MERIDIAN MEDICAL RESEARCH & HOSPITAL LIMITED

CIN: U85110WB1995PLC071440

Registered Office: Westbank Hospital, Andul Road, Howrah-711109

BOARD REPORT

To the Members,

The Directors of the Company are pleased to present the Twenty Seventh (27th) Board's Report together with the Company's Balance Sheet as at 31st March, 2022 and Statement of Profit and Loss for the year ended 31st March, 2022. The Board would also like to take this opportunity to inform you about the performance of the Company over the past twelve months.

1. RESULT OF OPERATIONS:

The summarized financial results of the Company for the year ended 31st March, 2022 are as under:

(Amt. in Rs. Lakhs)

Particulars	2020-21	2021-22
Revenue from Operations	17,119.21	23,457.23
Other Income	119.60	109.22
Total Income	**17,238.81**	**23,566.45**
Expenses before finance cost, depreciation and amortisation	15,685.21	19,101.95
Earnings before Finance cost, depreciation and amortization and tax	**1,553.60**	**4,464.50**
Finance Cost	312.35	228.97
Depreciation & Amortization expense	1,074.51	1,136.00
Profit / (Loss) Before tax	166.74	3,099.53
Tax expense	46.57	928.15
Profit/Loss for the year	**120.17**	**2,171.38**
Total comprehensive income for the year	118.76	2,144.88
Earnings per Share (EPS) (Rs.)	0.41	7.42

**Face Value Rs. 10 per share.*

2. PERFORMANCE OVERVIEW:

- During the year under review, the total income of the Company increased from Rs. 17,238.81 lakhs in FY 2020-21 to Rs. 23,566.45 lakhs in FY 2021-22.
- Earnings before Finance cost, depreciation and amortization and tax increased from Rs. 1,553.60 lakhs in FY 2020-21 to Rs. 4,464.50 lakhs in FY 2021-22.
- Profit for the year increased from Rs. 120.17 lakhs in FY 2020-21 to Rs. 2,171.37 lakhs in FY 2021-22.

3. STATE OF AFFAIRS OF THE COMPANY:

Your company continued its focus on Quality Parameters, Patient care and Welfare services resulting in significant improvement in patient satisfaction levels.

The Company's operations started to gradually increase during Q1 and Q2 of FY22 consequent to the reduction of the impact of the pandemic caused by COVID-19 outbreak along with gradual reduction of the restrictions imposed by The State Government and bring back to the normalcy.

With reduction of severity of the pandemic the operations of the Company moved towards its normalcy during the year ended March 31, 2022 and the Company continues to actively manage its business, including taking various initiatives to optimize costs and meet its financial commitments, which was impacted during the evolving nature of the pandemic. As of 31st March, 2022, the Management has used internal and external sources of information upto the date of approval of these financial statements, including availability of banking facilities for maintained liquidity for its operations. The Management has used the principles of prudence in developing estimates, assumptions, exercising judgements and performing sensitivity analysis. The Company as of the reporting date does not expect any long-term adverse impact of COVID-19 and is in line of its ability to recover the carrying value of assets and meeting its financial obligations. The company recognized all significant impact that came out of the outcome of the impact of the pandemic in the financial statement as on the date of approval of these financial statements and any significant impact of these changes would be recognized as and when these material changes to economic conditions arise.

4. TRANSFER TO RESERVES:

For the Financial Year ended 31st March 2022, the Company has transferred Rs. 2,171.38 Lakhs to Reserves.

5. DIVIDEND:

The Board of directors have not recommended any dividend for the financial year under review with a view to retain the earnings for meeting the operational and capex requirements of the company.

6. AUDITORS:

a. STATUTORY AUDITORS

M/s. Deloitte Haskins and Sells LLP (Firm Registration Number 117366W/W-100018), Chartered Accountants, Bengaluru are the statutory auditors of the company who were appointed at the 22nd Annual General Meeting of the Company held on 10th August, 2017 for a period of 5 years.

The Auditors' have issued an unmodified Report for the year ended 31st March, 2022 and hence, do not call for any comments from the Management under Section 134 of the Companies Act, 2013.

b. COST AUDIT:

The provisions of section 148 of the Companies Act, 2013 apply to the company, the company has accordingly appointed PSV & Associates to audit the cost records for the financial year 2021-22 and submit a report to the Board of Directors.

7. MATERIAL CHANGES BETWEEN THE DATE OF BOARD REPORT AND END OF FINANCIAL YEAR:

There are no material changes and commitments, affecting the financial position of the company which have occurred between the end of the financial year of the Company to which the financial statements relate and date of the report.

8. **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS:**

During the year under review there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

9. **HOLDING COMPANY:**

Narayana Hrudayalaya Limited is the Holding Company of the Company as on date of this Report.

10. **SHARE CAPITAL:**

The Authorized share Capital of the Company is Rs. 35,00,00,000.

The issued, subscribed and paid-up capital of the Company as on 31st March, 2022 stands at Rs. 29,27,88,200 divided into 2,92,78,820 equity shares of Rs. 10 each.

The Company during the year under review has not issued any equity shares with differential rights/sweat equity shares under Rule 4 & Rule 8 of Companies (Share Capital and Debentures) Rules, 2014.

11. **PERFORMANCE EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013, evaluation of performance of every director, Board and the Chairman was carried out by the Nomination & Remuneration committee. The Chairman of the respective committees reviewed the performance of the respective committee. The performance evaluation of Non-Independent Directors and Board as a whole, Committees thereof and Chairman of the Company was also carried out by the Independent Directors. Evaluation of Independent Directors was carried out by the entire Board of Directors, excluding the Director being evaluated.

12. **DECLARATION BY INDEPENDENT DIRECTOR:**

A declaration of independence in compliance with Section 149 (6) of the Companies Act, 2013, has been taken on record from all the Independent Directors of the Company.

13. **PUBLIC DEPOSITS:**

The Company has not accepted any deposits within the meaning of section 73 to 76 of the Companies Act, 2013 and Rules made there under.

14. **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:**

The Company has been following well laid down policy on appointment and remuneration of Directors, Key Managerial Personnel and Senior Management personnel.

15. DETAILS OF MEETINGS:

During the year, 5 Board Meetings, 5 Audit Committee meetings, 3 Nomination and Remuneration Committee meetings and 1 Corporate Social Responsibility Committee meeting were held. The details are as follows:

Sl. No.	Name of the Director	No. of meetings held during the year	No. of meetings attended during the year	Date of meeting attended
Board Meeting				
1.	Dr. Devi Prasad Shetty	5	5	31.05.2021 05.08.2021 10.11.2021 04.02.2022 29.03.2022
2.	Mr. Viren Shetty	5	5	
3.	Mr. B.N Subramanya	5	5	
4.	Mr. Muthuraman B	5	5	
5.	Dr. Emmanuel Rupert	5	5	
Audit Committee				
1.	Mr. B N Subramanya	5	5	31.05.2021 05.08.2021 10.11.2021 04.02.2022 29.03.2022
2.	Mr. Muthuraman B	5	5	
3.	Dr. Emmanuel Rupert	5	5	
Nomination & Remuneration Committee				
1.	Mr. Muthuraman B	3	3	31.05.2021 04.02.2022 29.03.2022
2.	Dr. Emmanuel Rupert	3	3	
3.	Mr. B N Subramanya	3	3	
Corporate Social Responsibility Committee*				
1.	Mr. Viren Prasad Shetty	1	1	31.05.2021
2.	Dr. Emmanuel Rupert	1	1	
3.	Mr. B N Subramanya	1	1	

*The Corporate Social Responsibility (CSR) Committee of the Company dissolved w.e.f. 29.03.2022 in view of the amendment notified by the Companies (Amendment) Act, 2020 and the duties and functions of the CSR Committee shall be discharged by the Board of Directors of the Company.

16. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:

Your Company does not have any funds lying unpaid or unclaimed. Therefore, not applicable.

17. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

During the year under review, the Company has not given any loans, provided guarantees or made investments under Section 186 of the Companies Act, 2016.

18. COMPANIES/BODY CORPORATES WHICH HAVE BECOME OR CEASED TO BE SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES DURING THIS FINANCIAL YEAR:

There are no Companies/Body corporates which have become or ceased to be subsidiary, joint venture or Associate Companies during the financial year.

19. DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Companies Act, 2013, the Directors would like to state that:

1. In the preparation of the Annual Accounts, the applicable accounting standards has been followed along with proper explanation relating to material departures.
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The directors have prepared the annual accounts on a going concern basis.
5. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

20. CORPORATE SOCIAL RESPONSIBILITY:

As per the provisions of the Companies Act, 2013, a company meeting the specified criteria shall spend at least 2% of its average net profits for three immediately preceding financial years towards CSR activities. Your Company has during the Financial Year 2021-22, spent Rs. 22.79 lakhs towards Project Kiran as a CSR activity.

The CSR Report as notified in the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 dated January 22, 2021, is attached as **Annexure -A** to this report.

21. RELATED PARTY TRANSACTIONS:

During the year, all the related party transactions entered were on an arm's length basis and were in the ordinary course of business. Suitable disclosures as required under IND AS 24 have been made in the notes to the financial statements.

Information on transactions with related parties pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure - B** as per the prescribed Form AOC-2 and the same forms part of this report.

22. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, your Company has constituted Internal Complaints Committees (ICC) for dealing with the complaints, if any, relating to sexual harassment of women at workplace. During the year, 1 complaint was received, and was addressed and closed.

23. CHANGES IN THE NATURE OF BUSINESS, IF ANY:

There is no change in the nature of business of the Company.

24. COMPOSITION OF THE BOARD OF DIRECTORS:

DIRECTORS AND KEY MANAGERIAL PERSONNEL AS ON THE DATE OF THE REPORT

1) Mr. Muthuraman Balasubramanian – Independent Director
2) Dr. Emmanuel Rupert – Non-Executive Director
3) Dr. Devi Prasad Shetty – Non-Executive Director
4) Mr. B N Subramanya - Independent Director
5) Mr. Viren Shetty – Non-Executive Director

KEY MANAGERIAL PERSONNEL AS ON THE DATE OF THE REPORT AND CHANGES DURING THE YEAR

1) Mr. Rakesh Verma - Chief Executive Officer
2) Ms. Shweta Priy – Company Secretary (Appointed w.e.f. 04.02.2022)
3) Mr. Prosenjit Mondal – Chief Financial Officer (Appointed w.e.f. 29.03.2022)
4) Mr. Hrishikesh V Murthy - Company Secretary (Resigned w.e.f. 17.11.2021)
5) Mr. Amit J Pandya - Chief Financial Officer (Resigned w.e.f. 11.12.2021)

25. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

A. CONSERVATION OF ENERGY		
Sl. No.	**PARTICULARS**	
1	The steps taken or impact on conservation of energy	The Company is conscious towards conservation of energy and measures implemented through previous energy audits. Optimization of secondary pump VFD frequency, optimization of AHUs' VFD Frequency, optimization the DG Set trial operation time were continued. Replacement of conventional light fittings with energy efficient LED fittings at Narayana Superspeciality Hospital, Howrah. Replacement of Existing old inefficient Chiller with Energy Efficient Chiller and reduce annual Energy consumption by 5% to 10%
2	The steps taken by the Company for utilizing alternate sources of energy	

3	The capital investment on energy conservation equipment;	Nil
B. TECHNOLOGY ABSORPTION		
Sl. No.	**PARTICULARS**	
1	The efforts made towards technology absorption.	
2	The benefits derived like product improvement, cost reduction, product development or import substitution.	NA
3	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year: (a) The details of technology imported; (b) The year of import; (c) Whether the technology been fully absorbed (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	NA
4	The expenditure incurred on Research and Development	**Nil**
C. FOREIGN EXCHANGE EARNINGS AND OUTGO		
Sl. No.	**PARTICULARS**	**REMARKS**
1	The Foreign Exchange earned in terms of actual inflows during the year	USD 39,119.77
2	The Foreign Exchange outgo during the year in terms of actual outflows	USD 1,650

26. ACKNOWLEDGEMENT:

It is our strong belief that caring for our business constituents has ensured our success in the past and will do so in future. The Board acknowledges with gratitude the co-operation and assistance provided to your Company by its bankers, financial institutions, and the government. Your Directors thank the vendors and other business associates for their continued support in the Company's growth and your company shall continue to strive to provide the best treatment for the patients. The Board also takes this opportunity to express its deep gratitude for the continued co-operation and support received from its valued shareholders.

By order of the Board of Directors

Place: Bengaluru
Date: 20th May 2022

Sd/-
Dr. Emmanuel Rupert
Director
DIN: 07010883

Sd/-
Mr. Viren Shetty
Director
DIN: 02144586

Annexure - A

ANNUAL REPORT ON CSR ACTIVITIES OF MERIDIAN MEDICAL RESEARCH & HOSPITAL LIMITED

1. Brief outline of Meridian Medical Research & Hospital Limited CSR Policy (MMRHL CSR):

Meridian Medical Research & Hospital Limited aims to make a positive difference in the lives of the people by engaging in activities that eliminates or alleviates pain and suffering to the under privileged sections of the society by:

- Promoting healthcare facilities for the upliftment of people at large and creating a positive impact by addressing issues of accessibility and affordability.
- Promoting educational facilities to help and assist in unfolding the creative potentials and talents of the children and amateurs.
- Strive for socio-economic development thereby reducing inequality between rich and poor.

1.1 Overview of projects/programs undertaken during the financial year 2021-22

Project Kiran

This program was started in 2016 for providing trained paramedical and support staff to Howrah City Police who provide free accidental road trauma care ambulance services in Howrah.

This program is a joint initiative between Howrah City Police and Howrah Development Trust with Narayana Super specialty Hospital (Unit of MMRHL) as a medical partner.

2. COMPOSITION OF CSR COMMITTEE:

Sl. No	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Viren Prasad Shetty	Chairperson – Non-executive Director	2	2
2.	Mr. B N Subramanya	Member - Independent Director	2	2
3.	Dr. Emmanuel Rupert	Member – Non-Executive Director	2	2

Note: The Corporate Social Responsibility (CSR) Committee of the Company dissolved w.e.f. 29.03.2022 in view of the amendment notified by the Companies (Amendment) Act, 2020 and the duties and functions of the CSR Committee shall be discharged by the Board of Directors of the Company.

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3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

CSR Committee	The Company has no website.
CSR Policy	
CSR Projects	

4. **Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):**

The Company does not meet the criteria in terms of Rule 8 (3) of Companies (Corporate Social responsibility Policy) Rules, 2014 and hence impact assessment is not applicable. However, the CSR Committee reviews the progress of various CSR projects undertaken by the Company and its impacts in terms of beneficiaries covered and the outcome of the programs.

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

The Company has not incurred any excess amount towards the CSR spends done in FY 2021-22 which is available for set-off under the provisions of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014.

6. **Average net profit of the company as per section 135(5):** Rs. 11,39,55,086

7. **(a) Two percent of average net profit of the company as per section 135(5):** Rs. 22,79,102

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.: Nil

   (c) Amount required to be set off for the financial year, if any: Nil

   (d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 22,79,102

8. **(a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 22,79,102	Nil	Nil	Nil	Nil	Nil

(b) Details of CSR amount spent against **ongoing projects** for the financial year:

1	2	3	4	5	6	7	8	9	10	11
Sl.No	Name of the Project	Item from the list of activities in Schedule	Local area (Yes /No)	Location of the project	Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial	Amount transfer red to Unspent CSR	Mode of Implemen tation Direct	Mode of Implementation - Through Implementing Agency

		VII to the Act		State	District			Year (in Rs.)	Account for the project as per Section 135(6) (in Rs.)	(Yes/No)	Name	CSR Registration No.
1.	Project Kiran	(i)	Yes	West Bengal	Howrah		22,79,102	22,79,102	Nil	Direct	NA	NA
	Total						**22,79,102**	**22,79,102**				

(c) Details of CSR amount spent against other than ongoing projects for the financial year: NA

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 22,79,102

(g) Excess amount for set off, if any: Nil

Sl. No.	Particular	Amount (Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	**Rs. 22,79,102**
(ii)	Total amount spent for the Financial Year	**Rs. 22,79,102**
(iii)	Excess amount spent for the financial year [(ii)-(i)]	**Rs.0**
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	**Rs. 0**
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	**Rs. 0**

9. **(a)Details of Unspent CSR amount for the preceding three financial years:** NA

   (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(Amount in Rs.)

