

# B S R & Co. LLP

Chartered Accountants

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## Independent Auditor's Report

To the Members of Narayana Vaishno Devi Specialty Hospitals Private Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Narayana Vaishno Devi Specialty Hospitals Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2016, the statement of profit and loss, the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



**Narayana Vaishno Devi Specialty Hospitals Private Limited**  
**Independent Auditor's Report (continued)**

**Opinion**

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016 and its loss and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A", a statement on the matters specified in the paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of the written representations received from the Directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
  - (g) 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, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) the Company does not have any pending litigations which would impact its financial position;
    - (ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;



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**Narayana Vaishno Devi Specialty Hospitals Private Limited  
Independent Auditor's Report (continued)**

**Report on Other Legal and Regulatory Requirements (continued)**

- (iii) there were no amounts during the year which were required to be transferred to the Investor Education and Protection Fund by the Company.

*for B S R & Co. LLP*

*Chartered Accountants*

Firm's registration number: 101248W/W-100022

*Amit Somani*

**Amit Somani**

*Partner*

Membership number: 60154

Place: Bengaluru

Date: 30 May 2016

**Narayana Vaishno Devi Specialty Hospitals Private Limited  
Independent Auditor's Report (continued)**

**Annexure - A to the Independent Auditor's Report**

The Annexure referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report to the members of Narayana Vaishno Devi Specialty Hospitals Private Limited ("the Company") for the year ended 31 March 2016, we report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and its nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no immovable properties that are owned by the Company. Accordingly, paragraph 3(i)(c) of the Order is not applicable.
- (ii) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable and no material discrepancies were noticed on such verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii) of the Order is not applicable.
- (iv) The Company has not made any loans and investments or given guarantee and security. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, as per Companies (Cost records and Audit) rules, 2014, the Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income tax, Sales Tax, Service tax and other material statutory dues have generally been regularly deposited during the year with the appropriate authorities though the delays in deposit have not been serious. As explained to us, the Company did not have any dues on account of Duty of Excise, Duty of Customs and Employee's State Insurance.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income tax, Sales Tax, Service tax and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Income tax and Service Tax which have not been deposited with the appropriate authorities on account of any dispute.

**B S R & Co. LLP**

**Narayana Vaishno Devi Specialty Hospitals Private Limited**  
**Annexure - A to the Independent Auditors' Report (continued)**

- (viii) The Company does not have any outstanding loans during the year from any financial institutions, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided any managerial remuneration. Accordingly, paragraph 3(xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any transactions on which Section 177 and 188 of the Act is applicable.
- (xiv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, the requirement of section 42 of the Act is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

*for B S R & Co. LLP*

*Chartered Accountants*

Firm's registration number: 101248W/W-100022

*Amit Somani*

**Amit Somani**

*Partner*

Membership number: 60154

Place: Bengaluru

Date: 30 May 2016

**Narayana Vaishno Devi Specialty Hospitals Private Limited**

**Annexure – B to the Independent Auditor's Report**

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

We have audited the internal financial controls over financial reporting of Narayana Vaishno Devi Specialty Hospitals Private Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



**B S R & Co. LLP**

**Narayana Vaishno Devi Specialty Hospitals Private Limited**  
**Annexure - B to the Independent Auditors' Report (continued)**

### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedure 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 the 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 authorizations of management and directors of the Company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

