

INDEPENDENT AUDITOR'S REPORT

To The Members of Narayana Hrudayalaya Surgical Hospital Private Limited Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Narayana Hrudayalaya Surgical Hospital Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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, 2023, 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 (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements, and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal 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 relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- 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 March 31, 2023 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 did not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 38(iii) to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 38(iv) to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The Company has not declared or paid any dividend during the current year and has not proposed final dividend for the year.
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Monisha Parikh
Partner
(Membership No. 47840)
UDIN:- 23047840BGUCKO9865

Place:-Bengaluru
Date :- May 19, 2023
MP/EKP/SM/BA/2023

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

We have audited the internal financial controls with reference to financial statements of Narayana Hrudayalaya Surgical Hospital Private Limited ("the Company") as of March 31, 2023 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 with reference to financial statements based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Monisha Parikh
Partner
(Membership No. 47840)
UDIN:- 23047840BGUCKO9865

Place:-Bengaluru
Date :- May 19, 2023
MP/EKP/SM/BA/2023

ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work in progress and right of use assets.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) The Company has a program of verification of property, plant and equipment 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) Based on examination of the registered conveyance deed, provided to us, we report that, the title deeds of all the immovable properties, disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land that has been taken on lease and disclosed as right of use assets in the financial statements, the lease agreements are in the name of the Company.
- (i) (d) The Company has not revalued any of its Property, Plant and Equipment, Right of Use Assets and intangible assets during the year.
- (i) (e) No proceedings have been initiated during the year or are pending against the Company as at March 31,2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder, and hence reporting under clause 3(i)(e) of the Order is not applicable.
- (ii) (a) The inventories were physically verified during the 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, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanation given to us, the quarterly statements comprising (stock statements) filed by the Company with such banks or financial institution are in agreement with the unaudited books of account of the Company of the respect
- (iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured, or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.
- (iv) The Company has not granted any loans, made investments or provided guarantees or securities and hence reporting under clause (iv) of the Order is not applicable.
- (v) The Company has not accepted any deposit during the 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 3(v) of the Order is not applicable to the Company.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 in respect of services rendered. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete
- (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, 2023 for a period of more than six months from the date they became payable.
- (vii) (b) There are no statutory dues referred to in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2023.

- (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) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- (ix) (d) 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.
- (ix) (e) 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.
- (ix) (f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) 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 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the 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 3(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 transaction 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 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) During the year, the Company has not entered into any non-cash transactions with any of its directors, or directors of the company, subsidiary companies, associate companies or persons connected with such directors and hence provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clauses 3(xvi)(a),(b),and(c) of the Order is not applicable.
(b)
(c)
- (xvi) (d) The Group does not have any CIC 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.
- (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, provision 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/W-100018)

Monisha Parikh
Partner
(Membership No. 47840)
UDIN:- 23047840BGUCKO9865

Place:-Bengaluru
Date :- May 19, 2023
MP/EKP/SM/BA/2023

(₹ in lakhs)			
Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4	9,371.72	9,209.22
Capital work-in-progress	4	858.35	208.88
Right of use assets	5	342.28	432.35
Intangible assets	4	1,757.87	2,197.34
Financial assets			
(i) Other financial assets	6 (a)	816.51	834.71
Deferred tax assets	29	416.20	106.82
Other non-current assets	7 (a)	553.23	842.52
Total non-current assets		14,116.16	13,831.84
Current Assets			
Inventories	8	482.97	455.33
Financial assets			
(i) Trade receivables	9	6,689.75	4,406.81
(ii) Cash and cash equivalents	10 (a)	372.06	408.27
(iii) Bank balances other than (ii) above	10 (b)	1.00	1.00
(iv) Other financial assets	6 (b)	2,234.88	1,418.65
Other current assets	7 (b)	328.23	370.54
Total current assets		10,108.89	7,060.60
TOTAL ASSETS		24,225.05	20,892.44
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11 (a)	2,442.59	2,442.59
Other equity	11 (b)	1,823.68	(867.36)
Total equity		4,266.27	1,575.23
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	12 (a)	947.02	1,125.63
(ii) Lease liabilities	13 (a)	386.00	458.65
(iii) Other financial liabilities	14 (a)	6,493.20	7,554.63
Provisions	15 (a)	189.35	174.29
Other non-current liabilities	16 (a)	262.57	219.58
Total non-current liabilities		8,278.14	9,532.78
Current liabilities			
Financial liabilities			
(i) Borrowings	12 (b)	3,316.41	2,551.21
(ii) Lease liabilities	13 (b)	72.65	118.02
(iii) Trade payables	17		
Total outstanding dues of micro enterprises and small enterprises		300.65	377.74
Total outstanding dues of creditors other than micro enterprises and small enterprises		5,891.93	4,711.86
(iv) Other financial liabilities	14 (b)	993.60	1,161.01
Other current liabilities	16 (b)	411.40	449.28
Current Tax Liabilities (Net)	18	459.45	227.07
Provisions	15 (b)	234.55	188.24
Total current liabilities		11,680.64	9,784.43
TOTAL EQUITY AND LIABILITIES		24,225.05	20,892.44
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

For and on behalf of the Board of Directors of
Narayana Hrudayalaya Surgical Hospital Private Limited

sd/-
Monisha Parikh
Partner

sd/-
Dr. Devi Prasad Shetty
Director
DIN: 00252187

sd/-
Dr. Emmanuel Rupert
Managing Director
DIN : 07010883

Place: Bengaluru
Date: May 19, 2023

Place: Bengaluru
Date: May 19, 2023

Place: Bengaluru
Date: May 19, 2023

sd/-
Satish Belawadi
Chief Financial Officer
Place: Mysore
Date: May 19, 2023

sd/-
Shashanka S Velankar
Company Secretary
Place: Bengaluru
Date: May 19, 2023

Narayana Hrudayalaya Surgical Hospital Private Limited
CIN : U85100KA2010PTC055453
Statement of Profit and Loss

		(₹ in lakhs)	
Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
INCOME			
Revenue from operations	19	33,268.93	30,557.97
Other income	20	520.36	232.49
Total income (A)		33,789.29	30,790.46
EXPENSES			
Purchase of medical consumables, drugs and surgical instruments		8,482.12	7,653.08
Changes in inventories of medical consumables, drugs and surgical instruments - (Increase)/Decrease	21	(27.64)	(44.46)
Employee benefit expenses	22	5,313.59	4,849.83
Professional fees to doctors		7,349.59	6,119.70
Other expenses	23	6,625.21	6,138.58
Expenses before finance costs, depreciation and amortisation and exceptional items (B)		27,742.87	24,716.73
Earnings before finance costs, depreciation and amortisation, exceptional items and tax (A-B)		6,046.42	6,073.73
Finance costs (C)	24	1,654.20	1,728.74
Depreciation and amortisation expense (D)	25	1,685.09	1,593.46
Total expenses (E) = (B+C+D)		31,082.16	28,038.93
Profit / (loss) before exceptional items and tax (F) = (A-E)		2,707.13	2,751.53
Exceptional items (G)		-	-
Profit / (loss) before tax (H) = (F-G)		2,707.13	2,751.53
Tax expenses:	29		
Current Tax		309.38	616.75
Deferred tax charge / (credit)		(309.38)	(106.82)
Total tax expenses (I)		-	509.93
Profit / (loss) for the year (J) = (H-I)		2,707.13	2,241.60
Other Comprehensive Income (OCI)			
<i>Items that will not be subsequently reclassified to profit or loss</i>			
Re-measurement of defined benefit plans		(12.99)	(40.26)
Exchange differences in translating the financial statements of a foreign operations		(3.10)	0.78
Other comprehensive income for the year, net of income tax (K)		(16.09)	(39.48)
Total comprehensive income / (loss) for the year (J+K)		2,691.04	2,202.12
Earnings / (Loss) per share	33		
Basic (₹)		11.08	9.18
Diluted (₹)		11.08	9.18
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

For and on behalf of the Board of Directors of
Narayana Hrudayalaya Surgical Hospital Private Limited

sd/-
Monisha Parikh
Partner

Place: Bengaluru
Date: May 19, 2023

sd/-
Dr. Devi Prasad Shetty
Director
DIN: 00252187
Place: Bengaluru
Date: May 19, 2023

sd/-
Dr. Emmanuel Rupert
Managing Director
DIN : 07010883
Place: Bengaluru
Date: May 19, 2023

sd/-
Satish Belawadi
Chief Financial Officer
Place: Mysore
Date: May 19, 2023

sd/-
Shashanka S Velankar
Company Secretary
Place: Bengaluru
Date: May 19, 2023

Narayana Hrudayalaya Surgical Hospital Private Limited
CIN : U85100KA2010PTC055453
Statement of changes in equity for the year ended March 31, 2023

(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, 2021	24,425,900	2,442.59
Changes in equity share capital during 2021-22 [refer note 11 (a)]	-	-
Balance as at March 31, 2022	24,425,900	2,442.59
Changes in equity share capital during 2022-23 [refer note 11 (a)]	-	-
Balance as at March 31, 2023	24,425,900	2,442.59

