Deloitte Haskins & Sells LLP

Chartered Accountants
Prestige Trade Tower, Level 19
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INDEPENDENT AUDITOR'S REPORT

To The Members of NH Integrated Care Private Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **NH Integrated Care Private Limited** ("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 period January 10, 2023 (date of incorporation) to March 31, 2024, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("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 loss, total comprehensive loss, its cash flows and the changes in equity for the period ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. 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.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the financial statements, and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income/(loss), cash flows and changes in equity of the Company in accordance with the Ind AS and 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.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

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 financial controls that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

1. As required by 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 account as required by law have been kept by the Company so far as it appears from our examination of those books except for not complying with the requirement of the audit trail as stated in (i)(vi) below.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   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) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.

   g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements

h) 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 Company has not paid any managerial remuneration during the period January 10, 2023 to March 31, 2024 and hence reporting under Section 197 of the Act is not applicable.

i) 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 did not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 42 (iii) to the financial statements 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 by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the note 42 (iv) to the financial statements, 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 by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the period from January 10, 2023 to March 31, 2024.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the period ended 31 March 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the period for all relevant transactions recorded in the software, except that in respect of two software, the audit trail feature was not enabled at the database level to log any direct data changes.

Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial period ended March 31, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Monisha Parikh
(Partner)
(Membership No. 47840)
UDIN: 24047840BKFIYB8530

Place: Bengaluru
Date: May 24, 2024
MP/EKP/SM/NM/SA/2024

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1 (g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls with reference to financial statements of **NH Integrated Care Private Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the period from January 10, 2023 (date of incorporation) to March 31, 2024 ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company 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 Institute of Chartered Accountants of India 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 with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Monisha Parikh
(Partner)
(Membership No. 47840)
UDIN: 24047840BKFIYB8530

Place: Bengaluru
Date: May 24, 2024
MP/EKP/SM/NM/SA/2024

**Deloitte
Haskins & Sells LLP**

**ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work in progress and relevant details of right of use assets.

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

(i) (b) The Company has a program of verification of property, plant and equipment, capital work in progress and right of use assets to cover all the items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified by the Management during the period. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(i) (c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). In respect of immovable properties that have been taken on lease and disclosed in the financial statements as right of use assets as at the balance sheet date, the lease agreements are duly executed in favour of the Company.

(i) (d) The Company has not revalued any of its property, plant and equipment (including right of use assets) and intangible assets during the period.

(i) (e) No proceedings have been initiated during the period or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder, and hence reporting under clause 3(i)(e) of the Order is not applicable.

(ii) (a) The inventories were physically verified during the period by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(ii) (b) According to the information and explanations given to us, at any point of time of the period, the Company has not been sanctioned any working capital facility from banks or financial institutions on basis of security of current assets, and hence reporting under clause 3(ii)(b) of the Order is not applicable.

(iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured, or unsecured, to companies, firms, limited liability partnerships or any other parties during the period, and hence reporting under clause (iii) of the Order is not applicable.

(iv) The Company has not granted any loans, made investments or provided guarantees or securities and hence reporting under clause (iv) of the Order is not applicable.

(v) The Company has not accepted any deposit during the period nor has any unclaimed deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Act. Hence reporting under clause 3(v) of the Order is not applicable to the Company.

(vi)		The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.
(vii)	(a)	In respect of statutory dues:
		Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, duty of Customs, cess and other material statutory dues applicable to the Company generally have been regularly deposited with the appropriate authorities during the period. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, duty of Customs, cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.
(vii)	(b)	There are no statutory dues referred to in sub-clause (a) above which have not been deposited on account of disputes as on March 31,2024.
(viii)		There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the period January 10, 2023 to March 31, 2024.
(ix)	(a)	The Company has not defaulted in the repayment of borrowings or in the payment of interest thereon during the period.
(ix)	(b)	The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
(ix)	(c)	The Company has not taken any term loan during the period and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable
(ix)	(d)	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 period for long-term purposes by the Company.
(ix)	(e)	The Company did not have any subsidiary or associate or joint venture during the period and hence, reporting under clause (ix)(e) of the Order is not applicable.
(ix)	(f)	The Company did not have any subsidiary or associate or joint venture during the period and hence, reporting under clause (ix) (f) of the Order is not applicable.
(x)	(a)	The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the period and hence reporting under clause 3(x)(a) of the Order is not applicable.
(x)	(b)	During the period, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.
(xi)	(a)	To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the period.
(xi)	(b)	To the best of our knowledge, no report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the period and up to the date of this report.
(xi)	(c)	As represented to us by the Management, there were no whistle blower complaints received by the Company during the period.
(xii)		The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
(xiii)		In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv)		In our opinion and according to the information and explanations provided to us, internal audit system under section 138 of the Companies Act, 2013 is not applicable to the Company. Hence reporting under clauses (xiv) (a) and (xiv) (b) of the Order is not applicable.
(xv)		During the period, the Company has not entered into any non-cash transactions with any of its directors, or directors of the company, subsidiary companies, associate companies or persons connected with such directors and hence provisions of Section 192 of the Act are not applicable to the Company.
(xvi)	(a) (b) (c)	The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clauses 3(xvi)(a), (b),and (c) of the Order is not applicable.
(xvi)		The Group does not have any Core Investment Company (CIC) as part of the Group and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
(xvii)		The Company has incurred cash losses amounting to Rs. 3,830.11 lacs during the financial period covered by our audit.
(xviii)		There has been no resignation of the statutory auditors of the Company during the period.
(xix)		On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
(xx)		The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the financial period and hence, provisions of Section 135 of the Act are not applicable to the Company during the period. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Monisha Parikh
(Partner)
(Membership No. 47840)
UDIN: 24047840BKFIYB8530

Place:-Bengaluru
Date :- May 24, 2024
MP/EKP/SM/NM/SA/2024

NH Integrated Care Private Limited
Balance Sheet as at 31 March 2024
CIN : U85190KA2023PTC170155

Particulars	Note No.	(₹ in lakhs) As at 31 March 2024
ASSETS		
Non-current assets		
Property, plant and equipment	4	1,217.44
Right of use assets	5	1,281.37
Capital work-in-progress	4	630.18
Other intangible assets	4	8.68
Financial assets		
(i) Other financial assets	6(a)	450.79
Income tax assets (net)	7	4.54
Other non-current assets	8(a)	97.25
Total non-current assets		**3,690.25**
Current assets		
Inventories	9	208.12
Financial assets		
(i) Trade receivables	10	114.69
(ii) Cash and cash equivalents	11	181.03
(iii) Other financial assets	6(b)	0.18
Other current assets	8(b)	114.90
Total current assets		**618.92**
TOTAL ASSETS		**4,309.17**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	12	5.00
Other equity	13	(3,256.56)
Total equity		**(3,251.56)**
Liabilities		
Non-current liabilities		
Financial liabilities		
(i) Borrowings	14(a)	4,201.18
(ii) Lease liabilities	15(a)	831.51
Total non-current liabilities		**5,032.69**
Current liabilities		
Financial liabilities		
(i) Borrowings	14(b)	750.00
(ii) Lease liabilities	15(b)	635.80
(iii) Trade payables	19	
-Total outstanding dues of micro enterprises and small enterprises		42.99
-Total outstanding dues of creditors other than micro enterprises and small enterprises		676.90
(iv) Other financial liabilities	16	142.39
Other current liabilities	18	235.10
Provisions	17	44.86
Total current liabilities		**2,528.04**
TOTAL EQUITY AND LIABILITIES		**4,309.17**
Material accounting policies	3	