1	2	3	4	5	6	7	8	9
Sl. No.	**Project ID.**	**Name ofthe Project.**	**Financial Year in which the project was commenced**	**Project duration**	**Total amount allocated for the project (in Rs.)**	**Amount spent on theproject in the reporting Financial Year (Rs.)**	**Cumulative amount spent at the end of reporting Financial Year. (Rs.)**	**Status of the project - Completed /Ongoing**
1.		Project Kiran	2016	Ongoing	22,79,102	22,79,102	48,84,102	Ongoing
	TOTAL					**22,79,102**	**48,84,102**	

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:** Not applicable as there are no Capital assets acquired during the financial year.

11. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):**
    The Company has spent on CSR activities to the extent of the prescribed limit under the Companies Act, 2013.

Sd/-	Sd/-
Dr. Emmanuel Rupert	Viren Prasad Shetty
Non-Executive Director	(Chairman CSR Committee).

Annexure: B

FORM NO. AOC – 2

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under the third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

2. Details of contracts or arrangements or transactions at arm's length basis:

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contract/arrangements/ transactions	Duration of the contracts /arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
1.	Narayana Hrudayalaya Limited (NHL) NHL holds 99.13% of shares in the Company	Lab and Radiology Services received	Ongoing	Value of the transaction is Rs. 2,79,16,817.	29th March, 2021	Nil
		Lab and Radiology Services provided	Ongoing	Value of the transaction is Rs. 2,70,089.	29th March, 2021	Nil
		Sale Of Consumables	Ongoing	Value of the transaction is Rs. 20,54,637.	29th March, 2021	Nil
		Clinical Study Service Invoice Raised	Ongoing	Value of the transaction is Rs. 16,00,214.	29th March, 2021	Nil
		Purchase of asset	Ongoing	Value of the transaction is Rs. 4,75,198.	29th March, 2021	Nil
		Purchase of Consumables	Ongoing	Value of the transaction is Rs. 72,77,793.	29th March, 2021	Nil

MERIDIAN MEDICAL RESEARCH & HOSPITAL LIMITED

CIN: U85110WB1995PLC071440

Registered Office: Westbank Hospital, Andul Road, Howrah-711109

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contract/arrangements/ transactions	Duration of the contracts /arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
		Discount Entitlement Credit Received	Ongoing	Value of the transaction is Rs. 15,05,719.	29th March, 2021	Nil
2.	Narayana Hrudayalaya Foundation	Rent paid	Ongoing	Value of the transaction is for Rs. 1,42,60,644.	29th March, 2021	Nil
		PPU Model Discount entitlement	Ongoing	Value of the transaction is for Rs.60,00,000.	29th March, 2021	Nil
3.	Amaryllis Healthcare Private Limited	Purchase of consumables	Ongoing	Value of the transaction is for Rs. 1,11,01,580.	29th March, 2021	Nil
4.	Biocon Biologics Ltd	Purchase of consumables	Ongoing	Value of the transaction is for Rs. 1,56,77,264.	29th March, 2021	Nil
5.	Narayana Hrudayalaya Surgical Hospitals Private Limited	Interest received	Ongoing	Value of the transaction is for Rs. 8,28,887.	29th March, 2021	Nil

For Meridian Medical Research & Hospital Limited

Sd/-
Dr. Emmanuel Rupert
Director
DIN: 07010883

Sd/-
Mr. Viren Shetty
Director
DIN: 02144586

Place: Bengaluru
Date: 20th May, 2022

FINANCIAL STATEMENTS

Deloitte Haskins & Sells LLP

Chartered Accountants
Prestige Trade Tower, Level 19
46, Palace Road, High Grounds
Bengaluru – 560 001
Karnataka, India

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INDEPENDENT AUDITOR'S REPORT
To The Members of Meridian Medical Research & Hospital Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Meridian Medical Research & Hospital Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (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, 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' 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.

Management's Responsibility for the Financial Statements

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

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- 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.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

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

   d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Company as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

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

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any managerial remuneration during the year ended March 31, 2022 and hence reporting under Section 197 of the Act is not applicable.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company 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 37(iii) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 37(iv) to the financial statements, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

v. The Company has not declared or paid any dividend during the current year.

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:- 22047840AJLHHE1777

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

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

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

We have audited the internal financial controls over financial reporting of **Meridian Medical Research & Hospital Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in

V

accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Monisha Parikh
Partner
(Membership No.47840)
UDIN : 22047840AJLHHE1777

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

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

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

(i) (c) Based on our 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, where the Company is the lessee in the agreement.

(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 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder, and hence reporting under clause 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 explanations given to us, the quarterly statements comprising (stock statements) filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters.

(iii) (a) The Company has provided loans during the year and details of which are given below:

Particulars	Loans (Amount in Rs Lakhs)
Aggregate amount granted / provided during the year:	
Others	Rs. 300
Balance Outstanding as at the balance sheet date in respect of above cases *:	
Others	Nil

(iii) (b) The investments made, guarantees provided, security given and the terms and conditions of the grant of all the above-mentioned loans and advances in the nature of loans and guarantees provided, during the year are, in our opinion, *prima facie*, not prejudicial to the Company's interest.

(iii) (c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

(iii) (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(iii) (e) No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(iii) (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as 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, 2022 for a period of more than six months from the date they became payable.

(vii) (b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on 31 March 2022.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) The Company has not defaulted in the repayment of borrowings or in the payment of interest thereon during the year.

(ix) (b) The Company has not been declared wilful defaulter by any bank, financial institution or other lender.

(ix) (c) 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) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, *prima facie*, not been used during the year for long-term purposes by the Company.

(ix) (e) On an overall examination of the financial statements of the Company, the Company has not taken any fund from any entity or person on account of or to meet the obligations of its subsidiaries, associates, or joint ventures.

(ix) (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, or joint ventures, or associate companies.

(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)		The Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
(xiv)		In our opinion and according to the information and explanations provided to us, internal audit system under section 138 of the Companies Act, 2013 is not applicable to the Company. Hence, reporting under clauses (xiv)(a) and (xiv)(b) of the Order is not applicable
(xv)		In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
(xvi)(a) (b)(c)		The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
(xvi) (d)		The Group ("Companies in the Group" as defined in the Core Investment Companies (Reserve Bank) Directions) does not have any CIC (Core Investment Company) as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
(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 has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amounts for the year requiring a transfer to a Fund specified in Schedule VII to the Act or special account in compliance with the provision of sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

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

Monisha Parikh
Partner
(Membership No.47840)
UDIN : 22047840AJLHHE1777

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

Meridian Medical Research & Hospital Limited
Balance sheet

(₹ in Lakhs)

Particulars	Note No	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	8,535.83	8,872.45
Capital work-in-progress	4	243.65	25.12
Right of use assets	5	548.80	690.74
Financial assets			
(i) Other financial assets	6(a)	199.29	149.01
Deferred tax assets (net)	29	-	181.41
Other non-current assets	7(a)	1,230.52	910.36
Total non-current assets		**10,758.09**	**10,829.09**
Current assets			
Inventories	8	309.50	211.16
Financial assets			
(i) Trade receivables	9	1,835.91	1,979.50
(ii) Cash and cash equivalents	10	294.32	592.96
(iii) Bank balances other than (ii) above	10	52.43	27.78
(iv) Other financial assets	6(b)	130.77	132.38
Other current assets	7(b)	173.20	144.72
Total current assets		**2,796.13**	**3,088.50**
TOTAL ASSETS		**13,554.22**	**13,917.59**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	2,927.88	2,927.88
Other equity	12	5,647.99	3,503.12
Total equity		**8,575.87**	**6,431.00**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	13(a)	86.76	2,161.90
(ii) Lease liabilities	14(a)	397.05	573.96
Provisions	15(a)	85.80	25.92
Deferred tax liability (net)	29	123.48	-
Other non current liabilities	18(a)	5.33	-
Total non-current liabilities		**698.42**	**2,761.78**
Current Liabilities			
Financial liabilities			
(i) Borrowings	13(b)	32.94	635.24
(ii) Lease liabilities	14(b)	176.91	162.23
(iii) Trade payables	16		
Total outstanding dues of micro enterprises and small enterprises		205.58	136.65
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,886.03	2,671.68
(iii) Other financial liabilities	17	82.79	494.13
Provisions	15(b)	123.60	109.30
Other current liabilities	18(b)	772.08	515.58
Total current liabilities		**4,279.93**	**4,724.81**
TOTAL EQUITY AND LIABILITIES		**13,554.22**	**13,917.59**
Significant accounting policies	3		

The accompanying notes form an integral part of these financial statements.

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

Monisha Parikh
Partner

Place: Bengaluru
Date: May 20, 2022

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BENGALURU

for and on behalf of the Board of Directors of
Meridian Medical Research & Hospital Limited

Viren Prasad Shetty
Director
DIN: 02144586
Place: Bengaluru
Date: May 20, 2022

Dr. Emmanuel Rupert
Director
DIN: 07010883
Place: Bengaluru
Date: May 20, 2022

Rakesh Verma
Chief Executive Officer
Place: Kolkata
Date: May 20, 2022

Prosenjit Mondal
Chief Financial Officer
Place: Kolkata
Date: May 20, 2022

Shweta Priy
Company Secretary
Place: Bengaluru
Date: May 20, 2022

Meridian Medical Research and Hospital Limited Howrah 711 109

Meridian Medical Research & Hospital Limited
Statement of profit and loss

(₹ in Lakhs)

Particulars	Note No	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Revenue from operations	19	23,457.23	17,119.21
Other income	20	109.22	119.60
Total income (A)		**23,566.45**	**17,238.81**
Expenses			
Purchase of medical consumables, drugs and surgical instruments		6,405.02	5,327.46
Changes in inventories of medical consumables, drugs and surgical instruments	21	(98.34)	40.75
Employee benefits expense	22	3,032.98	2,634.38
Professional fees to doctors		5,626.79	4,284.21
Other expenses	23	4,135.50	3,398.41
Expenses before finance cost, depreciation and amortisation (B)		**19,101.95**	**15,685.21**
Earnings before finance costs, depreciation and amortisation and tax (A-B)		**4,464.50**	**1,553.60**
Finance costs (C)	24	228.97	312.35
Depreciation and amortisation expense (D)	25	1,136.00	1,074.51
Total expenses (E) = (B+C+D)		**20,466.92**	**17,072.07**
Profit before tax (F) =(A-E)		**3,099.53**	**166.74**
Tax expenses	29		
Current Tax		613.05	27.25
Less : MAT Credit Entitlement		(48.76)	(27.25)
Deferred tax charge / (credit)		363.87	46.57
Total tax expense (G)		**928.16**	**46.57**
Net Profit for the year H=(F-G)		**2,171.37**	**120.17**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement of defined benefit plans		(36.72)	(1.95)
Income tax effect		10.22	0.54
Other comprehensive loss for the year, net of tax (I)		**(26.50)**	**(1.41)**
Total comprehensive income for the year J=(H+I)		**2,144.87**	**118.76**
Earnings per share	31	**7.42**	**0.41**
Basic & Diluted			
Significant accounting policies	3		

The accompanying notes form an integral part of these financial statements.

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

Monisha Parikh
Partner

Place: Bengaluru
Date: May 20, 2022

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS
BENGALURU

for and on behalf of the Board of Directors of
Meridian Medical Research & Hospital Limited

Viren Prasad Shetty
Director
DIN: 02144586
Place: Bengaluru
Date: May 20, 2022

Dr. Emmanuel Rupert
Director
DIN: 07010883
Place: Bengaluru
Date: May 20, 2022

Rakesh Verma
Chief Executive Officer

Place: Kolkata
Date: May 20, 2022

Prosenjit Mondal
Chief Financial Officer
Place: Kolkata
Date: May 20, 2022

Shweta Priy
Company Secretary
Place: Bengaluru
Date: May 20, 2022

Meridian Medical Research & Hospital Limited
Statement of changes in equity for the year ended March 31, 2022

(a) Equity share capital

(in ₹ in lakhs except No. of Shares)

Particulars	No. of Shares	Amount
Equity shares of ₹Rs. 10 each issued, subscribed and fully paid up		
Balance as at April 1, 2020	2,92,78,820	2,927.88
Changes in equity share capital during the year	-	-
Issue of equity shares (refer note 11)	-	-
Balance as at March 31, 2021	2,92,78,820	2,927.88
Changes in equity share capital during the year	-	-
Issue of equity shares (refer note 11)	-	-
Balance as at March 31, 2022	**2,92,78,820**	**2,927.88**

(b) Other equity

(₹)

Particulars	Reserves & Surplus			Items of OCI	Total other equity
	Securities Premium Reserve	Deemed Capital Contribution	Retained earnings	Remeasurements of the net defined benefit Plans	
Balance as at April 1, 2020	3,666.25	14.22	(220.60)	(75.51)	3,384.36
Profit for the year	-	-	120.17	-	120.17
Other comprehensive income (OCI) (net of tax)	-	-	-	(1.41)	(1.41)
Total comprehensive income for the year	-	-	120.17	(1.41)	118.76
Balance as at March 31, 2021	3,666.25	14.22	(100.43)	(76.92)	3,503.12
Profit for the year	-	-	2,171.37	-	2,171.37
Other comprehensive income (OCI) (net of tax)	-	-	-	(26.50)	(26.50)
Total comprehensive income for the year	-	-	2,171.37	(26.50)	2,144.87
Balance as at March 31,2022	3,666.25	14.22	2,070.94	(103.42)	5,647.99

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

Monisha Parikh
Partner

Place: Bengaluru
Date: May 20, 2022

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS
BENGALURU

for and on behalf of the Board of Directors of
Meridian Medical Research & Hospital Limited

Viren Prasad Shetty
Director
DIN: 02144586
Place: Bengaluru
Date: May 20, 2022

Dr. Emmanuel Rupert
Director
DIN: 07010883
Place: Bengaluru
Date: May 20, 2022

Rakesh Verma
Chief Executive Officer

Place: Kolkata
Date: May 20, 2022

Prosenjit Mondal
Chief Financial Officer
Place: Kolkata
Date: May 20, 2022

Shweta Priy
Company Secretary
Place: Bengaluru
Date: May 20, 2022

Meridian Medical Research and Hospital Limited
Howrah
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Meridian Medical Research & Hospital Limited
Statement of cash flows

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flow from operating activities		
Profit after tax	2,171.37	120.17
Adjustments :		
Income Tax Expense	928.16	46.57
Provision for loss allowance	174.03	(3.14)
Depreciation and amortisation expense	1,136.00	1,074.51
Interest income	(12.32)	(79.03)
Finance costs	228.97	312.35
Grant income	(3.51)	-
Loss on sale/disposal of Property, plant and equipment	49.28	5.27
Liabilities no longer required written back	(49.37)	-
Operating cash flow before working capital changes	4,622.61	1,476.70
Changes in trade receivables	(30.44)	(137.04)
Changes in inventories	(98.34)	40.75
Changes in loans, other financial assets and other assets	(69.55)	(83.44)
Changes in trade payables and other financials liabilities	599.24	378.32
Changes in provision	47.68	(38.19)
Cash generated from operations	5,071.20	1,637.10
Income taxes (paid)/ Refund Received (Net)	(736.04)	374.79
Net cash generated from operating activities (A)	4,335.16	2,011.89
Cash flow from investing activities		
Acquisition of property, plant and equipment	(1,561.31)	(509.14)
Loan Given during the year to fellow subsidiary	(300.00)	-
Loan received back from fellow subisidiary	300.00	-
Investment in bank deposits	(24.65)	(13.98)
Proceeds from sale of property, plant and equipment	8.48	3.69
Interest received	12.32	79.03
Net cash (used in) investing activities (B)	(1,565.16)	(440.40)
Cash flow from financing activities		
Proceeds from long-term borrowings	-	164.70
Repayment of long-term borrowings	(2,677.44)	(925.39)
Payment of lease liabilities (refer note 14)	(220.04)	(167.78)
Interest and other borrowing costs	(171.16)	(243.29)
Net cash (used in) financing activities (C)	(3,068.64)	(1,171.76)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(298.64)	399.73
Cash and cash equivalents at the beginning of the year (refer note 10)*	592.96	193.23
Cash and cash equivalents at the end of the year (refer note 10)	294.32	592.96

Significant accounting policies 3

* 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, 2022

Particulars	As at April 1, 2021	Proceeds	Repayment	Non Cash Changes: Fair Value/other changes	Non Cash Changes: Foreign exchange	As at March 31, 2022
Long-term borrowings (including current maturities)	2,797.14	-	(2,677.44)	-	-	119.70
Lease liabilities	736.19	-	(220.04)	57.81	-	573.96
Total liabilities from financing activities	3,533.33	-	(2,897.48)	57.81	-	693.66

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

Particulars	As at April 1, 2020	Proceeds	Repayment	Non Cash Changes: Fair Value/other changes	Non Cash Changes: Foreign exchange	As at March 31, 2021
Long-term borrowings (including current maturities)	3,557.83	165	(925.39)	-	-	2,797.14
Lease liabilities	834.91	-	(167.78)	69.06	-	736.19
Total liabilities from financing activities	4,392.74	164.70	(1,093.17)	69.06	-	3,533.33

The accompanying notes form an integral part of these financial statements.
As per our report of even date attached
for **Deloitte Haskins & Sells LLP**
Chartered Accountants

Monisha Parikh
Partner

Place: Bengaluru
Date: May 20, 2022

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Company Secretary
Place: Bengaluru
Date: May 20, 2022

Meridian Medical Research and Hospital Limited Howrah 711 109.