(b) Other Equity

(₹ in lakhs)					
Particulars	Reserves & Surplus		Items of OCI		Total other equity
	Securities premium	Retained earnings	Remeasurements of the net defined benefit plans	Foreign currency translation reserve	
Balance as at April 1, 2021	11,465.40	(14,492.86)	(42.02)	-	(3,069.48)
Profit for the year	-	2,241.60	-	-	2,241.60
Other comprehensive income (OCI)	-	-	(40.26)	0.78	(39.48)
Balance as at March 31, 2022	11,465.40	(12,251.26)	(82.28)	0.78	(867.36)
Profit for the year	-	2,707.13	-	-	2,707.13
Other comprehensive income (OCI)	-	-	(12.99)	(3.10)	(16.09)
Balance as at March 31, 2023	11,465.40	(9,544.13)	(95.27)	(2.32)	1,823.68

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

For and on behalf of the Board of Directors of
Narayana Hrudayalaya Surgical Hospital Private Limited

sd/-
Monisha Parikh
Partner

Place: Bengaluru
Date: May 19, 2023

sd/-
Dr. Devi Prasad Shetty
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Satish Belawadi
Chief Financial Officer

Place: Mysore
Date: May 19, 2023

sd/-
Shashanka S Velankar
Company Secretary

Place: Bengaluru
Date: May 19, 2023

			(₹ in lakhs)
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	
Cash flow from operating activities			
Profit / (loss) after tax	2,707.13	2,241.60	
Adjustments :			
Income tax expense	-	509.93	
Depreciation and amortisation expense	1,685.09	1,593.46	
Interest income	(61.20)	(63.96)	
Interest income from financial asset at amortised cost	(61.18)	(55.75)	
Grant Income	(27.17)	(19.26)	
Property usage right	106.27	104.25	
Provision for loss allowance provided for/(reversal)	(156.15)	429.24	
Finance costs	1,654.20	1,728.74	
Loss on sale/disposal of Property, plant and equipment	8.30	2.71	
Unrealised foreign exchange (gain)/loss (net)	(135.54)	(51.85)	
Operating cash flow before working capital changes	5,719.75	6,419.11	
Changes in trade receivables	(1,991.21)	(2,295.98)	
Changes in inventories	(27.64)	(44.47)	
Changes in loans, other financial assets and other assets	(632.75)	496.83	
Changes in trade payables, other financial liabilities and other liabilities	1,137.23	108.58	
Changes in provision	45.28	39.07	
Cash generated from operations	4,250.66	4,723.14	
Income taxes (paid) / refund received (net)	(77.00)	(12.29)	
Net cash generated by operating activities (A)	4,173.66	4,710.85	
Cash flow from investing activities			
Acquisition of Property, plant and equipment (including capital work-in-progress and Intangible assets)	(2,048.56)	(1,282.74)	
Consideration for business acquisition (refer note no 35)	(2,297.31)	(2,187.90)	
Investment in bank deposit	(1.00)	(2.00)	
Interest received	58.32	61.20	
Net cash used in investing activities (B)	(4,288.55)	(3,411.44)	
Cash flow from financing activities			
Repayment of long-term borrowings	(283.32)	(533.17)	
Proceeds of loan from a related party (refer note 32 b)	1,300.00	800.00	
Repayment of loan to a related party (refer note 32 b)	(550.00)	(850.00)	
Interest and other borrowing costs	(348.02)	(285.73)	
Payment of lease liabilities (refer note 28)	(159.89)	(159.89)	
Net cash (used in) / generated from financing activities (C)	(41.23)	(1,028.79)	
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(156.12)	270.62	
Cash and cash equivalents at the beginning of the year (refer note 10)*	(488.41)	(759.03)	
Cash and cash equivalents at the end of the year (refer note 10)	(644.53)	(488.41)	

Significant accounting policies

* Cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

Reconciliation of liabilities from financing activities for the year ended March 31, 2023

Particulars	As at April 1, 2022	Proceeds	Repayment	Non cash changes	As at March 31, 2023
				Fair value/ other changes	
Long-term borrowings (including current maturities)	2,780.16	1,300.00	(833.32)	-	3,246.84
Lease liabilities	576.67	-	(159.89)	41.87	458.65
Total liabilities from financing activities	3,356.83	1,300.00	(993.21)	41.87	3,705.49

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

Particulars	As at April 1, 2021	Proceeds	Repayment	Non cash changes	As at March 31, 2022
				Fair value/ other changes	
Long-term borrowings (including current maturities)	3,363.33	800.00	(1383.17)	-	2,780.16
Lease liabilities	685.65	-	(159.89)	50.91	576.67
Total liabilities from financing activities	4,048.98	800.00	(1543.06)	50.91	3,356.83

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

For and on behalf of the Board of Directors of
Narayana Hrudayalaya Surgical Hospital Private Limited

Sd/-
Monisha Parikh
Partner

Place: Bengaluru
Date: May 19, 2023

Sd/-
Dr. Devi Prasad Shetty
Director
DIN: 00252187

Place: Bengaluru
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Dr. Emmanuel Rupert
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Chief Financial Officer
Place: Mysore
Date: May 19, 2023

sd/-
Shashanka S Velankar
Company Secretary
Place: Bengaluru
Date: May 19, 2023

Narayana Hrudayalaya Surgical Hospital Private Limited

Notes to the financial statements for the year ended March 31, 2023

1. Company overview

Narayana Hrudayalaya Surgical Hospital Private Limited ('the Company') was incorporated on October 11, 2010 under the Companies Act, 1956. 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 19, 2023.

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

2.2 Going concern

The Financial statements have been drawn up on 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
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less 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.

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

Narayana Hrudayalaya Surgical Hospital Private Limited

Notes to the financial statements for the year ended March 31, 2023 (continued)

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 26 - Assessment of contingent liabilities and commitments

Note 28 - Leases

Note 36 - 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, 2023, is included in the following notes:

Note 29- recognition of deferred tax assets

Note 30 - measurement of defined benefit obligation; key actuarial assumptions

Note 4 - useful life of property, plant, and equipment and intangible assets

Note 6, 9, 10, and 36 - 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 recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in the following notes:

Note 36 – financial instruments

3. Significant accounting policies

3.1. Financial instruments

a. Recognition and initial measurement

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

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

Narayana Hrudayalaya Surgical Hospital Private Limited

Notes to the financial statements for the year ended March 31, 2023 (continued)

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

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).

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

Narayana Hrudayalaya Surgical Hospital Private Limited

Notes to the financial statements for the year ended March 31, 2023 (continued)

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 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 Hrudayalaya Surgical Hospital Private Limited

Notes to the financial statements for the year ended March 31, 2023 (continued)

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 profit/(loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing, and financing activities of the Company are segregated. Bank overdrafts are classified as part of cash and cash equivalents as they form an integral part of an entity's cash management.

3.5. Revenue recognition

Revenue from operations

Revenue from medical and healthcare services to patients is recognised as revenue when the related services are rendered unless significant future uncertainties exist. Revenue is also recognised in relation to the services rendered to the patients who are undergoing treatment/ observation on the balance sheet date to the extent of services rendered.

Revenue is recognised net of discounts given to the patients.

Revenue from sale of medical consumables and drugs within the hospital premises is recognised when property in the goods or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection.

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

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.

Notes to the financial statements for the year ended March 31, 2023 (continued)

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. Assets acquired under business combination are amortized over the lower of estimated useful life and term of agreement. 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
Building	60 years
Electrical installation	10 years
Medical equipment	13 years
Office equipment	5 years
Other equipment including air conditioners	15 years
Furniture and fixtures	10 years
Vehicles	5 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 lives are as prescribed under Part C of Schedule II of the Companies Act, 2013 except vehicles where useful life considered by management is lower.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date are recognized as capital advance and the cost of property, plant, and equipment not ready for intended use before such date are disclosed under capital work- in-progress.

3.7. Business combination, goodwill, and other intangible assets

(a) Business combination

Business combinations are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Transaction costs incurred in connection with a business combination are expensed as incurred.

Narayana Hrudayalaya Surgical Hospital Private Limited

Notes to the financial statements for the year ended March 31, 2023 (continued)

(b) Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

(c) 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.

The estimated useful lives of intangibles are as follows:

Block of assets	Useful life
Computer software	3 years
Customer Relationship	10 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 a post-employment benefit plan under which an entity pays specified contributions to separate entity and has no obligation to pay any further amounts. The Company makes specified obligations towards employee provident fund 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 qualified actuary using the projected unit credit method.

Notes to the financial statements for the year ended March 31, 2023 (continued)

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

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

Compensated absences

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

3.9. Borrowing cost

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

3.10. Leases

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

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

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

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

Narayana Hrudayalaya Surgical Hospital Private Limited

Notes to the financial statements for the year ended March 31, 2023 (continued)

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

3.11. Earnings/ (loss) 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.

3.12. 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.

Current income tax

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

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

Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences.

