

# B S R & Co. LLP

Chartered Accountants

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## Independent Auditor's Report

To the Board of Directors of GNRC Limited

Report on the audit of the Standalone Annual Financial Results

### Opinion

We have audited the accompanying standalone annual financial results of GNRC Limited (hereinafter referred to as the "Company") for the year ended 31 March 2022, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

Attention is drawn to the fact that the figures for the quarter ended 31 March 2021, as reported in these standalone annual financial results have been approved by the Company's Board of Directors, but have not been subjected to audit since the Company has listed its Non-Convertible Debentures ('NCDs') on the Bombay Stock Exchange in the month of May 2021.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

- a. are presented in accordance with the requirements of Regulation 52 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net loss and other comprehensive income and other financial information for the year ended 31 March 2022.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the standalone annual financial results.

### Emphasis of Matter

We draw attention to Note 8 to the standalone annual financial results regarding the accounting for the Scheme of Amalgamation ('the Scheme') of GNRC Infotech Private Limited (GNRCI) with the Company in the year 2018-19. As per the Scheme, the fair value of investments in the Company held by the Transferor Company, i.e. GNRCI prior to amalgamation and the issued equity share capital and securities premium appearing in the books of the Company as on the appointed date should be cancelled and the difference should be recorded as Goodwill. Such accounting treatment of the cancellation of own shares overrides the relevant requirements of the Previous GAAP according to which the resultant difference of Rs 6,320.28 lakhs should have been adjusted to reserves and surplus. Further, as per the Scheme, goodwill should be equally amortised over a period of 5 years. The Company had accounted for the amalgamation in accordance with the Scheme.

On transition to Ind AS, the Company had opted to not apply Ind AS 103 retrospectively to the past business combinations and hence in accordance with Ind AS 101, First-time Adoption of Indian

Registered Office:

## Independent Auditor's Report (*Continued*)

### GNRC Limited

Accounting Standards, it had recognised assets and liabilities (including goodwill) of the Transferor Company as on the transition date of 1 April 2020 at carrying values as per the previous GAAP. Accordingly, the goodwill (including the amount of Rs 6,320.28 lakhs recognised on cancellation of shares), as recognised on merger, has not been adjusted. Further, in accordance with the Scheme, the goodwill will continue to be amortised which overrides the relevant requirements of Ind AS 36 which requires that goodwill is not amortised but is required to be mandatorily tested for impairment annually. The unamortised goodwill as at 1 April 2020 aggregating to Rs 4,002.59 lakhs were to be amortised over the remaining period of three years and two months. The amortisation expense recognised during the quarter ended 31 March 2022 and year to date results for the period from 1 April 2021 to 31 March 2022 are Rs 316.00 lakhs and Rs 1,263.98 lakhs respectively (Rs 1,263.98 lakhs for the year ended 31 March 2021).

Our opinion is not modified in respect of this matter.

#### **Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results**

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

#### **Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results**

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

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

- Identify and assess the risks of material misstatement of the standalone annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures

**Independent Auditor's Report (Continued)**

**GNRC Limited**

that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

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

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

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

**Other Matter**

The standalone annual financial results include the results for the quarter ended 31 March 2022 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022

**JAYANTA**

**MUKHOPADHYAY**

Digitally signed by JAYANTA  
MUKHOPADHYAY

Date: 2022.05.26 18:41:36  
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**Jayanta Mukhopadhyay**

*Partner*

Kolkata

26 May 2022

Membership No.: 055757

UDIN:22055757AJRAZB1324



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GNRC Complex, Dispur, Guwahati, Assam-781006  
Corporate Identity Number: U85110AS1985PLC002447  
Phone: 1800 345 0022  
Email: cs.gnrc@gnrchospitals.com, Website: www.gnrchospitals.com

