

R.G.N. Price & Co.

CHARTERED ACCOUNTANTS

"Pinnacle" No.3503, 3rd Floor, 14th Main off 100 Feet Road, H.A.L 2nd Stage, Indiranagar, Bengaluru - 560 038.
Phone: 99800 84905 | 97392 40903 | Email: admin.blr@rgnprice.com

21st May 2024

To,
The Members,
M/s. NARAYANA HEALTH INSURANCE LIMITED

Report on the Audit of the Financial Statements

Opinion

1. We have audited the financial statements of **M/s. NARAYANA HEALTH INSURANCE LIMITED** ('the Company'), which comprise the Balance Sheet as at 31st March 2024, the Revenue Account (also called the "Policyholders' Account" or the "Technical Account"), the Profit and Loss Account (also called the "Shareholders' Account" or the "Non-Technical Account") and Receipts and Payments Account for the period then ended and notes to financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").
2. 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 Insurance Act, 1938 (the "Insurance Act"), as amended from time to time, including amendment brought by Insurance Laws (Amendment), Act 2015, the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations"), orders / directions / circulars issued by the Insurance Regulatory and Development Authority of India (the "IRDAI") and the Companies Act, 2013 (the "Act"), to the extent applicable, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, its net deficit in the case of the revenue account, its loss in the case of Profit and Loss account and its receipts and payments for the period ended 31st March 2024.

Basis for Opinion

3. 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 Responsibilities for the Audit of the Financial Statements* section of this report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.



Information other than Financial Statements and Auditors' report thereon

4. The Company's Board of Directors is responsible for the other information. The other information comprises of the Management Report which we obtained prior to the date of the auditor's report and the Directors' Report including annexures to the director's report which is expected to be made available to us after that date and does not include the financial statements and our report thereon.
5. Our opinion on these financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
6. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.
7. 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 with respect to the Management Report.
8. When we read the other information viz., the Directors' Report including annexure to the directors' report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors / to those charged with Governance and take appropriate action as applicable under the relevant laws and regulations.

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

9. The accompanying financial statements have been approved by the Company's Board of Directors. They are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the requirements of the Insurance Act read with the IRDA Act, the Financial Statements Regulations, order / directions issued by the IRDAI in this regard and in accordance with the Accounting Principles generally accepted in India including the accounting standards specified under Section 133 of the Act to the extent applicable and in the manner so required.
10. This responsibility also includes:
 - a. maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities;
 - b. selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and
 - c. 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.
11. In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and



using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

13. 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.
14. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the adequacy and effectiveness of internal control systems with reference to the financial statements.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and other related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue a going concern;
 - Evaluate the overall presentation, structure and contents 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.
15. 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.



16. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
17. 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

18. As required by the Regulations, we have issued a separate certificate dated 21st May 2024 certifying the matters specified in Paragraphs 3 and 4 of Schedule C of the IRDA Financial Statements Regulations.
19. Further to our comments in the certificate referred to in Paragraph 19 above as required under the IRDA Financial Regulations, read with Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Revenue Account, the Profit and Loss Account and the Receipts and Payments Account dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the financial statements.
 - (d) In our opinion and to the best of our information and according to the explanation given to us, investments have been valued in accordance with the provisions of the Insurance Act and the IRDA Financial Statement Regulations and the Orders / directions issued by the IRDA in this regard.
 - (e) In our opinion and to the best of our information and according to the explanation given to us, the accounting policies selected by the Company are appropriate and are in compliance with Accounting Standards referred to in Section 133 of the Act to the extent they are not inconsistent with the accounting principles prescribed in the IRDA Financial Statements Regulations and orders / directions / circulars issued by IRDAI in this regard;
 - (f) In our opinion and to the best of our information and according to the explanation given to us, the Balance Sheet, the Revenue Account, the Profit and Loss Account and the Receipts and Payments Account dealt with by this Report are:
 - prepared in accordance with the requirements of the Insurance Act, IRDA Act and the Act to the extent applicable and in the manner so required and
 - comply with the Accounting Standards referred to in Section 133 of the Act to the extent they are not inconsistent with the accounting principles prescribed in the IRDAI Financial Statements Regulations and orders / directions / circulars issued by IRDAI in this regard;



- (g) On the basis of the written representations received from the directors as on 31st March 2024, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- (h) Reporting on adequacy & operating effectiveness of internal financial controls with reference to financial statements of the Company is not applicable to the Company consequent to Ministry of Corporate Affairs notification G.S.R. 583(E) dated 13th June 2017.
- (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:
1. The Company does not have any pending litigations which would impact its financial position.
 2. The Company has made provision as at 31st March 2024, wherever required under the applicable law or accounting standards for material foreseeable losses, if any, on long term contracts.
 3. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the period ended 31st March 2024.
 4. With regard to the funds advanced or loaned or invested or fund received by the Company:
 - a. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - b. The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c. Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations by the Management under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.
 5. The Company has neither declared nor paid any dividend during the period and accordingly commenting on the compliance to Section 123 of the Act does not arise.
 6. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year period ended 31st March 2024 which has a feature of recording audit trail (edit logs) facility at the application level and



not at the database level and the same has operated throughout the period year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.

7. The Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197(16) of the Act and Section 34A of the Insurance Act.

For R.G.N.Price & Co.
Chartered Accountants
Firm Registration No. 002785 S


Sriraam Alevoor M
Partner

Membership No. 221354

UDIN: 24221354BJ22YN4118

Place: Bengaluru

Date: 21st May 2024

R.G.N. Price & Co.

CHARTERED ACCOUNTANTS

"Pinnacle" No.3503, 3rd Floor, 14th Main off 100 Feet Road, H.A.L 2nd Stage, Indiranagar, Bengaluru - 560 038.
Phone: 99800 84905 | 97392 40903 | Email: admin.blr@rgnprice.com

INDEPENDENT AUDITORS' CERTIFICATE

To,
The Members of Narayana Health Insurance Limited

(Referred to in Paragraph 18 of our Report on Other Legal and Regulatory Requirements forming part of the Independent Auditors' Report dated 21st May 2024)

1. This certificate is issued in accordance with the terms of our engagement letter with Narayana Health Insurance Limited ("the Company"), wherein we are requested to issue certificate for compliance with the provisions of paragraphs 3 and 4 of Schedule C of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002 ("the IRDA Financial Statement Regulations") read with Regulation 3 of the said Regulations.

Management's Responsibility

2. The Company's Board of Directors is responsible for complying with the provisions of the Insurance Act, 1938, as amended (the Insurance Act), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the IRDA Financial Statements Regulation, orders / directions / circulars issued by the Insurance Regulatory and Development Authority of India ("IRDAI" / "Authority") which includes the preparation and maintenance of books of account and Management Report. This includes collecting, collating and validating data and designing, implementing and monitoring of internal controls suitable for ensuring compliance as aforesaid and applying an appropriate basis of preparation that are reasonable in the circumstances and providing all relevant information to the IRDAI.

Auditors' Responsibility

3. Pursuant to the requirement, it is our responsibility to certify matters contained in Paragraphs 3 and 4 of Schedule C read with Regulation 3 of the IRDA Financial Statement Regulations.
4. We conducted our examination, on a test check basis, in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes (Revised 2016) (the 'Guidance note') issued by the ICAI. The Guidance Note requires that we comply with the independence and other ethical requirements of the Code of Ethics issued by the ICAI.
5. We have complied with the relevant applicable requirements of the Standards on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements.