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

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

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

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

Minimum Alternative tax

Narayana Hrudayalaya Surgical Hospital Private Limited

Notes to the financial statements for the year ended March 31, 2023 (continued)

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

3.13. Impairment

a. Impairment of financial instruments

The Company recognizes 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 are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

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

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

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

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

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

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

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

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

Measurement of expected credit losses

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

Presentation of allowance for expected credit losses in the balance sheet.

Narayana Hrudayalaya Surgical Hospital Private Limited

Notes to the financial statements for the year ended March 31, 2023 (continued)

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 receivables does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

b. Impairment of non-financial assets

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

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

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

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

An impairment loss is 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.

3.14. 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.

3.15 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.

Narayana Hrudayalaya Surgical Hospital Private Limited

Notes to the financial statements for the year ended March 31, 2023 (continued)

3.16 Standards Issued but Not Effective

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to the Company from April 1, 2023.

- i. Ind AS 101 – First time adoption of Ind AS
- ii. Ind AS 102 – Share-based payment
- iii. Ind AS 103 – Business Combinations
- iv. Ind AS 107 – Financial Instruments: Disclosures
- v. Ind AS 109 – Financial Instruments
- vi. Ind AS 115 – Revenue from Contracts with Customers
- vii. Ind AS 1 – Presentation of Financial Statements
- viii. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
- ix. Ind AS 12 – Income Taxes
- x. Ind AS 34 – Interim Financial Reporting

The Company is in the process of evaluating the impact of the above amendments on the Company's financial statements.

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

(₹ in lakhs)

Particulars	Gross block				Accumulated depreciation / amortisation				Net block	
	As at 1 Apr 2022	Additions	Deletions	As at March 31, 2023	As at 1 April 2022	Depreciation/ amortisation	Deletions	As at March 31, 2023	As at March 31, 2023	As at 31 March 2022
Tangible assets (owned)										
Building [note (a)]	3,577.48	91.20	1.12	3,667.56	1,042.01	133.93	0.01	1,175.93	2,491.63	2,535.47
Electrical installation	392.26	85.82	0.11	477.97	235.04	47.31	0.11	282.24	195.73	157.22
Medical equipments	7,933.05	734.59	7.65	8,659.99	2,727.82	682.82	0.14	3,410.50	5,249.49	5,205.23
Office equipments	235.07	6.29	0.70	240.66	225.53	3.43	0.05	228.91	11.75	9.54
Other equipment including air conditioners	1,877.18	168.85	3.63	2,042.40	836.41	161.32	1.26	996.47	1,045.93	1,040.77
Furniture and fixtures	394.07	78.79	21.12	451.74	253.83	47.82	11.80	289.85	161.89	140.24
Computers	483.50	173.53	27.74	629.29	374.38	75.85	27.68	422.55	206.74	109.12
Vehicles	49.38	-	-	49.38	37.75	3.07	-	40.82	8.56	11.63
Total - A	14,941.99	1,339.07	62.07	16,218.99	5,732.77	1,155.55	41.05	6,847.27	9,371.72	9,209.22
Capital work-in-progress	208.88	1,181.12	531.65	858.35	-	-	-	-	858.35	208.88
Total - B	208.88	1,181.12	531.65	858.35	-	-	-	-	858.35	208.88
Intangible assets										
Computer software	10.44	-	-	10.44	10.44	-	-	10.44	-	-
Customer relationship	4,637.00	-	-	4,637.00	2,439.66	439.47	-	2,879.13	1,757.87	2,197.34
Total - C	4,647.44	-	-	4,647.44	2,450.10	439.47	-	2,889.57	1,757.87	2,197.34
Grand total (A+B+C)	19,798.31	2,520.19	593.72	21,724.78	8,182.87	1,595.02	41.05	9,736.84	11,987.94	11,615.44

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

(₹ in lakhs)

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	Depreciation/ Amortisation	Deletions	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Tangible assets (owned)										
Building [note (a)]	3,466.72	111.94	1.18	3,577.48	908.99	133.02	-	1,042.01	2,535.47	2,557.73
Electrical installation	375.96	18.53	2.23	392.26	200.15	36.89	2.00	235.04	157.22	175.81
Medical equipments	6,188.03	1,754.61	9.59	7,933.05	2,128.97	600.23	1.38	2,727.82	5,205.23	4,059.06
Office equipments	227.95	7.67	0.55	235.07	187.20	38.88	0.55	225.53	9.54	40.75
Other equipment including air conditioners	1,810.64	72.42	5.88	1,877.18	687.12	152.24	2.95	836.41	1,040.77	1,123.52
Furniture and fixtures	377.77	19.80	3.50	394.07	220.22	36.58	2.97	253.83	140.24	157.55
Computers	379.46	105.31	1.27	483.50	319.76	55.89	1.27	374.38	109.12	59.70
Vehicles	34.02	15.36	-	49.38	27.56	10.19	-	37.75	11.63	6.46
Total - A	12,860.55	2,105.64	24.20	14,941.99	4,679.97	1,063.92	11.12	5,732.77	9,209.22	8,180.58
Capital work-in-progress	975.48	536.09	1,302.69	208.88	-	-	-	-	208.88	975.48
Total - B	975.48	536.09	1,302.69	208.88	-	-	-	-	208.88	975.48
Intangible assets										
Computer software	10.44	-	-	10.44	10.44	-	-	10.44	-	-
Customer relationship	4,637.00	-	-	4,637.00	2,000.19	439.47	-	2,439.66	2,197.34	2,636.81
Total - C	4,647.44	-	-	4,647.44	2,010.63	439.47	-	2,450.10	2,197.34	2,636.81
Grand total (A+B+C)	18,483.47	2,641.73	1,326.89	19,798.31	6,690.60	1,503.39	11.12	8,182.87	11,615.44	11,792.87

Capital work in Progress ageing schedule

(₹ in lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress					
As at March 31, 2023	638.14	199.61	-	20.60	858.35
As at March 31, 2022	170.25	18.03	-	20.60	208.88

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

Notes:

(a) Represents the cost of construction of building on the leasehold land at Mysore. The said land at Mysore has been leased to the Company for 30 years effective April 1, 2011 by the holding company, Narayana Hrudayalaya Limited.

(b) As at March 31, 2023, properties with a carrying amount of ₹ 8099.70 lakhs (previous year: ₹ 7619.27 lakhs) are subject to first charge to secure bank loans.

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

5 (i) Right of use assets

(₹ in lakhs)

Category of ROU asset	Gross block				Accumulated Depreciation				Net Block	
	As at April 1, 2022	Additions	Deletions	As at March 31, 2023	As at April 1, 2022	Depreciation	Deletions	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Land	370.40	-	-	370.40	50.13	16.71	-	66.84	303.56	320.27
Equipment	332.16	-	-	332.16	220.08	73.36	-	293.44	38.72	112.08
Grand total	702.56	-	-	702.56	270.21	90.07	-	360.28	342.28	432.35

(ii) Right of use assets

(₹ in lakhs)

Category of ROU asset	Gross block				Accumulated Depreciation				Net Block	
	As at April 1, 2021	Additions	Deletions	As at March 31, 2022	As at April 1, 2021	Depreciation	Deletions	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Land	370.40	-	-	370.40	33.42	16.71	-	50.13	320.27	336.98
Equipment	332.16	-	-	332.16	146.72	73.36	-	220.08	112.08	185.44
Grand total	702.56	-	-	702.56	180.14	90.07	-	270.21	432.35	522.42

Refer note 28 for disclosures related to ROU assets and liabilities

6 Other financial assets		₹ in lakhs	
(Unsecured, considered good unless otherwise stated)		As at	As at
Particulars	March 31, 2023	March 31, 2022	
(a) Non-current			
<i>To parties other than related parties</i>			
Bank deposits (due to mature after 12 months from reporting date)*	48.00	47.00	
Security deposits	758.73	780.76	
Interest accrued on fixed deposits	9.78	6.95	
	816.51	834.71	
* above deposits are restrictive as it pertains to bank guarantee.			
(b) Current			
<i>To parties other than related parties</i>			
Interest accrued on fixed deposits	0.25	0.20	
Security deposits	106.96	12.72	
Receivables from Dharamshila Cancer Foundation and Research Centre	1,935.56	1,241.44	
Unbilled revenue	192.11	164.29	
	2,234.88	1,418.65	

7 Other assets		₹ in lakhs	
(Unsecured, considered good unless otherwise stated)		As at	As at
Particulars	March 31, 2023	March 31, 2022	
(a) Non-current			
<i>To parties other than related parties</i>			
Capital advances	20.17	145.28	
Prepaid Rent	181.30	242.03	
Property usage right	319.20	425.47	
Prepaid expenses	32.56	29.74	
	553.23	842.52	
(b) Current			
<i>To parties other than related parties</i>			
Prepaid Rent	60.62	60.45	
Prepaid expenses	59.24	155.90	
Property usage right	106.00	106.00	
Advance to vendors	75.64	37.59	
Other loans and advances	3.09	10.60	
Receivable from NHIC on account of slump sale (refer note 39)	23.64	-	
	328.23	370.54	

8 Inventories		₹ in lakhs	
(Valued at lower of cost and net realisable value)		As at	As at
Particulars	March 31, 2023	March 31, 2022	
Medical consumables, drugs and surgical instruments	516.89	493.37	
Less: Provision for write-down to net realisable value	(33.92)	(38.04)	
	482.97	455.33	
The inventories are hypothecated as security as part of working capital facility.			