(Rs. in Lakhs)

| Statement of Audited Standalone Financial Results for the Quarter and Year Ended 31 March 2022 |  |                               |  |   |                       |   |
|--|--|-------------------------------|--|---|-----------------------|---|
| Sr. No.  | Particulars  | Three months ended 31.03.2022 | Previous Three months ended 31.12.2021 | Corresponding Three months ended 31.03.2021 in the previous year (refer note 3) | Year ended 31.03.2022 | Previous year ended 31.03.2021 (refer note 9 below) |
|  |  | (Audited)                     | (Unaudited)                            | (Unaudited)   | (Audited)             | (Audited)   |
| <b>1.</b>  | <b>Income</b>  |                               |  |   |                       |   |
|  | (a) Revenue from Operations  | 5,560.26                      | 5,420.40                               | 5,838.16  | 22,673.17             | 21,862.39   |
|  | (b) Other Income   | 156.09                        | 285.16                                 | 40.98   | 528.89                | 108.34  |
|  | <b>Total Income</b>  | <b>5,716.35</b>               | <b>5,705.56</b>                        | <b>5,879.14</b>   | <b>23,202.06</b>      | <b>21,970.73</b>                                    |
| <b>2.</b>  | <b>Expenses</b>  |                               |  |   |                       |   |
|  | (a) Cost of materials consumed   | 921.09                        | 964.64                                 | 1,187.20  | 3,989.80              | 4,351.72  |
|  | (b) Changes in inventories of finished goods and work-in-progress  | 64.52                         | 62.15                                  | (92.42)   | 167.09                | (145.14)  |
|  | (c) Employee benefits expense  | 1,284.00                      | 1,262.71                               | 1,107.74  | 5,012.02              | 4,691.31  |
|  | (d) Finance costs  | 431.05                        | 473.09                                 | 508.48  | 1,876.78              | 1,998.58  |
|  | (e) Depreciation and amortisation expense  | 551.66                        | 476.13                                 | 529.76  | 2,014.92              | 2,103.92  |
|  | (f) Professional fees to doctors   | 1,276.32                      | 1,296.17                               | 1,399.94  | 5,065.45              | 5,055.72  |
|  | (g) Other expenses   | 1,435.41                      | 1,326.96                               | 1,659.06  | 5,756.17              | 5,868.88  |
|  | <b>Total Expenses</b>  | <b>5,964.05</b>               | <b>5,861.85</b>                        | <b>6,299.76</b>   | <b>23,882.23</b>      | <b>23,924.99</b>                                    |
| <b>3.</b>  | <b>Loss before exceptional items and tax (1-2)</b>   | <b>(247.70)</b>               | <b>(156.29)</b>                        | <b>(420.62)</b>   | <b>(680.17)</b>       | <b>(1,954.26)</b>                                   |
| <b>4.</b>  | <b>Exceptional Items (refer note 11)</b>   | <b>(1,796.53)</b>             | <b>-</b>                               | <b>-</b>  | <b>(1,796.53)</b>     | <b>-</b>  |
| <b>5.</b>  | <b>Loss before tax (3+4)</b>   | <b>(2,044.23)</b>             | <b>(156.29)</b>                        | <b>(420.62)</b>   | <b>(2,476.70)</b>     | <b>(1,954.26)</b>                                   |
| <b>6.</b>  | <b>Tax expense</b>   |                               |  |   |                       |   |
|  | (a) Current tax  | -                             | -                                      | -   | -                     | -   |
|  | (b) Deferred tax   | 9.79                          | 44.43                                  | (70.89)   | 153.21                | (233.82)  |
|  | <b>Total tax expense</b>   | <b>9.79</b>                   | <b>44.43</b>                           | <b>(70.89)</b>  | <b>153.21</b>         | <b>(233.82)</b>                                     |
| <b>7.</b>  | <b>Net Loss after tax (5-6)</b>  | <b>(2,054.02)</b>             | <b>(200.72)</b>                        | <b>(349.73)</b>   | <b>(2,629.91)</b>     | <b>(1,720.44)</b>                                   |
| <b>8.</b>  | <b>Other Comprehensive Income</b>  |                               |  |   |                       |   |
|  | Items that will not be reclassified subsequently to profit or loss   | 8.43                          | 21.37                                  | 21.38   | 72.56                 | 85.51   |
|  | Income-tax relating to items that will not be reclassified to profit or loss   | (2.35)                        | (5.95)                                 | (5.95)  | (20.19)               | (23.79)   |
|  | Items that will be reclassified subsequently to profit or loss   | -                             | -                                      | -   | -                     | -   |
|  | Income-tax relating to items that will be reclassified to profit or loss   | -                             | -                                      | -   | -                     | -   |
|  | <b>Total Other Comprehensive Income (net of tax)</b>   | <b>6.08</b>                   | <b>15.42</b>                           | <b>15.43</b>  | <b>52.37</b>          | <b>61.72</b>  |
| <b>9.</b>  | <b>Total Comprehensive Income for the period/ year (comprising Net Loss after tax and other comprehensive income for the period/ year) (7+8)</b> | <b>(2,047.94)</b>             | <b>(185.30)</b>                        | <b>(334.30)</b>   | <b>(2,577.54)</b>     | <b>(1,658.72)</b>                                   |
| <b>10.</b>   | <b>Paid-up equity share capital (Face value Re. 10 each)</b>   | <b>1,034.34</b>               | <b>1,034.34</b>                        | <b>1,034.34</b>   | <b>1,034.34</b>       | <b>1,034.34</b>                                     |
| <b>11.</b>   | <b>Other Equity</b>  |                               |  |   | <b>16,028.85</b>      | <b>18,606.40</b>                                    |
| <b>12.</b>   | <b>Earnings per equity share (of Re. 1 each)</b>   |                               |  |   |                       |   |
|  | (a) Basic (Rs.)  | (19.86)                       | (1.94)                                 | (3.38)  | (25.43)               | (16.63)   |
|  | (b) Diluted (Rs.)  | (19.86)                       | (1.94)                                 | (3.38)  | (25.43)               | (16.63)   |





