

INDEPENDENT AUDITOR'S REPORT

To The Members of Narayana Vaishno Devi Specialty Hospitals Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Narayana Vaishno Devi Specialty Hospitals Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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.



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Management's Responsibility 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, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 scepticism 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system 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.



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- 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 control that we identify during our audit.

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

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.
 - 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 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting 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 over financial reporting.

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- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any managerial remuneration during the year ended March 31, 2022 and hence reporting under Section 197 of the Act is not applicable.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would 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 34(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 person or entity, 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, as disclosed in the Note 34(iv) to the financial statements, no funds have been received by the Company from any person or entity, 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 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 current year.

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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/W100018)



Monisha Parikh
Partner
(Membership No.47840)
UDIN : 22047840AJLGVN1320

Place : Bengaluru
Date : May 20, 2022
MP/EKP/ND/BA/2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Narayana Vaishno Devi Specialty Hospitals Private Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 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 over financial reporting 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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

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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 Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting 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/W100018)



Monisha Parikh
Partner
(Membership No.47840)
UDIN : 22047840AJLGVN1320

Place : Bengaluru
Date : May 20, 2022
MP/EKP/ND/BA/2022

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.
- (i) (a) (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 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 year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (i) (c) The Company does not have any immovable properties and hence reporting under clause (i)(c) of the Order is not applicable.
- (i) (d) The Company has not revalued any of its Property, Plant and Equipment, and intangible assets during the year.
- (i) (e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2022 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 (i)(e) of the Order is not applicable.
- (ii) (a) The inventories were physically verified during the year 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 year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.
- (iii) The Company has not made any investments in, provided guarantee or security and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.

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- (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 year 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 (v) of the Order is not applicable to the Company.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 and hence reporting under Clause (vi) of the Order is not applicable.
- (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 have been regularly deposited with the appropriate authorities in all cases during the year.
- 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, 2022 for a period of more than six months from the date they became payable.
- (vii) (b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on 31 March 2022.
- (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 year.
- (ix) (a) The Company has not defaulted in the repayment of borrowings or in the payment of interest thereon during the year.
- (ix) (b) The Company has not been declared wilful defaulter by any bank, financial institution or other lender.
- (ix) (c) The Company has not taken any term loan during the year 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) The Company has not taken any term loan during the year 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) (e) The Company has not raised funds on short-term basis and hence, reporting under clause (ix)(d) of the Order is not applicable to the Company.



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- (ix) (f) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (x) (a) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.
- (x) (b) During the year, 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 (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 year.
- (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 year 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 year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with section 188 of the Companies Act 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. The Company is a private company and hence the provisions of section 177 of the Companies Act, 2013 are not applicable to the Company.
- (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) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 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. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (xvi)
(d) The Group ("Companies in the Group" as defined in the Core Investment Companies (Reserve Bank) Directions) does not have any CIC (Core Investment Company) as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.



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- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (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 immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W100018)



Monisha Parikh
Partner
(Membership No.47840)
UDIN : 22047840AJLGVN1320

Place : Bengaluru
Date : May 20, 2022
MP/EKP/ND/BA/2022

Narayana Vaishno Devi Specialty Hospitals Private Limited
Balance sheet

(₹ in lakhs)

Particulars	Note No	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4	27.45	31.24
Financial Assets			
(i) Other financial assets	5 (a)	11.55	3.55
Income tax assets (net)	6	395.29	169.82
Other non-current Assets	7 (a)	10.53	5.31
Total Non-Current Assets		444.82	209.92
Current Assets			
Inventories	8	200.14	187.53
Financial Assets			
(i) Trade Receivables	9	1,960.36	815.73
(ii) Cash and Cash Equivalents	10 (a)	59.17	222.12
(iii) Bank balances other than (ii) above	10 (b)	0.50	2.50
(iv) Other financial assets	5 (b)	70.59	58.75
Other Current Assets	7 (b)	113.05	89.55
Total current Assets		2,403.81	1,376.18
TOTAL ASSETS		2,848.63	1,586.10
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11	100.00	100.00
Other Equity	12	164.95	(200.74)
Total Equity		264.95	(100.74)
Liabilities			
Non-Current Liabilities			
Other non-current liabilities	14 (a)	24.48	28.27
Provisions	15 (a)	46.57	41.21
Total Non-Current Liabilities		71.05	69.48
Current Liabilities			
Financial Liabilities			
(i) Borrowings	13	250.00	-
(ii) Trade Payables	16		
Total outstanding dues of micro enterprises and small enterprises		38.80	100.02
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,090.31	1,418.15
Other current liabilities	14 (b)	53.06	45.89
Provisions	15 (b)	80.46	53.30
Total Current Liabilities		2,512.63	1,617.36
TOTAL EQUITY AND LIABILITIES		2,848.63	1,586.10
Significant accounting Policies	3		

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

for **Deloitte Haskins & Sells LLP**
Chartered Accountants

Monisha Parikh

Monisha Parikh
Partner

Place: Bengaluru
Date: May 20, 2022



for and on behalf of the Board of Directors of
Narayana Vaishno Devi Specialty Hospitals Private Limited

Dr. Emmanuel Rupert

Dr. Emmanuel Rupert
Director
DIN: 07010883

Place: Bengaluru
Date: May 20, 2022

Viren Prasad Shetty

Viren Prasad Shetty
Director
DIN: 02144586

Place: Bengaluru
Date: May 20, 2022



Narayana Vaishno Devi Specialty Hospitals Private Limited
Statement of Profit and Loss

