans taken by the Company during the year were applied for the purpose for which they were obtained.

iv) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

v) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Accordingly reporting requirements to report on clause 3(ix)(f) of the Order is not applicable to the Company.

vi) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

j) i) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly reporting requirements to report on clause 3(x)(a) of the Order is not applicable to the Company.

ii) The Company has not made any preferential allotment or private placement of shares / fully or partially or optionally convertible debentures during the financial year under audit. Accordingly, reporting requirements to report on clause 3(x)(b) of the Order is not applicable to the Company.

k) i) According to the information and explanations given to us, no instances of material fraud by the Company or on the Company has been noticed or reported during the course of our audit.

ii) No report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rule, 2014 with the Central Government during the year, or up to the date of this report.

iii) The Company is an unlisted public limited company not accepting public deposits nor the Company has any borrowing more than Rs. 50 crores therefore the establishment of Vigil Mechanism | whistle-blower policy is not required. Hence reporting under clause 3 (xi) (c) is not applicable to the Company.

l) The Company is not a Nidhi Company. Accordingly, reporting requirements to report on clause (xii) of the Order is not applicable.

m) According to the information and explanations given to us the Company's transactions with its related



- party are in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- n) The Company is not required to appoint Internal Auditors for the period under audit in terms of section 138 read with Rule 13 of the Companies (Accounts) Rules 2014. Accordingly, reporting requirements to report on clauses 3(xiv) (a) & 3(xiv) (b) of the Order is not applicable.
- o) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, reporting requirements to report on clause (xv) of the Order is not applicable to the Company.
- p) i) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting requirements to report on clause (xvi)(a) of the Order is not applicable to the Company.
- ii) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- iii) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- iv) The Group does not have CIC as part of the Group.
- q) The Company has not incurred any cash losses in the financial year ending March 31st, 2024. and it incurred cash losses of Rs. 27.95 lakhs in the immediately preceding financial year. Company is in its initial stage for construction of its Hospital building. The Company is incurring losses as the operations are yet to commence.
- r) There has been no resignation of the statutory auditors during the year, and Accordingly, reporting requirements to report on clause (xviii) of the Order is not applicable to the Company.
- s) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- t) The Company is not required to constitute a Corporate Social Responsibility Committee. Hence, the company is not required to transfer the unspent amount to a Fund specified in Schedule VII to the Companies Act, 2013 within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of the section 135 of the Act.
- u) The Company does not have any subsidiary or associates or joint venture, consequently not required to prepare Consolidated Financial Statements as per the Act, Accordingly, reporting requirements to report on clause 3(xxii) of the Order is not applicable to the Company.

**For Desai Shah & Associates**

Chartered Accountants

ICAI Firm Registration Number: 118174W

Anand Desai

**Partner**

Mumbai  
April 18, 2024

Membership Number: 145560  
UDIN: 24145560BKALDK1723

# Annexure B to the Independent Auditor's Report

Referred to in para 2(f) under 'Report on other legal and regulatory requirements' section of our report of even date.

## Report on the internal financial controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the Act)

1. We have audited the internal financial controls over financial reporting of Valsad Institute of Medical Sciences Ltd (Formerly known as Kshitij Multispeciality Hospital Private Ltd - the Company) as of March 31, 2024, 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

2. The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the policies of the Company, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

## Auditor's Responsibility

3. Our responsibility is to express an opinion on the internal financial controls of the Company over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those

Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

## Meaning of internal financial controls over financial reporting

6. The internal financial control over financial reporting of a company 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 the Generally Accepted Accounting Principles. Internal financial control over financial reporting of a Company includes those policies and procedures that
  - a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
  - b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with the Generally Accepted



Accounting Principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company; and

- c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the assets of the Company that can have a material effect on the Financial Statements.

#### **Inherent limitations of internal financial controls over financial reporting**

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

#### **Opinion**

- 8. In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024 based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

# Balance Sheet as at March 31, 2024

(₹ lakhs)

Particulars	Note	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
<b>A ASSETS</b>				
<b>1. Non-current assets</b>				
a) Property, plant and equipment	2	453.73	301.63	300.61
b) Capital work-in-progress	2	3,786.13	2,459.10	1,045.36
c) Financial assets				
i) Other financial assets	3	1.29	0.81	0.50
d) Deferred tax assets (net)	19.5	0.64	0.12	0.06
e) Income tax assets (net)	19.5	-	0.30	0.30
f) Other non-current assets	4	127.40	4.05	22.38
<b>Total non-current assets</b>		<b>4,369.20</b>	<b>2,766.01</b>	<b>1,369.20</b>
<b>2. Current assets</b>				
a) Financial assets				
i) Cash and cash equivalents	5	7.22	833.29	100.54
ii) Bank balances other than (i) above	6	710.68	1.01	-
b) Other current assets	4	8.23	0.17	-
<b>Total current assets</b>		<b>726.13</b>	<b>834.47</b>	<b>100.54</b>
<b>Total assets</b>		<b>5,095.33</b>	<b>3,600.49</b>	<b>1,469.74</b>
<b>B EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
a) Equity share capital	7	2,700.00	2,700.00	1,102.35
b) Other equity	8	847.23	828.96	(23.75)
<b>Total equity</b>		<b>3,547.23</b>	<b>3,528.96</b>	<b>1,078.60</b>
<b>Liabilities</b>				
<b>1. Non-current liabilities</b>				
a) Financial liabilities				
i) Borrowings	9	1,364.01	5.67	-
ii) Other financial liabilities	12	-	0.20	-
<b>Total non-current liabilities</b>		<b>1,364.01</b>	<b>5.87</b>	<b>-</b>
<b>2. Current liabilities</b>				
a) Financial liabilities				
i) Borrowings	9	-	-	350.00
ii) Trade payables	11			
Total outstanding dues of				
a) Micro-enterprises and small enterprises		-	-	0.08
b) Creditors other than micro-enterprises and small enterprises		172.04	58.18	24.69
iii) Other financial liabilities	12	4.28	6.74	15.28
b) Other current liabilities	13	-	0.67	1.10
c) Provisions	10	7.76	0.06	-
<b>Total current liabilities</b>		<b>184.08</b>	<b>65.65</b>	<b>391.15</b>
<b>Total liabilities</b>		<b>1,548.10</b>	<b>71.52</b>	<b>391.15</b>
<b>Total equity and liabilities</b>		<b>5,095.33</b>	<b>3,600.49</b>	<b>1,469.74</b>

These accompanying Notes 1-19 form an integral part of these Financial Statements.

In terms of our report attached

For and on behalf of the Board of Directors

**For Desai Shah & Associates**

Chartered Accountants

FRN: 118174W

Anand Desai

**Partner**

Membership No.145560

Mumbai

April 18, 2024

Aditi Desai

**Chief Executive Officer**

Nilay Jatakia

**Chief Finance Officer and  
Company Secretary**

Sandeep Desai

(DIN:02667533)

**Chairman**

Ajitsingh Batra

(DIN:01518379)

**Director**

Atul

April 18, 2024

# Statement of Profit and Loss for the year ended on March 31, 2024



(₹ lakhs)

Particulars	Note	2023-24	2022-23
<b>INCOME</b>			
Other income	15	48.58	0.02
<b>Total income</b>		<b>48.58</b>	<b>0.02</b>
<b>EXPENSES</b>			
Employee benefit expenses	16	2.51	5.05
Finance costs	17	0.07	0.05
Depreciation and amortisation expenses	2	2.10	0.69
Other expenses	18	13.88	22.87
<b>Total expenses</b>		<b>18.55</b>	<b>28.66</b>
<b>Profit   (Loss) before tax</b>		<b>30.03</b>	<b>(28.64)</b>
<b>Tax expense</b>			
Current tax	19.5	12.28	0.02
Deferred tax	19.5	(0.52)	(0.06)
<b>Total tax expense</b>		<b>11.76</b>	<b>(0.04)</b>
<b>Profit   (Loss) for the year</b>		<b>18.26</b>	<b>(28.60)</b>
<b>Other comprehensive income</b>			
<b>Other comprehensive income, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income   (Loss) for the year</b>		<b>18.26</b>	<b>(28.60)</b>
<b>Earnings per equity share</b>			
Basic earnings (₹)	19.2	0.68	(1.46)
Diluted earnings (₹)	19.2	0.68	(1.46)

The accompanying Notes 1-26 form an integral part of the Financial Statements.