Opinion

6. In accordance with the information and explanations given to us and to the best of our knowledge and belief and based on our audit and examination of the books of account and other records maintained by the Company for the period ended 31st March 2024, we certify that:

Head Office: Chennai
Branches: Mumbai I Kochi I Kollam I Kozhikode



- a) We have reviewed the attached Management Report attached to the financial statements for the period ended 31st March 2024, and on the basis of our review, there is no apparent mistake or material inconsistencies with the financial statements.
- b) Based on Management Representations and compliance certificates submitted to the Board of Directors by the officers of the Company charged with compliance and the same being noted by the Board, nothing has come to our attention that causes us to believe that the Company has not complied with the terms and conditions of registration stipulated by IRDAI.
- c) Cash on hand balance and cheques on hand balance as on 31st March 2024 is nil. Securities relating to the Company's investments as at 31st March 2024 have been verified on the basis of certificate/confirmations received from the Custodian and / or Depository Participant appointed by the Company, as the case may be.
- d) The Company is not a trustee of any trust; and
- e) The Company has not launched its health insurance products and consequently has not collected any premium during the period ended 31st March 2024 and accordingly, the requirement to comment on application of assets of the Policyholders' Funds in contravention to the provisions of the Insurance Act does not apply for the period ended 31st March 2024.

For R.G.N.Price & Co.
Chartered Accountants
Firm Registration No. 002785 S



Sriraam Alevoor M
Partner
Membership No. 221354

UDIN: 24221354 BJ22704464

Place: Bengaluru
Date: 21st May 2024

Narayana Health Insurance Limited

Management Report for the period ended 31st March 2024

Narayana Health Insurance Limited ("the Company") was incorporated in India on 24th May, 2023 as per Companies Act, 2013 requirement. Narayana Hrudayalaya Limited is the holding company of Narayana Health Insurance Limited as on balance sheet date.

In accordance with Part IV Schedule B of the Insurance Regulatory and Development Authority (IRDAI) (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ("the Regulation") the following Management Report for the year ended March 31, 2024 is submitted:

1. CERTIFICATE OF REGISTRATION

The Company obtained Regulatory approval to undertake Exclusive Health Insurance business on 3rd January 2024 from the Insurance Regulatory and Development Authority of India ('IRDAI') and holds a valid certificate of registration as at 31st March 2024 and as on the date of this report.

2. STATUTORY DUES

We certify that all the dues payable to the statutory authorities have been duly paid during the year.

3. SHAREHOLDING PATTERN

We confirm that the shareholding pattern and transfer of shares, if any, are in accordance with the statutory and regulatory requirements of the Insurance Act, 1938, Insurance Laws (Amendment) Act, 2015, the Insurance Regulatory and Development Authority (Registration of Indian Insurance Companies) Regulations, 2000 and applicable provisions of Companies Act, 2013.

4. INVESTMENT OF FUNDS

The Company has not, directly or indirectly, invested policyholders fund outside India.

5. SOLVENCY MARGIN

The Company has not launched health insurance products during the period ended 31st March 2024 and accordingly, the requirement of maintaining solvency margin as stipulated in Section 64 VA of the Insurance Act, 1938 (as amended by the Insurance Laws (Amendment) Act 2015) and the IRDAI (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016 is not applicable for the period ended 31st March 2024.

6. VALUATION OF ASSETS

We certify that the values of all the assets have been reviewed on the date of Balance Sheet and in management's belief, the assets set forth in the Balance Sheet are shown in aggregate at amounts not exceeding their realizable or market value under the heading – "Investments" (wherever applicable), "Cash" and several items specified under "Advances and Other Assets"

7. RISK MINIMIZATION STRATEGIES

The Company is in the process of setting up Enterprise Risk Management (ERM) framework covering procedures to identify, assess and mitigate the key business risks. Aligned with the business planning process, ERM framework covers all business risks including strategic risk, operational risks, investment risks and insurance risks. The key business risks identified by the Board's Risk Management Committee are monitored by the Risk Management team and thereafter reported separately to its Risk Management Committee.

The Company is also in the process of setting up Operational Risk Management framework to manage risk that may arise from inadequate or failed internal processes, people, systems, or external events. To manage

and control operational risk, we use various tools including self-assessments, operational risk event management, continuous control monitoring and key risk indicators. As a process, Key Risk Indicators will be identified for each risk category and these are monitored on a periodic basis by the Risk Management function. The Company also assesses and monitors fraud risks to design and implement controls in required process areas.

The Company will maintain a diversified product portfolio, undertake an underwriting philosophy appropriate for its products, distribution channels, geographies and target market segments. In addition, the Company will keep its risk exposure at a level commensurate with its capacity through an appropriate reinsurance program. The investment portfolio will be diversified within the limits set under IRDAI regulations as well as governed by the various internal policies and norms as set out by the Investment Committee of the Company.

The Investment Risk will be managed by creating a portfolio of different asset classes and of varied maturities so as to spread the risk across a wide category of Investee companies in line with regulatory requirements. The Company has constituted an Investment Committee, which acts as the policy making body for the Investment operations. The Investment Committee lays down various internal policies and norms governing the functioning of the Investment Department. The Investment Committee periodically discusses the Investment strategy, portfolio structures, performance of the portfolio and related issues. The Investment policy is reviewed as the case may be, in order to align the same with the Company business plans.

The Company will have an Information Security Committee to oversee the information security and cyber risk exposure and all such risks are monitored with appropriate mitigation measures implemented under the guidance of a Chief Information Security Officer.

The Company will have a robust internal audit function and all relevant internal controls, key operational risks and compliances will be reviewed and audited on a regular basis.

8. COUNTRY RISK

We confirm that there were no operations of the Company outside India during the year ended March 31, 2024.

9. AGEING OF CLAIMS

The Company has not launched its health insurance products during the financial period ended 31st March 2024 and consequently, no claims has been settled during the said period.

10. VALUATION & PERFORMANCE OF INVESTMENTS

As at March 31, 2024, the investments of the Company are totally in mutual funds, considered as held to maturity and valued at Fair Value

Historical cost of Mutual funds is Rs. 9,49,963 Thousand and market value at Rs. 9,52,488 Thousand

11. We also Confirm that:

- the Financial Statements have been prepared in accordance with generally accepted accounting principles and policies, applicable accounting standards and current practices prevailing in the Insurance Industry and there are no material departures.
- the management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Operating Loss and of the Loss of the Company for the year.
- the management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act 1938 and Companies Act 2013 for safeguarding the assets of the Company and for preventing and



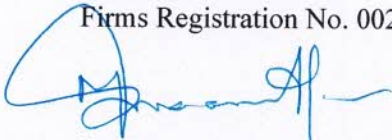
detecting fraud and other irregularities.

- the management has prepared the Financial Statements on a Going concern basis
- there is an internal control system commensurate with the size and nature of the business exists and is operating effectively.

12. Payments made to companies and organizations in which Directors are interested during the financial year 2023-24 are as under:

S.No	Name of the Director	Entity in Which Director in interested	Interested as	Nature	Payment made (Rs. Lakhs)
1	Devi Prasad Shetty	Narayana Hrudayalaya Limited	Director	Lease Rent	0.38
				Reimbursement of expenses	134.15
2	Viren Prasad Shetty		Director	Unsecured Borrowings	190.00
				Interest on Borrowings	2.97

For R.G.N Price & Co
Chartered Accountants
Firms Registration No. 002785S



SRIRAAM ALEVOOR M

Partner
Membership No. 221354

Place: Bengaluru
Date: May 21, 2024

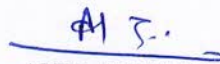
For and on behalf of the Board of
Directors of
Narayana Health Insurance Limited



RAVI VISHWANATH

Director
DIN : 07828699

Place: Bengaluru
Date: May 21, 2024



ANIL KUMAR TANEJA
Chief Financial Officer

Place: Bengaluru
Date: May 21, 2024



SHEELA ANANTH
Whole-time Director & CEO-
Designate
DIN : 10420538

Place: Bengaluru
Date: May 21, 2024


NARESH KUMAR KATLA
Company Secretary

Place: Bengaluru
Date: May 21, 2024

FORM B-RA

NARAYANA HEALTH INSURANCE LIMITED
Registration No. and Date of Registration with the IRDA: 166/03-Jan-2024
CIN: U65120KA2023PLC174002