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(Rs. in Lakhs)

| Sr. No.  | Particulars  | As at                   | As at                   |
|----------|--|-------------------------|-------------------------|
|          |  | 31.03.2022<br>(Audited) | 31.03.2021<br>(Audited) |
| <b>A</b> | <b>ASSETS</b>  |                         |                         |
| 1.       | <b>Non-current assets</b>  |                         |                         |
|          | (a) Property, plant and equipment  | 21,361.34               | 22,558.27               |
|          | (b) Capital work-in-progress   | 79.37                   | 68.36                   |
|          | (c) Investment Property  | 6,874.00                | 6,874.00                |
|          | (d) Goodwill   | 1,474.64                | 2,738.62                |
|          | (e) Other Intangible assets  | 14.72                   | 19.51                   |
|          | (f) Right of use assets  | 108.27                  | 162.90                  |
|          | (g) Financial assets   |                         |                         |
|          | (i) Investments  | 5,443.43                | 6,643.13                |
|          | (ii) Other financial assets  | 184.41                  | 181.26                  |
|          | (h) Non-current tax assets (net)   | 518.85                  | 501.48                  |
|          | (i) Other non-current assets   | 17.75                   | 9.17                    |
|          | <b>Total non-current assets</b>  | <b>36,076.78</b>        | <b>39,756.70</b>        |
| 2.       | <b>Current assets</b>  |                         |                         |
|          | (a) Inventories  | 269.66                  | 463.52                  |
|          | (b) Financial assets   |                         |                         |
|          | (i) Trade receivables  | 1,245.33                | 776.91                  |
|          | (ii) Cash and cash equivalents   | 189.54                  | 754.70                  |
|          | (iii) Bank balances other than cash and cash equivalents                               | 225.41                  | 413.41                  |
|          | (iv) Loans   | 2.57                    | 95.78                   |
|          | (v) Other financial assets   | 11.24                   | 3.33                    |
|          | (c) Other current assets   | 44.61                   | 45.82                   |
|          | <b>Total current assets</b>  | <b>1,988.36</b>         | <b>2,553.47</b>         |
|          | <b>TOTAL ASSETS</b>  | <b>38,065.14</b>        | <b>42,310.17</b>        |
| <b>B</b> | <b>EQUITY AND LIABILITIES</b>  |                         |                         |
| 1.       | <b>EQUITY</b>  |                         |                         |
|          | (a) Equity share capital   | 1,034.34                | 1,034.34                |
|          | (b) Other equity   | 16,028.85               | 18,606.40               |
|          | <b>Total Equity</b>  | <b>17,063.19</b>        | <b>19,640.74</b>        |
| 2.       | <b>LIABILITIES</b>   |                         |                         |
|          | <b>Non-current liabilities</b>   |                         |                         |
|          | (a) Financial liabilities  |                         |                         |
|          | (i) Borrowings   | 11,738.03               | 11,699.49               |
|          | (ii) Lease liabilities   | 62.18                   | 119.28                  |
|          | (b) Provisions   | 722.96                  | 717.03                  |
|          | (c) Deferred tax liabilities (net)   | 604.82                  | 431.42                  |
|          | <b>Total non-current liabilities</b>   | <b>13,127.99</b>        | <b>12,967.22</b>        |
|          | <b>Current liabilities</b>   |                         |                         |
|          | (a) Financial liabilities  |                         |                         |
|          | (i) Borrowings   | 1,864.43                | 3,192.96                |
|          | (ii) Lease liabilities   | 57.10                   | 51.69                   |
|          | (iii) Trade payables   |                         |                         |
|          | total outstanding dues of micro enterprises and small enterprises                      | -                       | -                       |
|          | total outstanding dues of creditors other than micro enterprises and small enterprises | 4,578.84                | 5,195.52                |
|          | (iv) Other financial liabilities   | 566.64                  | 518.90                  |
|          | (b) Other current liabilities  | 783.55                  | 720.99                  |
|          | (c) Provisions   | 23.40                   | 22.15                   |
|          | <b>Total current liabilities</b>   | <b>7,873.96</b>         | <b>9,702.21</b>         |
|          | <b>TOTAL EQUITY AND LIABILITIES</b>  | <b>38,065.14</b>        | <b>42,310.17</b>        |