The accompanying notes form an integral part of these financial statements

As per our report attached

for **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration Number: 117366W/W-100018

Monisha Parikh
Partner
Membership number: 47840

Place: Bengaluru
Date: 24 May 2024

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS
BENGALURU

for and on behalf of the Board of Directors of
Narayana Health Integrated Care Private Limited
CIN : U85190KA2023PTC170155

Dr. Emmanuel Rupert
Director
DIN: 07010883

Place: Bengaluru
Date: 24 May 2024

Viren Prasad Shetty
Director
DIN: 02144586

Place: Bengaluru
Date: 24 May 2024

NH Integrated Care Private Limited

NH Integrated Care Private Limited
Statement of Profit and Loss for the period ended 31 March 2024
CIN : U85190KA2023PTC170155

Particulars	Note No.	(₹ in lakhs) For the period 10 January 2023 (date of incorporation) to 31 March 2024
INCOME		
Revenue from operations	20	2,195.65
Other income	21	39.80
Total income (A)		**2,235.45**
EXPENSES		
Purchase of medical consumables, drugs and surgical instruments		911.72
Changes in inventories of medical consumables, drugs and surgical instruments - (Increase)/Decrease	22	(208.12)
Employee benefits expense	23	2,102.07
Professional fees to doctors		873.32
Other expenses	24	1,558.19
Expenses before finance costs, depreciation and amortisation and tax (B)		**5,237.18**
Earnings before finance costs, depreciation and amortisation and tax (A-B)		**(3,001.73)**
Finance costs (C)	25	306.20
Depreciation and amortisation expense (D)	26	847.47
Total expenses (E)=(B+C+D)		**6,390.85**
Loss before tax (F)=(A-E)		**(4,155.40)**
Tax expense		
Current tax	34	-
Deferred tax charge / (credit)		-
Total tax expense (G)		-
Net Loss for the year (H)=(F-G)		**(4,155.40)**
Other comprehensive income (OCI)		
Items that will not be reclassified subsequently to profit or loss		
Re-measurement of defined benefit plans		(8.38)
Income tax effect		-
		(8.38)
Total comprehensive income for the period		**(4,163.78)**
Loss per share		
Basic (₹)	32	(8,310.80)
Diluted (₹)		(8,310.80)
Material accounting policies	3	

The accompanying notes form an integral part of these financial statements

As per our report attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration Number: 117366W/W-100018

Monisha Parikh
Partner
Membership number: 47840

Place: Bengaluru
Date: 24 May 2024

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BENGALURU

for and on behalf of the Board of Directors of
Narayana Health Integrated Care Private Limited
CIN : U85190KA2023PTC170155

Dr. Emmanuel Rupert	**Viren Prasad Shetty**
Director	Director
DIN: 07010883	DIN: 02144586
Place: Bengaluru	Place: Bengaluru
Date: 24 May 2024	Date: 24 May 2024

NH Integrated Care Private Limited

NH Integrated Care Private Limited
Statement of Changes in Equity for the period ended 31 March 2024
CIN : U85190KA2023PTC170155

(a) Equity share capital

(₹ in lakhs except no. of shares)

Particulars	No. of Shares	Amount
Equity shares of ₹ 10 each issued, subscribed and fully paid up		
Balance as at 10 January 2023	-	-
Changes in equity share capital during 10 January 2023 to 31 March 2024	50,000.00	5.00
Balance as at 31 March 2024	**50,000.00**	**5.00**

(b) Other equity

(₹ in Lakhs)

Particulars	Reserves and Surplus		Items of OCI	Total equity
	Retained earnings	Equity component of compound financial instruments	Re-measurement of defined benefit plans	
Balance as at 10 January 2023	-	-	-	-
Loss for the period	(4,155.40)	-	-	(4,155.40)
Other comprehensive income ("OCI") (net of tax)	-	-	(8.38)	(8.38)
Total comprehensive income for the period	**(4,155.40)**	**-**	**(8.38)**	**(4,163.78)**
Transaction recorded directly in equity				
Issue of Optionally Convertible Debentures (OCD) (refer note 37)	-	907.22	-	907.22
Balance as at 31 March 2024	**(4,155.40)**	**907.22**	**(8.38)**	**(3,256.56)**

The accompanying notes form an integral part of these financial statements

As per our report attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration Number: 117366W/W-100018

Monisha Parikh
Partner
Membership number: 47840

Place: Bengaluru
Date: 24 May 2024

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BENGALURU

for and on behalf of the Board of Directors of
Narayana Health Integrated Care Private Limited
CIN : U85190KA2023PTC170155

Dr. Emmanuel Rupert
Director
DIN: 07010883

Place: Bengaluru
Date: 24 May 2024

Viren Prasad Shetty
Director
DIN: 02144586

Place: Bengaluru
Date: 24 May 2024

NH Integrated Care Private Limited

NH Integrated Care Private Limited
Statement of Cash flows for the period ended 31 March 2024
CIN : U85190KA2023PTC170155

Particulars	For the period 10 January 2023 (date of incorporation) to 31 March 2024
Cash flow from operating activities	
Loss after tax	(4155.40)
Adjustments :	
Depreciation and amortisation	847.47
Finance costs	306.20
Provision for loss allowance & doubtful advances	5.63
Interest income on bank deposits	(9.99)
Interest income from financial asset at amortised cost	(14.63)
Loss on disposal of assets	0.16
Operating cash flow before working capital changes	**(3,020.56)**
Changes in trade receivables	(64.35)
Changes in inventories	(98.02)
Changes in loans, other financial assets and other assets	(405.71)
Changes in trade payables, other financial liabilities and other liabilities	715.51
Changes in provision	(39.93)
Cash used in operations	**(2,913.06)**
Income taxes paid (net)	(4.54)
Net cash used in operating activities (A)	**(2,917.60)**
Cash flow from investing activities	
Acquisition of clinics on slump sale basis (net of cash acquired) (refer note 36)	(1,004.55)
Acquisition of property, plant and equipment (including capital work-in-progress & Intangible assets)	(959.23)
Interest received	9.99
Net cash used in investing activities (B)	**(1,953.79)**
Cash flow from financing activities	
Proceeds from issue of equity shares	5.00
Proceeds from issue of OCD (refer note 37)	5,000.00
Proceeds from borrowings	2,800.00
Repayment of borrowings	(2,050.00)
Interest and other borrowing costs	(54.17)
Payment of lease liabilities (refer note 15)	(648.41)
Net cash generated from financing activities (C)	**5,052.42**
Net increase in cash and cash equivalents (A+B+C)	**181.03**
Cash and cash equivalents at the beginning of the period (refer note 11)	-
Cash and cash equivalents at the end of the period (refer note 11)	**181.03**

Material accounting policies 3

Reconciliation of liabilities from financing activities for the period ended 31 March 2024.