REVENUE ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2024

		(Rs. '000)
		Miscellaneous - Health
		For the Period Ended
		March 31, 2024
Particulars	Schedule	
1 Premiums Earned (Net)	1	-
2 Profit / Loss on Sale / Redemption of Investments (Net)		-
3 Others		
Contribution from the Shareholders Funds towards Excess EOM		26,459
4 Interest, Dividend and Rent - (Gross)		-
TOTAL (A)		26,459
1 Claims Incurred (Net)	2	-
2 Commission (Net)	3	-
3 Operating Expenses Related to Insurance Business	4	26,459
TOTAL (B)		26,459
Operating Profit/(Loss) (A - B)		-
APPROPRIATIONS		
Transfer to Shareholders' Account		-
Transfer to Catastrophe Reserve		-
Transfer to Other Reserves		-
TOTAL (C)		-
Significant Accounting Policies	16	
Notes to Financial Statements	17	

The Schedules referred to above form an integral part of the Financial Statements

As per our report of even date attached

For R.G.N Price & Co
Chartered Accountants
Firms Registration No. 002785S

SRIRAM ALEVOORM
Partner
Membership No. 221354

Place: Bengaluru
Date: May 21, 2024

For and on behalf of the Board of Directors of
Narayana Health Insurance Limited

RAVI VISHWANATH
Director
DIN : 07828699

Place: Bengaluru
Date: May 21, 2024

SHEELA ANANTH
Whole-time Director & CEO-Designate
DIN : 10420538

Place: Bengaluru
Date: May 21, 2024

ANIL KUMAR TANEJA
Chief Financial Officer

Place: Bengaluru
Date: May 21, 2024

NARESH KUMAR KATLA
Company Secretary

Place: Bengaluru
Date: May 21, 2024

FORM B-PL

NARAYANA HEALTH INSURANCE LIMITED
Registration No. and Date of Registration with the IRDA: 166/03-Jan-2024
CIN: U65120KA2023PLC174002

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2024

Particulars	Schedule	(Rs. '000) Period Ended March 31, 2024
1 OPERATING PROFIT/(LOSS)		
(a) Fire insurance		-
(b) Marine insurance		-
(c) Miscellaneous insurance		-
2 INCOME FROM INVESTMENTS		
(a) Interest and Dividend – Gross of TDS		9,178
(b) Profit/ (Loss) on Sale of Investments		11
3 OTHER INCOME		
(a) Gain/(Loss) on foreign exchange fluctuation		4
(b) Interest income on fixed deposits		-
(c) Misc income		-
TOTAL (A)		<u>9,193</u>
4 PROVISIONS (Other than Taxation)		
(a) For Diminution in the Value of Investments		-
(b) For Doubtful Debts/Investments		-
(c) Others		-
5 OTHER EXPENSES		
(a) Expenses other than those related to Insurance Business	4A	14,330
(b) Employee's remuneration and welfare benefits		7,316
(c) Bad Debts/Investments written off		-
(f) Contribution to Policyholders Funds towards excess EoM		26,459
TOTAL (B)		<u>48,105</u>
Profit/(Loss) Before Tax		<u>-38,912</u>
Provision for Taxation		
Current Tax		-
Deferred Tax		-
Profit/(Loss) After Tax		<u><u>-38,912</u></u>
APPROPRIATIONS		
(a) Interim Dividends Paid During the Year		-
(b) Final Dividend Paid		-
(c) Transfer to Contingency Reserve for Unexpired Risks		-
(d) Transfer to General Reserve		-
Balance of Profit Brought Forward from Previous Year		-
Balance Carried Forward to Balance Sheet		<u><u>-38,912</u></u>
Earnings Per Share - Basic & Diluted (Rs.)		
Face value per share (Rs.)		(0.39)
Significant Accounting Policies	16	10.00
Notes to Financial Statements	17	
The Schedules referred to above form an integral part of the Financial Statements		
As per our report of even date attached		

For R.G.N Price & Co
Chartered Accountants
Firms Registration No. 002785S

SRIRAAM ALEVOORM
Partner
Membership No. 221354

Place: Bengaluru
Date: May 21, 2024

For and on behalf of the Board of Directors of
Narayana Health Insurance Limited

RAVI VISHWANATH
Director
DIN : 07828699

Place: Bengaluru
Date: May 21, 2024

SHEELA ANANTH
Whole-time Director & CEO-Designate
DIN : 10420538

Place: Bengaluru
Date: May 21, 2024

ANIL KUMAR TANEJA
Chief Financial Officer

Place: Bengaluru
Date: May 21, 2024

NARESH KUMAR KATLA
Company Secretary

Place: Bengaluru
Date: May 21, 2024

NARAYANA HEALTH INSURANCE LIMITED
Registration No. and Date of Registration with the IRDA: 166/03-Jan-2024
CIN: U65120KA2023PLC174002

BALANCE SHEET AS AT MARCH 31, 2024

		(Rs. '000)
Particulars	Schedule	As at March 31, 2024
SOURCES OF FUNDS		
Share Capital	5	10,00,500
Reserves and Surplus	6	-
Fair Value Change Account - Share Holders		2,525
Fair Value Change Account - Policy Holders		
Borrowings	7	-
TOTAL		10,03,025
APPLICATION OF FUNDS		
Investments - Share Holders	8	9,52,488
Investments - Policy Holders	8A	-
Loans	9	-
Fixed Assets	10	10,600
Deferred Tax Asset		
Current Assets		
Cash and Bank Balances	11	3,366
Advances and Other Assets	12	7,557
Sub-Total (A)		9,74,010
Current Liabilities	13	9,372
Provisions	14	525
Sub-Total (B)		9,897
Net Current Assets (C) = (A - B)		9,64,113
Miscellaneous Expenditure (to the extent not written off or adjusted)	15	-
Debit Balance in Profit and Loss Account (net of reserves)		38,912
TOTAL		10,03,025
Significant Accounting policies	16	
Notes to Financial Statements	17	

The Schedules referred to above form an integral part of the Financial Statements

As per our report of even date attached

For **R.G.N Price & Co**
Chartered Accountants
Firms Registration No. 0027858

SRIRAAM ALEVOOR M
Partner
Membership No. 221354

Place: Bengaluru
Date: May 21, 2024

For and on behalf of the Board of Directors of
Narayana Health Insurance Limited

RAVI VISHWANATH
Director
DIN : 07828699

Place: Bengaluru
Date: May 21, 2024

SHEELA ANANTH
Whole-time Director & CEO-Designate
DIN : 10420538

Place: Bengaluru
Date: May 21, 2024

ANIL KUMAR TANEJA
Chief Financial Officer

Place: Bengaluru
Date: May 21, 2024

NARESH KUMAR KATLA
Company Secretary

Place: Bengaluru
Date: May 21, 2024

RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2024

Particulars	(Rs. '000) For the Period Ended March 31, 2024
Premium received from policyholders, including advance receipts & payables to policy holders	-
Other receipts	-
Receipts/(Payments) from other entities carrying on insurance business (including reinsurers)	-
Receipts/(Payments) to co-insurers, net of claims recovery	-
Payments of claims	-
Payments of commission and brokerage	-
Payments of other operating expenses	(43,687)
GST (Net off GST-ITC)	(1,713)
Income Tax	-
Deposits, advances and staff loans	-
A Cash Flows from Operating Activities:	(45,400)
Purchase of fixed assets	(9,697)
Proceeds from sale of fixed assets	-
Purchases of investments	(9,57,000)
Sales of investments	7,000
Rents/Interests/Dividends received	8,260
Expenses related to investments	-
B Cash Flows from Investing Activities:	(9,51,437)
Proceeds from issuance of share capital	10,00,500
Share issue Expenses	-
Proceeds from borrowing	19,000
Repayments of borrowing	(19,000)
Interest/dividends paid	(297)
C Cash Flows from Financing Activities:	10,00,203
Net increase/(decrease) in cash and cash equivalents	3,366
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	3,366