(₹ in lakhs)			
Particulars	Note No	For the year ended March 31, 2022	For the year ended March 31, 2021
INCOME			
Revenue from operations	17	10,082.68	7,366.37
Other income	18	2.70	55.98
Total Income (A)		10,085.38	7,422.35
EXPENSES			
Purchase of medical consumables, drugs and surgical instruments		3,332.98	2,295.85
Changes in inventories of medical consumables, drugs and surgical instruments-(Increase)/ Decrease	19	(12.61)	25.70
Employee benefit expenses	20	1,676.80	1,486.27
Professional fees to doctors		2,153.38	1,608.70
Other expenses	21	2,396.11	1,968.49
Expense before Finance cost and depreciation and amortization and exceptional items (B)		9,546.66	7,385.01
Profit before depreciation and amortization and exceptional items (C) = (A-B)		538.72	37.34
Finance costs (D)		-	-
Depreciation and amortisation expense (E)	22	3.79	7.38
Total expenses (F) = (B+D+E)		9,550.45	7,392.39
Profit before tax (G) = (A-F)		534.93	29.96
Tax expense:	26		
Current Tax		161.48	7.34
Deferred tax (credit) / charge		-	-
Total tax expense (H)		161.48	7.34
Profit for the year (I) = (G-H)		373.45	22.62
Other Comprehensive income (OCI)			
<i>Items that will not be reclassified subsequently to statement of profit or loss</i>			
Re-measurement of defined benefit plans		(7.76)	(22.41)
Other comprehensive income / (loss) for the year (J)		(7.76)	(22.41)
Total Comprehensive income for the year (K) = (I+J)		365.69	0.21
Earnings per share	28		
Basic (₹)		37.35	2.26
Diluted (₹)		37.35	2.26
Significant accounting Policies	3		

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants

Monisha Parikh
Partner

Place: Bengaluru
Date: May 20, 2022



for and on behalf of the Board of Directors of
Narayana Vaishno Devi Specialty Hospitals Private Limited

Dr. Emmanuel Rupert
Director
DIN: 07010883

Place: Bengaluru
Date: May 20, 2022

Viren Prasad Shetty
Director
DIN: 02144586

Place: Bengaluru
Date: May 20, 2022



Narayana Vaishno Devi Specialty Hospitals Private Limited
Statement of changes in equity for the year ended March 31, 2022

(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 April 1, 2020	1,000,000	100.00	
Changes in equity share capital during 2020-21 (refer note 11)	-	-	
Balance as at March 31, 2021	1,000,000	100.00	
Changes in equity share capital during 2021-22 (refer note 11)	-	-	
Balance as at March 31, 2022	1,000,000	100.00	

(b) Other Equity

Particulars	(₹ in lakhs)		
	Reserves & Surplus	Items of OCI	Total other equity
	Retained earnings	Remeasurements of the net defined benefit Plans	
Balance as at April 1, 2020	(190.71)	(10.24)	(200.95)
Profit for the year	22.62	-	22.62
Other comprehensive income / (loss) for the year	-	(22.41)	(22.41)
Total comprehensive income/(loss) for the year	22.62	(22.41)	0.21
Balance as at March 31, 2021	(168.09)	(32.65)	(200.74)
Profit for the year	373.45	-	373.45
Other comprehensive income / (loss) for the year	-	(7.76)	(7.76)
Total comprehensive income/(loss) for the year	373.45	(7.76)	365.69
Balance as at March 31, 2022	205.36	(40.41)	164.95

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants

Monisha Parikh
Partner

Place: Bengaluru
Date: May 20, 2022



for and on behalf of the Board of Directors of
Narayana Vaishno Devi Specialty Hospitals Private Limited

Dr. Emmanuel Rupert
Director
DIN: 07010883

Place: Bengaluru
Date: May 20, 2022

Viren Prasad Shetty
Director
DIN: 02144586

Place: Bengaluru
Date: May 20, 2022



Narayana Vaishno Devi Specialty Hospitals Private Limited
Statement of Cash flows

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flow from operating activities		
Profit after tax	373.45	22.62
Adjustments:		
Income tax expense	161.48	7.34
Depreciation and amortisation expense	3.79	7.38
Provision for loss allowance	89.95	(7.56)
Provisions no longer required written back	-	(38.53)
Interest on bank deposits	(0.64)	(0.47)
Operating cash flow before working capital changes	628.03	(9.22)
Changes in inventories	(12.61)	25.70
Changes in trade receivables	(1,234.58)	196.91
Changes in financial assets and other assets	(48.56)	169.79
Changes in trade payable and other liabilities	614.32	(278.27)
Changes in provision	24.76	0.65
Cash (used in) / generated from operations	(28.64)	105.56
Income tax paid (net of refund)	(386.95)	37.65
Net cash (used in) / generated from operating activities (A)	(415.59)	143.21
Cash flow from investing activities		
Proceeds / (Investment) in bank deposit	2.00	(0.25)
Interest received	0.64	0.47
Net cash generated from investing activities (B)	2.64	0.22
Cash flow from Financing activities		
Proceeds from Short-term borrowings	500.00	-
Repayment of Short-term borrowings	(250.00)	-
Net cash generated from financing activities (C)	250.00	-
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(162.95)	143.43
Cash and cash equivalents at the beginning of the year	222.12	78.69
Cash and cash equivalents at the end of the year (refer note 10)	59.17	222.12

Significant accounting Policies

3

The accompanying notes form an integral part of these financial statements

Reconciliation of liabilities from financing activities for the year ended March 31, 2022

(₹ in lakhs)

Particulars	As at April 1, 2021	Proceeds	Repayment	Non Cash Charges		As at March 31, 2022
				Fair Value/Other Charges	Foreign exchange	
Short-term borrowings	-	500.00	(250.00)	-	-	250.00

Reconciliation of liabilities from financing activities for the year ended March 31, 2021

(₹ in lakhs)

Particulars	As at April 1, 2020	Proceeds	Repayment	Non Cash Charges		As at March 31, 2021
				Fair Value/Other Charges	Foreign exchange	
Short-term borrowings	-	-	-	-	-	-

As per our report of even date attached
for Deloitte Haskins & Sells LLP
Chartered Accountants

for and on behalf of the Board of Directors of
Narayana Vaishno Devi Specialty Hospitals Private Limited

Monisha Parikh
Partner



Place: Bengaluru
Date: May 20, 2022

Dr. Emmanuel Rupert
Director
DIN: 07010883

Viren Prasad Shetty
Director
DIN: 02144586

Place: Bengaluru
Date: May 20, 2022

Place: Bengaluru
Date: May 20, 2022



Narayana Vaishno Devi Specialty Hospitals Private Limited

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

1. Company overview

Narayana Vaishno Devi Specialty Hospitals Private Limited ('the Company') was incorporated on September 5, 2014 under the provisions of the Companies Act, 2013. The Company is a wholly owned subsidiary of Narayana Hrudayalaya Limited. The Company is engaged in establishing, promoting, owning, letting, managing and maintaining hospitals, clinics, health centers, nursing home in all discipline of medicine and without limitation to run and administer healthcare schemes.