Meridian Medical Research & Hospital Limited

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

1. Company overview

Meridian Medical Research & Hospital Limited ('the Company') was incorporated on 08 May 1995 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 disciplines of medicine and without limitation to run and administer healthcare schemes.

2. Basis of preparation of the financial statements

2.1. Statement of compliance

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

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

Details of the accounting policies are included in Note 3.

2.2. Going concern

The Company has positive net worth as at the balance sheet date. Narayana Hrudayalaya Limited, Holding Company, which continues to support the Company through equity infusion and acting as a corporate guarantor for long-term loans availed by the Company from the financial institutions and banks. Whilst the current liabilities of the Company exceed its current assets as of March 31, 2022, the financial statements have been drawn up on a going concern basis in view of the support letter received from the Holding Company confirming their continued financial support to the Company to enable it to continue its operations and settle its obligations as and when they become due over the next twelve-month period.

2.3. 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 Indian Rupees, except share data and per share data, unless otherwise stated.

2.4. Basis of measurement

The financial statements have been prepared on the accrual basis under the historical cost convention except for certain financial assets and liabilities that are measured at fair value at the end of each reporting period except for the following items:

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

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2.5. Use of estimates and judgements

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

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

Judgements

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

- Note 28 – leases and lease classification.
- Note 35 – financial instruments

Assumptions and estimation uncertainties

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

- Note 29 – recognition of tax expense
- Note 33 – measurement of defined benefit obligations: key actuarial assumptions.
- Note 26 – recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources.
- Note 6, 9, 10, 35 – recognition of impairment of financial assets and
- Note 4 – useful life of property, plant and equipment and intangible 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 Note 36 – financial instruments.

3. Significant accounting polices

3.1. Financial instruments

a. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

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

b. Classification and subsequent measurement

Financial assets

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

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

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

Financial assets: Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets.
- how the performance of the portfolio is evaluated and reported to the Company's management.

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- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- how managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

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 paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

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

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Financial liabilities: Classification, subsequent measurement and gains and losses

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

c. Derecognition

Financial assets

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

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

Financial liabilities

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

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

d. Offsetting

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

3.2. 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. The comparison of cost and net realisable 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.

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3.3. Cash and cash equivalents

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

3.4. Cash flow statement

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

3.5. Revenue recognition

Revenue from operations

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 the excess of earnings.

Revenue from nursing school
Revenue from nursing school is recognised when the related services are rendered, and the consideration is received.

Other medical and health care services
Revenue from other medical and health care services are recognized as and when the services are rendered in accordance with the terms of the agreements.

Interest

For all debt instruments measured either at amortised 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 amortised 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 finance income in the statement of profit and loss.

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3.6. Property, Plant and Equipment

Recognition and measurement

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

Depreciation and amortisation

The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are ready for intended use. Leasehold improvements are amortized over the lower of estimated useful life and lease term. Freehold land is not depreciated. 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	13years
Office equipment	5 years
Other equipment including air conditioners	15 years
Furniture and fixtures	10 years
Computers	3 years
Vehicles	5 years

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

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

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

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

3.7. Intangible assets

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

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The estimated useful lives of intangibles are as follows:

Block of assets	Useful life
Computer software	3 years

Amortisation method

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

3.8. Employee benefits

Short term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

The gratuity scheme is managed by third party administrator.

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

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

Compensated absences

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

3.9. Borrowing cost

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

3.10. Leases

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

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

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

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

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

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3.11. Earnings per share

The basic earnings 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 recognised in profit and loss except to the extent that is relates to an item recognised directly in equity or in other comprehensive income.

Deferred tax

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

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

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

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

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

Minimum Alternative tax

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

3.13. Impairment

a. Impairment of financial instruments

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

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

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

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

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

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

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

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

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

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

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

Measurement of expected credit losses

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

Presentation of allowance for expected credit losses in the balance sheet

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

Write-off

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

b. Impairment of non-financial assets

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

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

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

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

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

3.14. 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. Segment Reporting

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

3.16 Operating Cycle

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

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3.17 Standards Issued but Not Effective

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

i. Ind AS 101 – First time adoption of Ind AS

ii. Ind AS 103 – Business Combination

iii. Ind AS 109 – Financial Instrument

iv. Ind AS 16 – Property, Plant and Equipment

v. Ind AS 37 –Provisions, Contingent Liabilities and Contingent Assets

vi. Ind AS 41 – Agriculture

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

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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 April 1, 2021	Additions/ adjustments	Deletions/ adjustments	As at March 31, 2022	As at April 1, 2021	Depreciation/ Amortisation for the year	Depreciation Amortisation on disposals	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
(A) Tangible assets (owned)										
Freehold land	88.82	-	-	88.82	-	-	-	-	88.82	88.82
Building	6,524.48	5.10	-	6,529.58	2,206.78	254.44	-	2,461.22	4,068.36	4,317.70
Electrical installation	421.89	-	0.11	421.78	300.30	22.78	0.08	323.00	98.78	121.59
Medical equipment	6,520.68	573.88	224.04	6,870.52	3,155.69	496.51	175.01	3,477.19	3,393.33	3,364.99
Office equipment	12.71	-	0.49	12.22	11.53	0.50	0.49	11.54	0.68	1.18
Other equipment including air conditioners	1,536.04	49.15	1.34	1,583.85	775.56	100.87	0.64	875.79	708.06	760.48
Furniture and fixtures	460.29	28.64	12.95	475.98	324.76	43.67	4.95	363.48	112.50	135.53
Computers	338.56	58.43	0.89	396.10	256.40	75.29	0.89	330.80	65.30	82.16
Vehicles	38.27	-	-	38.27	38.27	-	-	38.27	-	-
Total tangible assets (A)	**15,941.74**	**715.20**	**239.82**	**16,417.12**	**7,069.29**	**994.06**	**182.06**	**7,881.29**	**8,535.83**	**8,872.45**
(B) Capital work-in-progress	25.12	259.75	41.22	243.65	-	-	-	-	243.65	25.12
(C) Intangible assets										
Computer software	19.26	-	-	19.26	19.26	-	-	19.26	-	-
Total intangible assets (C)	19.26	-	-	19.26	19.26	-	-	19.26	-	-
Grand total (A+B+C)	15,986.12	974.95	281.04	16,680.03	7,088.55	994.06	182.06	7,900.55	8,779.48	8,897.57

(ii) 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, 2022	222.64	12.87	8.14	-	243.65
As at March 31, 2021	16.98	8.14	-	-	25.12

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

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4 (iv) 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, 2020	Additions/ adjustments	Deletions/ adjustments	As at March 31, 2021	As at April 1, 2020	Depreciation/ Amortisation for the year	Depreciation Amortisation on disposals	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
(A) Tangible assets (owned)										
Freehold land	88.82	-	-	88.82	-	-	-	-	88.82	88.82
Building	6,523.22	1.26	-	6,524.48	1,952.58	254.20	-	2,206.78	4,317.70	4,570.64
Electrical installation	416.84	8.07	3.02	421.89	263.71	37.70	1.11	300.30	121.59	153.13
Medical equipment	5,793.63	732.07	5.02	6,520.68	2,725.01	433.28	2.60	3,155.69	3,364.99	3,068.62
Office equipment	25.27	-	12.56	12.71	21.72	2.20	12.39	11.53	1.18	3.55
Other equipment including air conditioners	1,498.54	37.50	-	1,536.04	679.51	96.05	-	775.56	760.48	819.03
Furniture and fixtures	512.85	6.64	59.20	460.29	345.07	34.42	54.73	324.76	135.53	167.78
Computers	313.11	25.45	-	338.56	183.16	73.24	-	256.40	82.16	129.95
Vehicles	42.27	-	4.00	38.27	40.79	1.48	4.00	38.27	0.00	1.48
Total tangible assets (A)	**15,214.55**	**810.99**	**83.80**	**15,941.74**	**6,211.55**	**932.57**	**74.83**	**7,069.29**	**8,872.45**	**9,003.00**
(B) Capital work-in-progress	**8.14**	**16.98**	-	**25.12**	-	-	-	-	**25.12**	**8.14**
(C) Intangible assets										
Computer software	19.26	-	-	19.26	19.26	-	-	19.26	-	-
Total intangible assets (C)	**19.26**	-	-	**19.26**	**19.26**	-	-	**19.26**	-	-
Grand total (A+B+C)	**15,241.95**	**827.97**	**83.80**	**15,986.12**	**6,230.81**	**932.57**	**74.83**	**7,088.55**	**8,897.57**	**9,011.14**

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5 (i) 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
Equipment	595.98	-	-	595.98	242.43	121.21	-	363.64	232.34	353.55
Land	378.65	-	-	378.65	41.46	20.73	-	62.19	316.46	337.19
Grand total	**974.63**	-	-	**974.63**	**283.89**	**141.94**	-	**425.83**	**548.80**	**690.74**

(ii) Right of Use Assets

(₹ in Lakhs)

Category of ROU asset	Gross block				Accumulated depreciation				Net block	
	As at April 1, 2020	Additions	Deletions	As at March 31, 2021	As at April 1, 2020	Depreciation	Deletions	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Equipment	595.98	-	-	595.98	121.22	121.21	-	242.43	353.55	474.76
Land	378.65	-	-	378.65	20.73	20.73	-	41.46	337.19	357.92
Grand total	**974.63**	-	-	**974.63**	**141.95**	**141.94**	-	**283.89**	**690.74**	**832.68**

Refer note 28 for disclosures related to ROU assets and liabilities.

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6 Other financial assets

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Non-current		
To parties other than related parties		
Bank deposits (due to mature after 12 months from the reporting date)	49.22	10.11
Security deposits	150.07	138.90
	199.29	149.01
(b) Current		
To parties other than related parties		
Unbilled revenue	114.44	115.22
Security deposits	16.33	17.16
	130.77	132.38

7 Other assets

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Non-current		
To parties other than related parties		
Prepaid expenses	19.83	27.43
Capital advances	225.53	10.54
Advance income tax and tax deducted at source, net	985.16	872.39
	1,230.52	910.36
(b) Current		
To parties other than related parties		
Prepaid expenses	94.34	71.97
Advance to vendors	52.57	44.23
Balance with government authorities	-	1.94
Other loans and advances	26.29	26.58
	173.20	144.72

8 Inventories

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(Valued at lower of cost and net realisable value)		
Medical consumables, drugs and surgical instruments	337.73	235.83
Less: Provision for write-down to net realisable value	(28.23)	(24.67)
	309.50	211.16

9 Trade receivables

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Considered Good - unsecured	2,261.28	2,230.84
Less: Allowance for expected credit losses	(425.37)	(251.34)
Total	1,835.91	1,979.50

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

Trade receivables (refer note 30)	-	0.89
Expected credit loss allowance	-	-
Net trade receivable from related parties	-	0.89

Trade receivables ageing schedule

Particulars	Outstanding for the following period from due date of payments						Total
	Not Due	0-6 Months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2022							
Undisputed - Considered Good	1,757.80	14.51	179.80	206.55	94.62	8.00	2,261.28
Disputed - Considered Good	-	-	-	-	-	-	-
	1,757.80	14.51	179.80	206.55	94.62	8.00	2,261.28
As at March 31, 2021							
Undisputed - Considered Good	1,679.55	33.98	161.31	216.43	41.22	98.35	2,230.84
Disputed - Considered Good	-	-	-	-	-	-	-
	1,679.55	33.98	161.31	216.43	41.22	98.35	2,230.84

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

Category	Ageing		
	Within due date	Due date to 1 year	More than 1 year
As at March 31, 2022			
ESI/CGHS/SCHEMES	3.24%	34.51%	76.63%
Others	2.94%	34.89%	74.98%
As at March 31, 2021			
ESI/CGHS/SCHEMES	2.91%	19.68%	54.89%
Others	1.00%	12.18%	47.18%

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

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10 Cash and bank balances

(₹ in Lakhs)

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
(a) Cash and cash equivalents		
Cash on hand	25.55	8.65
Balance with banks		
-On current accounts	268.77	584.31
	294.32	592.96
(b) Bank balances other than above		
-On deposit accounts (due to mature within 12 months of the reporting date)*	52.43	27.78
	52.43	27.78

* The above deposits are restrictive as they pertain to bank guarantee.

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

(₹ in Lakhs)

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Cash on hand	25.55	8.65
Balances with banks		
-On current accounts	268.77	584.31
	294.32	592.96
Cash and cash equivalents in the statement of cash flows	**294.32**	**592.96**

11 Equity share capital

(₹ in Lakhs)

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Authorised		
35,000,000 equity shares (March 31, 2021: 35,000,000 equity shares) of ₹ 10 each, with voting rights	3,500.00	3,500.00
Issued, subscribed and paid up		
2,92,78,820 equity shares (March 31, 2021: 2,92,78,820 of ₹ 10 each, fully paid up ,with voting rights.	2,927.88	2,927.88
	2,927.88	**2,927.88**

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

Particulars	**As at March 31, 2022**		**As at March 31, 2021**	
	Number of shares	**Amount**	**Number of shares**	**Amount**
At the beginning of the year	2,92,78,820	2,927.88	2,92,78,820	2,927.88
Issued during the year	-	-	-	-
At the end of the year	**2,92,78,820**	**2,928**	**2,92,78,820**	**2,927.88**

ii) Rights, preference and restrictions attached to equity shares:

The Company has a single class of equity shares referred to as equity shares having a par 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 then 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, 2022**		**As at March 31, 2021**	
	Number of shares	**Amount**	**Number of shares**	**Amount**
Equity shares of ₹ 10 each fully paid up held by				
- Narayana Hrudayalaya Limited	2,90,24,467	2,902.45	2,90,24,467	2,902.45

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

Particulars	**As at March 31, 2022**		**As at March 31, 2021**	
	Number of shares	**Amount**	**Number of shares**	**% holding**
- Narayana Hrudayalaya Limited	2,90,24,467	99.13%	2,90,24,467	99.13%

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

(v) Shareholding of promoters:

Promoter Name	**As at March 31, 2022**		
	Number of shares	**% of total shares**	**% Change during the year**
Narayana Hrudayalaya Limited	2,90,24,467	99.1313%	0.00%
Dr. Devi Prasad Shetty *	100	0.0003%	0.00%
Shakuntala Shetty *	100	0.0003%	0.00%
Viren Prasad Shetty *	100	0.0003%	0.00%
Dr. Varun Shetty *	100	0.0003%	0.00%
Dr. Emmanuel Rupert *	100	0.0003%	0.00%

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

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12 Other equity

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Reserves and surplus		
Securities premium		
At the commencement of the year	3,666.25	3,666.25
Add: Movement during the year	-	-
At the end of the year	3,666.25	3,666.25
Deemed Capital Contribution		
At the commencement of the year	14.22	14.22
Add: Additions during the year	-	-
At the end of the year	14.22	14.22
Retained earnings		
At the commencement of the year	(100.43)	(220.60)
Add: Net profit after tax transferred from statement of profit and loss	2,171.37	120.17
At the end of the year	2,070.94	(100.43)
Other Comprehensive Income		
At the commencement of the year	(76.92)	(75.51)
Add: Addition during the year	(26.50)	(1.41)
At the end of the year	(103.42)	(76.92)
	5,647.99	3,503.12

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 comprises of amounts that can be distributed by the company as divided to its equity shareholders.