Receipt and Payment Account is prepared under 'Direct Method'

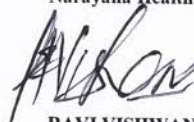
As per our report of even date attached

For **R.G.N Price & Co**
Chartered Accountants
Firms Registration No. 002785S


SRIRAAM ALEVOOR M
Partner
Membership No. 221354

Place: Bengaluru
Date: May 21, 2024

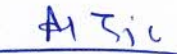
For and on behalf of the Board of Directors of
Narayana Health Insurance Limited


RAVI VISHWANATH
Director
DIN : 07828699


Place: Bengaluru
Date: May 21, 2024


SNEELA ANANTH
Whole-time Director & CEO-Design
DIN : 10420538

Place: Bengaluru
Date: May 21, 2024


ANIL KUMAR TANEJA
Chief Financial Officer

Place: Bengaluru
Date: May 21, 2024


NARESH KUMAR KATLA
Company Secretary

Place: Bengaluru
Date: May 21, 2024

NARAYANA HEALTH INSURANCE LIMITED
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

Schedule 1

Premium Earned (Net)

(Rs. '000)

Particulars	Miscellaneous - Health
	Year Ended
	March 31, 2024
Premium from Direct Business Written	-
Add: Premium on Reinsurance Accepted	-
Less: Premium on Reinsurance Ceded	-
Net Premium	-
Less: Adjustment for Change in Provision for Unexpired Risks	-
Total Premium Earned (Net)*	-

*All premium written, less reinsurance, is from business in India.

Schedule 2

Claims Incurred (Net)

(Rs. '000)

Particulars	Miscellaneous - Health
	Year Ended
	March 31, 2024
Claims Paid	
Direct	-
Add: Reinsurance Accepted	-
Less: Reinsurance Ceded	-
Net Claims Paid	-
Add : Claims Outstanding at the end of the year (including the estimates of IBNR and IBNER) (Net) *	-
Less: Claims Outstanding at the beginning of the year (including the estimates of IBNR and IBNER) (Net) **	-
Total Claims Incurred (Net)	-

Schedule 3

Commission (Net)

(Rs. '000)

Particulars	Miscellaneous - Health
	Year Ended
	March 31, 2024
Commission Paid	
Direct	-
Add: Reinsurance Accepted	-
Less: Commission on Reinsurance Ceded	-
Net Commission	-
Break up of expenses (gross) incurred to procure business:	
Agents	-
Brokers	-
Corporate Agency	-
Others	-
Total	-



NARAYANA HEALTH INSURANCE LIMITED
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

Schedule 4

Operating Expenses Related to Insurance Business

(Rs. '000)

Particulars	Miscellaneous - Health	
	Year Ended	
	March 31, 2024	
1 Employees' Remuneration and Welfare Benefits		12,270
2 Travel, Conveyance and Vehicle Running Expenses		446
3 Training Expenses		-
4 Rent, Rates and Taxes		16
5 Repairs		239
6 Printing and Stationery		6
7 Communication		-
8 Legal and Professional Charges		7,098
9 Auditors' Fees and Expenses		-
As Auditors		250
As advisors or in any other capacity in respect of		-
- Taxation matters		-
- Other services		170
Out of Pocket Expenses		4
10 Advertisement and Publicity		-
11 Interest and Bank Charges		111
12 Others		-
IRDA registration fees		1,000
Software subscription fees		4,849
13 Depreciation		-
Total		26,459

Schedule 4 A

Operating Expenses Other Than Those Related to Insurance Business

(Rs. '000)

Particulars	Miscellaneous - Health	
	Year Ended	
	March 31, 2024	
1 Employees' Remuneration and Welfare Benefits		-
2 Travel, Conveyance and Vehicle Running Expenses		-
3 Training Expenses		-
4 Rent, Rates and Taxes		32
5 Repairs		-
6 Printing and Stationery		-
7 Communication		-
8 Legal and Professional Charges		3,729
9 Auditors' Fees and Expenses		-
As Auditors		-
As advisors or in any other capacity in respect of		-
- Taxation matters		-
- Other services		-
Out of Pocket Expenses		-
10 Advertisement and Publicity		-
11 Interest and Bank Charges		298
12 Others		-
Share Issue Expenses		8,653
Software subscription fees		1,619
13 Depreciation		-
Total		14,330



NARAYANA HEALTH INSURANCE LIMITED
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

Schedule 5

Share Capital

		(Rs. '000)
		Year Ended
		March 31, 2024
Particulars		
1	Authorised Capital	
	10,01,00,000 Equity Shares of Rs. 10 each	10,01,000
2	Issued Capital	
	10,00,50,000 Equity Shares of Rs. 10 each	10,00,500
3	Subscribed Capital	
	10,00,50,000 Equity Shares of Rs. 10 each	10,00,500
4	Called-up Capital	
	10,00,50,000 Equity Shares of Rs. 10 each	10,00,500
	Less: Calls Unpaid	-
	Add: Equity Shares Forfeited (Amount originally paid up)	-
	Less: Par Value of Equity Shares bought back	-
	Less: Preliminary Expenses	-
	Expenses including Commission or Brokerage on Underwriting or Subscription of Shares	-
Total		10,00,500

Note: Out of the above 10,00,50,000 Equity Shares of Rs. 10/- each are held by the holding company "Narayana Hrudayalaya Limited" along with its nominees.

Schedule 5 A

Shareholding Pattern [As certified by the Management]

Shareholder Category	As at March 31, 2024	
	Number of Shares	% of Holding
Promoters		
Indian	10,00,50,000	100%
Foreign	-	0%
Total	10,00,50,000	100%

Schedule - 6

Reserves and Surplus

		(Rs. '000)
		As at
		March 31, 2024
Particulars		
1	Capital Reserve	-
2	Capital Redemption Reserve	-
3	Share Premium	-
4	General Reserve	-
Add:	Transfer from Profit and Loss Account	-
5	Catastrophe Reserve	-
6	Balance of Profit in Profit & Loss Account	-
Total		-

Schedule - 7

Borrowings

		(Rs. '000)
		As at
		March 31, 2024
Particulars		
1	Debentures / Bonds	-
2	Banks	-
3	Financial Institutions	-
4	Others	-
Total		-



NARAYANA HEALTH INSURANCE LIMITED
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

Schedule 8

Investments - Shareholders

(Rs. '000)

Particulars	As at March 31, 2024
Long Term Investments	
1 Government Securities and Government Guaranteed Bonds including Treasury Bills	-
2 Other Approved Securities	-
3 Approved Investments	-
- Debentures/Bonds	-
- Fixed Deposits with Banks	-
- Equity Shares (Net of Fair Value Change)	-
4 Investments in Infrastructure and Social Sector	-
5 Other than Approved Investments	-
- Debentures/Bonds	-
- Debentures/Bonds (Net of Impairment)	-
- Equity Shares (Net of Fair Value Change)	-
Total (A)	-
Short Term Investments	
1 Government Securities and Government Guaranteed Bonds including Treasury Bills	-
2 Other Approved Securities	-
3 Approved Investments	-
- Debentures/Bonds	-
- Fixed Deposits with Banks	-
- Money market instruments (TREPS)	-
- Mutual Funds (Liquid Schemes)	9,52,488
4 Investments in Infrastructure and Social Sector	-
5 Other Than Approved Investments - Debentures/Bond	-
- Debentures/Bonds (Net of Impairment)	-
Total (B)	9,52,487.67
Total (A) + (B)	9,52,487.67

Notes:

(1) All Investments are performing investments and are in India.

(2) There are no contracts in relation to investments for purchases where deliveries are pending or for sales where payments are overdue.