In terms of our report attached

For and on behalf of the Board of Directors

**For Desai Shah & Associates**  
Chartered Accountants  
FRN: 118174W

Sandeep Desai  
(DIN:02667533)  
**Chairman**

Anand Desai  
**Partner**  
Membership No.145560  
Mumbai  
April 18, 2024

Aditi Desai  
**Chief Executive Officer**  
  
Nilay Jatakia  
**Chief Finance Officer and  
Company Secretary**

Ajitsingh Batra  
(DIN:01518379)  
**Director**  
Atul  
April 18, 2024



## Statement of changes in equity for the year ended on March 31, 2024

### A. Equity share capital

(₹ lakhs)

Particulars	Note	Amount
As at April 01, 2022	-	1,102.35
Changes in equity share capital during the year	-	1,597.65
As at March 31, 2023	-	2,700.00
Changes in equity share capital during the year	-	-
As at March 31, 2024	7	2,700.00

### B. Other equity

(₹ lakhs)

Particulars	Share Application money pending allotment	Reserves and surplus		Total Other equity
		Securities premium	Retained earnings	
As at April 01, 2022	9.93	-	(34.20)	(24.27)
Adjustment ( Refer note 14 )			0.53	0.53
Adjustment ( refer note 14 )	-		0.31	0.31
Profit   (Loss) for the year	-	-	(28.60)	(28.60)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	<b>(28.29)</b>	<b>(28.29)</b>
Shares issued against application money received	(9.93)	-	-	(9.93)
Securities Premium on issue of share	-	900.05	-	900.05
Share issue expenses	-	(9.14)	-	(9.14)
<b>As at March 31, 2023</b>	-	<b>890.91</b>	<b>(61.95)</b>	<b>828.96</b>
Profit   (Loss) for the year	-	-	18.26	18.26
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	<b>18.26</b>	<b>18.26</b>
<b>As at March 31, 2024</b>	-	<b>890.91</b>	<b>(43.70)</b>	<b>847.23</b>

These accompanying Notes 1-19 form an integral part of these Financial Statements.

In terms of our report attached

For and on behalf of the Board of Directors

**For Desai Shah & Associates**  
Chartered Accountants  
FRN: 118174W

Sandeep Desai  
(DIN:02667533)  
**Chairman**

Anand Desai  
**Partner**  
Membership No.145560  
Mumbai  
April 18, 2024

Aditi Desai  
**Chief Executive Officer**  
  
Nilay Jatakia  
**Chief Finance Officer and  
Company Secretary**

Ajitsingh Batra  
(DIN:01518379)  
**Director**  
Atul  
April 18, 2024



# Statement of Cash Flows for the year ended on March 31, 2024



(₹ lakhs)

Particulars		2023-24	2022-23
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit   (Loss) before tax	30.03	(28.64)
	Adjustments for:		
	Depreciation and amortisation expenses	2.10	0.69
	Finance costs	41.54	0.05
	Interest received	(48.58)	(0.02)
	<b>Operating profit   (Loss) before change in operating assets and liabilities</b>	<b>25.08</b>	<b>(27.92)</b>
	Adjustments for:		
	(Increase)   Decrease in other financial assets	(0.48)	(0.31)
	(Increase)   Decrease in other current assets	(8.06)	(0.17)
	(Increase)   Decrease in non-current loans	0.30	-
	Increase   (Decrease) in trade payables	113.86	33.41
	Increase   (Decrease) in other financial liabilities	(2.66)	(8.33)
	Increase   (Decrease) in other liabilities	(0.67)	(0.42)
	Increase   (Decrease) in provisions	7.70	0.06
	<b>Cash generated from operations</b>	<b>135.06</b>	<b>(3.68)</b>
	Income tax paid (net of refund)	(12.28)	(0.03)
	<b>Net cash used in   (flow) from operating activities</b>	<b>122.78</b>	<b>(3.71)</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of tangible assets	(1,481.22)	(1,415.15)
	Capital advances	(123.35)	18.35
	Investment in term deposits with banks	(709.67)	(1.01)
	Interest received	48.58	0.02
	<b>Net cash used in investing activities</b>	<b>(2,265.66)</b>	<b>(1,397.79)</b>

# Statement of Cash Flows for the year ended on March 31, 2024

(₹ lakhs)

Particulars	2023-24	2022-23
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity share capital (net of share issue expenses)	-	2,478.63
Proceeds   (repayment of non-current borrowings)	1,358.35	5.67
Proceeds   (repayment of current borrowings)	-	(350.00)
Interest paid	(41.54)	(0.05)
<b>Net cash flow from financing activities C</b>	<b>1,316.81</b>	<b>2,134.25</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(826.07)</b>	<b>732.74</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>833.29</b>	<b>100.54</b>
<b>Cash and cash equivalents at the end of the year (refer Note 5)</b>	<b>7.22</b>	<b>833.29</b>

- i) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the IND AS 7 on statement of Cash flow as notified under Companies (Indian Accounting Standards) Rules, 2015, as amended.
- ii) Net debt reconciliation :

Particulars	2023-24	2022-23
Net debt as at the beginning of the year	5.67	-
(Repayment)   Disbursement	1,358.34	5.67
Interest expense	41.54	-
Interest paid	(41.54)	-
<b>Net debt as at the end of the year</b>	<b>1,364.01</b>	<b>5.67</b>

**These accompanying Notes 1-19 form an integral part of these Financial Statements.**

In terms of our report attached

For and on behalf of the Board of Directors

**For Desai Shah & Associates**  
Chartered Accountants  
FRN: 118174W

Sandeep Desai  
(DIN:02667533)  
**Chairman**

Anand Desai  
**Partner**  
Membership No.145560  
Mumbai  
April 18, 2024

Aditi Desai  
**Chief Executive Officer**  
  
Nilay Jatakia  
**Chief Finance Officer and  
Company Secretary**

Ajitsingh Batra  
(DIN:01518379)  
**Director**  
Atul  
April 18, 2024



## Notes to the Financial Statements

### Background

Valsad Institute of Medical Sciences Ltd (formerly known as Kshitij Multispeciality Hospital s Pvt Ltd) is a Company domiciled in India under the provisions of The Companies Act 2013, having CIN- U85320GJ2020PLC113263. The Company has registered office address at Survey No 644 , Khokhra Faliya, Parnera Pardi, Valsad 396007 and is incorporated to engage in the business of providing healthcare and related services.

### Note 1 Material Accounting Policy Information

**1.1** This Note provides a list of the material accounting policies adopted by the Company in preparation of these Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### a) Statement of compliance

The Financial Statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act, as amended.

#### b) Basis of preparation

i) Historical cost convention:

The Financial Statements have been prepared on a historical cost basis except for the following:

- Certain financial assets and liabilities measured at fair value
- Defined benefit plans: plan assets measured at fair value

ii) The Financial Statements have been prepared on accrual and going concern basis.

iii) The accounting policies are applied consistently to all the periods presented in the Financial Statements. All assets and liabilities have been classified as current or non-current as per the normal operating cycle of the Company and other criteria as set out in the Division II of Schedule III to

the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation 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.