(₹ in lakhs)

Particulars	As at 10 Jan 2023	Proceeds	Repayment	Non cash changes: Fair value/ other changes	Non cash changes: Foreign exchange	As at 31 March 2024
Borrowings (including current maturities) (refer note 14)	-	2,800.00	(2,050.00)	-	-	750.00
OCD (refer note 14)	-	5,000.00	-	(798.82)	-	4,201.18
Lease liabilities (refer note 15)	-	-	(648.41)	2,115.72	-	1,467.31
Total liabilities from financing activities	**-**	**7,800.00**	**(2,698.41)**	**1,316.90**	**-**	**6,418.49**

The accompanying notes form an integral part of these financial statements

As per our report attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration Number: 117366W/W-100018

Monisha Parikh
Partner
Membership number: 47840

Place: Bengaluru
Date: 24 May 2024

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BENGALURU

for and on behalf of the Board of Directors of
Narayana Health Integrated Care Private Limited
CIN : U85190KA2023PTC170155

Dr. Emmanuel Rupert
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Place: Bengaluru
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Director
DIN: 02144586

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NH Integrated Care Private Limited

NH Integrated Care Private Limited

Notes to the financial statements for the period ended 31 March 2024

1. Company overview

NH Integrated Care Private Limited ('the Company') was incorporated on 10 January 2023 under the Companies Act, 2013. The Company is a wholly owned subsidiary of Narayana Hrudayalaya Limited. The Company headquartered in Bengaluru is primarily engaged in the business of rendering medical and healthcare services. The company is having its registered office at 258/A, Bommasandra Industrial Area, Anekal Taluk, Bengaluru 560099, Karnataka. The company is carrying on business of healthcare services in the field of health and wellness management, disease prevention, early detection, early intervention and treatment through innovative and cutting-edge business and clinical process, plans, platforms and subscriptions.

2. Basis of preparation of the financial statements

2.1. Statement of compliance

The standalone financial statements of the Company have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP). GAAP comprises of Indian Accounting Standards (IndAS) as specified in Sec 133 of the Companies Act, 2013 ('the Act') read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 ('the Rules') and the relevant amendment rules issued thereafter, pronouncements of regulatory bodies applicable the Company and other provisions of the Act.

The financial statements have been prepared for the period 10 January 2023 to 31 March 2024 as per the provisions of the 'Act'.

The financial statements were authorized for issue by the Company's Board of Directors on May 24, 2024.

Details of the accounting policies are included in Note 3.

2.2. Going concern

The Company has a negative net worth as at the balance sheet date. Narayana Hrudayalaya Limited, Holding Company, which continues to support the Company through equity and debt infusion. Whilst the current liabilities of the Company exceed its current assets as of 31 March 2024, the financial statements have been drawn up on a going concern basis in view of the support letter received from the Holding Company confirming their continued financial support to the Company to enable it to continue its operations and settle its obligations as and when they become due over the next twelve-month period.

2.3. Basis of preparation

The Standalone Balance Sheet, the Standalone Statement of Profit and Loss, and the Standalone Statement of Changes in Equity, are presented in the format prescribed under Division III of the Act, as amended from time to time, for companies that are required to comply with Ind AS. The Standalone Statement of Cash Flows has been presented as per the requirements of Ind AS 7 – Statement of Cash Flows.

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

2.4. Basis of measurement

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

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

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NH Integrated Care Private Limited

2.5. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgements
Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- Note 31 – leases and lease classification.
- Note 35 – financial instruments

Assumptions and estimation uncertainties
Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the period ending 31 March 2024 is included in the following notes:

- Note 34 – recognition of tax expense
- Note 28 – measurement of defined benefit obligations: key actuarial assumptions.
- Note 6, 10, 11, 35 – recognition of impairment of financial assets and
- Note 4 – useful life of property, plant and equipment and intangible assets

2.5. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in Note 35 – financial instruments.

3. Material accounting polices

3.1. Financial instruments

a. Recognition and initial measurement

Trade receivables are initially measured (initial recognition method) at their transaction price when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

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

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NH Integrated Care Private Limited *

b. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at
- amortised cost; or
- FVTPL

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

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

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

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets.
- how the performance of the portfolio is evaluated and reported to the Company's management.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- how managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:
- contingent events that would change the amount or timing of cash flows.
- terms that may adjust the contractual coupon rate, including variable interest rate features.
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g., non- recourse features).

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A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

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

Where the Company issues optionally convertible debenture, the fair value of the liability portion of such debentures is determined using a market interest rate for an equivalent non-convertible debenture. This value is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the debentures. The remainder of the proceeds is attributable to the equity portion of the instrument. This is recognised and included in shareholders' equity (net of income tax) and are not subsequently re-measured.

c. Derecognition

Financial assets

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

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

Financial liabilities

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

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

d. Offsetting

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

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NH Integrated Care Private Limited

3.2. Inventories

The inventories of medical consumables, drugs and surgical instruments are valued at lower of cost and net realizable value. In the absence of any further estimated costs of completion and estimated costs necessary to make the sale, the net realizable value is the selling price. The comparison of cost and net realizable value is made on an item by item basis. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location after adjusting for Goods and Service Tax wherever applicable, applying the first in first out method.

3.3. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less which are subject to insignificant risk of changes in value.

3.4. Cash flow statement

Cash flows are reported using the indirect method, whereby net loss before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated. Bank overdrafts are classified as part of cash and cash equivalent, as they form an integral part of an entity's cash management.

3.5. Revenue recognition

Revenue from operations

The Company recognizes revenue from medical and healthcare services to patients, on sale of medical consumables and drugs within the hospital premises and on providing services towards patient amenities.

Revenue is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. Revenue is recognized upon transfer of control of promised products or services to customers/patients in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Sales and Service Income exclude Goods and Service Tax (GST) and are net of trade / volume discounts, where applicable

'Unbilled revenue' represents value to the extent of medical and healthcare services rendered to the patients who are undergoing treatment/ observation on the balance sheet date and is not billed as at the balance sheet date. 'Unearned revenue' comprises billings in excess of earnings.

Other healthcare services

Revenue is recognized on pro-rata basis on the completion of such services over the duration of the program.

3.6. Property, Plant and Equipment

Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. The cost of an item of Property, Plant and Equipment comprises its purchase price, including import duties and other non-refundable taxes or levies, freight, any directly attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling and restoring onsite; any trade discounts and rebates are deducted in arriving at the purchase price. Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Cost includes expenditures directly attributable to the acquisition of the asset.

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NH Integrated Care Private Limited

Depreciation and amortisation

The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are ready for intended use. Leasehold improvements are amortized over the lower of estimated useful life and lease term. The estimated useful lives of assets for the current and comparative period of significant items of property, plant and equipment are as follows:

Block of assets	Useful life
Electrical installation	10 years
Medical equipment	13years
Office equipment	5 years
Other equipment including air conditioners	15 years
Furniture and fixtures	10 years
Computers	3 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted appropriately.

The Company believes that the useful life as given above best represent the useful life of the assets based on the internal technical assessment and these useful life are as prescribed under Part C of Schedule II of the Companies Act, 2013 except vehicles where useful life considered by management is lower.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

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

3.7. Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use.

The estimated useful lives of intangibles are as follows:

Block of assets	Useful life
Computer software	3 years

Amortisation method

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

3.8. Employee benefits

Short term employee benefits

Employee benefits payable wholly within twelve months of receiving services are classified as short-term employee benefits. These benefits include salary and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by the employees.

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NH Integrated Care Private Limited

Post-employment benefits

Defined contribution plans

A defined contribution plan is post-employment benefit plan under which an entity pays specified contributions to separate entity and has no obligation to pay any further amounts. The Company makes specified obligations towards employee provident fund and employee state insurance to Government administered provident fund scheme and ESI scheme which is a defined contribution plan. The Company's contributions are recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

Defined benefit plans

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned and returned for services in the current and prior periods; that benefit is discounted to determine its present value. The calculation of Company's obligation under the plan is performed periodically by a qualified actuary using the projected unit credit method.

The gratuity scheme is managed by third party administrator.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI). The Company determines the net interest expense (income) on the net defined liability (assets) for the period by applying the discount rate used to measure the net defined obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes as a result of contribution and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss. The Company recognizes gains and losses in the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss.