9 Trade receivables		₹ in lakhs	
		As at	As at
Particulars	March 31, 2023	March 31, 2022	
Unsecured, considered good	7,390.14	5,263.35	
Less: Allowances for Expected credit losses	(700.39)	(856.54)	
Net Trade Receivables	6,689.75	4,406.81	

Of the above, trade receivables from related parties are as below:

Trade receivable (refer note 32 (c))	30.38	38.96
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Net trade receivables from related parties	30.38	38.96
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Trade receivables ageing schedule		₹ in lakhs					
		Outstanding for the following period from due date of payments					
Particulars	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	TOTAL
Undisputed Trade Receivables							
As at March 31, 2023	4,559.90	633.18	1,785.82	154.62	51.46	205.16	7,390.14
As at March 31, 2022	2,676.26	1,900.56	203.47	125.03	137.80	220.23	5,263.35

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, 2023

		Ageing		
Category	Within due date	Due date to 1 Year	More than 1 year	
ESI/CGHS/SCHEMES	1.74% - 1.87%	14.95% - 14.41%	72.48% - 62.30%	
Others	0.50% - 4.88%	17.55% - 35.54%	68.13% - 71.34%	

For the year ended March 31, 2022

		Ageing		
Category	Within due date	Due date to 1 Year	More than 1 year	
ESI/CGHS/SCHEMES	1.15% - 6.17%	10.95%-27.68%	74.21%-82.38%	
Others	0.62%-7.96%	11.51%-47.74%	61.61%-71.32%	

The Company's exposure to credit risk and currency risks, and loss allowances are disclosed in note 36

The receivables are hypothecated as security as part of working capital facility.

10 Cash and bank balances		(` in lakhs)	
Particulars	As at March 31, 2023	As at March 31, 2022	
(a) Cash and cash equivalents			
Cash on hand	13.75	11.19	
Balance with banks			
-In current accounts	358.31	397.08	
	372.06	408.27	
(b) Bank balances other than above			
-In deposit accounts (due to mature within 12 months of the reporting date)*	1.00	1.00	
	1.00	1.00	

* above deposits are restrictive as it pertains to margin money.

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

Particulars	As at March 31, 2023	As at March 31, 2022	
Cash on hand	13.75	11.19	
Balance with banks			
-In current accounts	358.31	397.08	
	372.06	408.27	
Less: Bank overdraft used for cash management purposes (refer note 12(b))	1,016.59	896.68	
Cash and cash equivalents in the statement of cash flows	(644.53)	(488.41)	

11 (a) Equity share capital		(` in lakhs)	
Particulars	As at March 31, 2023	As at March 31, 2022	
Authorised			
2,50,00,000 equity shares (previous year: 2,50,00,000 equity shares) of ₹ 10 each	2,500.00	2,500.00	
Issued, subscribed and paid up			
2,44,25,900 (previous year: 2,44,25,900) equity shares of ₹ 10 each, fully paid up	2,442.59	2,442.59	
	2,442.59	2,442.59	

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Shares outstanding at the beginning of the year	24,425,900	2,442.59	24,425,900	2,442.59
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	24,425,900	2,442.59	24,425,900	2,442.59

(ii) Rights, preferences and restrictions 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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Equity shares of ₹ 10 each fully paid up held by				
-Narayana Hrudayalaya Limited	24,425,894	2,442.59	24,425,894	2,442.59

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares*	% holding	Number of shares*	% holding
Narayana Hrudayalaya Limited	24,425,894	99.99%	24,425,894	99.99%

* These excludes 6 shares held by registered shareholders holding on behalf of beneficial shareholder i.e. Narayana Hrudayalaya Limited.

(v) The Company has not bought back any shares during the period of five years immediately preceding the last balance sheet date.

Further, the Company has not issued any shares for consideration other than cash during the period of five years immediately preceding the last balance sheet date.

(vi) Shareholding of promoter

Shares held by promoters as at March 31, 2023

Promoter name	No of shares	% of total shares	% Change during the year
Narayana Hrudayalaya Limited	24,425,894	99.99998%	0.00%
Dr. Devi Prasad Shetty*	1	0.000004%	0.00%
Shakuntala Shetty*	1	0.000004%	0.00%
Viren Prasad Shetty*	1	0.000004%	0.00%
Dr. Varun Shetty*	1	0.000004%	0.00%
Dr. Anesh Shetty*	1	0.000004%	0.00%

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

11 (b) Other Equity

Particulars	₹ in lakhs	
	As at March 31, 2023	As at March 31, 2022
Reserves and surplus		
Securities premium		
At the commencement of the year	11,465.40	11,465.40
Add: Securities premium on issue of equity shares during the year	-	-
At the end of the year	11,465.40	11,465.40
Retained earnings		
At the commencement of the year	(12,251.26)	(14,492.86)
Add: Profit / (loss) after tax transferred from statement of profit and loss	2,707.13	2,241.60
At the end of the year	(9,544.13)	(12,251.26)
Other Comprehensive Income		
At the commencement of the year	(82.28)	(42.02)
Add: Addition during the year	-	-
Remeasurements of the net defined benefit plans	(12.99)	(40.26)
At the end of the year	(95.27)	(82.28)
Foreign currency translation reserve		
At the commencement of the year	0.78	-
Movement during the year	(3.10)	0.78
At the end of the year	(2.32)	0.78
Total reserves and surplus	1,823.68	(867.36)
Securities premium		
Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013		
Retained earnings		
Retained earnings represents prior year undistributed earnings / accumulated losses		
Other Comprehensive Income		
Other Comprehensive Income represents actuarial gain or loss or re-measurement of defined benefits obligation.		
Foreign currency translation reserve		

The foreign currency translation reserve has arisen on account of translation of financial statements / information of foreign branch in accordance with Ind AS- 21 The Effects of changes in Foreign Exchange Rates.

12 Borrowings

Particulars	₹ in lakhs	
	As at March 31, 2023	As at March 31, 2022
(a) Non-current		
Secured		
Term loans		
From banks (refer note I)	947.02	1,125.63
	947.02	1,125.63
(b) Current		
From parties other than related parties		
Secured		
Current maturities of long-term borrowings with banks	629.82	734.53
Bank overdrafts (refer note II)	1,016.59	896.68
From related parties (refer note 32)		
Unsecured		
Loans repayable on demand (refer note II)	1,670.00	920.00
	3,316.41	2,551.21

I Term loans from banks :		
Sl. No	Details of repayment terms, interest and maturity	Nature of security
(i)	Term Loan from HSBC : ₹ 510 lakhs (previous year : Rs.1190 lakhs) repayable in 15 quarterly instalments from reporting date. Interest is charged @ 8.50 % p.a (previous year 6.80 %).	Secured via mortgage of title deeds on the immovable property of Narayana Hospitals Private Limited.
(ii)	Term loan from Yes Bank : ₹ 226.2 lakhs (previous year : Rs. 244.40 lakhs) repayable 32 quarterly instalments from May 2018. Interest is charged @ 10% pa (previous year : 8.6%)	
(iii)	Term loan from Yes Bank : ₹ 205.06 lakhs (previous year: Rs. 221.56 lakhs) repayable in 32 quarterly instalments from May 2018. Interest is charged @ 10% pa (previous year : 8.6%)	Exclusive charge on Movable Fixed assets (present and future) and current assets of the borrower (present and future) excluding those charged to any other lender/vendor and those charged to Yes Bank LC facilities, corporate guarantee and security from Narayana Hrudayalaya Limited (Holding Company).
(iv)	Term loan from Yes Bank : ₹ 80.09 lakhs (previous year : Rs. 86.54 lakhs) repayable in 32 quarterly instalments from November 2018. Interest is charged @ 10% pa (previous year : 8.6%)	
(v)	Term loan from Yes Bank : ₹ 60.36 lakhs (previous year : 65.21 lakhs) repayable in 32 quarterly instalments from March 2019. Interest is charged @ 10% pa (previous year: 8.6%)	
(vi)	Term loan from Yes Bank : ₹ 48.55 lakhs (previous year : Rs. 52.45 lakhs) repayable in 32 quarterly instalments from May 2018. Interest is charged @ 10% pa (previous year : 8.6%)	
(vii)	Term loan from Yes Bank : ₹ 446.58 lakhs (previous year Nil) repayable in 32 quarterly instalments from Nov 2022. Interest is charged @ 10% pa (previous year : Nil)	

II Overdraft facilities and working capital loan from bank :

- (i) Overdraft facility from Yes Bank Limited ₹ 1,016.59 lakhs (previous year: ₹ 896.68 lakhs) (previous year base rate 10.75% p.a), to be paid on monthly basis. It is secured by current assets (both present and future), subervient charge on movable fixed assets and corporate guarantee of Narayana Hrudayalaya Limited.