### 1.2 Investments and other financial assets

a) Classification and measurement

The Company classifies its financial assets in the following measurement categories:

- i) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- ii) those measured at amortised cost

The classification depends on the business model of the Company for managing financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investments at fair value through other comprehensive income.

#### Debt instruments

Initial recognition and measurement

Financial asset is recognised when the Company becomes a party to the contractual provisions of the instrument. Financial asset is recognised initially at fair value plus, in the case of financial asset not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial asset carried at fair value through

profit or loss are expensed in the Statement of Profit and Loss.

#### Subsequent measurement

After initial recognition, financial asset is measured at:

- i) fair value {either through other comprehensive income (FVOCI) or through profit or loss (FVPL)} or,
- ii) amortised cost.

#### Equity instruments

The Company measures all investments in equity instruments other than subsidiary companies, associates companies and joint venture company at fair value. The Management of the Company has elected to present fair value gains and losses on such equity investments in Other Comprehensive Income, and there is no subsequent reclassification of these fair value gains and losses to the Statement of Profit or Loss. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payment is established.

### **b) Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivable only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of such receivables.

### **c) Derecognition**

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset, the asset expires or retains the contractual rights to receive

the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised through Statement of Profit and Loss or other comprehensive income as applicable. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

### **d) Financial liabilities**

- i) Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

- ii) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

- iii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.



iv) Derecognition:

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

### 1.3 Property, plant and equipment

a) Classification and measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment (PPE) are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

An item of PPE and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment if they are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as 'capital advances' under other non-current assets and the costs of assets not ready for the intended use before balance sheet date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment are capitalised only when

it is probable that it increases the future economic benefits associated with the asset beyond the previously assessed standard of performance and these will flow to the Company and the cost of the item can be measured reliably.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end, changes there in are considered as estimates and accordingly accounted for adjusted prospectively. Cost of borrowing for assets taking substantial time to be ready for use is capitalised for the period up to the time the asset is ready to use.

#### Depreciation methods, estimated useful lives and residual value

The charge in respect of periodic depreciation is derived after determining an estimate of expected useful life and the expected residual value of the assets at the end of its useful life. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life.

Depreciation is computed on a pro-rata basis using the straight-line method from the month of acquisition | installation until the last completed month before the assets are sold or disposed off.

Estimated useful lives of the assets are as follows:

Asset category	Useful life in years
Office equipment	5
Plant and equipment <sup>1</sup>	6 to 20 years

<sup>1</sup>The useful lives have been determined based on technical evaluation done by the Management | experts, which are different from the useful life

prescribed in Part C of Schedule II to the Act, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed annually and adjusted prospectively, if appropriate.

#### 1.4 Capital work-in-progress

The cost of PPE under construction at the reporting date is disclosed as 'Capital work-in-progress.' The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Advances paid for the acquisition | construction of PPE which are outstanding at the Balance Sheet date are classified under the 'Capital Advances'

#### 1.5 Leases

##### As a lessee

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

##### The Company as Lessee

The Company enters into an arrangement for lease of land, buildings, plant and machinery including computer equipment and furnitures. Such arrangements are generally for a fixed period but may have extension or termination options. The Company assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to –

- a) control the use of an identified asset,
- b) obtain substantially all the economic benefits from use of the identified asset, and
- c) direct the use of the identified asset.

The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease,

where the Company is reasonably certain to exercise that option.

The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. This expense is presented within 'other expenses' in statement of profit and loss.

##### Lease Liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate

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

- a) fixed lease payments (including in-substance fixed payments), less any lease incentives;
- b) variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- c) the amount expected to be payable by the lessee under residual value guarantees;
- d) lease payments in optional renewal periods, where exercise of extension options is reasonably certain, and
- e) payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Balance Sheet .The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by



reducing the carrying amount to reflect the lease payments made.

Lease liabilities payments are classified as cash used in financing activities in Statement of cash flows

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever

- a) the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- b) the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- c) a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

### Right-of-Use Assets

The Company recognises right-of-use asset at the commencement date of the respective lease. Right-of-use asset are stated at cost less accumulated depreciation. Upon initial recognition, cost comprises of:

- a) the initial lease liability amount,
- b) initial direct costs incurred when entering into the lease,
- c) (lease) payments before commencement date of the respective lease, and
- d) an estimate of costs to dismantle and remove the underlying asset,
- e) less any lease incentives received.

Prepaid lease payments (including the difference between nominal amount of the deposit and the fair value) are also included in the initial carrying amount of the right-of-use asset.

They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated on a straight line basis over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the Balance Sheet. The Company applies Ind AS 36 to determine whether a ROU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets below.

The Company incurs obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease. The Company has assessed that such restoration costs are negligible and hence no provision under Ind-AS 37 has been recognised.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statement of profit and loss.

### 1.6 Borrowings and Borrowing Costs

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on



the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. If not, the fee is deferred until the draw down occurs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings Pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

## **1.7 Revenue recognition**

### **a) Revenue from Operation**

Revenue from services is recognised upon completion of services in accordance with the terms of the contract.

The Company earns revenue primarily by providing healthcare services and sale of pharmaceutical products. The Company is yet to commence its operations as the construction is under process.

### **b) Other revenue**

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

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established; it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

## **1.8 Employee benefits**

All employee benefits payable within 12 months of service such as salaries, wages, bonus, ex-gratia, medical benefits, etc are recognised in the year in which the employees render the related service and are presented as current employee benefit obligations. Termination benefits are recognised as an expense as and when incurred.

### **a) Defined benefit plan**

Gratuity

The Company has a defined benefit plan for post-employment benefit in the form of gratuity for all eligible employees which is unfunded. Liability for above defined benefit plan is provided on accrual basis based on the Management's estimates.

### **b) Defined contribution plan**

Contributions to defined contribution schemes such as contribution to provident fund, superannuation fund, employees state insurance scheme, national pension scheme and labour welfare fund are charged as an expense to the Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as defined contribution schemes as the Company has no further defined obligations beyond the monthly contributions.

### **c) Short-term leave encashment**

The liability for compensated absences is provided on accrual basis based on the Management's estimates.

## **1.9 Provisions and contingent liabilities**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for





future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

#### **1.10 Income tax**

Income tax expense comprises current tax and deferred tax. Current tax is the tax payable on the taxable income of the current period based on the applicable income tax rates. Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where

appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit | (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The Company considers reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making the assessment of deferred tax liabilities and realisability of deferred tax assets. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, the Management believes that the Company will realise the benefits of those deductible differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

The Company considered whether it has any uncertain tax positions based on past experience pertaining to income taxes, including those related to transfer pricing as per Appendix C to Ind AS 12. The Company has determined its tax position based on tax compliance and present judicial pronouncements and accordingly expects that its tax treatments will be accepted by the taxation authorities.

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. The Company applies significant judgement in identifying uncertainties over income tax treatments.

#### **1.11 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, demand deposits with bank and other short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

#### **1.12 Earnings per share**

Earnings per share (EPS) is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted EPS, the net profit for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### **1.13 Audit Trail**

As per the MCA notification dated March 24, 2021, with amended from time to time, audit trail were made compulsory from April 01, 2023, this was further elaborated through 'Implementation Guide on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014' issued by ICAI in January 2024, the Company had evaluated the requirement and accordingly all

transaction level control were in place from April 01, 2023. While at the transaction level, we have an audit trail enabled from the date of implementation. In master and database due to capacity constraint audit trail was not enabled, however mitigation controls were in place throughout the year. The Company is in process of enhancing this control through system from Q1 2024-25.