2. Basis of preparation of the financial statements

2.1. Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules 2015 notified under Section 133 of Companies Act 2013 (the 'Act') and other relevant provisions and amendment rules issued thereafter.

The financial statements were authorized for issue by the Company's Board of Directors on May 20, 2022.

Details of the Company's accounting policies are included in Note 3.

2.2 Going concern

Whilst the current liabilities of the Company exceed its current assets as of March 31, 2022, the financial statements have been drawn upon a going concern basis in view of the support letter received from Narayana Hrudayalaya Limited, 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. Functional and presentation currency

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 the historical cost basis except for the following items:

Items	Measurement basis
Defined benefit liability	Present value of defined benefit obligations

2.5. Use of estimates and judgments

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.



Narayana Vaishno Devi Specialty Hospitals Private Limited

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

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

Judgments

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

Note 33 - Financial instruments

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment in the year ending March 31, 2022 is included in the following notes:

Note 26 – Deferred tax asset/(liability)

Note 31 - measurement of defined benefit obligation; key actuarial assumptions

Note 4 - useful life of property, plant and equipment

Note 5,9,10 and 33 - recognition of impairment of financial assets

2.6. 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 recognises 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 the following notes:

Note 33 – financial instruments

3. Significant accounting policies

3.1. Financial instruments

a. Recognition and initial measurement

Trade receivables are initially recognised 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.



Narayana Vaishno Devi Specialty Hospitals Private Limited

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

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.

b. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- 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 at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

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).



Narayana Vaishno Devi Specialty Hospitals Private Limited

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

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 profit or 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 profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are measured at amortised cost using effective interest method. For trade and other payable maturing within one year from the balance sheet date, the carrying value approximates fair value due to short maturity.

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 profit or 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.



Narayana Vaishno Devi Specialty Hospitals Private Limited

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

3.2. Inventories

The inventories of medical consumables, drugs and surgical instruments are valued at lower of cost or 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 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 value added 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.

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 fair value of the consideration received or receivable. 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

The Company has entered into operating and management agreements with a, under which, the Company has a right over the management, operation and utilization of hospital facilities owned by the trust. Further, as per the agreement, for the initial years, the actual loss incurred by the Company will be funded till the amount determined by the trust. This funding of loss has been recognized as "other operating revenue".

'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 the excess of earnings.

Interest

For all debt instruments measured either at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.



Narayana Vaishno Devi Specialty Hospitals Private Limited

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

3.6. Property, Plant and Equipment

Recognition and measurement

Property, plant, and equipment are measured at cost which includes capitalized borrowing costs, 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.

Depreciation and amortization

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. 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	13 years
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.

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.

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.



Narayana Vaishno Devi Specialty Hospitals Private Limited

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

The estimated useful lives of intangibles are as follows:

Block of assets	Useful life
Computer software	3 years

Amortisation method

Useful life and residual values are reviewed at the end of each financial year.

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.

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 an independent actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised immediately in other comprehensive income (OCI). The Company determines the net interest expense on the net defined liability 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. 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 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.



Narayana Vaishno Devi Specialty Hospitals Private Limited

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

3.9. Earnings per share

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

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

3.10. Impairment

a. Impairment of financial instruments

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

At each reporting date, the Company assesses whether financial assets carried at amortized cost. 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.



Narayana Vaishno Devi Specialty Hospitals Private Limited

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

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.

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).

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

3.11. 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.



Narayana Vaishno Devi Specialty Hospitals Private Limited

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

3.12. Other income

Reimbursement of expenses incurred is recognised on accrual basis as 'other income'.

3.13. Income tax

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

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 realized simultaneously.

3.14. Leases

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Assets held under leases that do not transfer substantially all the risks and reward of ownership are not recognized in the balance sheet.

Lease payments under operating lease are generally recognised as an expense in the statement of profit and loss on a straight-line basis over the term of lease unless such payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

3.15. Measurement of Earnings before interest, tax, depreciation and amortization (EBITDA)

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956 (which is applicable even in the context of Schedule III to the Companies Act, 2013) the Company has elected to present earnings before interest, tax, depreciation, and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement of EBITDA, the Company includes other income but does not include depreciation and amortization expense, finance costs and tax expenses.



Narayana Vaishno Devi Specialty Hospitals Private Limited

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

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

On March 23, 2022, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2022. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2022.

- i. Ind AS 101 – First time adoption of Ind AS
- ii. Ind AS 103 – Business Combination
- iii. Ind AS 109 – Financial Instrument
- iv. Ind AS 16 – Property, Plant and Equipment
- v. Ind AS 37 –Provisions, Contingent Liabilities and Contingent Assets
- vi. Ind AS 41 – Agriculture

Application of above standards are not expected to have any significant impact on the company's financial statements.



Narayana Vaishno Devi Specialty Hospitals Private Limited
Notes to the financial statements for the year ended March 31, 2022 (continued)

4 (i) Property, Plant and Equipment and intangible assets

Particulars	Gross block			Accumulated depreciation/amortisation			Net block	
	As at April 1, 2021	Additions	Deletions	As at March 31, 2022	As at April 1, 2021	Deletions	As at March 31, 2022	As at March 31, 2021
Tangible assets*								
Electrical installations	4.86	-	-	4.86	1.68	-	2.17	3.18
Office equipments	0.75	-	-	0.75	0.61	-	0.75	0.14
Medical equipment	8.85	-	-	8.85	2.33	-	3.01	5.84
Other equipments including air conditioners	15.94	-	-	15.94	3.64	-	4.70	12.30
Furniture and fixtures	18.73	-	-	18.73	9.63	-	11.05	9.10
Computers	37.02	-	-	37.02	37.02	-	37.02	-
Total tangible (A)	86.15	-	-	86.15	54.91	-	58.70	31.24
Intangible assets*								
Computer software	0.23	-	-	0.23	0.23	-	0.23	-
Total intangible assets (B)	0.23	-	-	0.23	0.23	-	0.23	-
Grand Total (A+B)	86.38	-	-	86.38	55.14	-	58.93	31.24

* The assets are owned under an arrangement between Narayana Vaishno Devi Specialty Hospitals Private Limited with Shri Mata Vaishno Devi Shrine Board. 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) Property, Plant and Equipment and intangible assets