- (ii) Loan from Narayana Hrudayalaya Limited: ₹ 1,670.00 lakhs (previous year: ₹ 920.00 lakhs) [refer note 32 (c)]

13 Lease liabilities		(₹ in lakhs)	
Particulars	As at	As at	
	March 31, 2023	March 31, 2022	
(a) Non-current			
Opening Lease liability	576.67	685.65	
Additions during the period	-	-	
Finance cost accrued during the period	41.87	50.91	
Lease payment	(159.89)	(159.89)	
Closing Lease liability	458.65	576.67	
Less: Current lease liability	(72.65)	(118.02)	
	386.00	458.65	
(b) Current			
Lease liability	72.65	118.02	
	72.65	118.02	

14 Other financial liabilities		(₹ in lakhs)	
Particulars	As at	As at	
	March 31, 2023	March 31, 2022	
(a) Non-current			
<i>To parties other than related parties</i>			
Liability towards business acquisition	6,475.08	7,509.04	
Creditors for capital goods	18.12	45.59	
	6,493.20	7,554.63	
(b) Current			
<i>To parties other than related parties</i>			
Liability towards business acquisition	802.57	802.57	
Interest accrued but not due on borrowings	12.74	11.77	
Deposits Received	21.70	19.70	
Creditors for capital goods	156.59	326.97	
	993.60	1,161.01	

The Company's exposure to liquidity risk and currency risk are disclosed in note 36

15 Provisions		(₹ in lakhs)	
Particulars		As at	As at
		March 31, 2023	March 31, 2022
(a) Non-current			
Gratuity		189.35	174.29
		189.35	174.29
(b) Current			
Provision for employee benefits (Refer Note 30)			
Gratuity		73.42	41.75
Compensated absences		161.13	146.49
		234.55	188.24

16 Other liabilities		(₹ in lakhs)	
Particulars		As at	As at
		March 31, 2023	March 31, 2022
(a) Non-current			
Deferred grant - Others *		262.57	219.58
		262.57	219.58
(b) Current			
<i>To parties other than related parties</i>			
Contract liabilities		190.63	238.72
Balances due to statutory / government authorities		157.12	142.65
Deferred grant - Others *		27.80	21.95
Unearned revenue (refer note 37)		35.57	45.68
Other liabilities		0.28	0.28
		411.40	449.28

Summary of the grant received by the Company :-

Opening Balance	241.53	-
Add: Grants during the year	76.01	260.79
Less: Released to profit and loss	27.17	19.26
Closing Balance	290.37	241.53
Non Current	262.57	219.58
Current	27.80	21.95

The Company had received capital grants from various corporates amounting to ₹76.01 Lakhs (Previous Year: ₹ 260.79 lakhs) for purchase of property, plant & equipment as agreed. The Company has recognized this grant as deferred income at fair value which is being amortised over the useful life of the fixed assets in proportion in which the related depreciation is recognized.

		(₹ in lakhs)	
17 Trade payables	Particulars	As at	As at
		March 31, 2023	March 31, 2022
	Total outstanding dues of micro enterprises and small enterprises (Refer Note 31)	300.65	377.74
	Total outstanding dues of creditors other than micro and small enterprises	5,891.93	4,711.86
		6,192.58	5,089.60

*with respect to amount payable to related parties [refer note 32 (c)]

The Company's exposure to currency and liquidity risks related to trade payable is disclosed in note 36

		(₹ in lakhs)				
Trade payables ageing schedule		Outstanding for following periods from due date of payments				
Particulars		Not Due *	Less than 1 year	1-2 years	2-3 years	More than 3 years
As at March 31, 2023						
a) Undisputed-MSME		189.40	111.12	-	-	0.13
b) Undisputed -Others		2,565.27	2,773.80	105.19	133.14	314.51
(c) Disputed dues - MSME		-	-	-	-	-
(d) Disputed dues - Others		-	-	-	-	-
Total		2,754.67	2,884.92	105.19	133.14	314.64
As at March 31, 2022						
a) Undisputed-MSME		144.48	231.68	-	0.06	1.52
b) Undisputed -Others		856.69	3,311.94	132.32	32.98	377.93
(c) Disputed dues - MSME		-	-	-	-	-
(d) Disputed dues - Others		-	-	-	-	-
Total		1,001.17	3,543.62	132.32	33.04	379.45

*Includes provision for expenses.

		(₹ in lakhs)	
18 Current Tax Liabilities (Net)	Particulars	As at	As at
		March 31, 2023	March 31, 2022
	Opening Balance	227.07	-
	Add: Current tax payable of the year	309.38	616.75
	Less: Taxes paid	(77.00)	(389.68)
		459.45	227.07

19 Revenue from operations (₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Income from medical and healthcare services	29,492.22	18,346.60
Sale of medical consumables and drugs	1,282.91	7,669.61
Other operating revenue:		
Income from other healthcare services (refer note 37)	2,493.80	4,541.76
	33,268.93	30,557.97

Refer notes below

(₹ in lakhs)

(i) Category of Customer	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash *	15,134.18	14,117.01
Credit	18,134.75	16,440.96
	33,268.93	30,557.97

*Includes receipts thorough digital/electronic mode

(₹ in lakhs)

(ii) Nature of treatment	For the year ended March 31, 2023	For the year ended March 31, 2022
In-patient	24,896.76	13,200.76
Out-patient	4,595.46	5,145.84
Sale of medical consumables and drugs	1,282.91	7,669.61
Other healthcare services	2,493.80	4,541.76
	33,268.93	30,557.97

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

(iv) Transaction price allocated to the remaining performance obligations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contract liabilities	190.63	238.72
	190.63	238.72

(v) 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.

20 Other income (₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income on		
- Bank deposits	3.09	9.85
- Income Tax Refund	58.11	54.11
Interest income from financial asset at amortised cost	61.18	55.75
Provisions no longer required written back	156.15	-
Grant Income	27.17	19.26
Foreign exchange gain	135.54	51.85
Miscellaneous income	79.12	41.67
	520.36	232.49

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventory at the beginning of the year	455.33	410.86
Inventory at the end of the year	482.97	455.33
	(27.64)	(44.46)

22 Employee benefits expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	5,010.07	4,562.65
Contribution to provident and other funds (refer note 30)	212.33	193.80
Staff welfare expenses	91.19	93.38
	5,313.59	4,849.83

23 Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Hospital operating expenses		
Rent	387.47	339.35
Patient welfare expenses	74.06	60.80
Power and fuel	881.40	828.73
Hospital general expenses	522.70	443.40
House keeping expenses	1,005.86	917.04
Medical gas charges	21.65	29.99
Biomedical wastage expenses	8.04	7.81
Repairs and maintenance		
- Hospital equipments	496.68	433.12
- Buildings	198.42	199.40
- Others	615.46	471.96
Total (A)	4,211.74	3,731.60
Administrative expenses		
Traveling and conveyance	159.99	296.26
Security charges	258.37	223.32
Printing and stationery	140.48	99.86
Rent	308.50	248.39
Advertisement and publicity	778.17	639.20
Legal and professional fees (refer note (i) below)	468.21	54.26
Telephone and communication	81.59	70.05
Bank charges	91.97	91.57
Insurance	21.96	21.44
Rates and taxes	32.28	79.91
Foreign Exchange Loss	-	20.34
Provision for loss allowance and doubtful advances	-	429.24
Bad receivables written off	-	11.26
Subscription & Books & Periodicals	21.73	17.47
Loss on sale/disposal of Property, plant and equipment	8.30	2.71
Miscellaneous expenses	41.92	37.93
Total (B)	2,413.47	2,406.98
Total (A+B)	6,625.21	6,138.58

(i) **Payment to auditors***

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
As an auditor		
(i) Audit fee	9.00	8.00
(ii) Other attest services	3.00	3.00
(ii) Out of Pocket Expenses	0.15	-
	12.15	11.00
*excluding GST		

24 Finance costs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense on financial liabilities measured at amortised cost		
- term loans from banks	131.39	159.95
- bank overdraft	91.33	47.95
- others	126.26	84.59
Interest expense on lease liabilities	41.87	50.91
Interest expense on business acquisition	1,263.35	1,385.34
	1,654.20	1,728.74

25 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment (refer note 4)	1,155.55	1,063.92
Amortisation of intangible assets (refer note 4)	439.47	439.47
Depreciation of Right of use Assets (refer note 5)	90.07	90.07
	1,685.09	1,593.46

26 Contingent liabilities and commitments

(i) Contingent liabilities

The Company does not have any contingent liability as on March 31, 2023 (previous year: nil)

(ii) Commitments

Estimated amounts of contracts remaining to be executed on capital account (net of advances) and not provided for amounts to ₹ 118.24 lakhs (March 31, 2022: ₹1727.12 lakhs)

27 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.

(i) Revenue from operations

(₹ in lakhs)		
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
India	30,775.13	26,016.21
Rest of the world - St Lucia	2,493.80	4,541.76
	33,268.93	30,557.97

(ii) Non-current assets *

(₹ in lakhs)		
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
India	13,699.96	13,725.02
Rest of the world - St Lucia	-	-
	13,699.96	13,725.02

*Non-current assets exclude deferred tax assets

28 Leases

Transition

The Company has adopted Ind AS 116 'Leases', effective annual reporting period beginning April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The Company has applied the standard to its leases, using the modified retrospective approach, with the cumulative effect of initially applying the Standard, recognized on the date of initial application (April 1, 2019). Comparative information has not been restated.