(₹ lakhs)

**Note 2 Property, plant and equipment and capital work-in-progress**

Particulars	Machinery	Right-of-use land <sup>1</sup>	Office Equipment	Computer	Total	Capital work-in-progress <sup>2</sup>
<b>As at April 01, 2022</b>	-	300.25	-	0.41	300.66	1,045.36
Additions	-	-	0.38	1.02	1.40	1,413.74
<b>As at March 31, 2023</b>	-	300.25	0.38	1.43	302.06	2,459.10
Additions	0.13	3.00	1.28	149.78	154.19	1,326.90
Disposal, transfer and adjustments						
<b>As at March 31, 2024</b>	0.13	303.25	1.66	151.21	456.25	3,786.13
<b>Depreciation   Amortisation</b>						
Adjustment (refer Note 14)	-	(0.53)	-	-	(0.53)	-
<b>Up to April 01, 2022</b>	-	0.53	-	0.05	0.58	-
For the year	-	0.31	0.05	0.33	0.69	-
Adjustment (refer Note 14)	-	(0.31)	-	-	(0.31)	-
<b>Upto March 31, 2023</b>	-	-	0.05	0.38	0.43	-
For the year	0.01	-	0.72	1.36	2.10	-
<b>As at March 31, 2024</b>	0.01	-	0.77	1.74	2.53	-
<b>Net carrying amount</b>						
As at April 01, 2022	-	300.25	-	0.36	300.61	1,045.36
<b>As at March 31, 2023</b>	-	300.25	0.33	1.05	301.63	2,459.10
<b>As at March 31, 2024</b>	0.12	303.25	0.89	149.47	453.73	3,786.13

**Notes:**<sup>1</sup>Right of use land has been taken on lease by the Company for 964 years<sup>1</sup>Right of use land has not been depreciated by the Company<sup>2</sup>Capital work-in-progress mainly comprises addition | expansion projects in progress. Other project related expenses (salaries, contract labour charges, insurance expense, legal and professional fees, GST rates taxes) is also capitalised to capital work-in-progress<sup>2</sup>Capital work-in-progress also includes total borrowing costs capitalised of ₹ 41.47 lakhs at capitalised interest rate is 7.5% per annum.

The Company has not revalued any of its property plant and equipment during the current year as well as during the previous year.

Refer Note 19.1 for disclosure of contractual commitment for acquisition of property, plant and equipment.

Refer Note No 9 for disclosure of securities pledged.

**Capital work-in-progress ageing**

(₹ lakhs)

Particulars	As at March 31, 2024				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,327.03	1,413.74	1,042.44	2.92	3,786.13

(₹ lakhs)

Particulars	As at March 31, 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,413.74	1,042.44	2.92	-	2,459.10

(₹ lakhs)

Note 3 Other financial assets		As at March 31, 2024		As at March 31, 2023	
		Current	Non-current	Current	Non-current
a)	Security deposits	-	1.29	-	0.81
		-	<b>1.29</b>	-	<b>0.81</b>

(₹ lakhs)

Note 4 Other assets		As at March 31, 2024		As at March 31, 2023	
		Current	Non-current	Current	Non-current
a)	Inter-corporate deposit to related party (refer Note 26.3 C)	-	127.40	-	4.05
b)	Inter-corporate deposit to related party (refer Note 26.3 C)	8.23	-	0.17	-
		<b>8.23</b>	<b>127.40</b>	<b>0.17</b>	<b>4.05</b>

Refer Note No 9 for disclosure of securities pledged.

(₹ lakhs)

Note 5 Cash and cash equivalents		As at March 31, 2024	As at March 31, 2023
a)	Balances with banks in current accounts	7.22	833.29
		<b>7.22</b>	<b>833.29</b>

(₹ lakhs)

Note 6 Bank balances		As at March 31, 2024	As at March 31, 2023
a)	Term Deposits with maturity less than 12 months	710.68	1.01
		<b>710.68</b>	<b>1.01</b>

Refer Note No 9 for disclosure of securities pledged.

(₹ lakhs)

Note 7 Equity share capital		As at March 31, 2024		As at March 31, 2023	
		Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
a)	<b>Authorised</b>				
	Equity shares of ₹ 100/- each	2,700,000	2,700.00	2,700,000	2,700.00
			<b>2,700.00</b>		<b>2,700.00</b>
b)	<b>Issued</b>				
	Equity shares of ₹ 100/- each	2,700,000	2,700.00	2,700,000	2,700.00
			<b>2,700.00</b>		<b>2,700.00</b>
c)	<b>Subscribed</b>				
	Equity shares of ₹ 100/- each	2,700,000	2,700.00	2,700,000	2,700.00
		<b>2,700,000</b>	<b>2,700.00</b>	<b>2,700,000</b>	<b>2,700.00</b>



## a) Rights, preferences and restrictions:

The Company has one class of equity shares. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend which is declared by the Board of Directors. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

## b) Movement in equity share capital

Particulars	Number of shares	Equity share capital (₹ lakhs)
<b>As at April 1, 2022</b>	<b>1,350,000</b>	<b>1,102.35</b>
Add : Share issued fully paid-up	1,350,000	1,350.00
Add : Proceeds from partly paid-up shares	-	247.65
<b>As at March 31, 2023</b>	<b>2,700,000</b>	<b>2,700.00</b>
Add : Share issued fully paid-up	-	-
Add : Proceeds from partly paid-up shares	-	-
<b>As at March 31, 2024</b>	<b>2,700,000</b>	<b>2,700</b>

## c) Details of shareholders holding more than 5% of equity shares:

No.	Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
		Holding %	Number of shares	Holding %	Number of shares
1.	Atul Healthcare Ltd	50.00%	1,350,000	50.00%	1,350,000
2.	Sandeep Desai	7.67%	207,000	7.67%	207,000
3.	Nitin Chunilal Mehta	7.20%	194,400	7.20%	194,400
4.	Hitendrasinh Padhiyar	7.00%	189,000	7.00%	189,000

## d) Shareholding of Promoters:

No.	Promoter name	As at March 31, 2024			As at March 31, 2023		
		Number of shares	% of total shares	% Change during the year	Number of shares	% of total shares	% Change during the year
1.	Atul Healthcare Ltd (w.e.f 18-Oct-22)	1,350,000.00	50.00%	0.00%	1,350,000.00	50.00%	0.00%
2.	Sandeep Desai	207,000.00	7.67%	0.00%	207,000.00	7.67%	14.68%
3.	Aditi Desai	31,000.00	1.15%	0.00%	31,000.00	1.15%	0.00%
4.	Rahul Desai	5,000.00	0.19%	0.00%	5,000.00	0.19%	0.00%

(₹ lakhs)

Note 8 Other equity		As at March 31, 2024	As at March 31, 2023
a)	Securities premium	890.91	890.91
	Balance as at the beginning of the year	-	-
	Add: Securities Premium on issue of share	-	900.05
	Less: Share issue expenses	-	(9.14)
	Balance as at the end of the year	890.91	890.91
b)	Retained earnings	(61.95)	(61.95)
	Adjustment (refer Note 14)	-	0.84
	Balance as at the beginning of the year	-	(34.19)
	Add: Profit   (Loss) for the year	18.26	(28.60)
	Balance as at the end of the year	(43.68)	(61.95)
		<b>847.23</b>	<b>828.96</b>

#### Nature and Purpose of other reserves

a) Securities premium

Securities premium is utilised in accordance with the provisions of the Companies Act, 2013, for issue of bonus shares, writing off preliminary expenses, buyback of shares, etc.

Securities premium includes :

The difference between the face value of the equity shares and the consideration received in respect of shares issued.

The issue expenses of securities which qualify as equity instruments are written off against securities premium.

b) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, any transfers from or to OCI, dividends or other distributions paid to shareholders.