Compensated absences

The employees can carry forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on any leave accumulated in excess of forty five days or on termination of employment. Since the employee has unconditional right to avail the leave, the benefit is classified as a short-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

3.9. Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

3.10. Leases

The Company's lease asset classes primarily consist of leases for land & buildings and equipment. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 1, 2019.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

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NH Integrated Care Private Limited

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense over the lease term.

3.11. Earnings per share

The basic earnings per share is computed by dividing the net loss attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the period.

The Company does not have potential dilutive equity shares outstanding during the period.

3.12. Income tax

The Income-tax expense comprises current tax and deferred tax. It is recognised in profit and loss except to the extent that is relates to an item recognised directly in equity or in other comprehensive income.

Current income tax

Current tax comprises the expected tax payable or receivable on the taxable income for the period and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted by the reporting dates.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the assets and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognized in respect of temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax liabilities are recognized for all taxable temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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Minimum Alternative tax

According to Section 115JAA of the Income tax Act, 1961, Minimum Alternative Tax (MAT') paid over and above the normal Income tax in a subject year is eligible for carry forward for fifteen succeeding assessment year for set-off against normal Income tax liability. The MAT credit asset is assessed against the entity's normal income tax during the specified period.

3.13. Impairment

a. Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer.
- the restructuring of a loan or advance by the company on terms that the Company would not consider otherwise.
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

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Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the trade receivable does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

b. Impairment of non-financial assets

The Company's non-financial assets and inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss.

3.14. Segment Reporting

Operating results are regularly reviewed by the Chief Operating Decision Maker ('CODM') who makes decisions about resources to be allocated to the segment and assess its performance. Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

3.15. Provisions and contingencies

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

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Notes to the financial statements for the period ended 31 March 2024

3.16 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3.17 Standards Issued but Not Effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under the Companies Act (Indian Accounting Standards) Rules as issued from time to time.

For the period ended 31 March 2024, MCA has not notified any new standards or amendments to the existing applicable to the Company.

4 (i)Property, plant and equipment, capital work-in-progress and other intangible assets

(₹ in lakhs)

Particulars	Gross block				Accumulated depreciation / amortisation				Net block
	As at 10 January 2023	Additions	Deletions	As at 31 March 2024	As at 10 January 2023	Additions	Deletions	As at 31 March 2024	As at 31 March 2024
Tangible assets									
(i) Owned									
Electrical installation	-	76.99	-	76.99	-	14.83	-	14.83	62.16
Medical equipments	-	419.63	-	419.63	-	42.10	-	42.10	377.53
Office equipments	-	113.66	-	113.66	-	5.54	-	5.54	108.12
Air conditioner	-	69.62	-	69.62	-	6.79	-	6.79	62.83
Other equipment	-	102.67	-	102.67	-	9.38	-	9.38	93.29
Furniture and fixtures	-	155.20	0.44	154.76	-	20.08	0.27	19.81	134.95
Computers	-	144.63	-	144.63	-	19.83	-	19.83	124.80
(ii) Leasehold									
Leasehold improvements	-	308.54		308.54		54.78	-	54.78	253.76
Total tangible assets (A)	**-**	**1,390.94**	**0.44**	**1,390.50**	**-**	**173.33**	**0.27**	**173.06**	**1,217.44**
Capital work-in-progress (B)	**-**	**630.18**	**-**	**630.18**	**-**	**-**	**-**	**-**	**630.18**
Other intangible assets									
Computer software	-	14.25	-	14.25	-	5.57	-	5.57	8.68
Total other intangible assets (C)	**-**	**14.25**	**-**	**14.25**	**-**	**5.57**	**-**	**5.57**	**8.68**
Grand total (A+B+C)	**-**	**2,035.37**	**0.44**	**2,034.93**	**-**	**178.90**	**0.27**	**178.63**	**1,856.30**

Note:

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

4 (ii) Capital work in Progress(CWIP) ageing schedule

(₹ in lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress					
As at 31 March 2024	609.31	20.87	-	-	**630.18**

As on the date of balance sheet, there are no capital work-in-progress projects whose completion is overdue or has exceeded the cost based on approved plan.

5 Right of use assets ("ROU assets")

(₹ in lakhs)

Category of ROU assets	Gross block				Accumulated depreciation				Net block
	As at 10 January 2023	Additions	Deletions	As at 31 March 2024	As at 10 January 2023	Depreciation	Deletions/ Adjustment	Accumulated depreciation	As at 31 March 2024
Building*	-	1,949.94	-	1,949.94	-	668.57	-	**668.57**	**1,281.37**
Grand total	**-**	**1,949.94**	**-**	**1,949.94**	**-**	**668.57**	**-**	**668.57**	**1,281.37**

* Includes the leases entered directly by the Company during the period 10 January 2023 to 31 March 2024 other than those acquired as a part of slump sale.

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6 Other financial assets
(Unsecured, considered good unless otherwise stated)

(₹ in lakhs)

Particulars	As at 31 March 2024
(a) Non-current	
With parties other than related parties	
Security deposits	450.79
	450.79
(b) Current	
With parties other than related parties	
Security deposits	0.18
	0.18

7 Income tax assets (net)

Advance tax and tax deducted at source (net of provisions)	4.54
	4.54

8 Other assets
(Unsecured, considered good unless otherwise stated)

(a) Non-current	
With parties other than related parties	
Capital advances	56.52
Net defined benefit Asset (Gratuity Fund) (refer note 28)	34.79
Prepaid expenses	5.94
	97.25
(b) Current	
With parties other than related parties	
Advance to Vendors	104.54
Prepaid Expense	10.36
	114.90

9 Inventories

(Valued at lower of cost and NRV)	
Medical Consumables and drugs	212.80
Less: Provision for slow and non-moving inventories	(4.68)
	208.12

10 Trade Receivables

Unsecured, Considered good*	124.65
Less: Allowance for expected credit losses	(9.96)
Net Trade Receivables	**114.69**

Trade receivables ageing schedule

Particulars	Outstanding for the following period from due date of payments						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - Considered Good							
As at 31 March 2024*	75.06	34.12	15.29	0.18	-	-	124.65

The Company uses a provision matrix to determine the expected credit loss on the portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At each reporting period, the historically observed default rates are updated and changes in forward-looking estimates are analysed. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows.

For the period 10 January 2023 to 31 March 2024	Ageing		
Category	**Within due date**	**Within 1 year**	**1-2 year**
ESI/CGHS/SCHEMES	3.89%	26.90%	74.60%
Others	0.65%	14.43%	55.77%

The Company's exposure to credit risk and currency risks, and loss allowances are disclosed in note 35

*The Company has acquired trade receivables as part of the slump sale purchase of clinics and pharmacies business from Narayana Hrudayalaya Limited and Narayana Hrudayalaya Surgical Hospitals Private Limited respectively and the ageing thereof corresponds to the acquired trade receivables.