Accordingly, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application.

The following is a summary of practical expedients elected by the Company on initial application:

Applied a single discount rate to a portfolio of leases with reasonably similar characteristics in similar economic environment.

Treated leases with remaining lease term of less than 12 months as if they were "short term leases"

Applied the exemption not to recognize right-of-use assets and liabilities for leases of low value assets

Application of hindsight, in determining the lease term if the contract contains options to extend or terminate the lease

On transition to Ind AS 116, the Company recognised right-of-use assets amounting to ₹ 702.56 lakhs, related accumulated depreciation amounting to nil, lease liabilities amounting to ₹ 805.89 lakhs and ₹ 103.33 lakhs in retained earnings as at April 1, 2019. The Company has discounted lease payments using the applicable incremental borrowing rate as at April 1, 2019, which is 8% for measuring the lease liability.

(i) The following is the break-up of current and non-current lease liabilities as at March 31, 2023 and March 31, 2022

(₹ in lakhs)		
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current lease liabilities	72.65	118.02
Non-current lease liabilities	386.00	458.65
	458.65	576.67

(ii) The following is the movement in the lease liabilities during the year ended March 31, 2023 and March 31, 2022

(₹ in lakhs)		
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Lease liability	576.67	685.65
Finance cost accrued during the period	41.87	50.91
Lease payment	(159.89)	(159.89)
	458.65	576.67

(iii) The table below provides details regarding the contractual maturities of rental payments as of March 31, 2023

(₹ in lakhs)					
Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Contractual rental payments	103.49	42.00	126.00	552.10	823.59
	103.49	42.00	126.00	552.10	823.59

The table below provides details regarding the contractual maturities of rental payments as of March 31, 2022

(₹ in lakhs)					
Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Contractual rental payments	159.89	103.49	126.00	594.10	983.48
	159.89	103.49	126.00	594.10	983.48

Rental expense recorded for short-term leases was ₹ 695.97 Lakhs (previous year ₹ 587.74 Lakhs) for the year ended March 31, 2023.

29 Income tax

(a) Amount recognised in statement of profit and loss		(₹ in lakhs)	
Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax			
-Current year*		309.38	616.75
-Prior years		-	-
MAT credit entitlement**		(309.38)	(106.82)
Deferred tax charge/ (credit), net			
Origination and reversal of temporary differences		-	-
Tax expense for the year		-	509.93

*Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. The provision for tax for the year ended March 31, 2023 & March 31, 2022 have been made duly taking into consideration the requirements under Appendix C to Ind AS 12, including the Management's assessment of the probability of acceptance of the Company's tax positions by the taxation / appellate authorities.

(b) Reconciliation of effective tax rate		(₹ in lakhs)	
Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
Profit / (loss) before tax		2,707.13	2,751.53
Tax using the Company's domestic tax rate (Current year 17.47% and Previous Year 17.47%)		472.94	480.69
Tax effect of:			
Non-deductible tax expenses		6.35	13.41
MAT credit entitlement**		(309.38)	-
Others*		(169.91)	15.83
Tax expense for the year		-	509.93

*Includes tax effect of profits arising from Dharmshila trust for which income tax will be assessed separately.

(c) Deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the followings:

		(₹ in lakhs)	
Particulars		As at March 31, 2023	As at March 31, 2022
Deferred tax asset			
Provision for doubtful receivables		(21.38)	(14.23)
Provision for gratuity		37.33	28.92
Provision for compensated absences		20.49	17.12
On brought forward loss		1,241.24	1,193.60
Provision for slow & non moving inventory		(0.84)	3.52
Bonus payable		8.28	7.91
Unabsorbed Depreciation		102.56	97.98
Total deferred tax asset		1,387.68	1,334.82
Deferred tax liability			
Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act.		(995.06)	(992.69)
Total deferred tax liability		(995.06)	(992.69)
Deferred tax asset (net)		392.62	342.13

Net 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.

MAT CREDIT

**During the FY 2022-23, the company has loss as per normal provisions of Income Tax Act, 1961 and so it was liable to pay tax as per Minimum Alternative tax (MAT) under section 115 JB of Income Tax Act, 1961. Hence, the company has recognized ₹ 309.38 lakhs as MAT credit entitlement which forms part of Deferred tax assets as per Ind AS 12. As per Section 115 JAA of Income Tax Act, 1961, MAT assets can be carried forward to 15 years, subject to earlier utilization by the company.
During the FY 2021-22, the company has lower tax as per normal provisions of Income Tax Act, 1961 and so it was liable to pay tax as per Minimum Alternative tax (MAT) under section 115 JB of Income Tax Act, 1961. Hence, the company has recognized ₹ 106.82 lakhs as MAT credit entitlement which forms part of Deferred tax assets as per Ind AS 12. As per Section 115 JAA of Income Tax Act, 1961, MAT assets can be carried forward to 15 years, subject to earlier utilization by the company.

30 Employee benefits

Defined contribution plan

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

The amount recognised as an expense towards contribution to Provident Fund and Employee State Insurance for the year aggregated to ₹ 163.17 lakhs (previous year: ₹ 157.26 lakhs).

Defined benefit plan

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

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

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Defined benefit obligations liability	317.04	263.82
Plan assets	51.27	47.78
Net defined benefit liability	265.77	216.04
Liability for compensated absences	161.13	146.49
Total employee benefit liability	426.90	362.53
Non-current	189.35	174.29
Current	234.55	188.24

- 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, 2023	As at March 31, 2022
Defined benefit obligation as at 1 April	263.82	209.82
Benefits paid		
-By the fund	-	(5.77)
-By the Company	(12.42)	(20.50)
Current service cost	39.75	30.92
Interest cost	12.07	7.94
Actuarial (gains)/ losses recognised in other comprehensive income	-	-
-changes in demographic assumptions	2.85	5.33
-changes in financial assumptions	(12.64)	(6.69)
-experience adjustments	23.61	42.77
Defined benefit obligations as at 31 March	317.04	263.82

ii) Reconciliation of present values of plan assets

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Plan assets at beginning of the year	47.78	49.93
Interest income	2.66	2.32
Employer contribution	-	0.15
Benefits paid	-	(5.77)
Adjustment to opening fair value	-	-
Actuarial gain/(loss) on plan assets	0.83	1.15
Plan assets at the end of the year	51.27	47.78
Net defined benefit liability	265.77	216.04

30 Employee benefits (continued)

C. i) Expense recognised in Statement of Profit and Loss

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	39.75	30.92
Interest cost	9.41	5.62
	49.16	36.54

ii) Remeasurements recognised in other comprehensive income

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Actuarial (gain)/ loss on defined benefit obligation	13.82	41.41
Return on plan assets excluding interest income	(0.83)	(1.15)
	12.99	40.26

D. Plan Assets

Plan assets comprises of the following:

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Pooled assets with an insurance company	51.27	47.78
	51.27	47.78

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

E. Defined Benefit obligation

i) Actuarial assumptions

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

Principal actuarial assumptions	As at March 31, 2023	As at March 31, 2022
Attrition rate	Upto Level 6 = 31%, Level 7 and above = 75%	Upto Level 6 = 39%, Level 7 and above = 57%
Discount rate	7.29%-7.30%	5.41%-5.54%
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Future salary increases	7.90% for First Year 6% thereafter	7.90% for First Year 6% thereafter

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

As of March 31, 2023, the plan assets have been invested in insurer managed funds for Dharamshila unit and the expected contributions to the fund during the year ending March 31, 2024, is approximately ₹ 124.73 lakhs (previous year: ₹ 87.74 lakhs).

Maturity profile of defined benefit obligation

(₹ in lakhs)

Particulars	Amount
1st following year	124.73
2nd following year	76.55
3rd following year	50.98
4th following year	35.43
5th following year	27.46
Year 6 to 10	48.01
Above 10 years	11.07

ii) Sensitivity analysis

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

(₹ in lakhs)

Particulars	March 31, 2023		March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(6.26)	0.42	(2.89)	2.95
Future salary increases (0.5% movement)	0.44	(6.27)	2.91	(2.87)
Attrition rate (0.5 % movement)	(3.28)	(2.64)	(0.63)	0.61
Mortality rate (0.10% movement)	(1.99)	(2.98)	(0)	(0.02)

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.

31 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 March 31, 2023 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The Company has not received any claim for interest from any supplier.