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NOTES:-

(Rs. in Lakhs)

| (I) STANDALONE STATEMENT OF CASH FLOWS |   | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|--|---|--------------------------|--------------------------|
| Particulars                            |   | (Audited)                | (Audited)                |
| <b>A</b>                               | <b>Cash flows from operating activities</b>   |                          |                          |
|  | Loss before tax   | (2,476.70)               | (1,954.27)               |
|  | Adjustments:  |                          |                          |
|  | Depreciation and amortisation expense   | 2,014.92                 | 2,103.92                 |
|  | Finance costs   | (48.35)                  | (28.15)                  |
|  | Interest income   | 1,876.78                 | 1,998.58                 |
|  | Advance written off   | 4.78                     | 2.55                     |
|  | Provision for doubtful debts  | 10.02                    | 2.32                     |
|  | Impairment of Non-current Investments   | 1,796.53                 | -                        |
|  | Loss on sale of tangible assets   | 0.60                     | -                        |
|  | <b>Cash generated from operations before working capital changes</b>  | <b>5,655.28</b>          | <b>4,079.22</b>          |
|  | <b>Operating cash flows before working capital changes</b>  | <b>3,178.58</b>          | <b>2,124.95</b>          |
|  | Movement in working capital:  |                          |                          |
|  | Decrease/ (Increase) in inventories   | 193.86                   | (142.23)                 |
|  | (Increase)/ Decrease in trade receivables   | (478.45)                 | 318.91                   |
|  | Decrease/ (Increase) in financial and other assets  | 86.49                    | (77.76)                  |
|  | (Decrease)/ Increase in trade payables  | (616.68)                 | 555.65                   |
|  | Increase in financial liabilities   | 56.82                    | 35.63                    |
|  | Increase in other liabilities and provisions  | 261.27                   | 152.15                   |
|  | <b>Cash generated from operations</b>   | <b>2,681.89</b>          | <b>2,967.30</b>          |
|  | Income taxes paid (net of refunds)  | 13.54                    | 107.23                   |
|  | <b>Net cash generated from operating activities (A)</b>   | <b>2,695.43</b>          | <b>3,074.53</b>          |
| <b>B</b>                               | <b>Cash flows from investing activities</b>   |                          |                          |
|  | Acquisition of tangible assets net of government grants received (including capital work-in progress, capital advances and capital creditors) | 324.64                   | (17.28)                  |
|  | Proceeds from sale of tangible assets   | 41.62                    | -                        |
|  | Investment in subsidiaries  | (596.83)                 | (555.60)                 |
|  | Redemption of Bank deposits due to mature after 3 months from original maturity but within 12 months from reporting date                      | 187.22                   | (38.25)                  |
|  | Investment in Bank deposits due to mature after 12 months from reporting date   | -                        | (10.00)                  |
|  | Interest received   | 9.53                     | 39.63                    |
|  | <b>Net cash used in investing activities (B)</b>  | <b>(33.82)</b>           | <b>(581.50)</b>          |
| <b>C</b>                               | <b>Cash flows from financing activities</b>   |                          |                          |
|  | Proceeds from long-term borrowings  | 4,000.00                 | 1,674.38                 |
|  | Repayment of long-term borrowings   | (5,289.98)               | (2,031.48)               |
|  | Finance costs paid  | (1,870.33)               | (1,647.01)               |
|  | Payment of lease liabilities (principal portion)  | (51.69)                  | (46.79)                  |
|  | Payment of lease liabilities (interest portion)   | (14.77)                  | (19.67)                  |
|  | <b>Net cash used in financing activities (C)</b>  | <b>(3,226.77)</b>        | <b>(2,070.57)</b>        |
|  | <b>Net (decrease)/ increase in cash and cash equivalents (A+B+C)</b>  | <b>(565.16)</b>          | <b>422.46</b>            |
|  | Cash and cash equivalents at the beginning of the year  | 754.70                   | 332.24                   |
|  | <b>Cash and cash equivalents at the end of the year</b>   | <b>189.54</b>            | <b>754.70</b>            |

Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 "Statement of Cash Flows".





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- (2) The standalone financial results for the quarter and year ended 31 March 2022 have been reviewed and approved by the Board of Directors in their meeting held on 26 May 2022.
- (3) The Company has adopted Indian Accounting Standards (Ind AS) w.e.f. 1 April 2020, as notified under Section 133 of the Companies Act, 2013 read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and in terms of Regulation 52 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015, as amended ("Listing Regulations"). The figures for the corresponding quarter 31 March 2021 are also Ind AS compliant and have been approved by the Company's Board of Directors. They have not been subjected to any limited review or audit.
- (4) The figures for the last quarter of the current financial year are the balancing figures between audited figures in respect of the full financial year and the year to date figures up to the end of third quarter of the current year which was subjected to limited review by the auditors.
- (5) Earnings per equity share for the quarter ended 31 March 2022; 31 March 2021 and 31 December 2021 have not been annualised.
- (6) There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company
- (7) The Company has listed its Non-Convertible Debentures ('NCDs') on the Bombay Stock Exchange in the month of May 2021. NCD has a face value of Rs. 400,000,000/ having a coupon rate of 14.00% per annum with a maturity of 5 years. It is secured by:
- first and exclusive charge over the immovable property of the Company aggregating to 20 Bighas 4 Kathas 2 Lechas under Dag no : 796.821,822,823 and patta no : 271, 388, 159 & 203 located at Kahikuchi, Azara, Guwahati-781017, Assam
  - personal guarantees by Dr. Nomal Chandra Borah, Priyanka Borah, Ms. Satabdee Borah & Dr. Madhurjya Borah, directors of the Company.
  - first and exclusive Charge over Debt Service Reserve Account (DSRA) maintained at ICICI Bank.
  - Dr. Nomal Chandra Borah, Brahmaputra Teak Plantations of Assam Private Limited, Satabdee Associates Private Limited, Priyanka Health Care & Allied Products Private Limited have First Pari-passu pledged 1,510,650; 1,426,056; 3,957,384; 2,285,367 equity shares of GNRC Limited respectively.
  - first and exclusive charge by way of hypothecation on all present and future rights, titles, interest, benefits, claims and demands whatsoever in the Escrow Account.
  - First & Exclusive Charge of Good Health Hospital Pvt. Ltd. Piece & parcel of land and structure thereon measuring One Katha and Thirteen Lechas covered under K.P. Patta No. 9, Plot No. 283, and Seventeen Lechas covered under K.P. Patta No. 16, Plot No. 72 total measuring Two Kathas & Ten Lechas at Dist: Kamrup (M), Beltola Mouza, Sarumotoria, Dispur, Guwahati-6, Assam

- (8) The Board of Directors of the Company had vide resolution dated 3 July 2018 and all shareholders of the Company had vide their consent given on 10 November 2018, approved the scheme of amalgamation ('the Scheme') of GNRC Infotech Private Limited (GNRCI) ('the Transferor Company') with the Company with effect from 1 June 2018 (appointed date for the merger). GNRCI was engaged in hospital consultancy and hospital management services. The Scheme has been approved by the National Company Law Tribunal Guwahati Bench ('NCLT') vide their order dated 23 January 2019

The Board of Directors of the Company have taken on record the order of the NCLT at their meeting held on 16 March 2019 and e-Form INC 28 along with the NCLT order was filed with the Registrar of Companies, Guwahati for the State of Assam on 29 January 2019.

**Salient Features of the Scheme:**

As per the Scheme, all assets and properties, both movable and immovable, debts, liabilities including contingent liabilities, duties and obligations of the transferor company, i.e. GNRCI shall stand transferred to and vested in the transferee company, i.e. GNRC Limited, with effect from the appointed date, 1 June 2018 at their respective fair values, as appearing in the books of GNRCI, under "Purchase method" as specified in the Scheme, and as prescribed by Accounting Standard 14 - Accounting for Amalgamation specified under Section 133 of the Companies Act, 2013, read with rule 7 of the Company (Accounts) Rules, 2014.