Particulars	Gross block			Accumulated depreciation/amortisation			Net block	
	As at April 1, 2020	Additions	Deletions	As at March 31, 2021	As at April 1, 2020	Deletions	As at March 31, 2021	As at March 31, 2020
Tangible assets*								
Electrical installations	4.86	-	-	4.86	1.09	-	1.68	3.77
Office equipments	0.75	-	-	0.75	0.46	-	0.61	0.29
Medical equipment	8.85	-	-	8.85	1.65	-	2.33	7.20
Other equipments including air conditioners	15.94	-	-	15.94	2.59	-	3.64	13.35
Furniture and fixtures	18.73	-	-	18.73	8.25	-	9.63	10.48
Computers	37.02	-	-	37.02	33.50	-	37.02	3.52
Total (A)	86.15	-	-	86.15	47.54	-	54.91	38.61
Intangible assets*								
Computer software	0.23	-	-	0.23	0.22	-	0.23	0.01
Total (B)	0.23	-	-	0.23	0.22	-	0.23	0.01
Grand Total (A+B)	86.38	-	-	86.38	47.76	-	55.14	38.62

* The assets are owned under an arrangement between Narayana Vaishno Devi Specialty Hospitals Private Limited with Shri Mata Vaishno Devi Shrine Board



5 Other financial assets		(₹ in lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021	
(a) Non-current			
To parties other than related parties			
Bank deposits (due to mature after 12 months from the reporting date)	3.00	1.00	
Security deposits	8.55	2.55	
	11.55	3.55	
(b) Current			
To parties other than related parties			
Unbilled revenue	70.59	52.92	
Receivable from Shrine Board	-	5.81	
	70.59	58.73	

6 Income tax assets (net)		(₹ in lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021	
Advance income tax and tax deducted at source, net	395.29	169.82	
	395.29	169.82	

7 Other assets		(₹ in lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021	
(a) Non Current			
To parties other than related parties			
Prepaid expenses	10.53	5.31	
	10.53	5.31	
(b) Current			
To parties other than related parties			
Prepaid expenses	67.74	56.89	
Advance to vendors	45.31	32.66	
	113.05	89.55	

8 Inventories		(₹ in lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021	
(Valued at lower of cost and net realisable value)			
Medical consumables, drugs and surgical instruments	208.93	202.30	
Less: Provision for slow and non-moving	(8.79)	(14.77)	
	200.14	187.53	

9 Trade receivables		(₹ in lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021	
Unsecured - Considered good	2,136.18	901.60	
Less: Allowances for Expected credit losses	(175.82)	(85.87)	
Net Trade Receivables	1,960.36	815.73	

The Company's exposure to credit and currency risks and loss allowances are disclosed in note 33

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 March 31, 2022	1735.02	234.65	143.52	6.48	6.95	9.56	2,136.18
As at March 31, 2021	677.42	65.56	40.73	78.17	30.18	9.54	901.60

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every year end, 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 year ended March 31, 2022

Category	Ageing		
	Within due date	Due date to 1 Year	More than 1 Year
ESI/CGHS/SCHEMES	4.84%	18.73%	43.43%
Others	0.92%	20.80%	61.41%

For the year ended March 31, 2021

Category	Ageing		
	Within due date	Due date to 1 Year	More than 1 Year
ESI/CGHS/SCHEMES	3.81%	14.94%	33.06%
Others	0.75%	13.82%	44.81%



10 Cash and bank balances		(₹ in lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021	
(a) Cash and Cash Equivalents			
Cash on hand	2.18	1.10	
Balance with banks			
-In current accounts	56.99	221.02	
	59.17	222.12	
(b) Bank balances other than above			
-In deposit accounts (due to mature within 12 months of the reporting date)*	0.50	2.50	
	0.50	2.50	

*The above deposits are restrictive as it relates to deposits against guarantees

For the purpose of the statement of cash flows, cash and cash equivalent comprise the followings:

		(₹ in lakhs)	
Particulars		As at	As at
		March 31, 2022	March 31, 2021
Cash on hand		2.18	1.10
Balance with banks			
-In current accounts		56.99	221.02
Cash and cash equivalents in the statement of cash flows		59.17	222.12

11 Equity share capital		(₹ in lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021	
Authorised			
30,00,000 equity shares (previous year: 30,00,000 equity shares) of ₹ 10 each	300.00	300.00	
Issued, subscribed and paid up			
10,00,000 equity shares (previous year: 10,00,000 equity shares) of ₹ 10 each	100.00	100.00	
	100.00	100.00	

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

		(₹ in lakhs, except no of shares)			
Particulars		As at March 31, 2022		As at March 31, 2021	
		Number of shares	Amount	Number of shares	Amount
At the beginning of the year		1,000,000	100.00	1,000,000	100.00
Issued during the year		-	-	-	-
At the end of the year		1,000,000	100.00	1,000,000	100.00

(ii) Rights, preference and restriction attached to equity shares

The Company has a single class of equity shares referred to as 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) Shares held by Holding Company

		(₹ in lakhs, except no of shares)			
Particulars		As at March 31, 2022		As at March 31, 2021	
		Number of shares	Amount	Number of shares	Amount
Narayana Hrudayalaya Limited		999,795	99.98	999,795	99.98

(iv) Particulars of shareholders holding more than 5% shares:

		(₹ in lakhs, except no of shares)			
Particulars		As at March 31, 2022		As at March 31, 2021	
		Number of shares*	% holding	Number of shares*	% holding
Narayana Hrudayalaya Limited		999,795	99.98%	999,795	99.98%

The Company has not bought back any shares during the period from the date of incorporation i.e. September 5, 2014 to March 31, 2022. Further, the Company has not issued any bonus shares or shares issued for consideration other than cash during the period from the date of incorporation September 5, 2014 to March 31, 2022.

* These excludes 205 shares held by registered shareholders holding on behalf of beneficial shareholder i.e. Narayana Hrudayalaya Limited.