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
-Principal	300.31	377.52
-Interest	0.34	0.22
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	0.34	0.22
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	-	-

32 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-Managing Director Satish Belawadi - Chief Financial Officer Shashanka Shankara Velankar - Company Secretary
Key Management Personnel (KMP) of the Holding Company	Dr. Devi Prasad Shetty - Chairman & Whole time Director Dr. Emmanuel Rupert - Managing Director and Group CEO Viren Prasad Shetty- Whole Time Director and Executive Vice Chairman Sandhya Jayaraman - Chief Financial Officer Sridhar S- Company Secretary
Fellow subsidiaries	Narayana Institute for Advanced Research Private Limited (NIARPL) (under Liquidation) Narayana Hospitals Private Limited (NHPL) Narayana Health Institutions Private Limited (NHIPL) (under Strick off) Meridian Medical Research & Hospital Ltd (MMRHL) Narayana Holdings Private Limited (NHDPL) (Subsidiary of NCHL) Narayana Vaishno Devi Specialty Hospitals Private Limited (NVDSHPL) NH Health Bangladesh private Limited (Subsidiary of NHDPL) Athma Healthtech Private Limited (AHPL) w.e.f. 2nd June, 2022 NH Integrated Care Private Limited (NHIC) w.e.f. 10th January 2023 ENT in Cayman Ltd. (EICL) w.e.f. March 3, 2023 Cayman Integrated Healthcare Ltd (CIHL) w.e.f. September 28,2022 Health City Cayman Islands Ltd (HCCI) Narayana Health North America LLC (NHNA)
Entity under control/ joint control of KMP/KMP of Holding company and their relatives	Amarylus 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(NHAPL) Asia Heart Foundation (AHF)
Associate of Holding Company	TriMedx India Private Limited (TriMedx)

(b) Transactions with related party during the year ended March 31, 2023

Transactions	Enterprise having control over the company	Entity under control/ joint control of fellow subsidiary, KMP/KMP of Holding company and their relatives	Key Management Personnel (KMP)	Total (₹ in lakhs)
Lease rental expense				
Narayana Hrudayalaya Limited	53.60 (49.56)	- (-)	- (-)	53.60 (49.56)
Narayana Hrudayalaya Foundation	-	86.34 (86.34)	- (-)	86.34 (86.34)
Total	53.60 (49.56)	86.34 (86.34)	- (-)	139.95 (135.90)
Purchase of Property, plant & equipment				
Narayana Hrudayalaya Limited	- (0.08)	- (-)	- (-)	- (0.08)
Unsecured loan taken				
Narayana Hrudayalaya Limited	1,300.00 (500.00)	- (-)	- (-)	1,300.00 (500.00)
Meridian Medical Research & Hospital Limited	- (-)	- (300.00)	- (-)	- (300.00)
Total	1,300.00 (500.00)	- (300.00)	- (-)	1,300.00 (800.00)
Interest expenses				
Narayana Hrudayalaya Limited	96.81 (76.14)	- (-)	- (-)	96.81 (76.14)
Meridian Medical Research & Hospital Limited	- (-)	- (8.29)	- (-)	- (8.29)
Total	96.81 (76.14)	- (8.29)	- (-)	96.81 (84.43)
Repayment of unsecured loan				
Narayana Hrudayalaya Limited	550.00 (550.00)	- (-)	- (-)	550.00 (550.00)
Meridian Medical Research & Hospital Limited	- (-)	- (300.00)	- (-)	- (300.00)
Total	550.00 (550.00)	- (300.00)	- (-)	550.00 (850.00)

Reimbursement of expenses					
Narayana Hrudayalaya Limited	548.32	-	-	548.32	
	(23.37)	(-)	(-)	(23.37)	
Slump Sale					
NH Integrated Care Private Limited (NHIC)	-	23.64	-	23.64	
	(-)	(-)	(-)	(-)	
Teleradiology Cost					
Narayana Hrudayalaya Limited	14.71	-	-	14.71	
	(13.01)	(-)	(-)	(13.01)	
Issue of equity shares					
Narayana Hrudayalaya Limited	-	-	-	-	
	(-)	(-)	(-)	(-)	
Corporate guarantee given by holding company					
Narayana Hrudayalaya Limited	8,100.00	-	-	8,100.00	
	(1,000.00)	(-)	(-)	(1,000.00)	
Purchase of medical consumables and drugs					
Narayana Hrudayalaya Limited	35.42	-	-	35.42	
	(66.62)	(-)	(-)	(66.62)	
Amaryllis Healthcare Private Limited	-	36.28	-	36.28	
	(-)	(100.14)	(-)	(100.14)	
Narayana Vaishno Devi Specialty Hospitals Private Limited (NVDSHPL)	-	2.36	-	2.36	
	(-)	(0.41)	(-)	(0.41)	
Meridian Medical Research & Hospital Limited (MMRHL)	-	0.10	-	0.10	
	(-)	(-)	(-)	(-)	
Total	35.42	38.75	-	74.17	
	(66.62)	(100.55)	(-)	(167.18)	
Call Centre Service received					
Narayana Hrudayalaya Limited	66.14	-	-	66.14	
	(78.33)	(-)	(-)	(78.33)	
Sale of medical consumables and drugs					
Narayana Hrudayalaya Limited	17.69	-	-	17.69	
	(39.61)	(-)	(-)	(39.61)	
Narayana Vaishno Devi Specialty Hospitals Private Limited	-	-	-	-	
	(-)	(32.28)	(-)	(32.28)	
Total	17.69	-	-	17.69	
	(39.61)	(32.28)	(-)	(71.88)	
Lab outsourcing Service					
Narayana Hrudayalaya Limited	109.50	-	-	109.50	
	(102.54)	(-)	(-)	(102.54)	
Narayana Vaishno Devi Specialty Hospitals Private Limited	-	43.00	-	43.00	
	(-)	(53.16)	(-)	(53.16)	
Total	109.50	43.00	-	152.49	
	(102.54)	(53.16)	(-)	(155.70)	
Short-term employee benefits*					
Ravindra KS	-	-	-	-	
	-	-	(79.09)	(79.09)	
Hemish Purushottam	-	-	-	-	
	-	-	(11.82)	(11.82)	
Shashanka Shankara Velankar	-	-	14.04	14.04	
	-	-	(6.69)	(6.69)	
Satish Belawadi	-	-	21.41	21.41	
	-	-	(0.15)	(0.15)	
Total	-	-	35.45	35.45	
	-	-	(97.75)	(97.75)	

Figures in brackets are for the previous year

Note:

The remuneration to KMP does not include the provisions made for gratuity and compensated absences, as they are obtained on an actuarial basis for the Company as a whole.

*The amounts are determined as per section 17(2) of the Income tax Act, 1961 read with the related Rules.

Narayana Hrudayalaya Surgical Hospital Private Limited
Notes to the financial statements for the year ended March 31, 2023 (continued)

32 Related party disclosures (continued)

c) The balances receivable from and payable to related parties

(₹ in lakhs)

Balances	Enterprise having control over the company	Entity under control/ joint control of fellow subsidiary, KMP/KMP of Holding company and their relatives	Total
Trade payables			
Narayana Hrudayalaya Limited	811.33 (659.87)	- (-)	811.33 (659.87)
Amaryllis Healthcare Private Limited	- (-)	1.06 (4.80)	1.06 (4.80)
Meridian Medical Research & Hospital Limited (MMRHL)	- (-)	0.10 (0.59)	0.10 (1.18)
Total	811.33 (659.87)	1.17 (5.39)	812.50 (665.86)
Other assets (Current) - Due For Reimbursement			
NH Integrated Care Private Limited (NHIC)	- (-)	23.64 (-)	23.64 (-)
Trade receivables			
Narayana Vaishno Devi Specialty Hospitals Private Limited (NVDSHPL)	- (-)	30.38 (38.96)	30.38 (38.96)
Corporate guarantee given / released by the holding company (Net)			
Narayana Hrudayalaya Limited	8,100.00 (8,100.00)	- (-)	8,100.00 (8,100.00)
Unsecured loan given by the holding company			
Narayana Hrudayalaya Limited	1,670.00 (920.00)	- (-)	1,670.00 (920.00)

Figures in brackets 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 reasonably be expected to be available, in respect of similar transactions with other than related entities on an arm's length basis.

33 Earnings/(Loss) per share

Basic and diluted loss per share

The calculation of basic and diluted earnings/ (loss) per share for the year ended March 31, 2023 and March 31, 2022 was based on profit / (loss) attributable to equity shareholders of ₹ 2,707.13 lakhs (March 31, 2022: ₹ 2,241.60 lakhs) and weighted average number of equity share outstanding 2,44,25,900 (March 31, 2022: 2,44,25,900).

Particulars	(₹ in lakhs, except no of shares)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit/ (loss) after tax	2,707.13	2,241.60
Total no of shares outstanding	24,425,900	24,425,900
Effect of shares issued during the year	-	-
Weighted average number of equity shares (basic/diluted) for the year	24,425,900	24,425,900
Basic and diluted earnings/(loss) per share (₹) (Nominal value per share ₹ 10)	11.08	9.18

34 Capital management

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

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

The capital structure as of March 31, 2023 and March 31, 2022 was as follows:

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Total equity attributable to the equity shareholders of the Company	4,266.27	1,575.23
As a percentage of total capital	50%	30%
Long-term borrowings	947.02	1,125.63
Short-term borrowings	3,316.41	2,551.21
Total borrowings	4,263.43	3,676.84
As a percentage of total capital	50%	70%
Total capital (Equity and Borrowings)	8,529.70	5,252.07

35 Healthcare Service Agreement with Dharamshila Cancer Foundation and Research Centre (DCFRC)

On March 31, 2017, Company entered into Healthcare Services Agreement ("Agreement") with Dharamshila Cancer Foundation and Research Centre ("Society"). Accordingly, the Company has a control over the operations of Dharamshila Hospital and Research Centre ("Hospital") and provide healthcare services using the assets which are owned by the society. The arrangement of the Company with the Society attracts the application of business combination as per IND AS103. The Company commenced the provision of healthcare services at the Hospital on 1st April 2017 ("Commencement Date"). The term of the Agreement is 25 years, which the Parties may extend for a further period on such terms as may be mutually agreed. Neither Party shall have the right to terminate the Agreement before 10 years of the Commencement Date. The Hospital is renamed as "Dharamshila Narayana Superspeciality Hospital, A Unit of Dharamshila Cancer Foundation And Research Centre" as per the Agreement.