As per the Scheme, the difference between the net assets (i.e. aggregate of the fair value of all assets over liabilities) and consideration paid by the Transferee Company should be recorded as Goodwill

Further, as per the Scheme, the fair value of investments in the Company held by the Transferor Company, i.e. GNRCI prior to amalgamation and the issued equity share capital and securities premium appearing in the books of the Company as on the appointed date should be cancelled and the difference should be recorded as Goodwill. Such accounting treatment of the cancellation of own shares overrides the relevant requirements of the Previous GAAP according to which the resultant difference of Rs 6,320.28 lakhs should have been adjusted to reserves. As per the Scheme, goodwill so arising should be equally amortised over a period of 5 years

The Company had accounted for the amalgamation in accordance with the Scheme. On transition to Ind AS, the Company has opted to not apply Ind AS 103 retrospectively to the past business combinations and hence in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards it had recognised assets and liabilities (including goodwill) of the Transferor Company as on the transition date of 1 April 2020 at carrying values as per the previous GAAP. Accordingly, the goodwill (including the amount of Rs 6,320.28 lakhs recognised on cancellation of shares) as recognised on merger has not been adjusted. Further, in accordance with the Scheme, the goodwill will continue to be amortised which overrides the relevant requirements of Ind AS 36 which requires that goodwill is not amortised but is required to be mandatorily tested for impairment annually. The unamortised goodwill as at 1 April 2020 aggregating to Rs 4,002.59 lakhs were to be amortised over the remaining period of three years and two months. The amortisation expense recognised during the quarter ended 31 March 2022 and year to date results for the period from 1 April 2021 to 31 March 2022 are Rs 316.00 lakhs and Rs 1,263.98 lakhs respectively (Rs 1,263.98 lakhs for the year ended 31 March 2021).

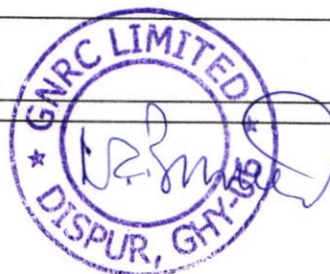
- (9) Reconciliation of Net Loss related to previous period on account of transition from the previous Indian GAAP to IndAS for the corresponding quarter and previous year ended 31 March 2021 are as follows:

(Rs in Lakhs)

| Particulars  | 3 months ended 31.03.2021 in the previous year | Previous year ended 31.03.2021 |
|--|--|--------------------------------|
| Net Loss for the period under previous GAAP  |  |                                |
| Adjustments on account of:   |  |                                |
| Remeasurement of net defined benefit obligation recognised in Other Comprehensive Income | (330.55)                                       | (1,648.34)                     |
| Interest on lease liability  | (15.43)  | (61.72)                        |
| Amortisation of Right-of-use assets  | (2.96)   | (19.67)                        |
| Reversal of rent expense on recognition of Right-of-use assets                           | (17.49)  | (54.85)                        |
| ECL on trade receivables   | 19.03  | 66.46                          |
| Other comprehensive income   | (2.32)   | (2.32)                         |
| Total Comprehensive Income for the period under Ind-AS                                   | 15.43  | 61.72                          |
|  | (334.29)                                       | (1,658.72)                     |

Reconciliation of Other equity related to previous year on account of transition from the previous Indian GAAP to Ind AS for the year ended 31 March 2021 are as follows:

| Particulars                                    | Previous year ended 31.03.2021 |
|--|--------------------------------|
| Other equity reported under previous GAAP      |                                |
| Fair Value gain on PPE and investment property | 1,028.35                       |
| Impairment of receivables using ECL            | 17,595.06                      |
| Ind-AS PL impact for the year                  | (6.63)                         |
| Other equity under IndAS                       | (10.38)                        |
|  | 18,606.40                      |







**GNRC**  
Quality • Value • Trust

GNRC Ltd.