*for B S R & Co. LLP*

*Chartered Accountants*

Firm's registration number: 101248W/W-100022

*Amit Somani*

**Amit Somani**

*Partner*

Membership number: 060154

Place: Bengaluru

Date: 30 May 2016

**Narayana Vaishno Devi Specialty Hospitals Private Limited**  
**Balance sheet as at 31 March 2016**

		As at 31 March 2016	INR As at 31 March 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	10,000,000	500,000
Reserves and surplus	3	<u>(10,853,221)</u>	<u>(362,858)</u>
		(853,221)	137,142
<b>Non-current liabilities</b>			
Long-term provisions	4	<u>24,436</u>	<u>-</u>
		24,436	-
<b>Current liabilities</b>			
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	5	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	5	3,488,446	-
Other current liabilities	6	2,448,464	1,601,876
Short-term provisions	4	<u>131,127</u>	<u>-</u>
		6,068,037	1,601,876
<b>TOTAL</b>		<u><b>5,239,252</b></u>	<u><b>1,739,018</b></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	7	270,846	-
Long-term loans and advances	8	<u>27,933</u>	<u>-</u>
		298,779	-
<b>Current assets</b>			
Inventories	9	836,441	-
Cash and bank balances	10	530,451	500,000
Short-term loans and advances	8	3,296,169	1,239,018
Other current assets	11	<u>277,412</u>	<u>-</u>
		4,940,473	1,739,018
<b>TOTAL</b>		<u><b>5,239,252</b></u>	<u><b>1,739,018</b></u>
Significant accounting policies	1		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached  
for **BSR & Co. LLP**  
Chartered Accountants  
Firm registration number : 101248W/W-100022

*Amit Somani*

**Amit Somani**  
Partner  
Membership number: 60154

Place : Bengaluru  
Date : 30 May 2016

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

*Dr. Devi Prasad Shetty*  
**Dr. Devi Prasad Shetty**  
Director  
DIN: 00252187

Place : Bengaluru  
Date : 30 May 2016

*Viren Shetty*  
**Viren Shetty**  
Director  
DIN: 02144586

Place : Bengaluru  
Date : 30 May 2016



**Narayana Vaishno Devi Specialty Hospitals Private Limited**  
**Statement of profit and loss for the year ended 31 March 2016**

			For the year ended 31 March 2016	For the period from 5 September 2014 (date of incorporation) to 31 March 2015
	Note			INR
<b>INCOME</b>				
Revenue from operations	12		93,411	-
Other income	13		3,800,766	1,239,018
<b>Total revenue</b>			<b>3,894,177</b>	<b>1,239,018</b>
<b>EXPENSE</b>				
Purchase of medical consumables, drugs and surgical equipments			928,891	-
Changes in inventories of medical consumables, drugs and surgical equipments	14		(836,441)	-
Employee benefits	15		6,220,481	441,437
Other expenses	16		8,062,211	1,160,439
<b>Total expenses</b>			<b>14,375,142</b>	<b>1,601,876</b>
<b>Loss before tax and depreciation</b>			<b>(10,480,965)</b>	<b>(362,858)</b>
Depreciation	7		9,398	-
<b>Loss before tax</b>			<b>(10,490,363)</b>	<b>(362,858)</b>
<b>Tax expense</b>			-	-
<b>Loss for the year/ period</b>			<b>(10,490,363)</b>	<b>(362,858)</b>
<b>Loss per equity share [nominal value of share INR 10 (previous year INR 10)]</b>				
Basic and diluted	26		(25.38)	(12.73)
Significant accounting policies	1			