(v) Shareholding of promoter

Shares held by promoters as at March 31, 2022

Promoter name	No of shares	% of total shares	% Change during the year
Narayana Hrudayalaya Limited	999,795	99.98%	0.00%
Dr. Devi Prasad Shetty*	200	0.02%	0.00%
Mrs. Shakuntala Shetty*	1	0.0001%	0.00%
Mr. Viren Prasad Shetty*	1	0.0001%	0.00%
Dr. Varun Shetty*	1	0.0001%	0.00%
Dr. Anshu Shetty*	1	0.0001%	0.00%

* These shares are held by registered shareholders holding on behalf of beneficial shareholder i.e. Narayana Hrudayalaya Limited.



12 Other Equity		(₹ in lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021	
(i) Reserves and surplus			
Retained earnings			
At the commencement of the year			(168.09)
Add: Net profit after tax transferred from statement of profit and loss			22.62
At the end of the year	205.36		(168.09)
(ii) Other Comprehensive Income			
At the commencement of the year			(32.65)
Add: Addition during the year			(7.76)
At the end of the year			(40.41)
	164.95		(200.74)
Retained earnings			
Retained earnings represents undistributed earning / (losses).			
Other Comprehensive Income			
Other Comprehensive Income represents actuarial gain or loss or re-measurement of defined benefits obligation.			

13 Borrowings		(₹ in lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021	
(a) Current			
Unsecured			
Loans repayable on demand	250.00		-
	250.00		-

14 Other liabilities		(₹ in lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021	
(a) Non-current			
To parties other than related parties			
Deferred liability for assets funding	24.48		28.27
	24.48		28.27
(b) Current			
To parties other than related parties			
Deferred liability for assets funding	3.79		3.79
Contract liabilities	3.10		0.42
Unearned Revenue	-		0.35
Balances due to government/statutory authorities	42.38		41.33
Other liabilities	1.79		-
	53.06		45.89

15 Provisions (refer note 31)		(₹ in lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021	
(a) Non-current			
Provision for employee benefits			
Gratuity	46.57		41.21
	46.57		41.21
(b) Current			
Provision for employee benefits			
Gratuity	21.16		9.63
Compensated absences	59.30		43.67
	80.46		53.30

16 Trade payables		(₹ in lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021	
Total outstanding dues of micro enterprises and small enterprises (refer note 32)	38.80		100.02
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,090.31		1,418.15
	2,129.11		1,518.17

Note: payables to related parties (refer note 27 (c))

The Company's exposure to currency and liquidity risks related to trade payable is disclosed in note 33

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 March 31, 2022						
a) Undisputed-MSME	31.09	6.73	0.78	-	0.20	38.80
b) Undisputed-Others	732.53	1,194.79	141.00	17.55	4.44	2,090.31
c) Disputed dues - MSME	-	-	-	-	-	-
d) Disputed dues - Others	-	-	-	-	-	-
Total	763.62	1,201.52	141.78	17.55	4.64	2,129.11
As at March 31, 2021						
a) Undisputed-MSME	10.94	88.74	0.11	0.02	0.21	100.02
b) Undisputed-Others	682.83	702.38	29.16	2.44	1.34	1,418.15
c) Disputed dues - MSME	-	-	-	-	-	-
d) Disputed dues - Others	-	-	-	-	-	-
Total	693.77	791.12	29.27	2.46	1.55	1,518.17

*includes provision for expenses



Narayana Vaishno Devi Specialty Hospitals Private Limited
Notes to the financial statements for the year ended March 31, 2022 (continued)

17 Revenue from operations (₹ in lakhs)

Particulars	For the year ended March 31 2022	For the year ended March 31 2021
Income from medical and healthcare services	9,758.40	6,128.94
Sale of medical consumables and drugs	324.28	212.23
Other operating revenue:		
Viability gap funding income (refer note 30)	-	1,025.20
	10,082.68	7,366.37

(i) Category of Customer

Cash*	4,136.25	3,192.51
Credit	5,946.43	4,173.86
Total	10,082.68	7,366.37

*includes receipts through digital/electronic mode

(ii) Nature of treatment

In-patient	8,144.98	4,994.60
Out-patient	1,613.42	1,134.34
Sale of medical consumables and drugs	324.28	212.23
Others	-	1,025.20
Total	10,082.68	7,366.37

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

(iv) Revenue from sale of medical and healthcare services is net of rebates / incentives/ discounts for the year ended March 31, 2022 amounting to ₹ 856.18 lakhs (March 31, 2021: ₹ 458.14 lakhs)

(v) Transaction price allocated to the remaining performance obligations (₹ in lakhs)

Particulars	For the year ended March 31 2022	For the year ended March 31 2021
Contract Liabilities	3.10	0.42
	3.10	0.42

(vi) Use of Practical expedients

Transaction price allocated to the remaining performance obligations

The Company has applied the practical expedient with respect to non disclosure of information in respect of remaining performance obligations considering the fact that the company's performance obligations, i.e. the treatment in case of healthcare segment has an original expected duration of one year or less.

18 Other income (₹ in lakhs)

Particulars	For the year ended March 31 2022	For the year ended March 31 2021
Interest income on		
- Bank deposits	0.64	0.47
- Income Tax Refund	-	13.00
Provisions no longer required written back	-	38.53
Miscellaneous income	2.06	3.98
	2.70	55.98

19 Changes in inventories of medical consumables, drugs and surgical instruments - (increase)/ decrease (₹ in lakhs)

Particulars	For the year ended March 31 2022	For the year ended March 31 2021
Inventory at the beginning of the year	187.53	213.23
Inventory at the end of the year	200.14	187.53
	(12.61)	25.70



Narayana Vaishno Devi Specialty Hospitals Private Limited
Notes to the financial statements for the year ended March 31, 2022 (continued)

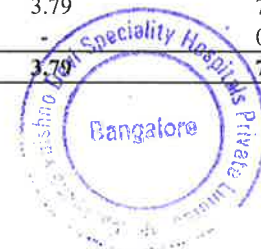
20 Employee benefits expense	(₹ in lakhs)	
Particulars	For the year ended March 31 2022	For the year ended March 31 2021
Salaries, wages and bonus	1,501.50	1,324.22
Gratuity expenses	14.47	6.73
Contribution to provident and other funds (refer note 31)	109.02	99.08
Staff welfare expenses	51.81	56.24
	1,676.80	1,486.27