Other Comprehensive Income
Other Comprehensive Income represents actuarial gain or loss or re-measurement of defined benefits obligation.

Deemed Capital Contribution
Deemed capital contribution by Holding Company on account of employee stock options issued to employees.

13 Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Non-current		
(i) Secured		
Term loans		
From banks (refer note I)	119.70	2,797.14
Less: Current maturity of long term debt (refer note 13(b))	(32.94)	(635.24)
Total non-current borrowings	**86.76**	**2,161.90**
(b) Current		
(i) Secured		
Term loans		
Current maturity of long term debt	32.94	635.24
Total current borrowings	**32.94**	**635.24**

I **Term loans from banks :**

Details of repayment terms, interest and maturity	Nature of Security
i) Term loan from State Bank of India: ` Nil (previous year: ` 1546.79 lakhs). It is repayable in Nil quarterly instalments from the reporting date (previous year: 15 quarterly instalments). Interest is charged @ 7.15% p.a. (previous year: 7.15% p.a.) ii) Term loan from State Bank of India: ` Nil (previous year: ` 469.26 lakhs) It is repayable in Nil quarterly instalments from the reporting date (previous year: 14 quarterly instalments). Interest is charged @ 7.15% p.a. (previous year: 7.15% p.a.) iii) Term loan from State Bank of India: ` Nil (previous year: ` 616.39 lakhs). It is repayable in Nil quarterly instalments from the reporting date (previous year: 19 quarterly instalments). Interest is charged @ 7.15% p.a. (previous year: 7.15% p.a.)	Term loan from State Bank Of India, SME Branch, Howrah are secured by equitable mortgage of 3.0832 acre of leasehold land (Lease valid till 2036) in the name of company and 5 storey building comprising of old hospital at JL No-38 Mouza Podra, PS Sankrail ranihati, Howrah (on pari-passu basis) Co operative Society Ltd, Title deed no 396 of Old hospital purchased by the company & by hypothecation of all movable assets including medical equipments, furniture & other miscellaneous fixed assets of the Company including a first charge on inventories and trade receivables of the company; and corporate guarantee of Narayana Hrudayalaya Limited.
iv) Term loan from Axis Bank Ltd: ` 119.70 lakhs (previous year : ` 164.70 lakhs). Payable in 20 quarterly instalments starting from 16 May 2022). Interest is charged at 7.00% p.a., (previous year: 7.00% p.a.)	Exclusive security on Robotic equipment purchased out of Term loan / capex LC, Additional movable fixed assets of the borrower such that total security cover is 1.25x and corporate guarantee of Narayana Hrudayalaya Limited.

Note: Statements of current assets including stock statement filed by the Company with its bankers are in agreement with books of accounts.

14 Lease liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Non-current		
Lease liability Opening	736.19	834.91
Additions during the period	-	-
Finance cost accrued during the period	57.81	69.06
Lease payment	(220.04)	(167.78)
Lease liability Closing	573.96	736.19
Less: Current lease liability	(176.91)	(162.23)
	397.05	573.96
(b) Current		
Current lease liability	176.91	162.23
	176.91	162.23

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15 Provisions (refer note 33)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Non-current		
Provision for employee benefits		
Gratuity	85.80	25.92
	85.80	**25.92**
(b) Current		
Provision for employee benefits		
Compensated absences	123.60	109.30
	123.60	**109.30**

16 Trade payables

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises (refer note 34)	200.90	125.51
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,881.84	2,671.68
	3,082.74	**2,797.19**
To related parties		
Total outstanding dues of micro enterprises and small enterprises (refer note 30)	4.68	11.14
Total outstanding dues of creditors other than micro enterprises and small enterprises (refer note 30)	4.19	-
	8.87	**11.14**

Trade payables ageing schedule

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payments					Total
	Not Due *	0-1 Year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2022						
a) Undisputed - MSME	140.82	64.17	0.12	0.47	-	205.58
b) Undisputed - Others	1,502.46	1,312.44	51.26	14.23	5.64	2,886.03
c) Disputed dues - MSME	-	-	-	-	-	-
d) Disputed dues - Others	-	-	-	-	-	-
Total	**1,643.28**	**1,376.62**	**51.38**	**14.70**	**5.64**	**3,091.61**
As at March 31, 2021						
a) Undisputed - MSME	123.75	12.31	0.59	-	-	136.65
b) Undisputed - Others	844.99	1,736.50	71.64	2.08	16.47	2,671.68
c) Disputed dues - MSME	-	-	-	-	-	-
d) Disputed dues - Others	-	-	-	-	-	-
Total	**968.74**	**1,748.81**	**72.23**	**2.08**	**16.47**	**2,808.33**

* Not Due includes provision for expenses

17 Other financial liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
To parties other than related parties		
Creditors for capital goods	68.17	480.76
Others	14.62	13.37
	82.79	**494.13**

18 Other liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non Current		
To parties other than related parties		
Deferred grant -others *	5.33	-
	5.33	**-**
Current		
To parties other than related parties		
Unearned revenue	67.53	192.08
Contract liabilities	582.67	220.80
Balances due to statutory/ government authorities	121.01	101.72
Interest Accrued but not Due on Long Term Borrowing	0.87	0.98
	772.08	**515.58**

* During the financial year 2021-22, the company had received capital grants from various corporates amounting to ₹ 8.85 lakhs for purchase of Medical equipments as agreed. The Company has recognized this grant as deferred income at fair value which is being amortized over the useful life of the fixed assets in proportionin which related depreciation is recognized.

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19 Revenue from operations

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Income from medical and healthcare services	22,937.60	16,450.33
Sale of medical consumables and drugs	483.24	530.97
Other operating revenue:		
Revenue from Nursing School	36.39	137.91
	23,457.23	**17,119.21**

Refer notes below

(i) Category of Customer

Cash*	11,614.91	8,128.99
Credit	11,842.32	8,990.22
Total	23,457.23	17,119.21

* Includes receipts through digital/electronic mode

(ii) Nature of treatment

In-patient	18,706.10	12,754.44
Out-patient	4,231.50	3,695.89
Sale of medical consumables and drugs	483.24	530.97
Others	36.39	137.91
	23,457.23	17,119.21

(iii) The revenue from rendering Healthcare services and Pharmaceutical products satisfies 'at a point in time' recognition criteria as prescribed by Ind AS 115

(iv) Transaction price allocated to the remaining performance obligations

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Contractual Liabilities		
Contractual Liabilities	582.67	220.80

(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.

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20 Other income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income on		
- Bank deposits	4.01	5.10
- Income tax Refund	8.31	73.93
Grant income	3.51	-
Liabilities no longer required written back	49.37	-
Miscellaneous income	44.02	40.57
	109.22	**119.60**

21 Changes in inventories of medical consumables, drugs and surgical instruments

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventory at the beginning of the year	211.16	251.91
Inventory at the end of the year	309.50	211.16
	(98.34)	**40.75**

22 Employee benefits expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	2,772.60	2,398.32
Contribution to provident and other funds (refer note 33)	235.71	212.35
Staff welfare expenses	24.67	23.71
	3,032.98	**2,634.38**

23 Other expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Hospital operating expenses		
Power and fuel	502.36	465.19
Hospital general expenses	188.12	183.74
House keeping expenses	553.15	524.37
Patient welfare expenses	255.82	232.77
Rent	169.23	132.07
Medical gas charges	97.68	108.99
Biomedical wastage expenses	18.38	17.44
Repairs and maintenance		
- Hospital equipments	659.48	436.43
- Buildings	139.31	126.11
- Others	296.53	286.86
	2,880.06	**2,513.97**
Administrative expenses		
Traveling and conveyance	41.31	43.04
Security charges	140.96	124.67
Printing and stationery	51.08	37.18
Rent	80.07	95.35
Advertisement and publicity	382.58	296.36
Legal and professional fees (refer note (i) below)	34.65	32.94
Business promotion	50.93	56.64
Telephone and communication	43.99	38.24
Bank charges	42.24	27.80
Insurance	87.38	62.23
Corporate social responsibility (refer note (ii) below)	22.79	26.12
Rates and taxes	33.32	27.39
Books and periodicals	16.56	10.09
Provision for loss allowances	174.03	(3.14)
Loss on sale/disposal of Property, plant and equipment	49.28	5.27
Foreign exchange loss, (net)	0.26	0.47
Miscellaneous expenses	4.01	3.79
	1,255.44	**884.44**
	4,135.50	**3,398.41**

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(i) Payment to auditors*

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
As an auditor		
Audit fee	9.00	9.00
In other capacity :		
Other services (certification fees)	0.50	0.50
Reimbursement of expenses	0.14	0.06

*excluding goods and service tax

(ii) Corporate social responsibility

Consequent to the requirements of Section 135 of the Companies Act 2013, the Company has made contributions as stated below. The same is in line with activities specified in Schedule VII of the Companies Act, 2013.

The Company's CSR activities primarily focuses on programs that aims to make a positive difference in the lives of the people by engaging in activities that eliminates or alleviates pain and suffering to the under privileged sections of the society by Promoting healthcare facilities for the upliftment of people at large and creating a positive impact by addressing issues of accessibility and affordability.Promoting educational facilities to help and assist in unfolding the creative potentials and talents of the children and amateurs.

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Amount required to be spent by the Company during the year	22.79	23.34
b) Amount of expenditure incurred on purpose other than construction/ acquisition of any asset	22.79	26.12
c) Excess spend of prior years set off during the year	-	-
d) Shortfall/(Excess) at the end of the year [(d)=(a)-(b)-(c)]	-	(2.78)
e) Total of previous years shortfall	-	-
f) Reason for shortfall	NA	NA

24 Finance costs

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense on financial liabilities measured at amortised cost		
- term loans from banks	170.77	242.19
- bank overdraft	0.39	1.10
Interest expense on lease liabilities	57.81	69.06
	228.97	**312.35**

25 Depreciation and amortisation expense

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of property, plant and equipment (refer note 4)	994.06	932.57
Depreciation of Right of Use Assets (refer Note 5)	141.94	141.94
	1,136.00	**1,074.51**

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

26 Contingent liabilities and commitments

(i) Contingent liabilities

The Company does not have any contingent liability as on March 31, 2022 (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 ₹ 3016.02 lakhs as on March 31, 2022 (previous year: ₹ 83.51 lakhs).

27 Segment information

Operating Segments

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

Geographical information

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

One Customers - Swasthyasathi 21.55% accounted for more than 10% of the revenue as of March 31, 2022 and Two Customers - WBHS (13.64%) & Swasthyasathi (10.81%) accounted for more than 10% of the revenue as of March 31, 2021.

28 Leases

The Company has taken various medical equipment, hospital premises, office and residential premises under operating leases. The leases typically run for a term ranging from one to thirty three years, with an option to renew the lease after the term completion. The escalation clause in these arrangement ranges from 0% to 5%.

The table below provides details regarding the contractual maturities of rental payments (₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Less than 1 year	220.04	220.04
1 - 2 years	204.04	220.04
2-5 years	84.09	260.10
More than 5 years	294.32	322.35

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

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Current lease liabilities	176.91	162.23
Non-current lease liabilities	397.05	573.96
	573.96	**736.19**

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

(₹ in Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Lease liability Opening	736.19	834.91
Additions during the period	-	-
Finance cost accrued during the period	57.81	69.06
Lease payment	(220.04)	(167.78)
	573.96	**736.19**

Rental expense recorded for short-term leases was ₹249.30 lakhs for the year ended March 31, 2022 (₹227.42 lakhs for the year ended March 31, 2021).

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29 Income tax

(a) Amount recognised in statement of profit and loss

(₹ in Lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Current income tax		
MAT credit entitlement	613.05	27.25
	(48.76)	(27.25)
Deferred tax liability / (asset)		
Origination and reversal of temporary differences	363.87	46.57
Deferred tax charge/ (credit)	363.87	46.57
Tax expense for the year	928.16	46.57

(b) Amount recognised in other comprehensive income

(₹ in Lakhs)

	For the year ended March 31, 2022			For the year ended March 31, 2021		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Re-measurement on defined benefit plans	(36.72)	10.22	(26.50)	(1.95)	0.54	(1.41)
	(36.72)	**10.22**	**(26.50)**	**(1.95)**	**0.54**	**(1.41)**

(c) Reconciliation of effective tax rate

(₹ in Lakhs)

	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit before tax	3,099.53	166.74
Tax using the Company's domestic tax rate (Current year 29.12% and Previous Year 27.82%)	902.58	46.39
Tax effect of:		
Changes in tax rates	12.05	-
Expenses not deductible for tax purpose	19.96	0.18
Others	(6.43)	-
	928.16	**46.57**

Deferred tax assets and liabilities are attributable to the following:

(₹ in Lakhs)

	Balance as at April 1, 2021	Adjustment to retained earnings	Recognised in Profit or loss during 2021-22 (charge)/credit	Recognised in OCI during 2021-22	Balance as at March 31, 2022
Deferred tax asset					
Provision for doubtful receivables	69.92	-	53.95	-	123.87
Provision for gratuity	7.22	-	17.76	10.22	35.20
Provision for compensated absences	30.41	-	5.58	-	35.99
Provision for slow moving and non moving inventory	6.86	-	1.36	-	8.22
On brought forward loss	386.69	-	(386.69)	-	-
Others	86.76	-	(0.26)	-	86.50
Total deferred tax asset	**587.86**	**-**	**(308.30)**	**10.22**	**289.78**
Deferred tax liability					
Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act.	(845.69)	-	(55.57)	-	(901.26)
Total deferred tax liability	**(845.69)**	**-**	**(55.57)**	**-**	**(901.26)**
Minimum alternative tax asset	**439.24**		**48.76**	**-**	**488.00**
Deferred tax asset/(Liability) (net)	**181.41**	**-**	**(315.11)**	**10.22**	**(123.48)**

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

30 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)	Rakesh Verma - Chief Executive Officer Amit Pandya - Chief Financial Officer (till December 11, 2021) Prosenjit Mondal - Chief Financial Officer (w.e.f. March 29, 2022) Shweta Priy - Company Secretary (w.e.f. February 4, 2022) Hrishikesh V Murthy - Company Secretary (till November 17, 2021)
Key Management Personnel (KMP) of the Holding Company	Dr. Devi Prasad Shetty - Chairman Dr. Emmanuel Rupert - Managing Director and Group CEO Viren Prasad Shetty- Whole Time Director and Group COO Kesavan Venugopalan- Chief Financial Officer (till November 12, 2021) Sandhya Jayaraman - Chief Financial Officer (w.e.f. December 8, 2021) Sridhar S- Company Secretary
Fellow subsidiaries	Narayana Institute for Advanced Research Private Limited (NIARPL) Narayana Hrudayalaya Surgical Hospital Private Limited (NHSHPL) Narayana Hospitals Private Limited (NHPL) Narayana Health Institutions Private Limited (NHIPL) Narayana Cayman Holdings Ltd (NCHL) (till March 31, 2021) Narayana Vaishno Devi Specialty Hospitals Private Limited (NVDSHPL) Narayana Holdings Private Limited (NHDPL) Health City Cayman Islands (HCCI) Narayana Health North America LLC NH Health Bangladesh Private Limited
Associate of Holding Company	Trimedx India Private Limited
Entity under control/ joint control of KMP/KMP of Holding company and their relatives	Narayana Hrudayalaya Foundation Amaryllis Healthcare Private Limited