The notes referred to above form an integral part of the financial statements

As per our report of even date attached  
for **B S R & Co. LLP**

Chartered Accountants

Firm registration number : 101248W/W-100022



**Amit Somani**

Partner

Membership number: 60154

Place : Bengaluru

Date : 30 May 2016

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



**Dr. Devi Prasad Shetty**

Director

DIN: 00252187

Place : Bengaluru

Date : 30 May 2016



**Viren Shetty**

Director

DIN: 02144586

Place : Bengaluru

Date : 30 May 2016

**Narayana Vaishno Devi Specialty Hospitals Private Limited**  
**Cash flow statement for the year ended 31 March 2016**

	INR	
	For the year ended 31 March 2016	For the period from 5 September 2014 (date of incorporation) to 31 March 2015
<b>Cash flow from operating activities</b>		
Loss before tax	(10,490,363)	(362,858)
<b>Adjustments:</b>		
Depreciation	9,398	-
Interest on bank deposits	(39,815)	-
<b>Operating cash flow before working capital changes</b>	<b>(10,520,780)</b>	<b>(362,858)</b>
Changes in inventories	(836,441)	-
Changes in loans and advances	(2,082,151)	(1,239,018)
Changes in other assets	(277,412)	-
Changes in liabilities and provisions	4,449,467	1,601,876
<b>Cash generated from operations</b>	<b>(9,267,317)</b>	<b>-</b>
Income tax paid, net	(2,933)	-
<b>Net cash (used in) operating activities (A)</b>	<b>(9,270,250)</b>	<b>-</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets	(239,114)	-
Interest received on bank deposits	39,815	-
<b>Net cash (used in) investing activities (B)</b>	<b>(199,299)</b>	<b>-</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of shares	9,500,000	500,000
<b>Net cash provided by financing activities (C)</b>	<b>9,500,000</b>	<b>500,000</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>30,451</b>	<b>500,000</b>
Cash and cash equivalents at the beginning of the year/ period	500,000	-
Cash and cash equivalents at the end of the year/ period (refer note 10)	530,451	500,000

The notes referred to above form an integral part of the financial statements

As per our report of even date attached  
for **BSR & Co. LLP**  
Chartered Accountants  
Firm registration number : 101248W/W-100022

*Amit Somani*

**Amit Somani**  
Partner  
Membership number: 60154

Place : Bengaluru  
Date : 30 May 2016

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

*Dr. Devi Prasad Shetty*  
**Dr. Devi Prasad Shetty**  
Director  
DIN: 00252187

Place : Bengaluru  
Date : 30 May 2016

*Viren Shetty*  
**Viren Shetty**  
'Director'  
'DIN: 02144586

Place : Bengaluru  
Date : 30 May 2016

## **Narayana Vaishno Devi Specialty Hospitals Private Limited**

### **Notes to the financial statements for the year ended 31 March 2016**

#### **Company overview**

Narayana Vaishno Devi Specialty Hospitals Private Limited ('the Company') was incorporated on 5 September 2014 under the provisions of the Companies Act, 2013. The Company is a wholly owned subsidiary of Narayana Hrudayalaya Limited. The Company proposes to engage itself 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 health care schemes.

#### **1. Significant accounting policies**

##### **1.1 Basis of preparation of financial statements**

These financial statements are prepared in accordance with Generally Accepted Accounting Principles in India under the historical cost convention and on the accrual basis of accounting and comply with accounting standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India ('ICAI'), and the provisions of the Act to the extent notified and applicable.

The accounting policies adopted in the preparation of financial statements have been consistently applied by the Company. The financial statements are presented in Indian Rupees (INR).

##### **1.2 Going concern**

The financial statements have been prepared on a going concern basis, notwithstanding current losses and negative net worth.

The Company has received a letter of financial support from Narayana Hrudayalaya Limited, holding Company, which undertakes to provide financial and operational assistance as is necessary to enable the Company to operate as a going concern and meet its obligation as and when they fall due upto a period of one year from the balance sheet date i.e. 31 March 2017.

##### **1.3 Use of estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles in India requires the Management to make judgement estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in the current and future years.

##### **1.4 Current and non-current classification**

All assets and liabilities are classified into current and non – current.

Assets

An asset is classified as current when it satisfies any of the following criteria:



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## Narayana Vaishno Devi Specialty Hospitals Private Limited

### Notes to the financial statements for the year ended 31 March 2016

#### 1. Significant accounting policies (continued)

##### 1.4 Current and non – current classification (continued)

- a) It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is expected to be realised within 12 months after the reporting date; or
- d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non – current financial assets.

All other assets are classified as non – current.

##### *Liabilities*

A liability is classified as current when it satisfies any of the following criteria:

- a) It is expected to be settled in the Company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is expected to be settled within 12 months after the reporting date; or
- d) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non – current financial liabilities.

All other liabilities are classified as non – current.

##### *Operating cycle*

Operating cycle is the time between the acquisition of assets for processing and their realizations in cash or cash equivalents.

##### 1.5 Revenue recognition

###### *Revenue from operations*

Revenue from sale of medical consumables and drugs within the hospital premises is recognized 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 services rendered to the Trust and is not billed as at the balance sheet date.