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11 Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31 March 2024
Cash and cash equivalents	
Cash on Hand	4.37
Balance with banks	
-In current accounts	176.66
	181.03

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Cash on Hand	4.37
Balance with banks	
-In current accounts	176.66
Cash and cash equivalents in the statement of cash flows	**181.03**

12 Equity share capital

Authorised	
100,000 equity shares of ₹10 each	10.00
Issued, subscribed and paid up	
50,000 equity shares of ₹10 each, fully paid up	5.00
	5.00

(i) Reconciliation of the equity shares outstanding at the beginning and at the end of the period

(₹ in lakhs except no. of shares)

Particulars	As at 31 March 2024	
	Number of shares	Amount
At the beginning of the period	-	-
Issued during the period	50,000	5.00
At the end of the period	**50,000**	**5.00**

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

The Company has equity shares having a nominal value of ₹ 10 each. Accordingly, all equity shares rank equally with regard to dividend and share in the Company's residual assets. Each holder of equity shares is entitled to one vote per share. The equity shares are entitled to receive dividend as declared from time to time. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

(iii) Equity shareholder holding more than 5 percent of equity shares along with the number of equity shares held at the beginning and at the end of the period are as given below:

Particulars	As at 31 March 2024	
	Number of shares	% holding
Narayana Hrudayalaya Limited	49,999	99.998%

(iv) Shareholding of promoter

Promoter name	As at 31 March 2024	
	No of shares	% of total shares
Narayana Hrudayalaya Limited	49,999	99.998%
Viren Shetty*	1	0.002%
	50,000	**100.000%**

*The share is held by registered shareholder holding on behalf of beneficial shareholder i.e. Narayana Hrudayalaya Limited

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13 Other equity

Particulars	(₹ in lakhs) As at 31 March 2024
(i) Reserve and Surplus	
Retained earnings	
At the commencement of the period	-
Add: Net loss from statement of profit and loss	(4,155.40)
At the end of the period	**(4,155.40)**
(ii) Other Comprehensive Income	
Re-measurement of defined benefit plans	
At the commencement of the period	-
Movement during the period	(8.38)
At the end of the period	**(8.38)**
(iii) Equity component of compound financial instruments (refer note 37)	
At the commencement of the period	-
Movement during the period	907.22
At the end of the period	**907.22**
	(3,256.56)

Equity component of compound financial instruments
The Company has accounted the issuance of OCD at fair value as per Ind AS 109 'Financial Instruments'. OCD is initially recognised at fair value and subsequently measured at amortised cost using the effective interest method at rate 7.40%. The resultant gain or loss at initial recognition is recognised to other equity.

14 Borrowings

(a) Non-current	
To related parties	
Unsecured	
Optionally Convertible Debentures ('OCD') (debt-component) (refer note 37)	4,201.18
Total non-current borrowings	**4,201.18**
(b) Current	
To related parties	
Unsecured	
Loans repayable on demand*	750.00
Total non-current borrowings	**750.00**

*Loan from Narayana Hrudayalaya Limited: ₹ 750.00 lakhs (refer note 27). The loan provided by NHL shall carry an interest rate of SBI 6 month MCLR. The interest shall be applicable and payable during the term of each loan.

15 Lease liabilities (refer note 31)

(a) Non-current	
Opening lease liabilities	-
Additions/reversal during the period	1,972.09
Finance cost accrued during the period	143.63
Lease payment	(648.41)
Closing lease liability	**1,467.31**
Less : Current lease liability	635.80
	831.51
(b) Current	
Lease Liability	635.80
	635.80

16 Other financial liabilities

Current	
To parties other than related parties	
Creditors for capital goods	136.47
To related parties	
Due for reimbursement of expenses (refer note 27)	4.29
Interest accrued but not due on borrowings (refer note 27)	1.63
	142.39

The Company's exposure to liquidity risk and currency risk are disclosed in Note 35

17 Provision

Current	
Provision for employee benefits	
Compensated Absences (refer note 28)	44.86
	44.86

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18 Other liabilities

(₹ in lakhs)

Particulars	As at 31 March 2024
Current	
To parties other than related parties	
Unearned Revenue	103.97
Balances due to statutory / government authorities	124.06
Other loans and advances	6.37
Others	0.70
	235.10

19 Trade payables

Total outstanding dues of micro enterprises and small enterprises (refer note 29)	42.99
Total outstanding dues of creditors other than micro and small enterprises*	676.90
	719.89

*Payables to related parties (refer note 27)

The Company's exposure to liquidity risk related to trade payables is disclosed in note 35

Trade payables ageing schedule

Particulars	Outstanding for the following period from due date of payments					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2024**						
(a) Undisputed dues - MSME	-	41.55	1.44	-	-	42.99
(b) Undisputed dues - Others	10.49	655.93	2.81	7.67	-	676.90
(c) Disputed dues - MSME	-	-	-	-	-	-
(d) Disputed dues - Others	-	-	-	-	-	-
Total	**10.49**	**697.48**	**4.25**	**7.67**	-	**719.89**

**The Company has acquired trade payables as part of the slump sale purchase of clinics and pharmacies business from Narayana Hrudayalaya Limited and Narayana Hrudayalaya Surgical Hospitals Private Limited respectively and the ageing thereof corresponds to the acquired trade payables

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20 Revenue from operations

(₹ in lakhs)

Particulars	For the period 10 January 2023 (date of incorporation) to 31 March 2024
Income from medical and healthcare services	1,641.55
Sale of medical consumables and drugs	554.10
	2,195.65

Refer notes below

(i) Category of Customer	For the period 10 January 2023 (date of incorporation) to 31 March 2024
Cash*	2,140.05
Credit	55.60
	2,195.65

*Includes receipts through digital/electronic mode

(ii) Nature of treatment	For the period 10 January 2023 (date of incorporation) to 31 March 2024
In-patient	63.92
Out-patient	1,577.63
Sale of medical consumables and drugs	554.10
	2,195.65

(iii) The revenue from rendering Medical & Healthcare services, sale of medical consumables & drugs satisfies 'at a point in time' and for revenue from subscription services satisfies 'over the period of time' recognition criteria as prescribed by Ind AS 115

(iv) Reconciliation of revenue recognised with contract price:

Particulars	For the period 10 January 2023 (date of incorporation) to 31 March 2024
Contract Price (as reflected in the invoice raised on customer as per the terms of the contract with customer)	2,216.01
Reduction in the form of discounts	(20.36)
	2,195.65

21 Other Income

Interest income on	
- Bank deposits	9.99
Interest income from financial asset at amortised cost	14.63
Miscellaneous income	15.18
	39.80

22 Changes in inventories of medical consumables, drugs and surgical instruments- (Increase)/ Decrease

Inventory at the beginning of the period	-
Inventory at the end of the period	208.12
	(208.12)

23 Employee benefits expense

Salaries, wages and bonus	2,038.88
Contribution to provident and other funds (refer note 28)	57.75
Staff welfare	5.44
	2,102.07

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24 Other expenses

(₹ in lakhs)

Particulars	For the period 10 January 2023 (date of incorporation) to 31 March 2024
Hospital Operating expenses	
Rent (refer note 31)	383.61
Patient welfare expenses	0.57
Power and fuel	71.76
Hospital general expenses	18.76
House keeping expenses	124.24
Medical gas charges	0.19
Biomedical wastage expenses	2.36
Repairs and maintenance	
- Hospital equipments	33.18
- Buildings	11.53
- Others	47.47
Total (A)	**693.67**
Administrative expenses	
Traveling and conveyance	29.60
Security charges	41.11
Printing and stationery	27.14
Rent (refer note 31)	32.43
Advertisement and publicity	337.23
Legal and professional fees (refer note (i) below)	330.15
Business promotion	9.60
Telephone and communication	25.24
Bank charges	14.77
Insurance	4.03
Rates and taxes	6.69
Books & Periodicals	0.74
Provision for loss allowance & doubtful advances	5.63
Loss on disposal of assets	0.16
Total (B)	**864.52**
Total (A+B)	**1,558.19**

(i) **Payment to auditors***

	For the period 10 January 2023 (date of incorporation) to 31 March 2024
As an auditor	
(i) Audit fee	3.00
In other capacity:	
(ii) Reimbursement of expenses	0.05
	3.05

*excluding GST

25 Finance costs

Interest expense on financial liabilities measured at amortised cost	
- others	54.17
Interest expense on lease liabilities (refer note 15)	143.63
Interest on OCD	108.40
	306.20