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

(₹ in Lakhs)

Transactions	Enterprise having control over the Company	Fellow subsidiaries	Associate of enterprise having control	Entity under control/ joint control of KMP/KMP of Holding company and their relatives	Key Management Personnel (KMP)	Total
Purchase of medical consumables, drugs and surgical instruments & Services						
Narayana Hrudayalaya Limited	351.95 (298.60)	- (-)	- (-)	- (-)	- (-)	351.95 (298.60)
Amaryllis Healthcare Private Limited	- (-)	- (-)	- (-)	111.02 (107.15)	- (-)	111.02 (107.15)
Total	**351.95 (298.60)**	**- (-)**	**- (-)**	**111.02 (107.15)**	**- (-)**	**462.97 (405.75)**
Sale of medical consumables, drugs and surgical instruments & Services						
Narayana Hrudayalaya Limited (NHL)	39.25 (9.68)	- (-)	- (-)	- (-)	- (-)	39.25 (9.68)
Narayana Vaishno Devi Specialty Hospitals Private Limited (NVDSHPL)	- (-)	- (0.30)	- (-)	- (-)	- (-)	- (0.30)
Narayana Hrudayalaya Surgical Hospital Private Limited (NHSHPL)	- (-)	- (0.59)	- (-)	- (-)	- (-)	- (0.59)
Total	**39.25 (9.68)**	**- (0.89)**	**- (-)**	**- (-)**	**- (-)**	**39.25 (10.57)**
Reimbursement of Expenses						
Narayana Hrudayalaya Limited (NHL)	5.52 (8.98)	- (-)	- (-)	- (-)	- (-)	5.52 (8.98)
Purchase of assets						
Narayana Hrudayalaya Limited (NHL)	4.75 (4.35)	- (-)	- (-)	- (-)	- (-)	4.75 (4.35)
Sale of assets						
Narayana Hrudayalaya Limited (NHL)	- (2.85)	- (-)	- (-)	- (-)	- (-)	- (2.85)
Rent						
Narayana Hrudayalaya Foundation (NHF)	- (-)	- (-)	- (-)	142.61 (140.74)	- (-)	142.61 (140.74)
Loan given						
Narayana Hrudayalaya Surgical Hospital Private Limited (NHSHPL)	- (-)	300.00 (-)	- (-)	- (-)	- (-)	300.00 (-)
Loan received back						
Narayana Hrudayalaya Surgical Hospital Private Limited (NHSHPL)	- (-)	300.00 (-)	- (-)	- (-)	- (-)	300.00 (-)
Interest income						
Narayana Hrudayalaya Surgical Hospital Private Limited (NHSHPL)	- (-)	8.29 (-)	- (-)	- (-)	- (-)	8.29 (-)
Discount entitlement Narayana Hrudayalaya Limited	15.06 (-)	- (-)	- (-)	- -	- (-)	15.06 -

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Discount entitlement						
Narayana Hrudayalaya Foundation (NHF)	- (-)	- (-)	- (-)	60.00 (60.00)	- (-)	60.00 (60.00)
Short-term employee benefits*						
Rakesh Verma	- (-)	- (-)	- (-)	- (-)	43.41 (38.71)	43.41 (38.71)
Amit Pandya	- (-)	- (-)	- (-)	- (-)	12.98 (8.23)	12.98 (8.23)
Diviya Johri	- (-)	- (-)	- (-)	- (-)	- (4.52)	- (4.52)
Shweta Priy	- (-)	- (-)	- (-)	- (-)	4.33 (-)	4.33 (-)
Prosenjit Mondal	- (-)	- (-)	- (-)	- (-)	1.97 (-)	1.97 (-)
Hrishikesh V Murthy	- (-)	- (-)	- (-)	- (-)	7.39 (9.11)	7.39 (9.11)
Total	- (-)	- (-)	- (-)	- (-)	70.08 (60.57)	70.08 (60.57)

* 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.

Figures in bracket are for the previous year

c) The balances receivable from and payable to related parties

(₹ in Lakhs)

Balances	Enterprise having control over the Company	Fellow subsidiaries	Associate of enterprise having control	Entity under control/ joint control of KMP/KMP of Holding company and	Key Management Personnel (KMP)	Total
Trade payables						
Amaryllis Healthcare Private Limited	- (-)	- (-)	- (-)	4.68 (11.14)	- (-)	4.68 (11.14)
Narayana Hrudayalaya Limited (NHL)	4.19 -	- (-)	- (-)	- (-)	- (-)	4.19 (-)
Total	4.19 (-)	- (-)	- (-)	4.68 (11.14)	- (-)	8.87 (11.14)
Trade receivables						
Narayana Vaishno Devi Specialty Hospitals Private Limited (NVDSHPL)	- (-)	- (0.30)	- (-)	- (-)	- (-)	- (0.30)
Narayana Hrudayalaya Surgical Hospital Private Limited (NHSHPL)	- (-)	- (0.59)	- (-)	- (-)	- (-)	- (0.59)
Total	- (-)	- (0.89)	- (-)	- (-)	- (-)	- (0.89)
Corporate guarantee taken						
Narayana Hrudayalaya Limited	8,207.00 (8,207.00)	- (-)	- (-)	- (-)	- (-)	8,207.00 (8,207.00)

Notes:

(a) No amounts 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.

(d) Figures in brackets are for the previous year

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31 Earnings per share

Basic and diluted earning per share

(₹ in lakhs) except for share data

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit after tax	2,171.37	120.17

Weighted average number of equity shares (basic & diluted)

Shares	As at March 31, 2022	As at March 31, 2021
Total no. of shares outstanding	2,92,78,820	2,92,78,820
Effect of shares issued during the year	-	-
Weighted average number of equity shares for the year	**2,92,78,820**	**2,92,78,820**
Basic and diluted Earning per share (₹)	7.42	0.41

32 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 is as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Total equity attributable to the equity shareholders of the Company	8,575.87	6,431.00
As a percentage of total capital	99%	70%
Long-term borrowings including current maturities	119.70	2,797.14
Total borrowings	119.70	2,797.14
As a percentage of total capital	1%	30%
Total capital (Equity and Borrowings)	**8,695.57**	**9,228.14**

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33 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 ending March 31, 2022 aggregated to ₹ 208.38 lakhs (previous year ending March 31, 2021 : ₹ 185.44 lakhs)

Defined benefit plan

The Company operates a post-employment defined benefit plan that provides 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 managed by Life Insurance Corporation of India.. 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 other comprehensive income forming part of the statement profit and loss.

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

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Defined benefit liability	309.70	256.74
Plan assets	223.90	230.82
Net defined benefit liability	**85.80**	**25.92**
Liability for Compensated absences	123.60	109.30
Total employee benefit liability	**209.40**	**135.22**
Non-current	85.80	25.92
Current	123.60	109.30

B. Reconciliation of net defined benefit (assets) liability

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

i) Reconciliation of present values of defined benefit obligations

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Defined benefit obligation at the beginning of the year	256.74	236.44
Current service cost	28.36	26.75
Interest cost	9.15	10.27
Benefit payments from plan assets	(22.64)	-
Benefit payments directly by employer	-	(17.58)
Actuarial (gains) losses recognised in other comprehensive income		
-changes in demographic assumptions	2.44	(0.39)
-changes in financial assumptions	(6.34)	22.84
-experience adjustements	41.99	(21.59)
Defined benefit obligations at the end of the year	**309.70**	**256.74**

ii) Reconciliation of fair value of plan assets

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Plan assets at beginning of the year	230.82	188.99
Benefit refund to be received by the company	(4.44)	
Contributions paid into the plan	4.17	32.81
Expected return on plan assets	10.18	10.11
Benefits paid	(18.20)	-
Acturial gain on plan assets	1.37	(1.09)
Plan assets at the end of the year	**223.90**	**230.82**
Net defined benefit liability	**85.80**	**25.92**

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

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current service cost	28.36	26.75
Interest cost	9.15	10.27
Interest income	(10.18)	(10.11)
	27.33	**26.91**

ii) Remeasurements recognised in other compherensive income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Actuarial loss on defined benefit obligation	38.09	0.86
Acturial gain on plan assets	(1.37)	1.09
	36.72	**1.95**

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D. Plan Assets

Plan assets comprises of the following:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Government bonds	223.90	230.82
	223.90	230.82

The nature of assets allocation of plan assets is in government bond of high credit rating.

Defined Benefit obligations

i) Actuarial assumptions

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

Principal actuarial assumptions	As at March 31, 2022	As at March 31, 2021
Attrition rate	Up to Level 6 = 38%, Level 7 and above= 46%	Up to Level 6 = 44%, Level 7 and above= 22%
Discount rate	5.41%	4.41%
Expected rate of return on plan assets	6.70%	6.70%
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Future salary increases	First year 7.90% Thereafter 6%	First year 7.90% Thereafter 6%

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

The expected contributions to the fund during the year ending 31 March 2023, will be approximately ₹35.35 lakhs

Maturity profile of defined benefit obligation

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
1st following year	120.61	98.44
2nd following year	78.52	62.41
3rd following year	52.27	41.29
4th following year	36.17	26.96
5th following year	21.39	23.46
Year 6 to 10	35.15	25.90
More than 10 years	4.00	5.11

ii) Sensitivity analysis

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

Particulars	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(2.74)	2.77	(2.94)	3.02
Future salary increases (0.5% movement)	2.72	(2.72)	3.00	(2.94)
Attrition rate (0.5% movement)	(0.36)	0.34	(0.22)	0.21
Mortality rate (10% movement)	(0.01)	(0.01)	0.00	(0.01)

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

34 Due to Micro, Small and Medium Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2022 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The Company has not received any claim for interest from any supplier.

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
-Principal	202.88	136.49
-Interest	2.70	0.16
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	2.70	0.16
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	-	-

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Research and Hospital Limited * Howrah 711 109

35 Financial instruments: Fair value and risk managements

A. Accounting classification and fair values

(₹ in Lakhs)

As at March 31, 2022	FVTPL	Amortised cost	Total
Financial assets			
Trade receivables	-	1,835.91	1,835.91
Cash and cash equivalents	-	294.32	294.32
Bank balances other than above	-	52.43	52.43
Other financial assets	-	330.06	330.06
	-	2,512.72	2,512.72
Financial liabilities			
Borrowings	-	119.70	119.70
Lease liabilities	-	573.96	573.96
Trade payables	-	3,091.61	3,091.61
Other financial liabilities	-	82.79	82.79
	-	3,868.06	3,868.06

As at March 31, 2021	FVTPL	Amortised cost	Total
Financial assets			
Trade receivables	-	1,979.50	1,979.50
Cash and cash equivalents	-	592.96	592.96
Bank balances other than above	-	27.78	27.78
Other financial assets	-	281.39	281.39
	-	2,881.63	2,881.63
Financial liabilities			
Borrowings	-	2,797.14	2,797.14
Lease liabilities		736.19	736.19
Trade payables	-	2,808.33	2,808.33
Other financial liabilities	-	494.13	494.13
	-	6,835.79	6,835.79

Measurement of fair values
The carrying value of all financial assets approximates the fair value; fair value of mutual funds are based on quoted price.

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 impairment 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 net of provision for doubtful receivables amounting to ₹ 1835.91 lakhs (31 March 2021: ₹ 1979.50 lakhs). The movement in allowance for impairment in respect of trade and other receivables during the year was as follows:

(₹ in Lakhs)

Allowance for credit loss	As at 31 March 2022	As at 31 March 2021
Opening balance	251.34	254.48
Impairment loss (reversed) / recognised	174.03	(3.14)
Closing balance	**425.37**	**251.34**

One Customers - Swasthyasathi 21.55% accounted for more than 10% of the revenue as of March 31, 2022 and Two Customers - WBHS (13.64%) & Swasthyasathi (10.81%) accounted for more than 10% of the revenue as of March 31, 2021.

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

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

The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. In addition, the Company maintains line of credits as stated in Note 14.

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

(₹ in Lakhs)

Particulars	Less than 1 year	1 - 2 years	2-5 years	more than 5 years	Total
Borrowings	32.94	32.94	53.82	-	119.70
Lease liabilities	176.91	176.92	29.70	190.43	573.96
Trade payables	3,091.61	-	-	-	3,091.61
Other financial liabilities	82.79	-	-	-	82.79
Total	**3,384.25**	**209.86**	**83.52**	**190.43**	**3,868.06**

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

(₹ in Lakhs)

Particulars	Less than 1 year	1 - 2 years	2-5 years	more than 5 years	Total
Borrowings	635.24	697.94	1,439.26	24.70	2,797.14
Lease liabilities	162.23	176.90	195.87	201.19	736.19
Trade payables	2,808.33	-	-	-	2,808.33
Other financial liabilities	494.13	-	-	-	494.13
Total	**4,099.93**	**874.84**	**1,635.13**	**225.89**	**6,835.79**

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Meridian Medical Research and Hospital Limited Howrah 711 109

(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 the reporting period with respect to long term borrowings with variable interest rates from banks are as follows:

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Variable rate long term borrowings including current maturities	119.70	2,797.14
Total borrowings	**119.70**	**2,797.14**

(b) Sensitivity

(₹ in Lakhs)

Particulars	Impact on profit or loss		Impact on other components of equity	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Sensitivity				
1% increase in base rate	(1.20)	(27.97)	(1.20)	(27.97)
1% decrease in base rate	1.20	27.97	1.20	27.97

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

36 Financial Ratios

Ratio	Methodology	For the year ended March 31, 2022	For the year ended March 31, 2021	Variance
a) Current Ratio	Current assets over current liabilities	0.65	0.65	-0.06%
b) Debt-Equity Ratio [1]	Debt over total shareholders' equity	0.01	0.43	-96.79%
c) Debt Service Coverag Ratio [1]	Earning available for debt service over debt service	10.28	0.49	2014.45%
d) Return on Equity Ratio % [2]	PAT over total average equity	28.94%	3.49%	729.30%
e) Trade Receivable turnover Ratio [3]	Credit Revenue from operations over average trade receivables	6.21	4.71	31.84%
f) Trade payables turnover ratio	Total purchases over average trade payables	2.17	1.96	10.95%
g) Net capital turnover ratio [4]	Revenue from operations over working capital	-15.81	-10.46	51.11%
h) Net profit ratio [4]	Net profit over revenue from operations	9.26%	0.70%	1218.70%
i) Return on capital employed [4]	PBIT over capital employed	37.74%	5.19%	626.98%
j) Inventory turnover ratio	Cost of goods sold over average inventory	24.23	23.19	4.49%

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 lease liabilities
Capital employed refers to total shareholders' equity and debt.

Explanation for variances exceeding 25%:

[1] Improvement in Debt equity ratio and Debt service coverage ratio is due to repayment of Term loans

[2] Improvement in Return on equity is due to improved operational profits

[3] Improvement in Trade receivables turnover ratio is due to efficient collections

[4] Net capital turnover ratio, Net profit ratio, Return on capital employed percentage has improved due to operational efficiencies

37 Other Statutory Information

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

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

(iii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies) including foreign entities (intermediaries) with the understanding that intermediary shall:
(a) Directly for indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate beneficiaries) or
(b) Provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries

(iv) The Company 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
(a) Directly for indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate beneficiaries) or
(b) Provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries

(v) The Company 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.

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

38 Code on Social Security 2020

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

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

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS
BENGALURU

for and on behalf of the Board of Directors of
Meridian Medical Research & Hospital Limited

Viren Prasad Shetty
Director
DIN: 02144586
Place: Bengaluru
Date: May 20, 2022

Dr. Emmanuel Rupert
Director
DIN: 07010883
Place: Bengaluru
Date: May 20, 2022

Rakesh Verma
Chief Executive Officer
Place: Kolkata
Date: May 20, 2022

Prasenjit Mondal
Chief Financial Officer
Place: Kolkata
Date: May 20, 2022

Shweta Priy
Company Secretary
Place: Bengaluru
Date: May 20, 2022

Meridian Medical Research and Hospital Limited
Howrah
711 103

28TH ANNUAL REPORT
MERIDIAN MEDICAL RESEARCH & HOSPITAL LTD.