###### *Interest*

Interest on the deployment of funds is recognised using the time-proportion method, based on underlying interest rates.



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## **Narayana Vaishno Devi Specialty Hospitals Private Limited**

### **Notes to the financial statements for the year ended 31 March 2016**

#### **1. Significant accounting policies (continued)**

##### **1.6 Other income**

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

##### **1.7 Inventories**

The inventories of medical consumables, drugs and surgical equipments are valued at lower of cost or net realisable value. In the absence of any further estimated costs of completion and estimated costs necessary to make the sale, the net realisable value is the selling price. 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.

##### **1.8 Loss per share**

The basic loss per share is computed by dividing the net loss attributable to equity shareholders for the year/ period by the weighted average number of equity shares outstanding during the year/ period. The Company does not have potential dilutive equity shares outstanding during the year/ period.

##### **1.9 Provisions and contingencies**

Provision is recognised when, as a result of obligating events, there is a present obligation that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

The disclosure of contingent liability is made when, as a result of obligating events, there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

No provision or disclosure is made when, as a result of obligating events, there is a possible obligation or a present obligation where the likelihood of an outflow of resources is remote.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

##### **1.10 Income tax**

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future; however where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realization of such assets.

Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realized.



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## **Narayana Vaishno Devi Specialty Hospitals Private Limited**

### **Notes to the financial statements for the year ended 31 March 2016**

#### **1. Significant accounting policies (continued)**

##### **1.10 Income tax (continued)**

Assets and liabilities representing current tax and deferred tax are disclosed on a net basis where there is a legally enforceable right to set off and where the management intends to settle the asset and liability on a net basis.

##### **1.11 Impairment of assets**

The Company assesses at each balance sheet date using external and internal sources, whether there is any indication that an asset or a group of assets comprising a cash-generating unit may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined, if no impairment loss had been recognised.

##### **1.12 Cash and cash equivalents**

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

##### **1.13 Cash flow statement**

Cash flows are reported using the indirect method, whereby net profit 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.

##### **1.14 Fixed assets, depreciation and amortisation**

Fixed assets are stated at the cost of acquisition or construction less accumulated depreciation. Advances paid towards acquisition of fixed assets outstanding as of the balance sheet date are disclosed under long-term loans and advances.

###### **(a) Tangible fixed assets**

Tangible fixed assets are carried at cost of acquisition or construction less accumulated depreciation and/ or accumulated impairment, if any. The cost of an item of tangible fixed assets comprises its purchase price, including import duties and other non-refundable taxes or levies, freight and any directly attributable cost of bringing the asset to its working condition for its use; 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.



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## Narayana Vaishno Devi Specialty Hospitals Private Limited

### Notes to the financial statements for the year ended 31 March 2016

#### 1. Significant accounting policies (continued)

##### 1.14 Fixed assets, depreciation and amortisation (continued)

###### (b) Depreciation and amortization

Depreciation on additions and disposals during the year is provided on proportionate basis.

Depreciation is provided on the straight line method over the estimated useful life of fixed assets. The Company estimates the useful life of the fixed assets as follows:

Block of assets	Useful
Electrical installation	10 years
Other equipment	15 years
Computers	3 years

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

##### 1.15 Employee benefits

###### Short term employee benefits

Employee benefits payable wholly within 12 months of receiving services are classified as short-term employee benefits. These benefits include salary and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by the employees.

###### *Post-employment benefits*

###### Defined contribution plans

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



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## **Narayana Vaishno Devi Specialty Hospitals Private Limited**

### **Notes to the financial statements for the year ended 31 March 2016**

#### **1. Significant accounting policies (continued)**

##### **1.15 Employee benefits (continued)**

###### **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 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 periodically in the statement of profit and loss. All expenses related to defined benefit plans are recognized in employee benefit expense in the statement of profit and loss.