(₹ lakhs)

Note 9 Borrowings		Tenure of the term loan	Terms of repayment	Interest Rate p.a	As at March 31, 2024		As at March 31, 2023	
					Current	Non-current	Current	Non-current
a)	Secured							
	Rupee Term Loan from banks	Term loan taken on March 31, 2023, for total tenure of 10 years (including 2 years of moratorium period). Term loan terminates date will be March 31, 2033	96 equal monthly installment to commence after 24 months from April, 2023	7.5%	-	1,364.01	-	5.67
					-	<b>1,364.01</b>	-	<b>5.67</b>



## a) Details of securities offered:

The loan is secured by hypothecation of entire current assets and charge on Companies movable and immovable assets (including land situated at blocksurvey no. 644 [old survey no. 13626] near sugar mill NH no. 48 village Pradi Parnera , Dist Valsad, Gujarat -396007) both present and future on exclusive basis.

## b) There is no breach of loan covenants as at March 31, 2024, and March 31, 2023.

## c) The Company has used the borrowings from banks and financial institutions for the purpose for which it was taken as at March 31, 2024.

## d) The registration for creation of charge | hypothecation with Registrar of Companies is completed.

## e) The Company not required to submit any quarterly or monthly report to the bank | financial institution.

## f) The carrying amount of assets hypothecated | mortgaged as security for availing the term loan are:

(₹ lakhs)

Particulars		As at March 31, 2024	As at March 31, 2023
a)	Right of use land (refer Note 2)	303.25	300.25
b)	Property, plant & equipments including capital work-in-progress (refer Note 2)	3,936.61	2,460.48
c)	Current assets other than inventories and trade receivables (refer Note 4, 5 & 6)	726.13	834.47
		<b>4,965.99</b>	<b>3,595.20</b>

(₹ lakhs)

Note 10 Provisions		As at March 31, 2024		As at March 31, 2023	
		Current	Non-current	Current	Non-current
a)	Provision for leave entitlement	0.33	-	0.06	-
b)	Provison for Income tax	7.42	-	-	-
		<b>7.76</b>	<b>-</b>	<b>0.06</b>	<b>-</b>

Movements in provisions:		As at March 31, 2024		As at March 31, 2023	
		Current	Non-current	Current	Non-current
	Balance as at the beginning of the year	0.06	-	-	-
	Less: utilised	-	-	-	-
	Provision made during the year	7.70	-	-	-
	Balance as at the end of the year	<b>7.76</b>	<b>-</b>	<b>-</b>	<b>-</b>

(₹ lakhs)

Note 11 Trade payables		As at March 31, 2024	As at March 31, 2023
a)	Total outstanding dues of micro-enterprises and small enterprises	-	-
b)	Total outstanding dues of creditors other than micro-enterprises and small enterprises		
i)	Others	172.04	58.18
		<b>172.04</b>	<b>58.18</b>

## Trade payables ageing

(₹ lakhs)

No.	Particulars	As at March 31, 2024 Outstanding for following periods from due date of payment					Total
		Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
a)	MSME	-	-	-	-	-	-
b)	Others		172.04	-	-	-	172.04
		-	<b>172.04</b>	-	-	-	<b>172.04</b>

(₹ lakhs)

No.	Particulars	As at March 31, 2023 Outstanding for following periods from due date of payment					Total
		Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
a)	MSME	-	-	-	-	-	-
b)	Others	57.73	0.45	-	-	-	58.18
		<b>57.73</b>	<b>0.45</b>	-	-	-	<b>58.18</b>

(₹ lakhs)

Note 12 Other financial liabilities		As at March 31, 2024		As at March 31, 2023	
		Current	Non-current	Current	Non-current
a)	Employee benefits obligation	4.28	-	1.87	0.20
b)	Creditors for capital goods	-	-	4.87	-
		<b>4.28</b>	<b>-</b>	<b>6.74</b>	<b>0.20</b>

(₹ lakhs)

Note 13 Other current liabilities		As at March 31, 2024		As at March 31, 2023	
a)	Statutory dues (net)	-	-	0.67	-
b)	Others	-	-	-	-
		<b>-</b>	<b>-</b>	<b>0.67</b>	<b>-</b>





### Note 14 Disclosure

Disclosure in accordance with para 49 of Ind AS 8

The Company depreciated ROU Land by ₹ 84,222 till March 31, 2023, it corrected this accounting transaction by derecognising accumulated depreciation (₹ 84,222), increasing retained earnings on April 1, 2022, by ₹ 53,076 and increasing retained earnings by ₹ 31,146 for FY 2022-23. Effectively increasing the carrying value of the ROU Land by ₹ 84,222 as per Ind AS 8. The revised carrying value of ROU land now stands at ₹ 3.03 crores on March 31, 2024. EPS for the year ended March 31, 2023, marginally improved by ₹ 0.02 lakhs per share.

(₹ lakhs)

Note 15 Other income	2023-24	2022-23
Interest from Bank	48.58	0.02
	<b>48.58</b>	<b>0.02</b>

(₹ lakhs)

Note 16 Employee benefit expenses	2023-24	2022-23
Salaries, wages and bonus (refer Note 19.3 (B) for related parties transactions)	1.20	4.88
Contribution to Provident and other funds	1.31	0.17
	<b>2.51</b>	<b>5.05</b>

Employee benefit expenses related to Project is also capitalised to Capital work-in-progress

(₹ lakhs)

Note 17 Finance costs	2023-24	2022-23
Interest on Term Loan	0.07	0.05
	<b>0.07</b>	<b>0.05</b>

(₹ lakhs)

Note 18 Other expenses	2023-24	2022-23
Payments to the Statutory Auditors		
a) Audit fees	1.00	0.76
b) Other matters	-	8.75
Directors' sitting fees	2.40	0.65
Manpower services	-	1.44
Legal and professional fees	0.10	3.95
Hundi and Stamp Paper	2.16	1.33
Sales Tax   Vat Expenses	-	2.68
Security Service Charges	3.15	2.91
Miscellaneous expenses	5.07	0.39
	<b>13.88</b>	<b>22.87</b>

Other expenses (salaries, contract labour charges, insurance expense, legal and professional fees GST rates taxes) related to Project is also capitalised to capital work-in-progress

### Note 19.1 Commitments

a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

(₹ lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Estimated amount of contracts remaining to be executed and not provided for (net of advances):</b>		
Property, plant and equipment	5,260.14	1,565.78

### Note 19.2 Earning per share

Earning per share (EPS) - The numerators and denominators used to calculate basic and diluted EPS:

(₹ lakhs)

Particulars		2023-24	2022-23
Profit for the year attributable to the equity shareholders	₹ in lakhs	18.27	(28.60)
Basic   Weighted average number of equity shares outstanding during the year	Number	27,00,000	19,60,274
Nominal value of equity share of equity share	₹	100.00	100.00
Basic and diluted EPS	₹	0.68	(1.46)

### Note 19.3 Related party disclosures

#### Note 19.3 (A) Related party information

Name of the related party and description of relationship:

No	Name of the related party	Description of relationship
	<b>Party where control exists</b>	
1.	Atul Healthcare Ltd	Holding company
	<b>Key Management Personnel (KMP)</b>	
2.	Sandeep Desai	Director
3.	Hitendrasinh Padhiyar	Director
4.	Dhananjay Thakorbhai Desai	Director
5.	Pramod Hari Lele	Director
6.	Sunil Sumant Joshi	Director
7.	Ajitsingh Mohindersingh Batra	Director
8.	Sunil Kanubhai Choksi	Director
9.	Nishtha Sunilbhai Lalbhai	Director
10.	Aditi Sandeep Desai	Chief Executive Officer
11.	Nilay Hitendrabhai Jatakia	Company Secretary (w.e.f 22-Jul-23) and Chief Financial Officer ( w.e.f 14-Oct- 23)
	<b>Parties under common control with whom transactions have taken place during the year</b>	
12.	Atul Ltd	Holding company of Atul Healthcare Ltd