FY 2022-23

MERIDIAN MEDICAL RESEARCH & HOSPITAL LTD.

CIN: U85110WB1995PLC071440
Registered Office: Westbank Hospital, Andul Road, Howrah-711109
Email: info.nshhowrah@narayanahealth.org, Tel: 080-71222636

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **28th Annual General Meeting (AGM)** of the Members of Meridian Medical Research & Hospital Ltd. will be held on **Friday, 4th August 2023, at 10:40 A.M.,** at Conference Hall of Narayana Super speciality Hospital 120/1, Andul Road, Howrah-711103, to transact the following businesses:

A. Ordinary Business:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March 2023 together with the reports of the Board of Directors and the Auditors thereon.

The members are requested to consider and pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT the audited financial statements of the Company for the financial year ended 31st March 2023 including the audited Balance Sheet, statement of Profit & Loss and the Cash Flow Statement along with notes thereon, and the Auditors' Report and Report of the Board of Directors thereon along with all annexures, as issued to the Members pursuant to Section 134 of the Companies Act, 2013, be and are hereby received, considered and adopted.**"**

2. To elect a Director in place of Mr. Viren Prasad Shetty (DIN: 02144586), who retires by rotation and being eligible, offers himself for re-appointment.

The members are requested to consider and pass the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Viren Prasad Shetty (DIN: 02144586), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

B. Special Business:

3. To ratify remuneration payable to M/s. PSV & Associates as the Cost Auditors of the Company for the Financial Year 2023-24.

The members are requested to consider and pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and all the other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactments thereof for the time being in force), the Members hereby approve and ratify the remuneration of Rs. 1,00,000 (Rupees One Lakhs Only) per annum excluding out of pocket expenses and applicable taxes payable to M/s. PSV & Associates, Cost Accountants, Bengaluru (Firm Registration Number 000304) who are appointed by the Board of Directors of the company on recommendation of Audit Committee of the Company, as Cost Auditors to conduct the audit of cost records for the financial year 2023-24.

RESOLVED FURTHER THAT the Board of Directors of the Company or the Chief Financial Officer or the Company Secretary be and are hereby severally authorized to do all such acts, deeds and things as may be required, necessary, expedient or incidental to give effect to the above resolution."

By Order of the Board of Directors
For **Meridian Medical Research & Hospital Ltd.**

Sd/-
Dr. Emmanuel Rupert
Director
(DIN: 07010883)

Date: 19.05.2023
Place: Bengaluru

BOARD'S REPORT

To the Members,

The Directors of the Company are pleased to present the Twenty Eighth (28th) Annual Report of your Company together with the audited financial statement of your Company for the financial year ended, 31st March 2023. The Board would also like to take this opportunity to inform you about the performance of the Company over the past twelve months.

1. FINANCIAL SUMMARY/ HIGHLIGHTS OR RESULT OF OPERATIONS:

The summarized financial results of the Company for the year ended 31st March 2023 are as under:

(Amt. in Rs. Lakhs)

Particulars	**2022-23**	**2021-22**
Revenue from Operations	2 6,487.52	23,457.23
Other Income	303.60	109.22
Total Income	**26,791.12**	**23,566.45**
Expenses before finance costs, depreciation and amortization	20,407.46	19,101.95
Earnings before Finance cost, depreciation and amortization and tax	6,383.66	4,464.50
Finance Cost	51.64	228.97
Depreciation & Amortization expense	1,171.81	1,136.00
Profit / (Loss) Before tax	**5,160.21**	**3,099.53**
Tax expense	1,507.39	928.16
Profit/Loss for the year After Tax	**3,652.82**	**2,171.37**
Total comprehensive income for the year	3,619.90	2,144.87
Earnings per Share (EPS) (Rs.)	12.48	7.42

***Face Value Rs. 10 per share.**

2. PERFORMANCE OVERVIEW:

- During the year under review, the total income of the Company increased from Rs. 23,566.45 lakhs in FY 2021-22 to Rs. 26,791.12 lakhs in FY 2022-23.
- Earnings before Finance cost, depreciation and amortization and tax increased from Rs. 4,464.50 lakhs in FY 2021-22 to Rs. 6 ,383.66 lakhs in FY 2022-23.
- Profit for the year increased from Rs. 2,171.37 lakhs in FY 2021-22 to Rs. 3,652.83 lakhs in FY 2022-23.

3. STATE OF AFFAIRS OF THE COMPANY:

Your company continued its focus on Quality Parameters, Patient care and Welfare services resulting in significant improvement in patient satisfaction levels.

The Management has used the principles of prudence in developing estimates, assumptions, exercising judgements and performing sensitivity analysis. Your Company continues to place greater emphasis on managing its affairs with diligence, transparency, responsibility and accountability. Your Company continues to strive hard to serve the interest of the stakeholders and society at large, resulting in creation of value and wealth for all stakeholders at all times.

4. TRANSFER TO RESERVES:

For the financial year ended 31st March 2023, the Company has transferred Rs. 3,652.82 lakhs to Reserves.

5. DIVIDEND:

The Board of directors have not recommended any dividend for the financial year under review with a view to retain the earnings for meeting the operational and capex requirements of the company.

6. AUDITORS:

a. **STATUTORY AUDITORS**

M/s. Deloitte Haskins and Sells LLP (Firm Registration Number 117366W/W-100018), Chartered Accountants, Bengaluru are the statutory auditors of the company who were re-appointed for the second term at the 27th Annual General Meeting of the Company held on 29th August, 2022 for a period of 5 years.

Auditors' Report for Financial Year 2022-23

The Auditors' have issued an unmodified Report for the year ended 31st March 2023 and hence, do not call for any comments from the Management under Section 134 of the Companies Act, 2013.

b. **COST AUDITOR:**

In accordance with Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013, the Board has approved the appointment of M/s. PSV & Associates, Cost Accountants having Firm Registration Number 000304, as the Cost Auditor of the Company to audit the cost records for the financial year 2023-24 and submit a report to the Board of Directors, at a remuneration of Rs. 1,00,000 (Rupees One Lakhs Only) per annum excluding all applicable taxes and out-of-pocket expenses to be incurred, if any, in connection with the cost audit.

The Board of Directors of the Company proposes the ratification of remuneration of M/s. PSV & Associates, Cost Accountants as the Cost Auditor of the Company, for financial year 2023-24 at the ensuing Annual General Meeting.

7. DISCLOSURE AS TO MAINTENANCE OF COST AUDIT RECORDS:

The Company is required to maintain the cost records as specified by the Central Government under sub-section (1) of section 148 of the Act and the rules made thereunder and accordingly such accounts and records are made and maintained.

8. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THIS REPORT:

There are no material changes and commitments, affecting the financial position of the company which have occurred between the end of the financial year of the Company to which the financial statements relate and date of the report.

9. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

During the year under review, there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

10. HOLDING COMPANY:

Narayana Hrudayalaya Limited is the Holding Company of the Company as on date of this Report.

11. SHARE CAPITAL:

As on 31st March 2023, the Authorized share Capital of the Company is Rs. 35,00,00,000 divided into 3,50,00,000 equity shares of Rs. 10 each.

The issued, subscribed and paid-up capital of the Company as on 31st March 2023, stands at Rs. 29,27,88,200 divided into 2,92,78,820 equity shares of Rs. 10 each.

During the year under review, the Company has not issued or allotted any shares.

Further, the Company during the year under review has not issued any equity shares with differential rights/sweat equity shares under Rule 4 & Rule 8 of The Companies (Share Capital and Debentures) Rules, 2014. Also, the Company does not have any Employee Stock Option Scheme and hence no equity shares have been issued or allotted under Employee Stock Option Scheme in terms of Rule – 12 of The Companies (Share Capital and Debentures) Rules, 2014.

12. PERFORMANCE EVALUATION:

Pursuant to the provisions of the Companies Act, 2013, evaluation of performance of every director, Board was carried out by the Nomination & Remuneration committee. The Chairman of the respective committees reviewed the performance of the respective committee. The performance evaluation of Non-Independent Directors and Board as a whole, Committees thereof was also carried out by the Independent Directors. Evaluation of Independent Directors was carried out by the entire Board of Directors, excluding the Director being evaluated.

13. DECLARATION BY INDEPENDENT DIRECTOR:

A declaration of independence in compliance with Section 149(6) of the Companies Act, 2013, has been taken on record from all the Independent Directors of the Company.

14. PUBLIC DEPOSITS:

The Company has not accepted any deposits within the meaning of section 73 to 76 of the Companies Act, 2013 and Rules made there under.

15. RISK MANAGEMENT POLICY:

The Company has in place a Risk Management Policy and the activities of the company are accordingly reviewed. The Risk Management Policy, inter alia, includes identification therein of elements of risk, including those which in the opinion of the Board may threaten the existence of the Company and includes to assist the Board of Directors in meeting its responsibility of oversight on identification, evaluation, mitigation and resolution of strategic, operational, financial, reputational and compliance risks.

16. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The Company has been following well laid down policy on Appointment and Remuneration of Directors, Key Managerial Personnel and Senior Management personnel.

17. DETAILS OF MEETINGS:

During the year, 5 Board Meetings, 5 Audit Committee meetings and 2 Nomination and Remuneration Committee meetings were held. The details are as follows:

Sl. No.	Name of the Director	No. of meetings held during the year	No. of meetings attended during the year	Date of meeting attended
Board Meeting				
1.	Dr. Devi Prasad Shetty	5	5	20.05.2022 08.08.2022 09.11.2022 08.02.2023 29.03.2023
2.	Mr. Viren Prasad Shetty	5	5	
3.	Mr. B.N Subramanya	5	5	
4.	Mr. Muthuraman B	5	5	
5.	Dr. Emmanuel Rupert	5	5	
Audit Committee				
1.	Mr. B N Subramanya	5	5	20.05.2022 08.08.2022 09.11.2022 08.02.2023 29.03.2023
2.	Mr. Muthuraman B	5	5	
3.	Dr. Emmanuel Rupert	5	5	
Nomination & Remuneration Committee				
1.	Mr. Muthuraman B	2	2	20.05.2022 08.08.2022
2.	Dr. Emmanuel Rupert	2	2	
3.	Mr. B N Subramanya	2	2	

18. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:

Your Company does not have any funds lying unpaid or unclaimed. Therefore, it is not applicable.

19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

During the year under review, the Company has not given any loans, provided guarantees or made investments under Section 186 of the Companies Act, 2013.

20. COMPANIES/BODY CORPORATES WHICH HAVE BECOME OR CEASED TO BE SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES DURING THIS FINANCIAL YEAR:

There is no Subsidiary, Associate or Joint Venture Company for the Company. Hence, there are no Companies/Body corporates which have become or ceased to be subsidiary, joint venture or Associate Companies during the financial year.

21. DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Companies Act, 2013, the Directors would like to state that:

a) In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period under review;
c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
d) The directors have prepared the annual accounts on a going concern basis;
e) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

22. CORPORATE SOCIAL RESPONSIBILITY:

As per the provisions of the Section 135 of Companies Act, 2013, a company meeting the specified criteria shall spend at least 2% of its average net profits for three immediately preceding financial years towards CSR activities. Your Company has during the Financial Year 2022-23, spent Rs. 40.33 Lakhs towards Project Kiran as a CSR activity.

The CSR Report as notified in the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2022 dated September 20, 2022, is attached as **Annexure -A** to this report**.**

23. RELATED PARTY TRANSACTIONS:

During the year, all the related party transactions entered were on an arm's length basis and were in the ordinary course of business and the Company has taken necessary approvals as and when required as per the Companies Act, 2013. Suitable disclosures as required under IND AS 24 have been made in the notes to the financial statements.

Information on transactions with related parties pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure - B** as per the prescribed Form AOC-2 and the same forms part of the Board's Report.

24. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 READ WITH THE RULES:

In order to prevent sexual harassment of women at work place a new act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December 2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at workplace of any women employee.

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, your Company has constituted Internal Complaints Committees (ICC) for dealing with the complaints, if any, relating to sexual harassment of women at workplace. During the year the Company has not received any complaint of harassment.

25. CHANGES IN THE NATURE OF BUSINESS, IF ANY:

During the year under review, there was no change in the nature of the business of the Company.

26. COMPOSITION OF THE BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNELS AND CHANGES THEREOF:

DIRECTORS AS ON THE DATE OF THE REPORT AND CHANGES DURING THE YEAR

1) Mr. Muthuraman Balasubramanian – Independent Director
2) Dr. Emmanuel Rupert – Non-Executive Director
3) Dr. Devi Prasad Shetty – Non-Executive Director
4) Mr. B N Subramanya – Independent Director
5) Mr. Viren Prasad Shetty – Non-Executive Director

Directors resigned during the year –
During the year under review, none of the Directors have resigned.

Directors appointed during the year –
During the year under review, no new directors have been appointed.

Director seeking re-appointment –
Mr. Viren Prasad Shetty (DIN: 02144586), Director of the Company, retires by rotation at the forthcoming Annual General Meeting and offers himself to be eligible for re-appointment.

KEY MANAGERIAL PERSONNEL AS ON THE DATE OF THE REPORT AND CHANGES DURING THE YEAR

1) Mr. Rakesh Verma - Chief Executive Officer
2) Ms. Shweta Priy – Company Secretary (Resigned w.e.f. 14th June 2022)
3) Ms. Poonam Barsaiyan – Company Secretary (Appointed w.e.f. 8th August 2022)
4) Mr. Prosenjit Mondal – Chief Financial Officer

27. <u>CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:</u>

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

A. CONSERVATION OF ENERGY		
Sl. No.	**PARTICULARS**	
1	The steps taken or impact on conservation of energy	The Company is conscious towards conservation of energy and measures implemented through previous energy audits. Optimization of secondary pump VFD frequency, optimization of AHUs' VFD Frequency, Replacement of conventional light fittings with energy efficient LED fittings at Narayana Super Speciality Hospital, Howrah. And Replaced 80% light with LED Light. Planned to Replacement of Existing old inefficient Chiller with Energy Efficient Chiller and reduce annual Energy consumption by 10% to 15% of Energy Consumption in FY 2023-24. Also Planned to Replace Old and inefficient cooling tower with energy efficient cooling tower.
2	The steps taken by the Company for utilizing alternate sources of energy	
3	The capital investment on energy conservation equipments;	Projected Capital investment will be around Rs. 3 Cr.

B. TECHNOLOGY ABSORPTION		
Sl. No.	**PARTICULARS**	
1	The efforts made towards technology absorption.	Adopted life cycle cost assessment and replacement of R22 refrigerant chiller with R135a Screw compressor with VFD.
2	The benefits derived like product improvement, cost reduction, product development or import substitution.	NA
3	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year: (a) The details of technology imported; (b) The year of import; (c) Whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	NA

4	The expenditure incurred on Research and Development	**Nil**
C. FOREIGN EXCHANGE EARNINGS AND OUTGO		
Sl. No.	**PARTICULARS**	**2022-23 (Amount in USD)**
1	The Foreign Exchange earned in terms of actual inflows during the year	USD 1,65,470
2	The Foreign Exchange outgo during the year in terms of actual outflows	USD 25,74,238

28. SECRETARIAL STANDARDS:

During the year, your Company has complied with all the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India.

29. REPORTING OF FRAUDS BY AUDITORS:

During the year under review, there have been no instances of fraud reported by the Auditors under section 143(12) of the Companies Act, 2013.

30. INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY:

The Company has in place adequate internal financial controls with reference to the financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

31. ACKNOWLEDGEMENT:

It is our strong belief that caring for our business constituents has ensured our success in the past and will do so in future. The Board acknowledges with gratitude the co-operation and assistance provided to your Company by its bankers, financial institutions, and the government. Your Directors thank the vendors and other business associates for their continued support in the Company's growth and your company shall continue to strive to provide the best treatment for the patients. The Board also takes this opportunity to express its deep gratitude for the continued co-operation and support received from its valued shareholders.