When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognized in the statement of profit and loss on a straight-line basis over the average period until the benefits become vested. The Company recognizes gains and losses in the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

###### **Compensated absences**

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

##### **1.16 Measurement of Profit/ Earnings before Interest, Tax, Depreciation and Amortization**

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



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2 Share capital

Particulars	As at 31 March 2016	As at 30 March 2015
<b>Authorised</b>		
3,000,000 equity shares (previous period 1,000,000 equity shares) of INR 10 each	30,000,000	10,000,000
<b>Issued, subscribed and paid up</b>		
1,000,000 equity shares (previous period 50,000 equity shares) of INR 10 each, fully paid up	10,000,000	500,000
	<b>10,000,000</b>	<b>500,000</b>

Reconciliation of equity shares outstanding at the beginning and at the end of the year/ period

Particulars	As at 31 March 2016		As at 31 March 2015	
	Number of shares	Amount	Number of shares	Amount
Shares outstanding at the beginning of the year/ period	50,000	500,000	-	-
Shares issued during the year/ period	950,000	9,500,000	50,000	500,000
Shares outstanding at the end of the year/ period	1,000,000	10,000,000	50,000	500,000

Rights, preference and restriction attached to equity shares

The Company has a single class of equity shares referred to as equity shares having a nominal value of INR 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 Company declares and pays dividend in Indian rupees. The equity shares are entitled to receive dividend as declared from time to time.

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.

Shares held by Holding Company

Particulars	As at 31 March 2016		As at 31 March 2015	
	Number of shares	Amount	Number of shares	Amount
Equity Share of INR 10 each fully paid up held by Narayana Hrudayalaya Limited (formerly known as Narayana Hrudayalaya Private Limited)	999,800	9,998,000	49,990	499,900
	<b>999,800</b>	<b>9,998,000</b>	<b>49,990</b>	<b>499,900</b>

Particulars of shareholders holding more than 5% shares:

Particulars	As at 31 March 2016		As at 31 March 2015	
	Number of shares	% holding	Number of shares	% holding
Narayana Hrudayalaya Limited (formerly known as Narayana Hrudayalaya Private Limited)	999,800	99.98%	49,990	99.98%
	<b>999,800</b>	<b>99.98%</b>	<b>49,990</b>	<b>99.98%</b>

The Company has not bought back any shares during the period from the date of incorporation (i.e. 5th September 2014) to 31 March 2016. Further, the Company has not issued any bonus shares or shares issued for consideration other than cash during the period from the date of incorporation (i.e. 5th September 2014) to 31 March 2016.

3 Reserves and surplus

Particulars	As at 31 March 2016	As at 31 March 2015
Deficit (profit and loss balance)		
At the commencement of the year/ period	(362,858)	-
Add: Net loss transferred from statement of profit and loss	(10,490,363)	(362,858)
	<b>(10,853,221)</b>	<b>(362,858)</b>

4 Long-term and short-term provisions

Particulars	Long - term provisions		Short - term provisions	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Provision for employee benefits				
Gratuity (refer note 23)	24,436	-	138	-
Compensated absences	-	-	130,989	-
	<b>24,436</b>	<b>-</b>	<b>131,127</b>	<b>-</b>

5 Trade payables

Particulars	As at 31 March 2016	As at 31 March 2015
Total outstanding dues of micro enterprises and small enterprises (refer note 24)	-	-
Long outstanding dues of creditors other than micro enterprises and small enterprises	3,488,446	-
	<b>3,488,446</b>	<b>-</b>



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6 Other current liabilities

Particulars	As at 31 March 2016	As at 31 March 2015
<b>Other liabilities</b>		
Accrued salaries and benefits	1,569,823	-
Statutory liabilities	655,527	-
Creditors for capital goods	41,130	-
Other liabilities	28,394	-
<b>To related parties (refer note 20)</b>		
Other liabilities	153,590	1,601,876
	<b>2,448,464</b>	<b>1,601,876</b>