26 Depreciation and amortisation expense

Depreciation of property, plant and equipment (refer note 4)	173.33
Depreciation of right of use Assets (refer note 5)	668.57
Amortisation of other intangible assets (refer note 4)	5.57
	847.47

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Notes to the financial statements for the period ended 31 March 2024 (continued)

27 Related party disclosures

(a) Details of related parties

Nature of relationship	Name of related parties
Enterprise having control over the Company	Narayana Hrudayalaya Limited (NHL)
Key Management Personnel (KMP)	Dr. Emmanuel Rupert - Director w.e.f 10th January 2023 Viren Prasad Shetty - Director w.e.f 10th January 2023 Varun Shetty - Additional Director w.e.f 13th November 2023
Key Management Personnel (KMP) of the Holding Company	Dr. Devi Prasad Shetty - Chairman & Whole time Director Dr. Emmanuel Rupert - Managing Director and Group CEO Viren Prasad Shetty- Whole Time Director and Executive Vice Chairman Sandhya Jayaraman - Chief Financial Officer Sridhar S- Company Secretary
Fellow Subsidiaries	Narayana Hospitals Private Limited (NHPL) Meridian Medical Research & Hospital Ltd (MMRHL) Narayana Holdings Private Limited (NHDPL) (Subsidiary of NCHL) Narayana Vaishno Devi Specialty Hospitals Private Limited (NVDSHPL) NH Health Bangladesh private Limited (Subsidiary of NHDPL) Athma Healthtech Private Limited (AHPL) Narayana Hrudayalaya Surgical Hospital Private Limited (NHSHPL) ENT in Cayman Ltd. (EICL) w.e.f. 03rd March 2023 Cayman Integrated Healthcare Ltd (CIHL) Health City Cayman Islands Ltd (HCCI) Narayana Health North America LLC (NHNA) Narayana Institute for Advanced Research Private Limited (NIARPL) Dissolved w.e.f 15th September 2023 Narayana Health Institutions Private Limited (NHIPL) strike off w.e.f 20th September 2023 Narayana Health Insurance Limited (NHIL) w.e.f 24th May 2023 Samyat Healthcare Private Limited (SHPL) w.e.f 04th July 2023 Medha AI Private Limited w.e.f 15th December 2023
Entity under control/ joint control of KMP/KMP of Holding company and their relatives	Amaryllis Healthcare Private Limited Kateel Software Private Limited Hrudayalaya Pharmacy Charmakki Infrastructures Lakshmi Enterprises Thrombosis Research Institute (TRI) Narayana Hrudayalaya Foundation (NHF) Mazumdar Shaw Medical Foundation (MSMF) Narayana Health Academy Private Limited (NHAPL) Asia Heart Foundation (AHF)

(b) Transactions with related party during the period 10 January 2023 to 31 March 2024 (₹ in lakhs)

Transactions	Holding Company	Fellow Subsidiaries	Enterprises under control or joint control of KMP and their relatives	Total
Acquistion of business (refer note 36)				
NHL	991.15	-	-	**991.15**
NHSHPL	-	23.64	-	**23.64**
Borrowings				
NHL	2,800.00	-	-	**2,800.00**
Repayment of borrowings				
NHL	2,050.00	-	-	**2,050.00**
Issue of Optionally Convertible Debentures ('OCD')				
NHL	5,000.00	-	-	**5,000.00**
Interest Expense on Borrowings				
NHL	53.73	-	-	**53.73**
Interest Expense on OCD				
NHL	108.40	-	-	**108.40**
Hospital general expenses				
NHL	175.15	-	-	**175.15**
Rent Expenses				
NHL	7.02	-	-	**7.02**
Purchase of fixed assets				
NHL	2.47	-	-	**2.47**
Purchase of pharmaceutical goods				
NHL	30.25	-	-	**30.25**
SHPL	-	1.95	-	**1.95**

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Reimbursement of expenses payable				
NHL	215.73	-	-	**215.73**
Reimbursement of expenses receivable				
NHSHPL	-	30.59	-	**30.59**

c) The balances receivable from and payable to related parties

(₹ in lakhs)

Transactions	Holding Company	Fellow Subsidiaries	Enterprises under control or joint control of KMP and their relatives	Total
Borrowings payable				
NHL	750.00	-	-	**750.00**
OCD Payable (including interest accrued)				
NHL	5,108.40	-	-	**5,108.40**
Other financial liabilities (current) - Interest accrued on borrowings				
NHL	1.63	-	-	**1.63**
Trade Payable				
NHL	41.47	-	-	**41.47**
SHPL	-	1.08	-	**1.08**
Due to Reimbursement Payable				
NHL	11.24	-	-	**11.24**
Due for Reimbursement Receivable				
NHSHPL	-	6.95	-	**6.95**

Notes:

(a) No amount in respect of related parties have been written off/back or provided for during the period 10 January 2023 to 31 March 2024.

(b) Related party relationships have been identified by the Management.

(c)The terms and conditions of the transactions with related parties were no more favourable than those available, or those which might reasonably be expected to be available, in respect of similar transactions with other than related entities on an arm's length basis.

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28 Employee benefits

Defined contribution plan

The Company makes contributions towards provident fund and employee state insurance to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

The amount recognised as an expense towards contribution to Provident Fund and Employee State Insurance for the year aggregated to ₹ 48.30 lakhs.

Defined benefit plan

The Company operates post-employment defined benefit plan that provide gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit. The gratuity fund is administered by a trust formed for this purpose and is managed by Kotak Life Insurance. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation carried out by an independent actuary using the projected unit credit method. The Company recognizes actuarial gains and losses immediately in the statement of profit and loss. The Company accrues gratuity as per the provisions of the Payment of Gratuity Act, 1972 as applicable as at the balance sheet date.

A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

(₹ in lakhs)

Particulars	For the period 10 January 2023 (date of incorporation) to 31 March 2024
Defined benefit obligations liability	61.25
Plan assets	(96.04)
Net defined benefit liability	**(34.79)**
Full & final settlement cases	
Liability for compensated absences	44.86
Total employee benefit liability	**10.07**
Non-current	(34.79)
Current	44.86

B. Reconciliation of net defined benefit (assets) /liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components.

i) Reconciliation of present values of defined benefit obligation (₹ in lakhs)

Particulars	As at 31 March 2024
Defined benefit obligation as at 10 January 2023	-
Benefits paid	
- by the Fund	-
- by the Company	(9.08)
Current service cost	6.40
Past service cost	-
Interest cost	3.05
Acquisition / Divesture	49.68
Actuarial (gains)/ losses recognised in other comprehensive income	-
-changes in demographic assumptions	(0.45)
-changes in financial assumptions	0.46
-experience adjustments	11.19
- due to other reason	
Defined benefit obligations as at 31 March 2024	**61.25**

ii) Reconciliation of fair values of plan assets (₹ in lakhs)

Particulars	As at 31 March 2024
Plan assets at beginning of the period	-
Contributions paid into the plan	96.04
Interest income	-
Benefits paid	-
Actuarial (gains)/ losses recognised in other comprehensive income	-
Plan assets at the end of the period	**96.04**
Net defined benefit liability	**(34.79)**

C. i) Expense recognised in statement of profit and loss (₹ in lakhs)

Particulars	For the period 10 January 2023 (date of incorporation) to 31 March 2024
Current service cost	6.40
Interest cost	3.05
Past service cost	-
Interest income	-
	9.45

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ii) Remeasurements recognised in other comprehensive income (₹ in lakhs)

Particulars	For the period 10 January 2023 (date of incorporation) to 31 March 2024
Actuarial (gain)/ loss on defined benefit obligation	11.20
Return on plan assets excluding interest income	-
	11.20

D. Plan Assets

Plan assets comprises of the following:

Particulars	For the period 10 January 2023 (date of incorporation) to 31 March 2024
Government securities & debt instruments	96.04

The nature of assets allocation of plan assets is in government securities and debt instruments of high credit rating.