## Details of Related Party Transactions during the year ended March 2024

(₹ lakhs)

Note 19.3 (B) Transactions with KMP			2023-24	2022-23
	<b>Salary to</b>			
1.	Aditi Sandeep Desai (refer Note 16)		21.48	-
2.	Nilay Jatakia (refer Note 16)		18.84	-
	<b>Reimbursement of Expenses</b>			
3.	Aditi Sandeep Desai (refer Note 16)		0.66	0.72
	<b>Director sitting fees</b>			
4.	Pramod Hari Lele (refer Note 18)		2.40	0.60
	<b>Investment made in equity shares</b>			
5.	Sandeep Desai		-	1.50
6.	Aditi Desai		-	0.38
7.	Hitendrasinh Padhiyar		-	26.25
8.	Dhananjay Thakorbhai Desai		-	20.25

(₹ lakhs)

Note 19.3 (C) Transactions with Parties under common control			2023-24	2022-23
1.	<b>Reimbursement of Expense</b>			
	Atul Ltd (Parent of Atul Healthcare Ltd)		0.02	0.02

(₹ lakhs)

Note 19.3 (D) Transactions with Parent			2023-24	2022-23
1.	<b>Investment made in equity shares</b>			
	Atul Healthcare Ltd		-	2,250.05

(₹ lakhs)

Note 19.3 (E) Outstanding balances as at year end			
	Name	2023-24	2022-23
	<b>Payables</b>		
1.	Aditi Desai ( KMP )	0.08	0.72
2.	Atul Ltd ( Ultimate Parent )	0.02	0.02

- i) There are no provisions for doubtful debts or amounts written back in respect of debts due to or due from related parties.
- ii) Related party relationship is as identified by the Company and relied upon by the Auditors.

#### Note 19.4 Segment information

The Company has one primary business segment that is providing healthcare services.

#### Note 19.5 Current and Deferred tax

The major components of income tax expense for the years ended March 31, 2024, and March 31, 2023, are:

**a) Income tax expense** (₹ lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Current tax		
Current tax on profits for the year	12.28	-
Adjustments for current tax of prior periods	-	0.02
Total current tax expense	12.28	0.02
Deferred tax		
(Decrease)   Increase in deferred tax liabilities	-	-
Decrease   (increase) in deferred tax assets	(0.52)	(0.06)
Total deferred tax expense   (benefit)	(0.52)	(0.06)
<b>Income tax expense</b>	<b>11.76</b>	<b>(0.04)</b>

**b) The reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows :** (₹ lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory income tax rate	25.17%	25.17%
Effective income tax rate	25.17%	25.17%

**c) Current tax assets** (₹ lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	0.30	0.30
Less: Refund received	(0.30)	(0.30)
Add: Taxes paid	-	0.30
<b>Closing balance</b>	<b>-</b>	<b>0.30</b>

**e) Current tax liabilities** (₹ lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	-	-
Add: Current tax payable for the year	-	0.02
Less: Taxes paid	-	(0.02)
<b>Closing balance</b>	<b>-</b>	<b>-</b>


**f) Deferred tax assets**

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities | (assets):

(₹ lakhs)

Particulars	As at March 31, 2024	Charged   (Credited) to profit or loss	As at March 31, 2023	Charged   (Credited) to profit or loss
Property, plant and equipment	(0.18)	(0.18)	-	-
<b>Total deferred tax liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provision for Employee benefits	(0.46)	(0.35)	(0.10)	(0.10)
Pre-operative Expenses	(0.00)	-	(0.00)	0.00
Preliminary expenses	-	0.02	(0.02)	0.04
<b>Total deferred tax assets</b>	<b>(0.64)</b>	<b>(0.52)</b>	<b>(0.12)</b>	<b>(0.06)</b>
<b>Net deferred tax liabilities   (assets)</b>	<b>(0.64)</b>	<b>(0.52)</b>	<b>(0.12)</b>	<b>(0.06)</b>

**Note 19.6 Micro, Small and Medium-Enterprises Development**

The Ministry of Micro, Small and Medium-Enterprises has issued an office memorandum dated 26 August, 2008, which recommends that the micro and small enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2024, has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006, ('The MSMED Act') is not expected to be material. The Company has not received any claim for interest from any supplier.

(₹ lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Principal amount due and remaining unpaid	-	-	0.08

(₹ lakhs)

**Note 19.7 Ratios**

No.	Ratio	UoM	Formula (Refer below table for numerator and denominator details)	As at March 31, 2024	As at March 31, 2023	Variance %	Reason for variance
1.	Current ratio	Times	A ÷ B	3.94	12.71	(68.96%)	
2.	Debt-equity ratio	Times	G ÷ F	0.38	0.00	23,850.92%	
3.	Return on equity ratio	%	M ÷ average of F	1%	-1%	163.54%	
4.	Return on capital employed	%	(J + L) ÷ average of H	0.61%	-0.81%	175.77%	
5.	Return on investment	%	(J + L) ÷ average of D	0.59%	-0.79%	174.39%	

No.	Base values	UoM	Reference	As at March 31, 2024	As at March 31, 2023
A	Current assets	Lakhs	Balance Sheet (current assets) - current investments	726.13	834.47
B	Current liabilities	Lakhs	Balance Sheet (current liabilities)	184.08	65.65
C	Working capital	Lakhs	A-B	542.05	768.82
D	Total assets	Lakhs	Balance Sheet (total assets)	5,095.33	3,600.49
E	Trade payables	Lakhs	Balance Sheet	172.04	58.18
F	Equity	Lakhs	Balance Sheet	3,547.23	3,528.96
G	Debt	Lakhs	Balance Sheet	1,364.01	5.67
H	Capital employed	Lakhs	Balance Sheet	4,911.2	3,534.8
I	Net sales	Lakhs	Statement of Profit and Loss	-	-
J	Finance cost	Lakhs	Statement of Profit and Loss	0.07	0.05
K	Depreciation	Lakhs	Statement of Profit and Loss	2.10	0.69
L	Profit before tax	Lakhs	Statement of Profit and Loss	30.03	(28.64)
M	Profit after tax	Lakhs	Statement of Profit and Loss	18.26	(28.60)

#### Note 19.8 Employee benefit obligations

##### Defined benefit plans:

##### Gratuity (unfunded)

Amount of ₹ 0.36 lakhs (March 31, 2023: ₹ 0.06 lakhs) is recognised as expense and included in the Note 15 'Contribution to Provident and other funds'.

##### Defined contribution plans:

##### Provident fund:

Amount of ₹ 1.01 lakhs (March 31, 2023: ₹ 0.11 lakhs) is recognised as expense and included in the Note 15 'Contribution to Provident and other funds'.

##### Compensated absences:

Amount of ₹ 0.33 lakhs (March 31, 2023: ₹ 0.06 lakhs) is recognised as expense and included in the Note 15 'Salaries, wages and bonus'.