By order of the Board of Directors

Place: Bengaluru	**Sd/-**	**Sd/-**
Date: 19th May 2023	**Dr. Emmanuel Rupert**	**Viren Prasad Shetty**
	Director	**Director**
	DIN: 07010883	**DIN: 02144586**

Annexure - A

ANNUAL REPORT ON CSR ACTIVITIES OF MERIDIAN MEDICAL RESEARCH & HOSPITAL LTD.

1. Brief outline of Meridian Medical Research & Hospital Ltd. CSR Policy (MMRHL CSR):

Meridian Medical Research & Hospital Ltd. aims to make a positive difference in the lives of the people by engaging in activities that eliminates or alleviates pain and suffering to the under privileged sections of the society by:

- Promoting healthcare facilities for the upliftment of people at large and creating a positive impact by addressing issues of accessibility and affordability.
- Promoting educational facilities to help and assist in unfolding the creative potentials and talents of the children and amateurs.
- Strive for socio-economic development thereby reducing inequality between rich and poor.

1.1 Overview of projects/programs undertaken during the financial year 2022-23

Project Kiran

This program was started in 2016 for providing trained paramedical and support staff to Howrah City Police who provide free accidental road trauma care ambulance services in Howrah.

This program is a joint initiative between Howrah City Police and Howrah Development Trust with Narayana Super specialty Hospital (Unit of MMRHL) as a medical partner.

2. COMPOSITION OF CSR COMMITTEE:

Pursuant to the provisions of Section 135(1) of the Companies Act, 2013, companies having a 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 shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

Further, pursuant to Section 135 (9) of the Companies Act, 2013 where the amount to be spent by a company under sub-section (5) does not exceed fifty lakh rupees, the requirement under sub-section (1) for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of such company.

Accordingly, as the CSR expenditure for the FY 2022-23 was Rs. 40.33 Lakhs, hence, the Company was not required to constitute the CSR Committee and the functions of such Committee was discharged by the Board of Directors of such company.

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

CSR Committee	The Company has no website.
CSR Policy	
CSR Projects	

4. **Details of the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:**

The Company does not meet the criteria in terms of Rule 8 (3) of Companies (Corporate Social responsibility Policy) Rules, 2014 and hence impact assessment is not applicable. However, the Board reviews the progress of various CSR projects undertaken by the Company and its impacts in terms of beneficiaries covered and the outcome of the programs**.**

5. **a. Average net profit of the company as per section 135(5):** Rs. 19,13,77,383

b. Two percent of average net profit of the company as per section 135(5): Rs. 38,27,548

c. Surplus arising out of the CSR projects or programmes or activities of the previous financial years.: Nil

d. Amount required to be set off for the financial year, if any: Nil

e. Total CSR obligation for the financial year [(b)+(c)-(d)]: Rs. 38,27,548

6.

a. Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Rs. 40,33,271

b. Amount spent in Administrative Overheads: Nil

c. Amount spent on Impact Assessment, if applicable: NA

d. Total amount spent for the Financial Year [(a)+(b)+(c)]. Rs. 40,33,271

e. CSR amount spent or unspent for the Financial Year

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 40,33,271	Nil	Nil	Nil	Nil	Nil

f. Excess amount for set off, if any:

Sl. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per section 135(5)	38,27,548
(ii)	Total amount spent for the Financial Year	40,33,271
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2,05,723

(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	2,05,723

7. Details of Unspent CSR amount for the preceding three financial years: NA

1	2	3	4	5	6		7	8
Sl. No.	**Preceding Financial Year(s)**	**Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in Rs.)**	**Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.)**	**Amount Spent in the Financial Year (in Rs.)**	**Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any**		**Amount remaining to be spent in succeeding Financial Years (in Rs.)**	**Deficiency, if any**
					Amount (in Rs.)	**Date of Transfer**		
1	**FY-1**	NA						
2	**FY-2**							
3	**FY-3**							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):

The Company has spent on CSR activities to the extent of the prescribed limit under the Companies Act, 2013.

Sd/-	Sd/-
Dr. Emmanuel Rupert	Viren Prasad Shetty
Non-Executive Director	Non-Executive Director

Annexure: B

FORM NO. AOC – 2

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under the third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

2. Details of contracts or arrangements or transactions at arm's length basis:

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contract/arrangements/ transactions	Duration of the contracts /arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
1.	Narayana Hrudayalaya Limited (NHL) NHL holds 99.13% of shares in the Company.	Purchase relating to hospital related goods and services	Ongoing	Value of the transaction is Rs. 2,20,61,963.	29th March 2022	Nil
		Sale relating to hospital related goods and services	Ongoing	Value of the transaction is Rs. 64,02,871.	29th March 2022	Nil
		Purchase of Fixed asset/ equipment for entire group	Ongoing	Value of the transaction is Rs. 7,52,624.	29th March 2022	Nil
		Sale of Fixed asset/ equipment for entire group	Ongoing	Value of the transaction is Rs. 39,38,388.	29th March 2022	Nil
		Reimbursement of expenses (Net) & Other Contingencies	Ongoing	Value of the transaction is Rs. 18,89,977.	29th March 2022	Nil
2.	Narayana Hrudayalaya Foundations (NHF), Dr. Devi Prasad Shetty, Mr. Viren Prasad Shetty and Mrs. Shakuntala Shetty, Relative (Wife of Dr. Devi Prasad Shetty) are trustees in this Trust.	Equipment Rent	Ongoing	Value of the transaction is for Rs. 1,42,60,644.	29th March 2022	Nil
3.	Amaryllis Healthcare Private Limited	Sale/purchase and provision and receipt of services relating to hospital related goods and	Ongoing	Value of the transaction is for Rs. 1,06,14,860.	29th March 2022	Nil

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contract/arrangements/ transactions	Duration of the contracts /arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
	Mr. Viren Prasad Shetty, Son (relative of Dr. Devi Prasad Shetty) is a Director & Member in Amaryllis Healthcare Private Limited.	services and Reimbursement of expenses (Net) & Other Contingencies				
4.	Biocon Biologics Limited Dr. Kiran Mazumdar Shaw, Director of the Holding Company is Director of this Company	Sale/purchase and provision and receipt of services relating to hospital related goods and services and Reimbursement of expenses (Net) & Other Contingencies	Ongoing	Value of the transaction is for Rs. 1,78,90,487.	29th March 2022	Nil
5.	Asia Heart Foundation Dr. Devi Prasad Shetty, Mr. Viren Prasad Shetty and Mrs. Shakuntala Shetty, Relative (Wife of Dr. Devi Prasad Shetty) are trustees in this Trust.	Building Rent to be received from AHF by MMRHL	Ongoing	Value of the transaction is for Rs. 14,86,800.	29th March 2022	Nil
6.	Dharamshila Cancer Foundation and Research Centre Unit operated by Narayana Hrudayalaya Surgical Hospital Private Limited – Fellow Subsidiary Company	Reimbursement of expenses	Ongoing	Value of the transaction is for Rs. 10,148.	08th August 2022	Nil

Note: Appropriate approvals have been taken for the above related party transactions

For **Meridian Medical Research & Hospital Ltd.**

Sd/-
Dr. Emmanuel Rupert
Director
DIN: 07010883

Sd/-
Viren Prasad Shetty
Director
DIN: 02144586

Place: Bengaluru
Date: 19th May 2023

Deloitte Haskins & Sells LLP

Chartered Accountants
Prestige Trade Tower, Level 19
46, Palace Road, High Grounds
Bengaluru – 560 001
Karnataka, India

Tel: +91 80 6188 6000
Fax: +91 80 6188 6011

INDEPENDENT AUDITOR'S REPORT

To The Members of Meridian Medical Research & Hospital Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Meridian Medical Research & Hospital 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.

Regd. Office: Indiabulls Finance Centre, Tower 3, 27th - 32nd Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400 013, Maharashtra, India.
(LLP Identification No. AAB-8737)

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 it's knowledge and belief, as disclosed in the note 37(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 it's knowledge and belief, as disclosed in the note 37(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.

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: 23047840BGUCKP8571

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 **Meridian Medical Research & Hospital 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: 23047840BGUCKP8571

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, where the Company is the lessee in the agreement
(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 and book debt 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 complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as 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)	The Company has not taken any term loans during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
(ix)	(d)	The Company has not 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 loans during the year on the pledge and hence reporting under clause (ix)(f) of the Order is not applicable.

(x)	(a)	The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the 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)		The Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
(xiv)	(a)	The Company has an internal audit system commensurate with the size and nature of its business.
	(b)	We have considered, the internal audit reports issued to the Company during the year and covering the period up to December 2022 and the final of the internal audit report issued after the balance sheet date covering the period from January 2023 to March 2023 for the period under audit.
(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) (b) (c)	The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clauses 3(xvi)(a),(b),and(c) of the Order is not applicable.
(xvi)	(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 has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amounts for the year requiring a transfer to a Fund specified in Schedule VII to the Act or special account in compliance with the provision of sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause 3(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:- 23047840BGUCKP8571

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

Meridian Medical Research & Hospital Limited
Balance sheet
CIN - U85110WB1995PLC071440

(₹ in Lakhs)

Particulars	Note No	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non current assets			
Property, plant and equipment	4	11,195.34	8,535.83
Capital work-in-progress	4	1,408.95	243.65
Right of use assets	5	406.85	548.80
Financial assets			
(i) Other financial assets	6(a)	201.45	199.29
Other non-current assets	7(a)	1,032.55	1,230.52
Total non-current assets		**14,245.14**	**10,758.09**
Current assets			
Inventories	8	339.47	309.50
Financial assets			
(i) Trade receivables	9	2,026.54	1,835.91
(ii) Cash and cash equivalents	10	574.87	294.32
(iii) Bank balances other than (ii) above	10	863.51	52.43
(iv) Other financial assets	6(b)	145.95	130.77
Other current assets	7(b)	144.87	173.20
Total current assets		**4,095.21**	**2,796.13**
TOTAL ASSETS		**18,340.35**	**13,554.22**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	2,927.88	2,927.88
Other equity	12	9,267.89	5,647.99
Total equity		**12,195.77**	**8,575.87**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	13(a)	68.17	86.76
(ii) Lease liabilities	14(a)	220.14	397.05
Provisions	15(a)	107.23	85.80
Deferred tax liability (net)	29	619.71	123.48
Other non current liabilities	18(a)	480.96	5.33
Total non-current liabilities		**1,496.21**	**698.42**
Current Liabilities			
Financial liabilities			
(i) Borrowings	13(b)	24.79	32.94
(ii) Lease liabilities	14(b)	176.91	176.91
(iii) Trade payables	16		
Total outstanding dues of micro enterprises and small enterprises		163.62	205.58
Total outstanding dues of creditors other than micro enterprises and small enterprises		3,335.30	2,886.03
(iii) Other financial liabilities	17	167.31	82.79
Provisions	15(b)	149.79	123.60
Other current liabilities	18(b)	630.65	772.08
Total current liabilities		**4,648.37**	**4,279.93**
TOTAL EQUITY AND LIABILITIES		**18,340.35**	**13,554.22**
Significant accounting policies	3		

The accompanying notes form an integral part of these financial statements.

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

Monisha Parikh
Partner

Place: Bengaluru
Date: May 19, 2023

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BENGALURU

For and on behalf of the Board of Directors of
Meridian Medical Research & Hospital Limited

Viren Prasad Shetty
Director
DIN: 02144586
Place: Bengaluru
Date: May 19, 2023

Dr. Emmanuel Rupert
Director
DIN: 07010883
Place: Bengaluru
Date: May 19, 2023

Rakesh Verma
Chief Executive Officer
Place: Kolkata
Date: May 19, 2023

Prosenjit Mondal
Chief Financial Officer
Place: Kolkata
Date: May 19, 2023

Poonam Barsaiyan
Company Secretary
Place: Bengaluru
Date: May 19, 2023

Meridian Medical Research and Hospital Limited Howrah 711 109.

Meridian Medical Research & Hospital Limited
Statement of profit and loss
CIN - U85110WB1995PLC071440

(₹ in Lakhs)

Particulars	Note No	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from operations	19	26,487.52	23,457.23
Other income	20	303.60	109.22
Total income (A)		**26,791.12**	**23,566.45**
Expenses			
Purchase of medical consumables, drugs and surgical instruments		6,372.61	6,405.02
Changes in inventories of medical consumables, drugs and surgical instruments	21	(29.97)	(98.34)
Employee benefits expense	22	3,497.47	3,032.98
Professional fees to doctors		6,231.19	5,626.79
Other expenses	23	4,336.16	4,135.50
Expenses before finance cost, depreciation and amortisation (B)		**20,407.46**	**19,101.95**
Earnings before finance costs, depreciation and amortisation and tax (A-B)		**6,383.66**	**4,464.50**
Finance costs (C)	24	51.64	228.97
Depreciation and amortisation expense (D)	25	1,171.81	1,136.00
Total expenses (E) = (B+C+D)		**21,630.91**	**20,466.92**
Profit before tax (F) =(A-E)		**5,160.21**	**3,099.53**
Tax expenses	29		
Current Tax		1,485.64	613.05
Deferred tax charge / (credit)		21.75	315.11
Total tax expense (G)		**1,507.39**	**928.16**
Net Profit for the year H=(F-G)		**3,652.82**	**2,171.37**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement of defined benefit plans		(46.44)	(36.72)
Income tax effect		13.52	10.22
Other comprehensive loss for the year, net of tax (I)		**(32.92)**	**(26.50)**
Total comprehensive income for the year J=(H+I)		**3,619.90**	**2,144.87**
Earnings per share (of ₹ 10 each) :	31		
(a) Basic		12.48	7.42
(b) Diluted		12.48	7.42
Significant accounting policies	3		

The accompanying notes form an integral part of these financial statements.

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

Monisha Parikh
Partner

Place: Bengaluru
Date: May 19, 2023

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BENGALURU

For and on behalf of the Board of Directors of
Meridian Medical Research & Hospital Limited

Viren Prasad Shetty
Director
DIN: 02144586
Place: Bengaluru
Date: May 19, 2023

Dr. Emmanuel Rupert
Director
DIN: 07010883
Place: Bengaluru
Date: May 19, 2023

Rakesh Verma
Chief Executive Officer

Place: Kolkata
Date: May 19, 2023

Prosenjit Mondal
Chief Financial Officer
Place: Kolkata
Date: May 19, 2023

Poonam Barsaiyan
Company Secretary
Place: Bengaluru
Date: May 19, 2023

Meridian Medical Research and Hospital Limited Howrah 711 109.

Meridian Medical Research & Hospital Limited
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	2,92,78,820	2,927.88
Changes in equity share capital during the year	-	-
Issue of equity shares (refer note 11)	-	-
Balance as at March 31, 2022	2,92,78,820	2,927.88
Changes in equity share capital during the year	-	-
Issue of equity shares (refer note 11)	-	-
Balance as at March 31, 2023	**2,92,78,820**	**2,927.88**

(b) Other equity

(₹ in Lakhs)

Particulars	Reserves & Surplus			Items of OCI	Total other equity
	Securities Premium Reserve	Deemed Capital Contribution	Retained earnings	Remeasurements of the net defined benefit Plans	
Balance as at April 1, 2021	3,666.25	14.22	(100.43)	(76.92)	3,503.12
Profit for the year	-	-	2,171.37	-	2,171.37
Other comprehensive income (OCI) (net of tax)	-	-	-	(26.50)	(26.50)
Total comprehensive income for the year	-	-	2,171.37	(26.50)	2,144.87
Balance as at March 31,2022	3,666.25	14.22	2,070.94	(103.42)	5,647.99
Profit for the year			3,652.82		3,652.82
Other comprehensive income (OCI) (net of tax)				(32.92)	(32.92)
Total comprehensive income for the year	-	-	3,652.82	(32.92)	3,619.90
Balance as at March 31,2023	3,666.25	14.22	5,723.76	(136.34)	9,267.89

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

Monisha Parikh
Partner

Place: Bengaluru
Date: May 19, 2023

For and on behalf of the Board of Directors of
Meridian Medical Research & Hospital Limited

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DIN: 02144586
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Place: Kolkata
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Poonam Barsaiyan
Company Secretary
Place: Bengaluru
Date: May 19, 2023

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BENGALURU

Meridian Medical Research and Hospital Limited Howrah 711 109.