E. Defined benefit obligation

i) Actuarial assumptions

The following are the principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	For the period 10 January 2023 (date of incorporation) to 31 March 2024
Attrition rate	Up to Level 6 = 30%, Level 7and above = 34%
Discount rate	7.17%
Mortality table	IALM 2012-2014 (Ultimate)
Future salary increases	First year 8.00%, thereafter 6.20%

Assumptions regarding future mortality are based on published statistics and mortality tables.

Maturity profile of defined benefit obligation (₹ in Lakhs)

Particulars	For the period 10 January 2023 (date of incorporation) to 31 March 2024
1st following year	20.29
2nd following year	12.96
3rd following year	9.50
4th following year	7.89
5th following year	7.19
Year 6 to 10	14.90
Above 10 years	2.95

At 31 March 2024, the average past service was 1.98 years and average expected future working life was 3.25 years.

ii) Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ in Lakhs)

Particulars	Period ended 31 March 2024	
	Increase	Decrease
Discount rate (0.5% movement)	(0.79)	0.81
Future salary increases (0.5% movement)	0.74	(0.73)
Attrition rate (0.5% movement)	(0.13)	0.13
Mortality rate (10% movement)	0.01	(0.01)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

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29 Due to Micro enterprises and Small enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 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.

(₹ in lakhs)

Particulars	For the period 10 January 2023 (date of incorporation) to 31 March 2024
The amounts remaining unpaid to micro and small suppliers as at the end of the year	
-Principal	42.55
-Interest	0.44
The amount of interest paid by the buyer as per the MSMED Act, along with the amount of payments made to micro and small suppliers beyond the appointed day during the accounting year;	
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006;	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	0.44
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the section 23 of MSMED Act 2006.	-

30 Segment Information

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

Geographical information

Geographical information analyses the Company's revenue and non-current assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of the customers and segment assets which have been based on the geographical location of the assets. Since, the Company has only one geographical location, i.e. India, with respect to location of assets and location of customers, further details about geographical information is not applicable.

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31 Leases

The Company has adopted Ind AS 116 'Leases', effective annual reporting period beginning January 10, 2023.
Accordingly, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application.

In adopting Ind AS 116, the Company has applied the below practical expedients:
The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics
The Company has treated the leases with remaining lease term of less than 12 months as if they were "short term leases"
The Company has not applied the requirements of Ind AS 116 for leases of low value assets
The Company has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease

(i) The following is the break-up of current and non-current lease liabilities

(₹ in lakhs)

Particulars	As at 31 March 2024
Current lease liabilities	635.80
Non-current lease liabilities	831.51
	1,467.31

(ii) The following is the movement in the lease liabilities during the period ended

(₹ in lakhs)

Particulars	As at 31 March 2024
Opening Balance	-
Addition / (Deletions)	1,972.09
Finance cost accrued during the year	143.63
Payment of lease liabilities	(648.41)
	1,467.31

(iii) The table below provides details regarding the contractual maturities of rental payments.

(₹ in lakhs)

Contractual rental payments	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
As at March 31, 2024	737.66	498.35	194.85	-	1,430.86

Rental expense recorded for short-term leases was Rs. 416.04 lakhs for the period ended March 31, 2024.

32 Loss per share

Basic and Diluted

The calculation of basic and diluted loss per share for the period ended 31 March 2024 was based on loss attributable to equity shareholders of ₹ (4155.40) lakhs and weighted average number of equity shares outstanding 50,000.

(₹ in lakhs, except no of shares)

Earnings	For the period 10 January 2023 (date of incorporation) to 31 March 2024
Loss after tax	(4,155.40)

Weighted average number of equity shares (basic)

Shares	For the period 10 January 2023 (date of incorporation) to 31 March 2024
Total no of shares outstanding	50,000
Weighted average number of equity shares for the year	50,000

Weighted average number of equity shares (diluted)

Shares	For the period 10 January 2023 (date of incorporation) to 31 March 2024
Total no of shares outstanding	50,000
Weighted average number of equity shares for the year	50,000

Basic (₹)	(8,310.80)
Diluted (₹)	(8,310.80)
(Nominal value per share ₹ 10)	

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33 Capital management

The Company's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio.

For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity reserves.

The capital structure as of 31 March 2024 is as follows:

(₹ in lakhs)

Particulars	For the period 10 January 2023 (date of incorporation) to 31 March 2024
Total equity attributable to the equity shareholders of the Company	(3,251.56)
As a percentage of total capital	
Long-term borrowings	4,201.18
Short-term borrowings	750.00
Total borrowings	4,951.18
As a percentage of total capital	291%
Total capital (Equity and Borrowings)	**1,699.62**

34 Income tax

(a) Amount recognised in statement of profit and loss (₹ in lakhs)

Particulars	For the period 10 January 2023 (date of incorporation) to 31 March 2024
Current tax	
-Current year	-
Mat credit entitlement	-
Deferred tax charge/ (credit), net	-
Origination and reversal of temporary differences	-
Tax expense for the period	-

(b) Amount recognised in other comprehensive income

Particulars	For the period 10 January 2023 (date of incorporation) to 31 March 2024		
	Before Tax	Tax (expense) Benefit	Net of Tax
Items that will not be reclassified subsequently to profit or loss			
Re-measurement on defined benefit plans	(8.38)	-	(8.38)
Items that will be reclassified subsequently to profit or loss			
The effective portion of gains /(loss) on hedging instruments in a cash flow hedge	-	-	-
	(8.38)	-	**(8.38)**

(c) Reconciliation of effective tax rate

Particulars	For the period 10 January 2023 (date of incorporation) to 31 March 2024
Loss before tax	(4,155.40)
Tax using the Company's domestic tax rate (Current year 25.17%)	-
Tax effect of:	
Others	-
	-

(d) Deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the followings:

Particulars	For the period 10 January 2023 (date of incorporation) to 31 March 2024
Deferred tax asset	
Provision for doubtful receivables	2.51
Provision for gratuity	15.42
Provision for compensated absences	11.29
Provision for slow and non moving inventory	1.18
Bonus payable	3.07
Others	61.50
Total deferred tax asset	**94.97**
Deferred tax liability	
Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act	(10.28)
Total deferred tax liability	**(10.28)**
Deferred tax asset (net)	**84.69**

Net deferred tax assets has not been recognised based on the current management assessment that future taxable profit may not be available against which the Company can use the benefits thereon.

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35 Financial instruments: Fair value and risk management

A. Accounting classification and fair values

(₹ in lakhs)

As at 31 March 2024	Total	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	Total
Financial assets					
Amortised cost					
Trade receivables	114.69	-	-	-	-
Cash and cash equivalents	181.03	-	-	-	-
Other financial assets	450.97	-	-	-	-
	746.69	-	-	-	-
Financial liabilities					
Amortised cost					
Borrowings (short term and long term)	4,951.18	-	-	-	-
Lease liabilities	1,467.31	-	-	-	-
Trade payables	719.89	-	-	-	-
Other financial liabilities	142.39	-	-	-	-
	7,280.77	-	-	-	-

Measurement of fair values
The carrying value of all financial assets approximates the fair value.

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

(i) Risk management framework
The Company's risk management is carried out by a central treasury department under policies approved by the Board of Directors. The Board supervises overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk and use of financial instruments.