(3) Details of Cost and Market Value (Rs. '000) :

The Cost given in the Note below is excluding the provisions considered for stressed assets.

a) Mutual Funds

Year Ended March 31,2024	
Cost	Market Value
9,49,963	9,52,488
9,49,963	9,52,488



NARAYANA HEALTH INSURANCE LIMITED
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

Schedule 8A

Investments - Policyholders

(Rs.'000)

Particulars	As at March 31, 2024
Long Term Investments	
1 Government Securities and Government Guaranteed Bonds including Treasury Bills	-
2 Other Approved Securities	-
3 Approved Investments	-
- Debentures/Bonds	-
- Fixed Deposits with Banks	-
- Equity Shares (Net of Fair Value Change)	-
4 Investments in Infrastructure and Social Sector	-
5 Other than Approved Investments	-
- Debentures/Bonds	-
- Debentures/Bonds (Net of Impairment)	-
- Equity Shares (Net of Fair Value Change)	-
Total (A)	-
Short Term Investments	
1 Government Securities and Government Guaranteed Bonds including Treasury Bills	-
2 Other Approved Securities	-
3 Approved Investments	-
- Debentures/Bonds	-
- Fixed Deposits with Banks	-
- Money market instruments (TREPS)	-
- Mutual Funds (Liquid Schemes)	-
4 Investments in Infrastructure and Social Sector	-
5 Other Than Approved Investments - Debentures/Bond	-
- Debentures/Bonds (Net of Impairment)	-
Total (B)	-
Total (A) + (B)	-

Notes:

- (1) All Investments are performing investments except Investments referred in Note xx and are in India.
(2) There are no contracts in relation to investments for purchases where deliveries are pending or for sales where payments are overdue except as disclosed.
(3) Details of Cost and Market Value (Rs. '000) :
The Cost given in the Note below is excluding the provisions considered for stressed assets.

a) Mutual Funds

Year Ended March 31, 2024	
Cost	Market Value
-	-
-	-



NARAYANA HEALTH INSURANCE LIMITED
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

Schedule 9

Loans

(Rs.'000)

As at

March 31, 2024

Particulars	
1 Security-wise Classification	
Secured	
(a) On Mortgage of Property	-
(b) On Shares, Bonds, Govt. Securities	-
(c) Others	-
Unsecured	-
Total	-
2 Borrower - wise Classification	
(a) Central and State Governments	-
(b) Banks and Financial Institutions	-
(c) Subsidiaries	-
(d) Industrial Undertakings	-
(e) Others	-
Total	-
3 Performance - wise Classification	
(a) Loans Classified as Standard	-
(b) Non-performing Loans less Provisions	-
Total	-
4 Maturity - wise Classification	
(a) Short Term	-
(b) Long Term	-
Total	-



NARAYANA HEALTH INSURANCE LIMITED
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

Schedule-10
Fixed Assets

Particulars	Cost/ Gross Block				Depreciation/Amortisation				Net Block
	As at April 1, 2023	Additions	Deductions	Year Ended March 31, 2024	As at April 1, 2023	For The Year	On Sales/ Adjustments	Upto March 31, 2024	As at March 31, 2024
Land (Undivided Share)	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Furniture and Fittings	-	-	-	-	-	-	-	-	-
Information Technology Equipment	-	-	-	-	-	-	-	-	-
Computer Software (Intangibles)	-	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-	-
Capital Work in Progress (Including Capital Advances)	-	10,600	-	10,600	-	-	-	-	10,600
GRAND TOTAL	-	10,600	-	10,600	-	-	-	-	10,600



NARAYANA HEALTH INSURANCE LIMITED
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

Schedule - 11

Cash and Bank Balances

(Rs.'000)

Particulars	As at March 31, 2024
1 Cash (including Cheques, Drafts and Stamps)	-
2 Bank Balances	
(a) Deposit Accounts	
(aa) Short-term deposit accounts (due within 12 months)	-
(bb) Others	-
(b) Current Accounts	3,366
3 Money at Call and Short Notice	-
4 Others	-
Total	3,366

Cash Balance includes:

Drafts/Cheques on Hand -
Remittances in transit -

Schedule - 12

Advances and Other Assets

(Rs.'000)

Particulars	As at March 31, 2024
Advances	
1 Reserve Deposits with Ceding Companies	
2 Application Money for Investments	
3 Prepayments	1,000
4 Advances to Directors / Officers	
5 Advance Tax Paid and Taxes Deducted at Source	918
Total (A)	1,918
Other Assets	
1 Income Accrued on Investments	
2 Outstanding Premium	
3 Agents' Balances	
4 Foreign Agencies Balances	
5 Due from Other Entities Carrying on Insurance Business	
6 Due from subsidiaries / Holding Company	
7 Deposit with Reserve Bank of India (Pursuant to Section 7 of the Insurance Act, 1938)	
8 Others	
GST Input Credit	4,816
Net Defined Benefit Asset Gratuity	824
Total (B)	5,639
Total (A + B)	7,557

Schedule 13

Current Liabilities

(Rs.'000)

Particulars	As at March 31, 2024
1 Agents' Balances (including intermediaries)	
2 Balances Due to Other Insurance Companies	
3 Deposits Held on Reinsurance Ceded	
4 Premiums Received in Advance / Deposits Received	
5 Unallocated Premium	
6 Sundry Creditors	
- Dues to Micro Small & Medium Enterprises	9
- Dues to Others	3,124
7 Due to subsidiaries / Holding Company	55
8 Claims Outstanding	
9 Due to Officers/ Directors	135
10 Others	
Statutory dues payable	3,065
Payable to employees	1,072
Provision for Expenses	1,875
Other Liabilities	37
Total	9,372



NARAYANA HEALTH INSURANCE LIMITED
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

Schedule 14

Provisions

(Rs.'000)

Particulars	As at March 31, 2024
1 Reserve for Unexpired Risk	
2 For Taxation	-
3 Others	
-Provision for Gratuity	-
-Provision for Leave encashment	525
Total	525

Schedule 15

Miscellaneous Expenditure

(Rs.'000)

(To the extent not written off or adjusted)

Particulars	As at March 31, 2024
1 Discount Allowed in Issue of Shares / Debentures	-
2 Others	-
Total	-



NARAYANA HEALTH INSURANCE LIMITED
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

16 Significant Accounting Policies

1. Company overview

Narayana Health Insurance Limited (referred to as 'the Company') was incorporated on May 24, 2023, as per the provisions of the Companies Act, 2013. The Company is a wholly owned subsidiary of Narayana Hrudayalaya Limited. The Company is having its registered office in Bengaluru and is primarily engaged in the business of Health Insurance. The Company obtained Certificate of Registration (CoR) from Insurance Regulatory and Development Authority of India (IRDAI) to undertake Health Insurance Business on January 3, 2024, and holds a valid CoR.

2. Basis of preparation of the financial statements

The financial statements are prepared and presented on a going concern basis in accordance with Generally Accepted Accounting Principles followed in India (Indian GAAP) under the historical cost convention and accrual basis of accounting and comply with applicable accounting standards specified in Section 133 of the Companies Act, 2013 read with Companies (Accounting Standard) rules, 2021 as amended to the extent applicable, and in accordance with the provisions of the Insurance Act, 1938, Insurance Laws (Amendment) Act, 2015, the Insurance Regulatory and Development Authority Act, 1999, the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, ("the Regulations") and Orders / Circulars / Letters / Notifications issued by IRDAI from time to time, the provisions of the Companies Act, 2013, (to the extent applicable) and current practices prevailing in the insurance industry.

The financial statements are presented in Indian Rupees rounded off to the nearest thousands and are authorized for issue by the Company's Board of Directors on 21st May 2024.

3. Use of estimates and judgments

The preparation of financial statements in conformity with the Indian GAAP requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities as of the Balance Sheet date, revenue and expenses for the period and disclosure of contingent liabilities as of the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from estimates and assumptions used in preparing these financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods.

4. Significant accounting policies

4.1 Investment Income

Interest income on investment is recognized on accrual basis. In case of mutual fund units, the profit or loss on sale also includes the accumulated changes in the fair value previously recognized in the fair value change account.