### Note 19.9 Fair value measurements

(₹ lakhs)

Particulars	As at March 31, 2024			As at March 31, 2023		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
<b>Financial assets</b>						
Investment in fixed deposit	-	-	710.68	-	-	1.01
Advances	-	-	127.40	-	-	4.05
Security deposits	-	-	1.29	-	-	0.81
Cash and bank balances	-	-	7.22	-	833.29	
<b>Total financial assets</b>	-	-	<b>846.60</b>	-	-	<b>839.16</b>
<b>Financial liabilities</b>						
Trade payables	-	-	172.04	-	-	58.18
Term loan	-	-	1,364.01	-	-	5.67
<b>Total financial liabilities</b>	-	-	<b>1,536.06</b>	-	-	<b>63.85</b>

#### a) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are, a) recognised and measured at fair value, b) measured at amortised cost and for which fair values are disclosed in the Standalone Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed in the Indian Accounting Standard. An explanation of each level follows underneath the table:

(₹ lakhs)

i)	Financial assets and liabilities measured at fair value as at March 31, 2024	Note	Level 1	Level 2	Level 3	Total
	<b>Financial assets</b>					
	Investment in fixed deposit					710.68
	Advances					127.40
	Security deposits					1.29
	Cash and bank balances					7.22
	<b>Total financial assets</b>					<b>846.60</b>
	<b>Financial liabilities</b>					
	Trade payables					172.04
	Term loan					1,364.01
	<b>Total financial liabilities</b>					<b>1,536.06</b>



(₹ lakhs)

ii)	Financial assets and liabilities measured at fair value as at March 31, 2023	Note	Level 1	Level 2	Level 3	Total
	<b>Financial assets</b>					
	Investment in fixed deposit					1.01
	Advances					4.05
	Security deposits					0.81
	Cash and bank balances					833.29
	Total financial assets					<b>839.16</b>
	<b>Financial liabilities</b>					
	Trade payables					58.18
	Term loan					5.67
	Total financial liabilities					<b>63.85</b>

Level 1: This includes financial instruments measured using quoted prices. The fair value of all equity instruments that are traded on the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques, which maximise the use of observable market data and rely as little as possible on entity-specific estimates. The mutual fund units are valued using the closing net assets value. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

#### b) Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments,
- the fair value of forward foreign exchange contracts are determined using forward exchange rates at the Standalone Balance Sheet date,
- the fair value of foreign currency option contracts is determined using the Black Scholes valuation model,
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in levels 1, 2 and 3.

#### c) Valuation processes

The Finance department of the Company includes a team that performs the valuations of financial assets and liabilities with assistance from independent external experts when required, for financial reporting purposes, including level 3 fair values



d) Fair value of financial assets and liabilities measured at amortised cost

(₹ lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
	Carrying amount   Fair value	Carrying amount   Fair value
Non-current financial assets		
Investments:	710.68	1.01
Advances	127.40	4.05
Security deposits for utilities and premises	1.29	0.81
Total non-current financial assets	<b>839.37</b>	<b>5.87</b>
Non-current financial liabilities		
Term loan	1,364.01	5.87
<b>Total non-current financial liabilities</b>	<b>1,364.01</b>	<b>5.87</b>

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, dividend receivables, other receivables, trade payables, capital creditors, other liabilities are considered to be the same as their fair values due to the current and short-term nature of such balances.

The fair values for loans and investments in preference shares were calculated based on cash flows discounted using a prevailing lending rate at the time of inception.

#### Note 19.10 Financial risk management

Risk management is an integral part of the business practices of the Company. The framework of risk management concentrates on formalising a system to deal with the most relevant risks, building on existing management practices, knowledge and structures. With the help of a reputed international consultancy firm, the Company has developed and implemented a comprehensive risk management system to ensure that risks to the continued existence of the Company as a going concern and to its growth are identified and remedied on a timely basis. While defining and developing the formalised risk management system, leading standards and practices have been considered. The risk management system is relevant to business reality, pragmatic and simple and involves the following

- Risk identification and definition: Focused on identifying relevant risks, creating | updating clear definitions to ensure undisputed understanding along with details of the underlying root causes | contributing factors.
- Risk classification: Focused on understanding the various impacts of risks and the level of influence on its root causes. This involves identifying various processes generating the root causes and clear understanding of risk interrelationships.
- Risk assessment and prioritisation: Focused on determining risk priority and risk ownership for critical risks. This involves assessment of the various impacts taking into consideration risk appetite and existing mitigation controls.
- Risk mitigation: Focused on addressing critical risks to restrict their impact(s) to an acceptable level (within the defined risk appetite). This involves a clear definition of actions, responsibilities and milestones.
- Risk reporting and monitoring: Focused on providing to the Board and the Audit Committee periodic information on risk profile evolution and mitigation plans.

a) **Management of liquidity risk**

The principal sources of liquidity of the Company are cash and cash equivalents, investment in mutual funds, borrowings and the cash flow that is generated from operations. It believes that the current cash and cash equivalents, tied up borrowing lines and cash flow that are generated from operations are sufficient to meet the requirements. Accordingly, liquidity risk is perceived to be low.

The following table shows the maturity analysis of financial liabilities of the Company based on contractually agreed undiscounted cash flows as at:

(₹ lakhs)

As at March 31, 2024	Carrying amount	Less than 12 months	More than 12 months	Total
Trade payables		172.04		172.04
Employee benefits payable		4.28		4.28

(₹ lakhs)

As at March 31, 2023	Carrying amount	Less than 12 months	More than 12 months	Total
Trade payables		58.18		58.18
Employee benefits payable		2.07		2.07

#### b) Management of market risk

The size and operations of the Group exposes it to the following market risks that arise from its use of financial instruments:

- i) price risk
- ii) interest rate risk
- iii) foreign exchange risk

The above risks may affect income and expenses or the value of its financial instruments. Its objective for market risk is to maintain this risk within acceptable parameters while optimising returns. The exposure to these risks and the management of these risks are explained as follows:

Potential impact of risk	Management policy	Sensitivity to risk
i) Interest rate risk : The Company is mainly exposed to interest rate risk due to its variable interest rate borrowings. The interest rate risk arises due to uncertainties about the future market interest rate of these borrowings. As at March 31, 2024, the exposure to interest rate risk due to variable interest rate borrowings amounted to ₹ 13.64 cr (March 31, 2023: ₹ 0.06 cr).	In order to manage its interest rate risk arising from variable interest rate borrowings, the Company taken term loan under Loan Guarantee Scheme for Covid Affected Sectors (LGSCAS) with condition that maximum interest rate capped at 7.95%.	As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Company has calculated the impact of a 45 bps change in interest rates (at presnet maximum interest rate capped @ 7.95%). A 45 bps increase in interest rates may have led to approximately an additional ₹ 0.06 cr gain in other comprehensive income. A 45 bps decrease in interest rates may have led to an equal but opposite effect.

#### c) Management of credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet its contractual obligations.

##### Other financial assets

The Group maintains exposure in cash and cash equivalents, term deposits with banks, investments in government securities, mutual funds, bonds and loans to subsidiary companies. It has a diversified portfolio of investment with various number of counterparties that have secure credit ratings, hence the risk is reduced. Individual risk limits are set for each counterparty based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by its Treasury department.



### Note 19.11 Capital management

The primary objective of capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. It determines the capital requirement based on project plan and annual operating plans. The funding requirements are met through equity and debt.

### Note 19.12 Other statutory information (required by schedule III to the Companies ACT, 2013)

- a) The Company has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.
- b) The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- c) The Company is not declared wilful defaulter by any bank or financial institution or other lender.
- d) The Company has not traded or invested in cryptocurrency or virtual currency during the financial year.
- e) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the year.
- f) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made there under.
- g) No loans or advances in the nature of loans are granted to promoters, Directors, Key Managerial Personnel and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person.
- h) The Company has not yet commenced operations and is at the stage of construction of the hospital building, and therefore disclosures of ratios are not applicable

### Note 19.13 Rounding off

These Financial Statements have been drawn up in INR, which is the functional currency of the Company. Except where otherwise indicated, amounts are stated in lakhs of INR (₹ lakhs) and rounded to the nearest lakh. Adding the individual figures may therefore not always result in the exact total given.