21 Other expenses	(₹ in lakhs)	
Particulars	For the year ended March 31 2022	For the year ended March 31 2021
Hospital operating expenses		
Power and fuel	428.00	341.97
Hospital general expenses	59.69	72.29
House keeping expenses	381.68	310.60
Patient welfare expenses	140.05	107.06
Rent (refer note 25)	72.17	61.38
Biomedical wastage expenses	25.26	20.88
Medical gas charges	78.39	45.66
Repairs and maintenance		
- Hospital equipments	330.03	270.41
- Buildings	1.71	10.89
- Others	266.86	271.48
	1,783.84	1,512.62
Administrative expenses		
Travelling and conveyance	51.04	27.60
Printing and stationery	57.60	49.33
Advertisement and publicity	76.58	31.30
Rent (refer note 25)	3.22	40.29
Legal and professional fees (Refer note (i) below)	38.10	33.75
Security charges	125.33	109.45
Telephone and communication	32.66	31.93
Bank charges	19.17	16.26
Insurance	46.17	47.85
Rates and taxes	10.30	7.53
Business promotion	10.40	1.63
Provision for loss allowance	89.95	(7.56)
Bad receivables written off	-	23.35
Miscellaneous expenses	51.75	43.16
	612.27	455.87
	2,396.11	1,968.49

(i) Payment to auditors*	(₹ in lakhs)	
Particulars	For the year ended March 31 2022	For the year ended March 31 2021
As an auditor		
(i) Audit fee	1.00	1.00
	1.00	1.00

*excluding goods and service tax

22 Depreciation and amortisation expense	(₹ in lakhs)	
Particulars	For the year ended March 31 2022	For the year ended March 31 2021
Depreciation of property, plant and equipment (refer note 4)	3.79	7.37
Amortisation of intangible assets (refer note 4)	-	0.01
	3.79	7.38



23 Contingent liabilities and commitments

(i) Contingent liabilities

The Company does not have any contingent liability as on March 31, 2022 (previous year - Nil).

Commitments:

Estimated amounts of contracts remaining to be executed on capital account (net of advances) and not provided amounts to ₹ Nil (previous year: ₹ Nil).

24 Segment reporting

Operating Segments

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 'Medical and Healthcare Services'. Accordingly, there are no additional disclosure 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 of geographical information is not applicable.

25 Leases

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The Company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is to be recognised in retained earnings at April 1, 2019. The Company has evaluated the effect of Ind AS 116 on the financial statements and concluded that there is no material impact on Statement of Profit and loss.

(i) Amounts recognised in statement of profit and loss towards short term leases:

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Cancellable	75.39	101.67
	75.39	101.67

26 Income tax

(a) Amount recognised in statement of profit and loss

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax		
-Current year	161.48	7.34
Deferred tax (credit) / charge		
-Origination and reversal of temporary differences	-	-
Tax expense for the year	161.48	7.34

(b) Reconciliation of effective tax rate

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax	534.93	29.96
Tax using the Company's domestic tax rate (Current year 25.17% and Previous Year 24.48%)	134.64	7.34
Tax effect of:		
Temporary difference	26.84	-
	161.48	7.34

(c) Deferred tax assets and liabilities are attributable to the following:

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Deferred tax asset		
Provision for doubtful receivables	44.25	21.02
Provision for gratuity	17.05	12.45
Provision for compensated absences	14.92	10.69
Provision for slow & non moving inventory	2.21	3.62
Bonus payable	27.62	26.86
Total deferred tax asset	106.05	74.64
Deferred tax liability		
Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act, 2013	(0.51)	(1.00)
Total deferred tax liability	(0.51)	(1.00)
Deferred tax asset (net)	105.54	73.64

Deferred tax assets has not been recognised because it is not probable that future taxable profit will be available against which the Company can use the benefits thereon.



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
Key Management Personnel (KMP)	Dr. Emmanuel Rupert - Director Viren Prasad Shetty-Director Dr. Devi Prasad Shetty- Director
Key Management Personnel (KMP) of the Holding Company	Dr. Devi Prasad Shetty - Chairman Dr. Emmanuel Rupert - Managing Director and Group CEO Viren Prasad Shetty- Whole Time Director and Group COO Kesavan Venugopalan- Chief Financial Officer (till November 12, 2021) Sandhya Jayaraman - Chief Financial Officer (w.e.f. December 8, 2021) Sridhar S- Company Secretary
Fellow Subsidiaries	Meridian Medical Research & Hospital Limited (MMRHL) Narayana Hrudayalaya Surgical Hospital Private Limited (NHSHP) Narayana Institute for Advanced Research Private Limited (NIARPL) Narayana Cayman Holdings Ltd (NCHL) (till March 31, 2021) Health City Cayman Islands Ltd (HCCI) Narayana Hospitals Private Limited (NHPL) Narayana Health Institutions Private Limited (NHPL) NH Health Bangladesh Private Limited (NHDPL) Narayana Holdings Private Limited (NHPL, Mauritius) Narayana Health North America LLC
Entity under control/ joint control of KMP/KMP of Holding company and their relatives	Amaryllis Healthcare Private Limited Hrudayalaya Pharmacy Charmakki Infrastructures Thrombosis Research Institute(TRI) Narayana Hrudayalaya Foundation (NHF) Mazumdar Shaw Medical Foundation (MSMF) Narayana Health Academy Private Limited(NIAPL) Asia Heart Foundation (AHF)
Associate of Holding Company	Trimedx India Private Limited

(b) Transactions with related party for the year ended March 31, 2022

Transactions	Enterprise having control over the Company	Fellow Subsidiaries	Associate of Holding company	Entity under control/ joint control of KMP and their relatives	Total
(₹ in lakhs)					
Reimbursement of expenses					
Narayana Hrudayalaya Limited	36.15	-	-	-	36.15
	(93.17)	(-)	(-)	(-)	(93.17)
Sale of medical stores and Consumables/Lab Services					
Narayana Hrudayalaya Limited	5.06	-	-	-	5.06
Narayana Hrudayalaya Surgical Hospital Private Limited (NHSHP)	(5.86)	(-)	(-)	(-)	(5.86)
	-	0.19	-	-	0.19
	(-)	(0.22)	(-)	(-)	(0.22)
Purchase of medical stores and Consumables/Lab Services					
Narayana Hrudayalaya Limited	4.65	-	-	-	4.65
	(8.99)	(-)	(-)	(-)	(8.99)
Narayana Hrudayalaya Surgical Hospital Private Limited (NHSHP)	-	60.12	-	-	60.12
	(-)	(22.72)	(-)	(-)	(22.72)
Meridian Medical Research & Hospital Limited (MMRHL)	(-)	-	-	(-)	-
	(-)	(0.30)	(-)	(-)	(0.30)
Amaryllis Healthcare Private Limited	-	-	-	46.86	46.86
	(-)	(-)	(-)	(66.35)	(66.35)
Release of Corporate guarantee given by the holding company					
Narayana Hrudayalaya Limited	-	-	-	-	-
	(250.00)	(-)	(-)	(-)	(250.00)