8 Long-term loans and advances  
(unsecured and considered good)

Particulars	Long - term portion		Short - term portion	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
<b>To parties other than related party</b>				
Security deposits	25,000	-	-	-
Advance income tax and tax deducted at source, net	2,933	-	-	-
Prepaid expense	-	-	12,600	-
Other loans and advances	-	-	3,222,556	1,239,018
<b>To related party (refer note 20)</b>				
Other loans and advances	-	-	61,013	-
	<b>27,933</b>	<b>-</b>	<b>3,296,169</b>	<b>1,239,018</b>

9 Inventories  
(valued at lower of cost and net realisable value)

Particulars	As at 31 March 2016	As at 31 March 2015
Medical consumables, drugs and surgical equipments	836,441	-
	<b>836,441</b>	<b>-</b>

10 Cash and bank balances

Particulars	As at 31 March 2016	As at 31 March 2015
Cash and cash equivalents		
Balance with banks		
- On current accounts	517,587	500,000
Cash on hand	12,864	-
	<b>530,451</b>	<b>500,000</b>

11 Other current assets  
(unsecured and considered good)

Particulars	As at 31 March 2016	As at 31 March 2015
Unbilled revenue	277,412	-
	<b>277,412</b>	<b>-</b>



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Narayana Vaishno Devi Specialty Hospitals Private Limited  
Notes to the financial statements for the year ended 31 March 2016 (continued)

7 Fixed assets

Description	Gross block		Accumulated depreciation		Net block	
	As at 1 April 2015	As at 31 March 2016	As at 1 April 2015	As at 31 March 2016	As at 31 March 2016	As at 31 March 2015
Tangible assets (owned)						
Other equipment	-	180,924	-	346	180,578	-
Electrical installation	-	41,300	-	509	40,791	-
Computers	-	58,020	-	8,543	49,477	-
<b>Total</b>	-	<b>280,244</b>	-	<b>9,398</b>	<b>270,846</b>	-
Previous period	-	-	-	-	-	-



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Narayana Vaishno Devi Specialty Hospitals Private Limited  
Notes to the financial statements for the year ended 31 March 2016 (continued)

12 Revenue from operations

INR

Particulars	For the year ended 31 March 2016	For the period from 5 September 2014 (date of incorporation) to 31 March 2015
Sale of medical consumables and drugs	93,411	-
	<b>93,411</b>	<b>-</b>

13 Other Income

Particulars	For the year ended 31 March 2016	For the period from 5 September 2014 (date of incorporation) to 31 March 2015
Reimbursement of expenses by Shri Mata Vaishno Devi Shrine Board "Trust" (refer note 27)	3,760,951	1,239,018
Interest income on bank deposits	39,815	-
	<b>3,800,766</b>	<b>1,239,018</b>

14 Changes in inventories of medical consumables, drugs and surgical equipments

Particulars	For the year ended 31 March 2016	For the period from 5 September 2014 (date of incorporation) to 31 March 2015
Inventory at the beginning of the year/period	-	-
Inventory at the end of the year/ period	836,441	-
	<b>(836,441)</b>	<b>-</b>

15 Employee benefits

Particulars	For the year ended 31 March 2016	For the period from 5 September 2014 (date of incorporation) to 31 March 2015
Salaries, wages and bonus	5,777,430	441,437
Contribution to provident and other funds	219,240	-
Staff welfare expenses	223,811	-
	<b>6,220,481</b>	<b>441,437</b>

16 Other expenses

Particulars	For the year ended 31 March 2016	For the period from 5 September 2014 (date of incorporation) to 31 March 2015
<b>Hospital operating expenses</b>		
Professional fees to doctors	246,410	-
Hospital general expenses	81,000	-
Repairs and maintenance - others	46,623	-
	<b>374,033</b>	<b>-</b>
<b>Administrative expenses</b>		
Books and periodicals	13,165	-
Business promotion	13,248	-
House keeping expenses	773,300	-
Insurance	66,925	-
Legal and professional fees (refer note 19)	616,205	-
Rates and taxes	12,468	-
Security charges	362,920	-
Telephone and communication	521,806	-
Traveling and conveyance	5,235,636	797,581
Preliminary expenses	-	362,858
Bank charges	600	-
Miscellaneous expenses	71,905	-
	<b>7,688,178</b>	<b>1,160,439</b>
	<b>8,062,211</b>	<b>1,160,439</b>



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**Narayana Vaishno Devi Specialty Hospitals Private Limited**  
**Notes to the financial statements for the year ended 31st March 2016**

17 Estimated amounts of contracts remaining to be executed on capital account (net of advances) as at 31 March 2016 amounted to INR Nil. (previous period: INR Nil )

**18 Deferred taxes**

No deferred tax asset has been recognised on carry forward business losses as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset will be realized.