4.2 Investments

Investments are made, accounted, and classified in accordance with the Insurance Act, 1938, Insurance Laws (Amendment) Act, 2015 as amended, Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 as amended and various other circulars/notifications issued by the IRDAI in this context from time to time. Investments are recorded at cost on trade date including acquisition charges (such as brokerage, transfer stamps etc.), if any, and exclude interest accrued up to the date of purchase.



NARAYANA HEALTH INSURANCE LIMITED
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Investments are segregated at Shareholder's level and Policyholder's level notionally based on policyholder's funds and shareholder's funds as of quarter /half year/year end, as prescribed by IRDAI.

a) Classification

- Investments maturing within twelve months from balance sheet date and investments intended to be held for a period of less than twelve months from the balance sheet date are classified as 'Short term investments'.

- Other investments are classified as 'Long term investments'

b) Valuation

Investments are valued as follows:

Mutual Funds (other than venture capital fund)

Mutual Fund investments are stated at fair value, being the closing Net Asset Value (NAV) at Balance Sheet Date.

c) Fair Value Change Account

In accordance with the Regulations, unrealised gain/loss arising due to changes in fair value of Mutual fund investments are taken to the "Fair Value Change Account" in the Balance Sheet and not available for distribution, pending realisation.

Fair value of investments is computed for quoted investments on the basis of the last available market price/NAV.

d) Impairment of Investments

The Company assesses at each balance sheet date whether any impairment has occurred in respect of investments made. The impairment loss, other than considered temporary, if any, is recognised in the Profit and Loss Account and the carrying value of such investment is reduced to its recoverable value. If on the assessment at balance sheet date, a previously impaired loss no longer exists, then such loss is reversed to the Profit and Loss Account and the investment is restated to that extent. The previously impaired loss is also reversed on disposal/realisation of securities and results thereon are recognised.

4.3 Fixed /Intangible Assets and Depreciation/Amortisation

a) Tangible fixed assets and depreciation

Fixed assets are measured at cost less accumulated depreciation. Cost includes purchase price, taxes (other than those recoverable from tax authorities) and any cost directly attributable to bringing the asset to its working condition for its intended use. All assets including intangible assets costing individually less than Rs.5000 are fully depreciated / amortized in the year in which acquired.

Depreciation on fixed assets is provided on straight line method over the useful life of assets and in the manner as indicated in Schedule II of the Companies Act, 2013.

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

The Company provides pro rata depreciation from / to the month in which the asset is acquired or put to use / disposed off as appropriate.

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 Profit and Loss account.



NARAYANA HEALTH INSURANCE LIMITED
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

b) Intangible assets and amortization

Intangible assets representing software are recorded at its acquisition price and are amortized over their estimated useful life on a straight-line basis, commencing from the date the assets are available for use. The estimated useful life of computer software is 3 years. Significant expenditure on improvements to software are capitalized when it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably. Subsequent expenditures are amortized over the remaining useful life of original software or three years whichever is lower.

Gains or losses arising from de-recognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Profit and Loss Account / Revenue Account, as the case may be, when the asset is de-recognized.

c) Capital work in progress

Capital work in progress includes assets not ready for the intended use and are carried at cost, comprising direct cost and related incidental expenses.

d) Impairment of Assets

The Company assess at each balance sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such asset is reduced to its recoverable amount and the impairment loss is recognized in the Profit & Loss Account or Revenue account. If at the balance sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed, and the asset is restated to that extent. The recoverable amount is higher of the net selling price of the assets and their value in use.

4.4 Taxation

Income tax expense comprises current tax (i.e. amount of tax payable on the taxable income for the period determined in accordance with the Income-tax Act, 1961), and deferred tax charge or credit (reflecting the tax effects of timing differences between the accounting income and taxable income for the period). Current tax is the amount expected to be paid to the tax authorities after taking credit for allowances and exemptions in accordance with the Income-tax Act, 1961. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realized. Deferred tax assets are reviewed as at each Balance Sheet date and written down or written up to reflect the amount that is reasonably or virtually certain to be realized.

4.5 Goods and Services Tax (GST)

Goods and Services Tax (GST) collected is considered as a liability against which GST paid for eligible input services, to the extent claimable, is adjusted and the net liability is remitted to the appropriate authority as stipulated. GST paid for input services not recoverable by way of credits is recognized in the Revenue Account as expenses.



NARAYANA HEALTH INSURANCE LIMITED
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

4.6 Earnings Per Share

The basic earnings per share is computed by dividing the net profit in the Profit and Loss Account attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting year.

Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are included.

4.7 Provisions and Contingent Liabilities and Contingent Assets

In accordance with Accounting Standard 29 – Provisions, Contingent Liabilities and Contingent Assets, to the extent applicable to the Company, provisions are created in respect of obligations as a result of past events and it is probable that an outflow of resources will be required to settle the obligations, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These will be reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent losses arising from claims other than insurance claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

A disclosure for a contingent liability other than those under policies is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources.

Show Cause Notices issued by various Government Authorities are not considered as Obligation. When the demand notices are raised against such show cause notices and are disputed by the Company, these are classified as disputed obligations under contingent liability.

Contingent Assets are neither recognized nor disclosed in the Financial Statements.

4.8 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 exgratia. 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.

Post-employment benefits

Defined contribution plans

A defined contribution plan is a 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 to Government administered provident fund scheme which is a defined contribution plan. The Company's contributions are recognized as an expense in the Profit and Loss Account / Revenue Account, as the case may be, 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 an independent qualified actuary



NARAYANA HEALTH INSURANCE LIMITED
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

using the projected unit credit method and is recognized in the Revenue account / Profit and Loss Account, as the case may be.

Retirement gratuity liability is funded with an Insurance Company through contributions to an approved gratuity trust.

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 the limit specified or on termination of employment. 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 based on independent actuarial valuation using the projected unit credit method and is recognized in the Revenue Account / Profit and Loss Account as the case may be.

4.9 Receipts and Payments Account (Cash Flow Statement):

Receipts and Payments Account is prepared and reported using the Direct Method, in conformity with Para 2.2 of the Master Circular on Preparation of Financial Statements – General Insurance Business dated October 5, 2012, issued by the IRDAI.

Cash and Cash equivalents comprise cash on hand and demand deposits with Banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.



NARAYANA HEALTH INSURANCE LIMITED
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

17 NOTES FORMING PART OF THE FINANCIAL STATEMENTS:

Statutory disclosures as required by IRDAI

17.1 As at 31st March 2024, the Company does not have any contingent liability

17.2 The assets of the Company are free from all encumbrances.

17.3 Investments

A) Detail of investments that are valued on fair value basis is

(Rs.'000)

Particulars	As at March 31, 2024	
	Historical Cost	At Fair Value
Mutual Funds (Short Term)	9,49,963.00	9,52,488.00
Total	9,49,963.00	9,52,488.00

B) We are in the process of re-alignment of our investment portfolio inline with IRDAI (Investment) Regulations, 2016 and will be completed before commencement of business operations

17.4 Employee benefit plan

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 ₹ 148 thousands.

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:

Particulars	As at March 31, 2024
Defined benefit obligations liability	692.36
Plan assets	(1,515.94)
Net defined benefit Asset	(823.58)
Full & final settlement cases	-
Liability for compensated absences	-
Total employee benefit Liability / (Asset)	(823.58)
Non-current	(823.58)
Current	-



NARAYANA HEALTH INSURANCE LIMITED
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

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

Particulars	As at March 31, 2024
Defined benefit obligation as at 1 April	-
Benefits paid	-
- by the Fund	-
- by the Company	-
Current service cost	692.36
Past service cost	-
Interest cost	-
Acquisition / Divesture	-
Actuarial (gains)/ losses recognised in other comprehensive income	-
-changes in demographic assumptions	-
-changes in financial assumptions	-
-experience adjustments	-
- due to other reason	-
Defined benefit obligations as at 31 March	692.36

ii) Reconciliation of fair values of plan assets

Particulars	As at March 31, 2024
Plan assets at beginning of the year	-
Contributions paid into the plan	1,515.94
Interest income	-
Benefits of prior years	-
Benefits paid	-
Actuarial (gains)/ losses recognised in other comprehensive income	-
Plan assets at the end of the year	1,515.94
Net Defined Benefit Liability / (Asset)	(823.58)

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

Particulars	As at March 31, 2024
Current service cost	692.36
Interest cost	-
Past service cost	-
Interest income	-
	692.36

ii) Remeasurements recognised in other comprehensive income

Particulars	As at March 31, 2024
Actuarial (gain)/ loss on defined benefit obligation	-
Return on plan assets excluding interest income	-
	-

B. Defined benefit obligation

i) Actuarial assumptions

(Rs.'000)

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

Principal actuarial assumptions	As at March 31, 2024
Attrition rate	Up to Level 6 = 36%, Level 7 and above = 13%
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.