GNRC Complex, Dispur, Guwahati, Assam-781006  
Corporate Identity Number: U85110AS1985PLC002447  
Phone: 1800 345 0022  
Email: cs.gnrc@gnrchospitals.com, Website: www.gnrc-hospitals.com

(10) The Company has assessed the possible impact of Covid-19 in preparation of the financial results, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets and impact on revenues and costs. The Company has considered internal and external sources of information and based on current estimates, expects to recover the carrying amount of these assets. The Covid-19 pandemic has no precedents and its impact could widely differ from estimates. The Company will continue to closely monitor the environment. The Company has taken various cost-effective measures to bring operational efficiency, which will have direct impact on operating cash flows and profitability, the Company has liquidity to meet its financial obligations and accordingly, the financial results of the Company has been prepared on a going concern basis.

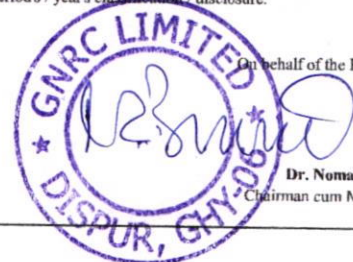
(11) The disclosure required as per the provisions of Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with basis of computation is given below:

| Particulars   | (amounts are in Rs lakhs where applicable) |  |
|---|--|--|
|   | Year ended<br>31.03.2022                   | Previous year ended<br>31.03.2021        |
| <b>Debt-equity ratio</b><br>(Total borrowings / Total equity)   | 0.80                                       | 0.77                                     |
| <b>Net worth</b><br>Basis Section 2(57) of the Companies Act, 2013  | (531.87)                                   | 2,045.66                                 |
| <b>Current ratio</b><br>(Total Current Assets / Total Current Liabilities)  | 0.25                                       | 0.26                                     |
| <b>Long-term debt to working capital</b><br>Non-current borrowings / (Total current assets - total current liabilities)   | (1.99)                                     | (1.64)                                   |
| <b>Current liability ratio</b><br>(Total current liabilities / Total Liabilities)   | 0.37                                       | 0.43                                     |
| <b>Total debts to total assets</b><br>(Total borrowings / total assets)   | 0.36                                       | 0.36                                     |
| <b>Debtors turnover ratio</b><br>Revenue from operations / Average trade receivables [i.e. Opening balance trade receivables balance + closing balance trade receivables balance)/2]  | 22.42                                      | 23.32                                    |
| <b>Inventory turnover ratio</b><br>[(Cost of materials consumed + Changes in inventories of stock in trade) / average inventories of finished goods [(opening balance inventories of finished goods + closing balance inventories of finished goods)/2] | 12.46                                      | 12.21                                    |
| <b>Debt-service coverage ratio</b><br>(Profit before tax + Depreciation and amortisation expense + Finance costs + Exceptional items) / (Finance costs + Principal repayments made during the period)   | 0.45                                       | 0.53                                     |
| <b>Interest service coverage ratio</b><br>(Profit before tax + Depreciation and amortisation expense + Finance costs + Exceptional items) / Finance costs   | 1.71                                       | 1.07                                     |
| <b>Bad debts to accounts receivable ratio</b><br>Bad debts written off / average trade receivables (gross of allowance for doubtful receivables)  | -  | -  |
| <b>Operating Margin (%)</b><br>(Profit before tax + Depreciation and amortisation expense + Finance costs + Exceptional items - other income) / Revenue from operations   | 11.83%                                     | 9.33%                                    |
| <b>Net Profit Margin (%)</b><br>Net profit after tax / Revenue from operations  | (11.60%)                                   | (7.87%)                                  |
| <b>Asset coverage ratio</b><br>Total assets available for secured Debt securities/ Total borrowing through issue of secured Debt Securities (calculated based on standalone financial statements)   | 268.36%                                    | Not applicable as issued during FY 21-22 |

(12) The Company has investment of Rs 5,538.96 lakhs in its wholly owned subsidiary Company, GNRC Community Hospitals Limited. There has been shortfall in the business performance compared with budgets and business plan due to a sustained period of Covid-19 and certain other matters, leading to an adverse effect on the value of the investment against the said carrying value of such investments. Based on the updated business forecast and discounted cash flow method, the Company has made a provision of Rs 1,796.53 lakhs in the books of account.

(13) The previous period's / year's figures have been regrouped / reclassified, wherever necessary, to correspond with the current period's / year's classification / disclosure.

On behalf of the Board of Directors



**Dr. Nomal Chandra Borah**  
Chairman cum Managing Director  
DIN: 00965988

Place: Guwahati  
Date: 26 May 2022