**19 Auditors' remuneration (included in professional fees, excluding service tax)**

	INR
	For the year ended 31 March 2016
	For the period from 5 September 2014 (date of incorporation) to 31 March 2015
Audit Fees	65,000
In other capacity:	
Audit/ Limited review fee in relation to IPO of Holding company	50,000
Reimbursement of expenses	3,426
Reimbursement of expenses in relation to IPO of Holding Company	6,572
Less: Reimbursed by selling shareholders of Holding Company [Narayana Hrudayalaya Limited (formerly known as Narayana Hrudayalaya Private Limited)]	(56,572)
	<b>68,426</b>

**20 Related party disclosures**

**(a) Details of related parties**

Nature of relationship	Name of related parties
Holding company	Narayana Hrudayalaya Limited

**(b) Transactions with related party during the year/ period**

Transactions	INR
	Holding company
Issue of shares	9,500,000
	(500,000)
Reimbursement of operating expense paid on behalf of the company	(1,398,286)
	(1,601,876)

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

Transactions	INR
	Holding company
Other liabilities	153,190
	(1,601,876)
Other loans and advances	61,013
	(-)

21 The Company has not imported any goods or asset of capital nature in the current year and previous period.

22 The Company's sole business segment is 'Medical and Healthcare Services' and principal geographical segment is 'India'. Since the Company has a single business segment and a single geographical segment, disclosures pertaining to the primary and secondary segments as per Accounting Standard 17- 'Segment Reporting' have not been presented.



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**Narayana Vaishno Devi Specialty Hospitals Private Limited**  
**Notes to the financial statements for the year ended 31st March 2016**

**23 Employee benefits**

**Defined contribution plan**

The amount recognised as an expense towards contribution to Provident Fund for the year aggregated to INR 219,240 (previous period: INR Nil)

**Defined benefit plan**

The Company operates post-employment defined benefit plan that provide gratuity. The gratuity plan entitles an employee, who has rendered atleast five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit. This scheme is non-funded. The Company accrues gratuity under the provisions of the Payment of Gratuity Act, 1972 as applicable as at the balance sheet date and accordingly the maximum payment is restricted to INR 1,000,000. The Company recognizes actuarial gains and losses immediately in the statement of profit and loss.

The following table sets out the status of the gratuity plan as required under Accounting standard (AS) 15 "Employee Benefits" prescribed by Companies Act, 2013:

<b>Movements in present value of defined benefit obligation</b>		<b>INR</b>
<b>Particulars</b>	<b>As at 31 March 2016</b>	<b>As at 31 March 2015</b>
Defined benefit obligation at 1 April	-	-
Current service cost	14,584	-
Interest cost	165	-
Benefits settled	-	-
Actuarial loss	9,825	-
<b>Defined benefit obligations at 31 March</b>	<b>24,574</b>	<b>-</b>

**Expense recognised in Statement of Profit and Loss**

<b>Particulars</b>	<b>For the year ended 31 March 2016</b>	<b>For the period from 5 September 2014 (date of incorporation) to 31 March 2015</b>
Current service cost	14,584	-
Interest cost	165	-
Expected return on plan assets	-	-
Net Actuarial loss recognised during the year	9,825	-
<b>Total included in 'Employee benefits'</b>	<b>24,574</b>	<b>-</b>