17.5 Remuneration to Managerial and Key Management Persons

(Rs.'000)

Particulars	For the year ended March 31, 2024
Salaries and allowances	11,631.93



NARAYANA HEALTH INSURANCE LIMITED
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

Other disclosures:

17.6 Micro and Small scale business entities

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 2023 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.

	(Rs.'000)
Particulars	As at March 31, 2024
The amounts remaining unpaid to micro and small suppliers as at the end of the year	
-Principal	9
-Interest	-
The amount of interest paid by the buyer as per the MSMED Act	-
The amount of payments made to micro and small suppliers beyond the appointed day during the accounting year;	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act	-

17.7 Related party

(a) Details of related parties

Nature of relationship	Name of related parties
Holding Company	Narayana Hrudayalaya Limited
Key Management Personnel (KMP)	Gaurav Agarwal - CRO w.e.f November 15, 2023 Anil Kumar Taneja - CFO w.e.f February 01, 2024 Janish Narendra Jain - CIO w.e.f February 15, 2024 Sheela Ananth - CEO and Whole Time Director w.e.f February 20, 2024 Naresh Kumar Katla - CCO and Company Secretary w.e.f March 20, 2024
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 (NHSHP) ENT in Cayman Ltd. (EICL) Cayman Integrated Healthcare Ltd (CIHL) Health City Cayman Islands Ltd (HCCI) Narayana Health North America LLC (NHNA) NH Integrated Care Private Limited (NHIC) Narayana Health Insurance Limited (NHIL) Medha AI Private Limited
Section 8 Company	Narayana Clinical Research India Foundation
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 Amaryllis 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) Daya Drishti Charitable Trust Suvama Arogya Suraksha Trust Vayah Vikas Trust Probitas Insurance Brokers



NARAYANA HEALTH INSURANCE LIMITED
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

(b) Transactions with related party during the year ended 31 March 2024

(Rs.'000)

Transactions	Holding Company	Fellow Subsidiaries	Enterprises under control or joint control of KMP and their relatives	Total
Rent expenses Narayana Hrudayalaya Limited	55	-	-	55
Reimbursement of expenses Narayana Hrudayalaya Limited	13,452	-	-	13,452
Borrowings (Refer note 17.9) Narayana Hrudayalaya Limited	19,000	-	-	19,000
Interest Expense on Borrowings Narayana Hrudayalaya Limited	297	-	-	297

(c) The balances receivable from and payable to related parties

(Rs.'000)

Transactions	Holding Company	Fellow Subsidiaries	Enterprises under control or joint control of KMP and their relatives	Total
Borrowings payable (Refer note 17.9) Narayana Hrudayalaya Limited	-	-	-	-
Other financial liabilities (current) - Interest accrued on borrowings Narayana Hrudayalaya Limited	-	-	-	-
Due for reimbursement payable Narayana Hrudayalaya Limited	55	-	-	55

Note:

- (a) No amount in respect of related parties have been written off/back or provided for during the period May 24, 2023 to March 31, 2024.
(b) Related party relationships have been identified by the Management and relied upon by the auditors.
(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.

17.8 Details of earning per share for the Year ended as follow

Particulars	As at March 31, 2024
Net Profit / (Loss) Attributable to Shareholders (Rs.in thousands)	(38,912)
Weighted Average No. of Equity Shares Issued for Basic EPS (in numbers)	10,00,50,000.00
Weighted Average No. of Equity Shares Issued for Diluted EPS (in numbers)	10,00,50,000.00
Basic Earnings Per Share (in Rs.)	(0.39)
Nominal Value Per Share (in Rs.)	10.00

17.9 Borrowings

The company has obtained unsecured loan from Holding Company during the year and fully repaid the same.

Particulars	As at March 31, 2024
Borrowings	19,000
Interest	297
Repayment along with interest	-19,297
Closing Balance	-



NARAYANA HEALTH INSURANCE LIMITED
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

17.10 Profit related remuneration and Sitting fees paid to following directors:

A) Sitting Fees Paid		(Rs.'000)
Name of the Director	Designation	As at March 31, 2024
Tajinder Mukherjee	Additional Director	400
Anamika Roy Rashtrawar	Additional Director	400

- 17.11** Narayana Health Insurance Limited ('NHIL' / 'the Company'), was incorporated on 24th May 2023 under the Companies Act, 2013 and is a wholly owned subsidiary of Narayana Hrudayalaya Limited. The Company obtained regulatory approval from the Insurance Regulatory and Development Authority of India ('IRDAI' / 'the Authority') to transact health insurance business vide the Authority's letter dated 03rd January 2024.

The Company is yet to commence its operations of Health Insurance business as at 31st March 2024 and accordingly, some of the mandatory disclosures pertaining to operations (premium income, risk retained & reinsured, claims, allocation of expenses, etc.), accounting standards & compliance are not applicable to the Company in the financial period ended 31st March 2024 and therefore only the disclosures to the extent applicable have been disclosed in the financial statements.

The financial statement for the period ended 31st March 2024 is the first financial statement of the Company.

- 17.12** IRDAI vide its letter dated July 14, 2022 advised the insurance companies to set up a cross functional Steering Committee to oversee the implementation of Ind AS. The Company will accordingly set up an Ind AS Steering Committee which meets at regular intervals to oversee the progress on the matter. The Company will have discussions with various knowledge partners and technology partners to understand the implementation of IND AS 117.

17.13 Segmental reporting

The Company is formed to carry on Health Insurance business in India and accordingly, health insurance is considered as the primary segment. There are no reportable geographical segments since the Company provides services only to customers in the India market. Since the Company is yet to launch products as at 31st March 2024, no primary segmental information is provided in the financial statements.

17.14 Deferred tax asset

As per the Management evaluation, there is no virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised and hence deferred tax asset is not recognised in the financial statements on a prudent basis.

- 17.15** Estimated amount of commitment pertaining to contracts remaining to be executed in respect of fixed assets (net of advances) is Rs. 11,369 thousands

- 17.16** Commitments in respect of loans is Rs. Nil and investments is Nil.

- 17.17** There are no penal actions taken by Government authorities / regulators during the financial period ended 31st March 2024.