In terms of the Agreement, the Society is entitled to retain an annual revenue amount of ₹ 1,800 lakhs per annum with an annual escalation of 5% during the term the Company is in control of the operations of the Hospital. The fair value, applying the Discounted Cash Flow approach based on discount rate of 15.23% is determined by discounting the estimated annual amounts of revenue which the Society is entitled to retain from the Commencement Date. The excess amount of such fair value over the fair value of net assets of the Hospital, which the Company uses in exercise control over the operations of the Hospital, has been attributed towards goodwill.

The fair value accordingly has been attributed to use of the following assets based on Management's estimates:

Component	(₹ in lakhs)	
	Acquisition date fair value	
Property, plant and equipment	3,576.81	
Property usage right	1,639.36	
Intangible assets	4,637.00	
Total	9,853.17	
Goodwill	790.00	
Total purchase price	10,643.17	

The intangible assets are amortised over a period of ten years as per management's estimate of its useful life, based on the life over which economic benefits are expected to be realized.

The goodwill amounting to ₹ 790 lakhs comprises value of benefits of expected synergies, future revenue, future market developments, assembled workforce, etc.

None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

The Company has paid an interest-free refundable security deposit amounting to ₹ 1,000 lakhs to the Society as per the Agreement. Security deposit was discounted and the differential was treated as prepaid rent and amortised over the term of the Agreement.

36 Financial instruments: Fair value and risk managements

A. Accounting classification and fair values

	(₹ in lakhs)	
As at March 31, 2023	Amortised cost	Total
Financial assets		
Trade receivables	6,689.75	6,689.75
Cash and cash equivalents	372.06	372.06
Bank balances other than above	1.00	1.00
Other financial assets	3,051.39	3,051.39
	10,114.20	10,114.20
Financial liabilities		
Borrowings	4,263.43	4,263.43
Lease liabilities	458.65	458.65
Trade payables	6,192.58	6,192.58
Other financial liabilities	7,486.80	7,486.80
	18,401.46	18,401.46
As at March 31, 2022	Amortised cost	Total
Financial assets		
Trade receivables	4,406.81	4,406.81
Cash and cash equivalents	408.27	408.27
Bank balances other than above	1.00	1.00
Other financial assets	2,253.36	2,253.36
	7,069.44	7,069.44
Financial liabilities		
Borrowings	3,676.84	3,676.84
Lease liabilities	576.67	576.67
Trade payables	5,089.60	5,089.60
Other financial liabilities	8,715.64	8,715.64
	18,058.75	18,058.75

Measurement of fair values

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

B. Financial risk management

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

(i) Risk management framework

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

(ii) Credit risk

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

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

The Company establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trend. The maximum exposure to credit risk as at reporting date is primarily from trade receivables amounting to ₹ 7,390.14 lakhs (March 31, 2022: ₹ 5,263.35 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, 2023	As at March 31, 2022
Opening balance	856.54	427.30
Expected credit loss recognised / (reversed)	(156.15)	429.24
Closing balance	700.39	856.54

No single customer accounted for more than 10% of the revenue as of March 31, 2023 and One Customers - Government of St. Lucia (GOSL) 14.86% accounted for more than 10% of the revenue as of March 31, 2022. There is no significant concentration of credit risk.

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.

(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. In addition, the Company maintains line of credit as stated in Note 14.

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, 2023:

	(₹ in lakhs)				
Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Borrowings	3,316.41	409.62	537.40	-	4,263.43
Lease liabilities	72.65	11.11	33.95	340.94	458.65
Trade payables	6,192.58	-	-	-	6,192.58
Other financial liabilities	993.60	1,527.46	4,965.74	-	7,486.80
Total	10,575.24	1,948.19	5,537.09	340.94	18,401.46

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 - 2 years	2-5 years	More than 5 years	Total
Borrowings	2,551.21	582.23	390.96	152.44	3,676.84
Lease liabilities	118.02	72.65	36.16	349.84	576.67
Trade payables	5,089.60	-	-	-	5,089.60
Other financial liabilities	1,161.01	2,946.80	4,545.05	62.78	8,715.64
Total	9,032.75	3,596.20	4,859.40	570.40	18,058.75

(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.

Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

(a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of reporting period with respect to long term borrowings with variable interest rates from banks are as follows:

(₹ in lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
Variable rate long term borrowings including current maturities	4,263.43	3,676.84
Total borrowings	4,263.43	3,676.84

(b) Sensitivity

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

(₹ in lakhs)		
Impact on profit or loss		
Particulars	As at March 31, 2023	As at March 31, 2022
Sensitivity		
1% increase in MCLR rate	42.63	36.77
1% decrease in MCLR rate	(42.63)	(36.77)

The interest rate sensitivity is based on the closing balance of secured term loans from banks.

- 37 The Company has entered a Consultancy contract with The Government of St. Lucia (GOSL) on October 7, 2020 for a period of 2 years to co-ordinate and share expertise on transition of Victoria Hospital to Owen king European Union Hospital (OKEUH) and provide advisory and consultancy services for management of operations of OKEUH with a view to ensuring that global best practices are adhered to. During the year the Company has completed the said contractual period and the entire revenue has been recognised in the books during the said contractual period.

38 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.

39 The parent Company has incorporated a wholly owned subsidiary, NH Integrated Care Private Limited on January 10, 2023 to carry on the business of healthcare services in the field of health and wellness management. The Company has transferred certain clinics on slump sale basis for a consideration of INR 23.6 lakhs effective from close of business hours as on March 31, 2023.

40 Financial Ratios

Ratio	Methodology	For the year ended March 31, 2023	For the year ended March 31, 2022	Variance
a) Current Ratio	Current assets over current liabilities	0.87	0.72	19.93%
c) Debt Equity Ratio ¹	Debt over total shareholders' equity	1.00	2.33	57.19%
c) Debt Service Coverage Ratio	Earnings available for debt service over debt service	1.02	1.03	0.64%
d) Return on Equity Ratio ²	PAT over total average equity	92.69%	472.74%	-380.06%
e) Trade Receivable turnover Ratio ³	Credit Revenue from operations over average trade receivables	3.27	4.77	-150.04%
f) Trade payables turnover ratio	Total purchases over average trade payables	1.50	1.71	-12.15%
g) Net capital turnover ratio ⁴	Revenue from operations over working capital	(21.17)	(11.22)	88.67%
h) Net profit ratio	Net profit over revenue from operations	8.14%	7.34%	0.80%
i) EBITDA	EBITDA over revenue from operations	18.17%	19.88%	-1.70%
j) EBIT	EBIT over revenue from operations	13.11%	14.66%	-1.55%
k) Return on capital employed ⁵	PBIT over capital employed	51.49%	82.73%	-31.24%
l) Inventory turnover ratio	Cost of goods sold over average inventory	18.02	17.57	2.58%

* Last year ratios are regrouped for better presentation

Notes

EBIT - Earnings before interest and taxes

PBIT - Profit before interest and taxes including other income

EBITDA - Earnings before interest, taxes, depreciation and amortisation

PAT - Profit after taxes

Debt includes current and non-current borrowings

Capital employed refers to total shareholders' equity and debt.

Explanation for variances exceeding 25%:

¹ Debt equity ratio and Debt Service Coverage ratio have improved on account of repayment of borrowings and improved profitability

² Return on Equity ratio has decreased due to increase in average equity value

³ Trade Receivables turnover ratio is decreased due to increase in average trade receivables when compared to previous year

⁴ Net capital turnover ratio and Return on capital employed ratio's have increased due to improvement in Revenue, Net profit and EBIT numbers respectively when compared to previous year

⁵ Return on capital employed has decreased due to increase in capital employed when compared to previous year

For and on behalf of the Board of Directors of
Narayana Hrudayalaya Surgical Hospital Private Limited

sd/-
Dr. Devi Prasad Shetty
Director
DIN: 00252187
Place: Bengaluru
Date: May 19, 2023

sd/-
Dr. Emmanuel Rupert
Managing Director
DIN : 07010883
Place: Bengaluru
Date: May 19, 2023

sd/-
Satish Belawadi
Chief Financial Officer
Place: Mysore
Date: May 19, 2023

sd/-
Shashanka S Velankar
Company Secretary
Place: Bengaluru
Date: May 19, 2023