<b>Particulars</b>	<b>As at 31 March 2016</b>	<b>As at 31 March 2015</b>
<b>Reconciliation of present value of obligation and fair value of plan assets</b>		
Fair value of the plan assets	-	-
Present value of defined benefit obligation	24,574	-
<b>Liability recognized in the balance sheet</b>	<b>24,574</b>	<b>-</b>
<b>Current</b>	<b>138</b>	<b>-</b>
<b>Non-current</b>	<b>24,436</b>	<b>-</b>



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**Narayana Vaishno Devi Specialty Hospitals Private Limited**  
**Notes to the financial statements for the year ended 31st March 2016**

**23 Employee benefits (continued)**

**Principal actuarial assumptions**

Particulars	As at 31 March 2016	As at 31 March 2015
The following are the principal actuarial assumptions at the reporting date(expressed as weighted averages):		
Attrition rate	20%	-
Discount rate	8%	-
Expected rate of return on plan assets	-	-
Future salary increases	13.6% for the first year 6% there after	-

The estimate of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market

**Five year information\***

Amount for the current financial year is as follows:

Experience history	As at 31 March 2016
Defined benefit obligation	24,574
Fair value of plan assets	-
Deficit in the plan	24,574
Experience (gain) / loss adjustments on plan liabilities	2,999
Experience adjustments arising on plan assets	-

\* Information applicable for one year.

**24 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. 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 ('Act') is not expected to be material. The Company has not received any claim for interest from any supplier.

Particulars	As at 31 March 2016	As at 31 March 2015
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
-Principal	-	-
-Interest	-	-
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
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 MSMED Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting period/year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

**25 The Company does not have any earnings or expenditure in foreign currency in the current year and previous period.**



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**Narayana Vaishno Devi Specialty Hospitals Private Limited**  
**Notes to the financial statements for the year ended 31st March 2016**

**26 Loss per share**

**Basic and diluted loss per share:**

The calculation of basic and diluted loss per share for the year ended 31 March 2016 and the period ended 31 March 2015 was based on loss attributable to equity shareholders of INR 10,490,363 (previous period loss: INR 362,858) and weighted average number of equity share outstanding 413,388 (previous period: 28,493).

Particulars	Units	For the year ended 31 March 2016	For the period from 5 September 2014
			(date of incorporation) to 31 March 2015
Loss after tax	INR	(10,490,363)	(362,858)
Weighted average number of equity share outstanding during the year for calculation of basic loss per share	Numbers	413,388	28,493
Basic and diluted loss per share	INR	(25.38)	(12.73)

**27** The Company has entered into an concession agreement with Shri Mata Vaishno Devi Shrine Board ("trust") to operate, maintain and manage the 230 bed multi specialty hospital on public private partnership model. As per terms of the agreement Company is required to commence the operation of hospital within 10 months from compliance date. The Company is required to pay concession fees to trust as mutually agreed during the period of agreement. Trust is expected to invest and incur capital costs to set up/ establish 230 bed multi specialty hospital and will reimburse costs incurred by the Company for providing technical assistance during the refurbishment and commissioning period to the extent of INR 5,000,000.

As per the terms of agreement, the Company was required to commence the operations of the hospital within 10 months from Compliance date (Compliance date being 29 November 2014). However subsequent to the balance sheet date, the Company has commenced its operations.

As per the arrangement between the Company and its holding Company, Narayana Hrudayalaya Limited, the holding company will reimburse the Company INR 22,700,000 for the additional expenses incurred by the Company during the refurbishment and commissioning period towards support in commencing the operations of the hospital. Only on the realization of the additional expenses from the Trust, it will be repaid to the holding company, hence, this arrangement with the holding company is recorded as "net" in the financial statements.

As per our report of even date attached  
for **BSR & Co. LLP**

Chartered Accountants

Firm's registration number : 101248W/W-100022

  
**Amit Somani**

Partner

Membership Number : 60154

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

  
**Dr. Devi Prasad Shetty**

Director

DIN: 00252187

  
**Viren Shetty**

Director

DIN: 02144586

Place: Bengaluru  
Date: 30 May 2016

Place: Bengaluru  
Date: 30 May 2016

Place: Bengaluru  
Date: 30 May 2016