Figures in bracket are for the previous year

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

Balances	Enterprise having control over the Company	Fellow Subsidiaries	Associate of Holding company	Entity under control/ joint control of KMP and their relatives	Total
(₹ in lakhs)					
Trade Payables					
Narayana Hrudayalaya Limited	39.92	-	-	-	39.92
	(28.99)	(-)	(-)	(-)	(28.99)
Amaryllis Healthcare Private Limited	-	-	-	0.23	0.23
	(-)	(-)	(-)	(0.95)	(0.95)
Narayana Hrudayalaya Surgical Hospital Private Limited (NHSHP)	-	38.96	-	-	38.96
	(-)	(14.55)	(-)	(-)	(14.55)
Meridian Medical Research & Hospital Limited (MMRHL)	-	-	-	-	-
	(-)	(0.30)	(-)	(-)	(0.30)
Total	39.92	38.96	-	0.23	79.11
	(28.99)	(14.85)	(-)	(0.95)	(44.79)

Figures in bracket are for the previous year

Note :

- (a) No amount in respect of related parties have been written off/back or provided for during the year
(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 be reasonably be expected to be available in respect of similar transactions with other than related entities on an arms length basis.



Narayana Vaishno Devi Specialty Hospitals Private Limited
Notes to the financial statements for the year ended March 31, 2022 (continued)

28 Earnings per share

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share for the year ended March 31, 2022 was based on profit attributable to equity shareholders of ₹404.37 lakhs (Previous year: ₹22.62 lakhs and weighted average number of equity share outstanding 10,00,000 (Previous year: 10,00,000).

Particulars	(₹ in lakhs, except no of shares)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit for the year	373.45	22.62
Weighted average number of equity shares (basic/diluted)		
Shares	For the year ended March 31, 2022	For the year ended March 31, 2021
Total number of shares outstanding	1,000,000	1,000,000
Effect of shares issued during the year	-	-
Weighted average number of equity share	1,000,000	1,000,000
Basic and diluted loss per share (₹)	37.35	2.26
(Nominal value per share ₹ ₹10)		

29 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. The Company is equity financed as evident from the capital structure below. There are no borrowings from any financial institution/organisation.

The capital structure as of March 31, 2022 and March 31, 2021 was as follows:

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Total equity attributable to the equity shareholders of the Company	264.95	(100.74)
As a percentage of total capital	51%	100%
Borrowings from financial institution and organisation	250.00	-
Total borrowings	250.00	-
As a percentage of total capital	49%	0%
Total capital (Equity and Borrowings)	514.95	(100.74)

- 30 The Company entered into a Concession Agreement with Shri Mata Vaishno Devi Shrine Board ("the trust") to operate, maintain and manage a 230 bed multi specialty hospital on public private partnership model. The Company is required to pay concession fees to trust as mutually agreed, during the period of agreement. The trust has invested and incurred capital costs to set up/ establish 230 bed multi specialty hospital and has reimbursed costs incurred by the Company for providing technical assistance during the refurbishment and commissioning period to the extent of ₹50.00 lakhs. The period of agreement is 21 Years from the Commercial Operation Date (COD) which is April 2016.

Effective from the Commercial operations date (COD), the Authority shall provide Viability Gap Funding ("VGF"), in the form of financial assistance to cover expected expenditure and losses, to the Company for a maximum period of 5 years from the COD on actual basis subject to a cumulative maximum amount of ₹4,500 lakhs. During the financial year 2020-21, the Authority had further approved and increased the above mentioned cumulative maximum to ₹5,170 lakhs. During the financial year 2021-22, Shrine Board has expressed their in-principal agreement to release the additional amounts in the due course of time as per the concession agreement and based on the hospital's actual requirement and the Board's cash-flows. In the current year, the Company has earned a surplus of ₹ 594.93 lakhs from its operations. The Company has proposed to Shrine Board to retain this surplus earned within the Company and utilize it for purposes as stated and governed by the Shrine Board and Governing Body.

The Viability Gap Funding accounted so far is as below:

Particulars	Financial Year	(₹ in lakhs)
Other Operating revenue under Revenue from Operations	16-17	1,441.79
Other Operating revenue under Revenue from Operations	17-18	1,116.06
Other Operating revenue under Revenue from Operations	18-19	1,181.98
Other Operating revenue under Revenue from Operations	19-20	767.26
Other Operating revenue under Revenue from Operations	20-21	1,025.20



31 Employee benefits

A. Defined benefit 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 during the year aggregated to ₹94.54 lakhs (previous year: ₹92.34 lakhs)

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. This scheme is non funded. 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 and accordingly the maximum payment is restricted to ₹20 lakhs.

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	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Net defined benefit liability	67.73	50.84
Liability for compensated absences	59.30	43.67
Total employee benefit liability	127.03	94.51
Non-current	46.57	41.21
Current	80.46	53.30

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	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Defined benefit obligation as at 1 April	50.84	22.46
Current service cost	12.01	5.61
Interest cost	2.46	1.13
Benefits Payment directly by employer	(5.34)	(0.77)
Change in actuarial assumption		
-changes in demographic assumptions	(2.78)	6.91
-changes in financial assumptions	(0.11)	4.17
-experience adjustments	10.65	11.33
Defined benefit obligations as at 31 March	67.73	50.84

ii) Reconciliation of present values of plan assets

Particulars	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Plan assets at beginning of the year	-	-
Contributions paid into the plan	-	-
Interest income	-	-
Benefits paid	-	-
Return on plan assets	-	-
Plan assets at the end of the year	-	-
Net defined benefit liability	67.73	50.84