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

Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

The Company establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trend. The maximum exposure to credit risk as at reporting date is primarily from trade receivables amounting to Rs. 124.65 lakhs. The movement in allowance for credit loss in respect of trade and other receivables during the period was as follows:

Allowance for credit loss	(₹ in lakhs) As at 31 March 2024
Opening balance	-
Allowance for expected credit loss recognised/(reversed)	(9.96)
Closing balance	**(9.96)**

No single customer accounted for more than 10% of the revenue as of 31 March 2024. There is no significant concentration of credit risk.

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

(iii) Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2024:

(₹ in lakhs)

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Borrowings	750.00	-	-	4,201.18	4,951.18
Lease liabilities	635.80	447.30	384.21	-	1,467.31
Trade payables	719.89	-	-	-	719.89
Other financial liabilities	142.39	-	-	-	142.39
Total	**2,248.08**	**447.30**	**384.21**	**4,201.18**	**7,280.77**

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

(a) Foreign currency risk

The company does not have any exposure to currency risk as there is no sales, purchases, borrowings in currency other than functional currency of the company.

(b) Cash flow and fair value interest rate risk
The Company does not have any long term borrowings which exposes the company to cash flow interest rate risk.

36 The Company was incorporated on January 10, 2023 to carry on the business of healthcare services in the field of health and wellness management. The Company has purchased certain clinics from Narayana Hrudayalaya Limited (NHL) for a consideration of ₹ 991.15 lakhs and certain pharmacies from Narayana Hrudayalaya Surgical Hospital Private limited (NHSHPL) for a consideration of ₹ 23.64 lakhs on a slump sale basis, wherein the assets and liabilities have been acquired at Net Book Value (NBV), effective from close of business hours as on March 31, 2023. The details of net assets acquired are as under :

(₹ in lakhs)

Particulars	Acquired from NHL	Acquired from NHSHPL	Total
(i) Property Plant and Equipment	954.69	9.61	964.30
(ii) Other Non - Current Assets	248.89	-	248.89
(iii) Current Assets	288.03	40.46	328.49
(iv) Total Assets (A)	**1,491.61**	**50.07**	**1,541.68**
(v) Non - Current Liabilities	295.75	-	295.75
(vi) Current Liabilities	204.71	26.43	231.14
(vii) Total Liabilities (B)	**500.46**	**26.43**	**526.89**
(viii) Net Assets acquired (A-B)	**991.15**	**23.64**	**1,014.79**

37 **Optionally Convertible Debentures ('OCD')**

On November 22, 2023, the Company issued 5,00,00,000 fully paid up Unsecured Optionally Convertible Debentures ('OCD') of face value of ₹ 10 each aggregating to ₹ 5000 lakhs to Narayana Hrudayalaya Limited. The Company has accounted the issuance of OCD at fair value as per Ind AS 109 'Financial Instruments'.

The key terms of OCD are as follows -
(a) Rate of interest - First 3 years from the date of issuance 0.01% P.A on the face value, Years 4 and 5 from the date of issuance: The issuer and the subscriber shall mutually agree on the interest rate on the OCDs, which shall not exceed 7% per annum; and Year 6 onwards: Prevailing fixed deposit interest rate with State Bank of India for 36 month tenure plus 1%, not exceeding 10% per annum.

(b)Maturity date of debentures - 15 years from the date of issuance

(c) Conversion/ Redemption Option for the Issuer - Unless the OCDs have been early redeemed, the Issuer shall have the following rights at the Maturity Date: (i) Convert the OCDs into Equity Shares as per the Conversion Ratio; or (ii) Redeem the OCDs at Total Issue Value along with accrued but unpaid Interest ("Maturity Redemption Amount") on the Maturity Date.
The number of Equity Shares to be issued on conversion of the OCDs will be such number of Equity Shares which would entitle the Subscriber to receive 1 (one) Equity Share for every 1 (one) OCD at the time of conversion, subject to applicable laws (the "Conversion Ratio").

(d) Payment of Interest - The Subscriber shall be entitled to receive Interest on the outstanding OCDs held by the Subscriber. The Interest shall accrue on and from the date of issuance of the OCDs.

OCD have been classified as financial liability as there is contractual obligation to deliver cash over a period of 15 years in terms of repayment of principle and interest. OCD are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method at rate 7.40%. The resultant gain or loss at initial recognition is recognised to other equity.

38 The Company was incorporated on January 10, 2023 and this is the first financial statements of the Company prepared under the requirements of the Companies Act, 2013 and hence, no comparative financial information is available to be presented.

39 Estimated amounts of contracts remaining to be executed on capital account (net of advances) and other commitments and not provided for, amounts to ₹ 576.46 lakhs as on March 31, 2024

40 The Company does not have any contingent liability as on March 31, 2024.

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Notes to the financial statements for the period ended 31 March 2024 (continued)

41 Financial ratios

Ratio/Measure	Methodology	As at 31 March 2024
a) Current Ratio	Current assets over current liabilities	0.24
b) Debt-Equity Ratio	Debt over total shareholders equity	(1.52)
c) Debt Service Coverage Ratio	Earning available for debt service over debt service	(0.59)
d) Return on Equity Ratio	PAT over total average equity	(1.28)
e) Inventory turnover ratio	COGS over average Inventory	6.76
f) Trade Receivables turnover ratio	Credit revenue from operations over average trade receivables	0.97
g) Trade payables turnover ratio	Total purchases over average trade payables	2.53
h) Net capital turnover ratio	Revenue from operations over working capital	(1.15)
i) Net profit ratio	Net Profit over revenue from operations	(1.89)
j) Return on Capital employed	EBIT over capital employed	(1.77)
k) Return on investment	Income generated from investments over average quoted investment	NA

The Company was incorporated on January 10, 2023, accordingly explanation for variance exceeding 25% as compared to the preceding year is not applicable and hence not disclosed above.

Notes
EBIT - Earnings before interest and taxes
PAT - Profit after taxes
Debt includes current and non-current debt
Capital employed refers to total shareholders' equity, deferred tax liability and debt
Earning available for debt service refers to addition of PAT,depreciation,interest
There are no investment made by the Company hence Return on investment is not applicable

42 Other Statutory Information

(i) There are no balance outstanding on account of any transaction with companies struck off under Section 248 of the Companies Act 2013 or Section 560 of Companies Act 1956

(ii) The Company do not have any Capital-work-in progress or intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan.

(iii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies) including foreign entities (intermediaries) with the understanding that intermediary shall:

(a) Directly for indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate beneficiaries) or

(b) Provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries

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

(a) Directly for indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate beneficiaries) or

(b) Provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries

(v) The company has been incorporated on 10 January 2023, and hence disclosure on transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) is not applicable.

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

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43 As per the requirement of the rule 3(1) of the Companies (Accounts) Rules, 2014, the Company uses only such accounting software's for maintaining its books of account that have a feature of recording audit trail of each and every transaction creating an edit log of each change made in the books of account. This feature of recording the audit trail has operated throughout the period and was not tampered with during the period. However in respect of two accounting software's, audit trail was not enabled at the 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 period ended 31 March 2024 were effective.

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CHARTERED ACCOUNTANTS
BENGALURU

for and on behalf of the Board of Directors of
Narayana Health Integrated Care Private Limited
CIN : U85190KA2023PTC170155

Dr. Emmanuel Rupert
Director
DIN: 07010883

Place: Bengaluru
Date: 24 May 2024

Viren Prasad Shetty
Director
DIN: 02144586

Place: Bengaluru
Date: 24 May 2024

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