Figures in thousands or less than thousand may appear to be zero because the amount are rounded off to the nearest lakh.

### Note 19.14 Authorisation for issue of the Financial Statements

The Financial Statements were authorised for issue by the Board of Directors on April 18, 2024.

In terms of our report attached

For and on behalf of the Board of Directors

**For Desai Shah & Associates**  
Chartered Accountants  
FRN: 118174W

Sandeep Desai  
(DIN:02667533)  
**Chairman**

Anand Desai  
**Partner**  
Membership No.145560  
Mumbai  
April 18, 2024

Aditi Desai  
**Chief Executive Officer**  
  
Nilay Jatakia  
**Chief Finance Officer and  
Company Secretary**

Ajitsingh Batra  
(DIN:01518379)  
**Director**  
Atul  
April 18, 2024



**Valsad Institute of Medical Sciences Ltd**

Survey No 644, Khokhra Faliya, Parnera Pardi, Valsad 396 007, Gujarat, India

**Attendance slip**

4<sup>th</sup> Annual General Meeting, June 01, 2024

DP ID		Folio number   Client ID	
-------	--	--------------------------	--

**Full name of the shareholder | proxy attending the meeting**

.....  
(First name) (Middle name) (Surname)

First holder | joint holder | proxy  
(strike out whichever is not applicable)

Full name of the first holder (if joint holder | proxy attending)

.....  
(First name) (Middle name) (Surname)

.....  
Signature of the shareholder | proxy



## Valsad Institute of Medical Sciences Ltd

Registered Office: Survey No 644, Khokhra Faliya, Parnera Pardi, Valsad 396 007, Gujarat, India

### Proxy form

{Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19 (3) of the  
Companies (Management and Administration) Rules, 2014}  
Corporate identification number: U85320GJ2020PLC113263

Name of the company: Valsad Institute of Medical Sciences Ltd

Registered office: Survey No 644, Khokhra Faliya, Parnera Pardi, Valsad 396 007, Gujarat, India

Name of the member(s):	
Registered address:	
E-mail address:	
Folio number   Client ID: DP ID:	

I | We, being the member(s) of ..... shares of the above named Company, hereby appoint:

- Name: .....  
Address: .....  
E-mail address: .....  
Signature: ..... , or failing him | her
- Name: .....  
Address: .....  
E-mail address: .....  
Signature: ..... , or failing him | her
- Name: .....  
Address: .....  
E-mail address: .....  
Signature: .....

as my | our proxy to attend and vote (on a poll) for me | us and on my | our behalf at the 4<sup>th</sup> Annual General Meeting of the Company, to be held on June 01, 2024, at 5:00 pm at Survey No. 644, Khokhra Faliya, Parnera Pardi, Valsad 396 007, Gujarat, India and at any adjournment thereof in respect of such resolutions as are indicated below:

No.	Resolutions
1.	Adoption of the Financial Statements and reports thereon for the financial year ended on March 31, 2024
2.	Reappointment of Dr Sunil Choksi as a Director
3	Reappointment of Mr Sunil Joshi as a Director
4	Approve increase in authorised capital
5	Approve preferential allotment of equity shares
6	Approve increase in borrowing limits
7	Approve creation of charge   mortgage over the assets of the Company

Signed this day ..... of 2024.

Signature of the member ..... Signature of the proxy holder(s).....

Affix  
Revenue  
Stamp  
here

#### Note:

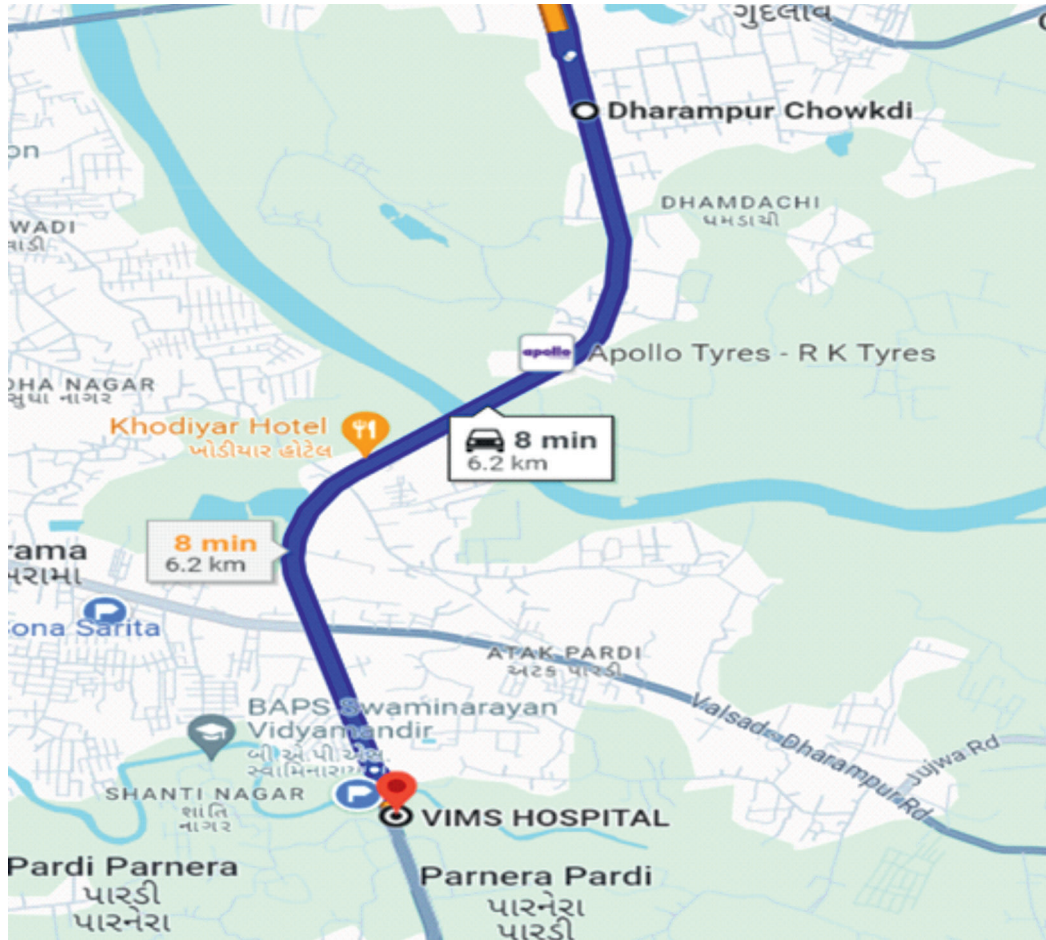
This proxy form in order to be effective must be duly completed and deposited at the registered office of the Company not less than 48 hours before commencement of the meeting.



## Valsad Institute of Medical Sciences Ltd

Registered Office: Survey No 644, Khokhra Faliya, Parnera Pardi, Valsad 396 007, Gujarat, India

### Route map





# Corporate information

## Directors

Dr Sandeep Desai  
(Chairman)

Dhananjay Desai

Pramod Lele

Dr Sunil Choksi

Hitendrasinh Padhiyar

Sunil Joshi

Ajitsingh Batra

Nishtha Lalbhai

## Chief Executive Officer

Dr Aditi Desai

## Chief Financial Officer and Company Secretary

Nilay Jatakia

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### Auditors

Desai Shah & Associates

### Registered office

Survey No 644, Khokhra Faliya  
Parnera Pardi, 396 007 Gujarat  
India

### Bankers

Axis Bank

E-mail address: [contact@vimsl.co.in](mailto:contact@vimsl.co.in)

**Valsad Institute of Medical Sciences Ltd**

Survey No 644, Khokhra Faliya,  
Parnera Pardi, Valsad 396 007,  
Gujarat, India