17.18 Loans, advances and investments by or on behalf of ultimate beneficiaries

The Company has not advanced or loaned or invested from any sources or other kinds of funds to or in any other person or entity, including foreign entity ("intermediary") 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 link on behalf of the ultimate beneficiaries.; and

The Company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity ("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"



NARAYANA HEALTH INSURANCE LIMITED
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

17.19 Disclosures on Audit fees

As per the clause 7.1 (g) of Corporate Governance Guidelines issued by IRDAI on May 18, 2016 the services of the statutory auditors are disclosed below:

A Work as Statutory Auditors

(Rs.'000)

Name of the Auditor	Services Rendered	Year ended March 31, 2024
M/s. R.G.N. Price & Co., Chartered Accountants	Statutory Audit fees (IRDA)	175
	Statutory Audit fees (IND AS for group consolidation)	75
	Out of pocket expenses	4

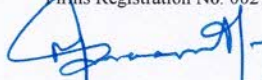
B Additional work entrusted to Statutory Auditors

Name of the Auditor	Services Rendered	Year ended March 31, 2024
M/s. R.G.N. Price & Co., Chartered Accountants	Tax Audit fees	-
	Certification fees	20
	Limited Review	150

For R.G.N Price & Co

Chartered Accountants

Firms Registration No. 002785S



SRIRAAM ALEVOOR M

Partner

Membership No. 221354

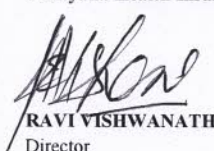
Place: Bengaluru

Date: May 21, 2024



For and on behalf of the Board of Directors of

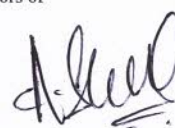
Narayana Health Insurance Limited


RAVI VISHWANATH
 Director

DIN : 07828699

Place: Bengaluru

Date: May 21, 2024



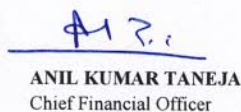
SHEELA ANANTH

Whole-time Director & CEO-Designate

DIN : 10420538

Place: Bengaluru

Date: May 21, 2024


ANIL KUMAR TANEJA
 Chief Financial Officer

Place: Bengaluru

Date: May 21, 2024


NARESH KUMAR KATLA
 Company Secretary

Place: Bengaluru

Date: May 21, 2024

Narayana Health Insurance Limited

Management Report for the period ended 31st March 2024

Narayana Health Insurance Limited ("the Company") was incorporated in India on 24th May, 2023 as per Companies Act, 2013 requirement. Narayana Hrudayalaya Limited is the holding company of Narayana Health Insurance Limited as on balance sheet date.

In accordance with Part IV Schedule B of the Insurance Regulatory and Development Authority (IRDAI) (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ("the Regulation") the following Management Report for the year ended March 31, 2024 is submitted:

1. CERTIFICATE OF REGISTRATION

The Company obtained Regulatory approval to undertake Exclusive Health Insurance business on 3rd January 2024 from the Insurance Regulatory and Development Authority of India ('IRDAI') and holds a valid certificate of registration as at 31st March 2024 and as on the date of this report.

2. STATUTORY DUES

We certify that all the dues payable to the statutory authorities have been duly paid during the year.

3. SHAREHOLDING PATTERN

We confirm that the shareholding pattern and transfer of shares, if any, are in accordance with the statutory and regulatory requirements of the Insurance Act, 1938, Insurance Laws (Amendment) Act, 2015, the Insurance Regulatory and Development Authority (Registration of Indian Insurance Companies) Regulations, 2000 and applicable provisions of Companies Act, 2013.

4. INVESTMENT OF FUNDS

The Company has not, directly or indirectly, invested policyholders fund outside India.

5. SOLVENCY MARGIN

The Company has not launched health insurance products during the period ended 31st March 2024 and accordingly, the requirement of maintaining solvency margin as stipulated in Section 64 VA of the Insurance Act, 1938 (as amended by the Insurance Laws (Amendment) Act 2015) and the IRDAI (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016 is not applicable for the period ended 31st March 2024.

6. VALUATION OF ASSETS

We certify that the values of all the assets have been reviewed on the date of Balance Sheet and in management's belief, the assets set forth in the Balance Sheet are shown in aggregate at amounts not exceeding their realizable or market value under the heading – "Investments" (wherever applicable), "Cash" and several items specified under "Advances and Other Assets"

7. RISK MINIMIZATION STRATEGIES

The Company is in the process of setting up Enterprise Risk Management (ERM) framework covering procedures to identify, assess and mitigate the key business risks. Aligned with the business planning process, ERM framework covers all business risks including strategic risk, operational risks, investment risks and insurance risks. The key business risks identified by the Board's Risk Management Committee are monitored by the Risk Management team and thereafter reported separately to its Risk Management Committee.

The Company is also in the process of setting up Operational Risk Management framework to manage risk that may arise from inadequate or failed internal processes, people, systems, or external events. To manage



and control operational risk, we use various tools including self-assessments, operational risk event management, continuous control monitoring and key risk indicators. As a process, Key Risk Indicators will be identified for each risk category and these are monitored on a periodic basis by the Risk Management function. The Company also assesses and monitors fraud risks to design and implement controls in required process areas.

The Company will maintain a diversified product portfolio, undertake an underwriting philosophy appropriate for its products, distribution channels, geographies and target market segments. In addition, the Company will keep its risk exposure at a level commensurate with its capacity through an appropriate reinsurance program. The investment portfolio will be diversified within the limits set under IRDAI regulations as well as governed by the various internal policies and norms as set out by the Investment Committee of the Company.

The Investment Risk will be managed by creating a portfolio of different asset classes and of varied maturities so as to spread the risk across a wide category of Investee companies in line with regulatory requirements. The Company has constituted an Investment Committee, which acts as the policy making body for the Investment operations. The Investment Committee lays down various internal policies and norms governing the functioning of the Investment Department. The Investment Committee periodically discusses the Investment strategy, portfolio structures, performance of the portfolio and related issues. The Investment policy is reviewed as the case may be, in order to align the same with the Company business plans.

The Company will have an Information Security Committee to oversee the information security and cyber risk exposure and all such risks are monitored with appropriate mitigation measures implemented under the guidance of a Chief Information Security Officer.

The Company will have a robust internal audit function and all relevant internal controls, key operational risks and compliances will be reviewed and audited on a regular basis.

8. COUNTRY RISK

We confirm that there were no operations of the Company outside India during the year ended March 31, 2024.

9. AGEING OF CLAIMS

The Company has not launched its health insurance products during the financial period ended 31st March 2024 and consequently, no claims has been settled during the said period.

10. VALUATION & PERFORMANCE OF INVESTMENTS

As at March 31, 2024, the investments of the Company are totally in mutual funds, considered as held to maturity and valued at Fair Value

Historical cost of Mutual funds is Rs. 9,49,963 Thousand and market value at Rs. 9,52,488 Thousand

11. We also Confirm that:

- the Financial Statements have been prepared in accordance with generally accepted accounting principles and policies, applicable accounting standards and current practices prevailing in the Insurance Industry and there are no material departures.
- the management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Operating Loss and of the Loss of the Company for the year.
- the management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act 1938 and Companies Act 2013 for safeguarding the assets of the Company and for preventing and



detecting fraud and other irregularities.

- the management has prepared the Financial Statements on a Going concern basis
- there is an internal control system commensurate with the size and nature of the business exists and is operating effectively.

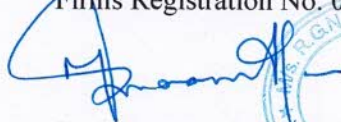
12. Payments made to companies and organizations in which Directors are interested during the financial year 2023-24 are as under:

S.No	Name of the Director	Entity in Which Director in interested	Interested as	Nature	Payment made (Rs. Lakhs)
1	Devi Prasad Shetty	Narayana Hrudayalaya Limited	Director	Lease Rent	0.38
				Reimbursement of expenses	134.15
2	Viren Prasad Shetty		Director	Unsecured Borrowings	190.00
				Interest on Borrowings	2.97

For R.G.N Price & Co

Chartered Accountants

Firms Registration No. 002785S



SRIRAAM ALEVOOR M

Partner

Membership No. 221354

Place: Bengaluru

Date: May 21, 2024

For and on behalf of the Board of
Directors of

Narayana Health Insurance Limited



RAVI VISHWANATH

Director

DIN : 07828699

Place: Bengaluru

Date: May 21, 2024



ANIL KUMAR TANEJA

Chief Financial Officer

Place: Bengaluru

Date: May 21, 2024



SHEELA ANANTH

Whole-time Director & CEO-
Designate

DIN : 10420538

Place: Bengaluru

Date: May 21, 2024



NARESH KUMAR KATLA

Company Secretary

Place: Bengaluru

Date: May 21, 2024