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

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Current service cost	12.01	5.61
Interest cost	2.46	1.13
	14.47	6.74



ii) Remeasurements recognised in other comprehensive income

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Actuarial (gains) / loss on defined benefit obligation	7.76	22.41
Return on plan assets excluding interest income	-	-
	7.76	22.41

D. Defined Benefit obligation

i) Actuarial assumptions

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

Principal actuarial assumptions	As at March 31, 2022	As at March 31, 2021
Attrition rate	Upto Level 6 = 32% Level 7 and above = 26%	Upto Level 6 = 32% Level 7 and above = 26%
Discount rate	5.41%	5.34%
Mortality table	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Future salary increases	First year 7.90% thereafter 6%	First year 7.90% thereafter 6%

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

Maturity profile of defined benefit obligation

Particulars	(₹ in lakhs)
1st following year	21.16
2nd following year	15.77
3rd following year	12.39
4th following year	9.16
5th following year	6.58
Year 6 to 10	11.37
More than 10 years	1.70

As at March 31, 2022, the average duration of the defined benefit obligations was 2.64 years (March 31, 2021: 3.14 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.

Particulars	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(0.93)	0.97	(1.23)	1.32
Future salary increases (0.5% movement)	0.95	0.95	1.31	(1.17)
Attrition rate (0.5% movement)	(0.24)	0.24	(0.56)	0.57
Mortality rate (10% movement)	(0.01)	0.01	0.00	0.00

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.

32 Due to Micro, Small and Medium 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 2022 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.

Particulars	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
-Principal	38.80	100.02
-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	-	-



33 Financial instruments: Fair value and risk managements

A. Accounting classification and fair values

	(₹ in lakhs)		
As at March 31, 2022	FVTPL	Amortised cost	Total
Financial assets			
Trade receivables	-	1,960.36	1,960.36
Cash and cash equivalents	-	59.17	59.17
Bank balances other than above	-	0.50	0.50
Other financial assets	-	82.14	82.14
	-	2,102.17	2,102.17
Financial liabilities			
Borrowings	-	250.00	250.00
Trade payables	-	2,129.11	2,129.11
	-	2,379.11	2,379.11
As at March 31, 2021	FVTPL	Amortised cost	Total
Financial assets			
Trade receivables	-	815.73	815.73
Cash and cash equivalents	-	222.12	222.12
Bank balances other than above	-	2.50	2.50
Other financial assets	-	62.30	62.30
	-	1,102.65	1,102.64
Financial liabilities			
Borrowings	-	-	-
Trade payables	-	1,518.17	1,518.17
	-	1,518.17	1,518.17

Measurement of fair values

The carrying value 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 ₹2136.18 lakhs (March 31, 2021: ₹901.60 Lakhs). The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows:

	(₹ in lakhs)	
Allowance for credit loss	As at March 31, 2022	As at March 31, 2021
Opening balance	85.87	93.43
Credit loss recognised	89.95	(7.56)
Closing balance	175.82	85.87

Our customer- ECHS (36.37%) & Ayushman Bhaarat (11.57%) accounted for more than 10% of the revenue as of March 31, 2022.

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



Narayana Vaishno Devi Specialty Hospitals Private Limited
Notes to the financial statements for the year ended March 31, 2022 (continued)

(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 Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2022:

					(₹ in lakhs)
Particulars	Less than 1 year	1 - 3 years	3-5 years	more than 5 years	Total
Trade payables	2,129.11	-	-	-	2,129.11
Total	2,129.11	-	-	-	2,129.11

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2021:

					(₹ in lakhs)
Particulars	Less than 1 year	1 - 3 years	3-5 years	more than 5 years	Total
Trade payables	1,518.17	-	-	-	1,518.17
Total	1,518.17	-	-	-	1,518.17

(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 and interest rates. There are no such associated risk in the Company.

34 Other Statutory Information

- 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.
- 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.
- 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:
 - 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
 - Provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries
- The Company have 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
 - 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
 - Provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries
- The company doesn't have any 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 year.
- The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

35 Financial Ratios

Ratio	Methodology	For the year ended March 31, 2022	For the year ended March 31, 2021	Variance
(a) Current ratio	Current assets over current liabilities	0.96	0.85	12.44%
(b) Debt equity ratio	Debt over total shareholders' equity	0.94	-	0.00%
(c) Debt service coverage ratio	EBIT over current debt	2.15	-	0.00%
(d) Return on equity % ¹	PAT over total average equity	454.84%	-22.43%	477.27%
(e) Trade receivables turnover ratio	Net credit sales over average trade receivables	4.28	4.58	-6.56%
(f) Trade payables turnover ratio	Total purchases over average trade payables	1.83	1.50	22.20%
(g) Net capital turnover ratio ¹	Revenue from operations over working capital	92.66	30.54	203.37%
(h) Net profit % ¹	Net profit over revenue from operations	3.70%	0.31%	3.40%
(i) Return on capital employed % ¹	EBIT over capital employed	103.88%	-29.74%	133.62%
(j) Inventory turnover ratio ²	Cost of goods sold over average inventory	17.13	11.59	-47.85%

Notes

EBIT - Earnings before interest and taxes

PAT - Profit after taxes

Debt includes current debt

Capital employed refers to total shareholders' equity and debt.

¹ Improvement in ratios is due to improved profitability

² Increase in inventory ratio is on account of improved sales



36 Code on Social Security 2020

The Code on Social Security, 2020 (the Code) has been enacted, which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified. The Ministry of Labour and Employment (the Ministry) has released draft rules for the Code on November 13, 2020. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules are published.

- 37 The Company has considered the possible impact of known events arising from COVID-19 pandemic and continues to actively manage its business, including taking various initiatives to optimise costs and meet its financial commitments. The Company as of the reporting date does not expect any long term adverse impact of COVID-19 on its ability to recover the carrying value of its current assets and non-current assets including trade receivables, property, plant and equipment and intangible assets and meeting its financial obligations.



for and on behalf of the Board of Directors of
Narayana Vaishno Devi Specialty Hospitals Private Limited


Dr. Emmanuel Rupert
Director
DIN: 07010883

Place: Bengaluru
Date: May 20, 2022


Viren Prasad Shetty
Director
DIN: 02144586

Place: Bengaluru
Date: May 20, 2022