Meridian Medical Research & Hospital Limited
Statement of cash flows

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flow from operating activities		
Profit after tax	1,652.62	2,171.17
Adjustments :		
Income Tax Expense	1,507.19	928.16
Provision for loss allowance	-	174.05
Depreciation and amortisation expense	3,171.51	1,136.03
Interest income	(11.15)	(12.12)
Finance costs	51.64	228.97
Grant income	(19.12)	(3.51)
Loss on sale/disposal of Property, plant and equipment	51.62	49.28
Liabilities no longer required written back	(147.11)	(49.17)
Operating cash flow before working capital changes	6,217.72	4,622.61
Changes in trade receivables	(150.63)	(30.44)
Changes in inventories	(29.97)	(98.34)
Changes in loans, other financial assets and other assets	(10.80)	(69.55)
Changes in trade payables and other financials liabilities	907.08	599.24
Changes in provision	14.71	47.68
Cash generated from operations	6,948.11	5,071.20
Income taxes (paid)/ Refund Received (Net)	(608.27)	(736.04)
Net cash generated from operating activities (A)	6,339.84	4,335.16
Cash flow from investing activities		
Acquisition of property, plant and equipment	(4,991.14)	(1,561.31)
Loan Given during the year to fellow subsidiary	-	(100.00)
Loan received back from fellow subsidiary	-	100.00
Investment in bank deposits	(813.98)	(24.05)
Proceeds from sale of property, plant and equipment	48.95	8.48
Interest received	(44.73)	12.32
Net cash (used in) investing activities (B)	(5,804.00)	(1,565.16)
Cash flow from financing activities		
Repayment of long-term borrowings	(26.74)	(2,677.44)
Payment of lease liabilities (refer note 14)	(220.04)	(220.04)
Interest and other borrowing costs	(8.51)	(171.16)
Net cash (used in) financing activities (C)	(255.29)	(3,068.64)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	280.55	(298.64)
Cash and cash equivalents at the beginning of the year (refer note 10)*	294.32	592.96
Cash and cash equivalents at the end of the year (refer note 10)	574.87	294.32

Significant accounting policies 3

* 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: Fair Value/other changes	Non Cash Changes: Foreign exchange	As at March 31, 2023
Long-term borrowings (including current maturities)	119.70	-	(26.74)	-	-	92.96
Lease liabilities	573.96	-	(220.04)	43.13	-	397.05
Total liabilities from financing activities	693.66	-	(246.78)	43.13	-	490.01

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

Particulars	As at April 1, 2021	Proceeds	Repayment	Non Cash Changes: Fair Value/other changes	Non Cash Changes: Foreign exchange	As at March 31, 2022
Long-term borrowings (including current maturities)	2,797.14	-	(2,677.44)	-	-	119.70
Lease liabilities	736.19	-	(220.04)	57.81	-	573.96
Total liabilities from financing activities	3,533.33	-	(2,897.48)	57.81	-	693.66

The accompanying notes form an integral part of these financial statements.

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

Monisha Parikh
Partner

Place: Bengaluru
Date: May 19, 2023

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS
BENGALURU

For and on behalf of the Board of Directors of
Meridian Medical Research & Hospital Limited

Viren Prasad Shetty
Director
DIN: 02144586
Place: Bengaluru
Date: May 19, 2023

Dr. Emmanuel Rupert
Director
DIN: 07010883
Place: Bengaluru
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Chief Executive Officer

Place: Kolkata
Date: May 19, 2023

Prosenjit Mondal
Chief Financial Officer
Place: Kolkata
Date: May 19, 2023

Poonam Barsaiyan
Company Secretary
Place: Bengaluru
Date: May 19, 2023

Meridian Medical Research and Hospital Limited
Howrah
711 109.

1. Company overview

Meridian Medical Research & Hospital Limited ('the Company') was incorporated on 08 May 1995 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 disciplines 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 accounting policies are included in Note 3.

2.2. Going concern

The Company has positive net worth as at the balance sheet date. Narayana Hrudayalaya Limited, Holding Company, which continues to support the Company through equity infusion and acting as a corporate guarantor for long-term loans availed by the Company from financial institutions and banks. Whilst the current liabilities of the Company exceed its current assets as of March 31, 2023, the financial statements have been drawn up on a going concern basis in view of the support letter received from the Holding Company confirming their continued financial support to the Company to enable it to continue its operations and settle its obligations as and when they become due over the next twelve-month period.

2.3. 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 Indian Rupees, except share data and per share data, unless otherwise stated.

2.4. Basis of measurement

The financial statements have been prepared on the accrual basis under the historical cost convention except for certain financial assets and liabilities that are measured at fair value at the end of each reporting period 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

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BENGALURU

Meridian Medical Research and Hospital Limited Howrah 711 109.

2.5. Use of estimates and judgements

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

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

Judgements

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

- Note 28 – leases and lease classification.
- Note 35 – financial instruments

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2023 is included in the following notes:

- Note 29 – recognition of tax expense
- Note 33 – measurement of defined benefit obligations: key actuarial assumptions.
- Note 26 – recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources.
- Note 6, 9, 10, 35 – recognition of impairment of financial assets and
- Note 4 – useful life of property, plant and equipment and intangible 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 Note 35 – financial instruments.

3. Significant accounting polices

3.1. Financial instruments

a. Recognition and initial measurement

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

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

b. Classification and subsequent measurement

Financial assets

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

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

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

Financial assets: Business model assessment

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

the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets.
- how the performance of the portfolio is evaluated and reported to the Company's management.

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- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- how managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

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 paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

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

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Financial liabilities: Classification, subsequent measurement and gains and losses

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

c. Derecognition

Financial assets

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

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

Financial liabilities

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

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

d. Offsetting

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

3.2. 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. The comparison of cost and net realisable 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.

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3.3. Cash and cash equivalents

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

3.4. Cash flow statement

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

3.5. Revenue recognition

Revenue from operations

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

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

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 the excess of earnings.

Revenue from nursing school
Revenue from nursing school is recognised when the related services are rendered, and the consideration is received.

Other medical and health care services
Revenue from other medical and health care services are recognized as and when the services are rendered in accordance with the terms of the agreements.

Interest

For all debt instruments measured either at amortised 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 amortised 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 finance income in the statement of profit and loss.

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3.6. Property, Plant and Equipment

Recognition and measurement

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

Depreciation and amortisation

The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are ready for intended use. Leasehold improvements are amortized over the lower of estimated useful life and lease term. Freehold land is not depreciated. 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	13years
Office equipment	5 years
Other equipment including air conditioners	15 years
Furniture and fixtures	10 years
Computers	3 years
Vehicles	5 years

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

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

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

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

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3.7. Intangible assets

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

The estimated useful lives of intangibles are as follows:

Block of assets	Useful life
Computer software	3 years

Amortisation method

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

3.8. Employee benefits

Short term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

The gratuity scheme is managed by third party administrator.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI). The Company determines the net interest expense (income) on the net defined liability (assets) for the period by applying the discount rate used to measure the net defined obligation at the beginning of the annual period to the then-net defined benefit

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liability (asset), taking into account any changes as a result of contribution and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss. The Company recognizes gains and losses in the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

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

Compensated absences

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

3.9. Borrowing cost

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

3.10. Leases

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

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

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

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.

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

3.11. Earnings per share

The basic earnings per share is computed by dividing the net 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 recognised in profit and loss except to the extent that is relates to an item recognised directly in equity or in other comprehensive income.

Deferred tax

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

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

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

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

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

Minimum Alternative tax

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

3.13. Impairment

a. Impairment of financial instruments

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

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

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

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

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

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

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

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

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

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

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

Measurement of expected credit losses

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

Presentation of allowance for expected credit losses in the balance sheet

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

Write-off

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

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b. Impairment of non-financial assets

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

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

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

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

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

3.14. 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. Segment Reporting

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

3.16 Operating Cycle

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

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3.17 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 andErrors
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.

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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 April 1, 2022	Additions/ adjustments	Deletions/ adjustments	As at March 31, 2023	As at April 1, 2022	Depreciation/ Amortisation for the year	Depreciation Amortisation on disposals	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
(A) Tangible assets (owned)										
Freehold land	88.82	-	-	88.82	-	-	-	-	88.82	88.82
Building	6,529.58	101.96	-	6,631.54	2,461.22	257.77	-	2,718.99	3,912.55	4,068.36
Electrical installation	421.78	25.56	-	447.34	323.00	19.38	-	342.38	104.96	98.78
Medical equipment	6,870.52	3,402.95	767.03	9,506.44	3,477.19	565.99	668.15	3,375.99	6,130.45	3,393.33
Office equipments	12.22	-	-	12.22	11.54	0.34	-	11.88	0.34	0.68
Other equipment including air conditioners	1,583.85	129.11	33.64	1,679.32	875.79	108.11	31.91	951.99	727.33	708.06
Furniture and fixtures	475.98	27.19	-	503.17	363.48	37.81	-	397.29	105.88	112.50
Computers	396.10	103.17	-	499.27	330.80	41.46	-	374.26	125.01	65.30
Vehicles	38.27	-	-	38.27	38.27	-	-	38.27	-	-
Total tangible assets (A)	16,417.12	3,789.94	800.67	19,406.39	7,881.29	1,029.86	700.10	8,211.05	11,195.34	8,535.83
(B) Capital work-in-progress	243.65	1,877.76	712.46	1,408.95	-	-	-	-	1,408.95	243.65
(C) Intangible assets										
Computer software	19.26	-	-	19.26	19.26	-	-	19.26	-	-
Total intangible assets (C)	19.26	-	-	19.26	19.26	-	-	19.26	-	-
Grand total (A+B+C)	16,680.03	5,667.70	1,513.13	20,834.60	7,900.55	1,029.86	700.10	8,230.31	12,604.29	8,779.48

(ii) 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	1,176.16	211.78	12.87	8.14	1,408.95
As at March 31, 2022	222.64	12.87	8.14	-	243.65

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

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4 (iii) 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/ adjustments	Deletions/ adjustments	As at March 31, 2022	As at April 1, 2021	Depreciation/ Amortisation for the year	Depreciation/ Amortisation on disposals	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
(A) Tangible assets (owned)										
Freehold land	88.82	-	-	88.82	-	-	-	-	88.82	88.82
Building	6,524.48	5.10	-	6,529.58	2,206.78	254.44	-	2,461.22	4,068.36	4,317.70
Electrical installation	421.89	-	0.11	421.78	300.30	22.78	0.08	323.00	98.78	121.59
Medical equipment	6,520.68	573.88	224.04	6,870.52	3,155.69	496.51	175.01	3,477.19	3,393.33	3,364.99
Office equipment	12.71	-	0.49	12.22	11.53	0.50	0.49	11.54	0.68	1.18
Other equipment including air conditioners	1,536.04	49.15	1.34	1,583.85	775.56	100.87	0.64	875.79	708.06	760.48
Furniture and fixtures	460.29	28.64	12.95	475.98	324.76	43.67	4.95	363.48	112.50	135.53
Computers	338.56	58.43	0.89	396.10	256.40	75.29	0.89	330.80	65.30	82.16
Vehicles	38.27	-	-	38.27	38.27	-	-	38.27	-	-
Total tangible assets (A)	**15,941.74**	**715.20**	**239.82**	**16,417.12**	**7,069.29**	**994.06**	**182.06**	**7,881.29**	**8,535.83**	**8,872.45**
(B) Capital work-in-progress	**25.12**	**259.75**	**41.22**	**243.65**	-	-	-	-	**243.65**	**25.12**
(C) Intangible assets										
Computer software	19.26	-	-	19.26	19.26	-	-	19.26	-	-
Total intangible assets (C)	**19.26**	-	-	**19.26**	**19.26**	-	-	**19.26**	-	-
Grand total (A+B+C)	**15,986.12**	**974.95**	**281.04**	**16,680.03**	**7,088.55**	**994.06**	**182.06**	**7,900.55**	**8,779.48**	**8,897.57**

(iv) 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, 2022	222.64	12.87	8.14	-	243.65
As at March 31, 2021	16.98	8.14	-	-	25.12

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

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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
Equipment	595.98	-	-	595.98	363.64	121.22	-	484.86	111.12	232.34
Land	378.65	-	-	378.65	62.19	20.73	-	82.92	295.73	316.46
Grand total	**974.63**	-	-	**974.63**	**425.83**	**141.95**	-	**567.78**	**406.85**	**548.80**

(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
Equipment	595.98	-	-	595.98	242.43	121.21	-	363.64	232.34	353.55
Land	378.65	-	-	378.65	41.46	20.73	-	62.19	316.46	337.19
Grand total	**974.63**	-	-	**974.63**	**283.89**	**141.94**	-	**425.83**	**548.80**	**690.74**

Refer note 28 for disclosures related to ROU assets and liabilities.

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6 Other financial assets

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Non-current		
To parties other than related parties		
Bank deposits (due to mature after 12 months from the reporting date)	49.34	45.22
Security deposits	52.11	152.07
	101.45	197.29
(b) Current		
To parties other than related parties		
Security deposits	14.82	16.33
Less Provision for Doubtful advances-Security deposit	6.20	-
Security deposits (net)	8.62	16.33
Unbilled revenue	137.33	114.44
	145.95	130.77

7 Other assets

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Non-current		
To parties other than related parties		
Prepaid expenses	41.62	19.83
Capital advances	352.80	225.53
Advance income tax and tax deducted at source, net	638.13	985.16
	1,032.55	1,230.52
(b) Current		
To parties other than related parties		
Prepaid expenses	64.95	94.34
Advance to vendors	10.23	52.57
Other loans and advances	69.35	26.29
	144.53	173.20

8 Inventories

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(Valued at lower of cost and net realisable value)		
Medical consumables, drugs and surgical instruments	363.37	337.73
Less: Provision for write-down to net realisable value	(23.90)	(28.23)
	339.47	309.50

The inventories are subject to first charge to secured bank loans.

9 Trade receivables

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Considered Good - unsecured	2,304.80	2,261.28
Less: Allowance for expected credit losses	(278.26)	(425.37)
Total	2,026.54	1,835.91

Trade receivables ageing schedule

Particulars	Outstanding for the following period from due date of payments						Total
	Not Due	Less than 6 months	6 months 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - Considered Good							
As at March 31, 2023	1,873.05	275.33	54.40	17.39	33.49	57.80	2,304.80
As at March 31, 2022	1,757.80	14.51	79.80	306.55	94.62	8.00	2,261.28

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

Category	Ageing		
	Within due date	Due date to 1 year	More than 1 year
As at March 31, 2023			
ESI/CGHS/SCHEMES	1.53%	35.09%	63.38%
Others	2.84%	21.34%	40.24%
As at March 31, 2022			
ESI/CGHS/SCHEMES	1.24%	34.31%	76.63%
Others	2.94%	34.89%	74.58%

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

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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	15.00	25.55
Balance with banks		
-On current accounts	559.87	268.77
	574.87	294.32
(b) Bank balances other than above		
-On deposit accounts (due to mature within 12 months of the reporting date)*	863.51	52.43
	863.51	52.43

* The FY 23 deposits includes restrictive amount of ₹ 63.51 lakhs as they pertain to bank guarantee and for FY 22 amounting to ₹ 52.43 lakhs.

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

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	15.00	25.55
Balances with banks		
-On current accounts	559.87	268.77
	574.87	294.32

11 Equity share capital

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised		
35,000,000 equity shares (March 31, 2022: 35,000,000 equity shares) of ₹ 10 each, with voting rights.	3,500.00	3,500.00
Issued, subscribed and paid up		
2,92,78,820 equity shares (March 31, 2022: 2,92,78,820) of ₹ 10 each, fully paid up with voting rights.	2,927.88	2,927.88
	2,927.88	2,927.88

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
At the beginning of the year	2,92,78,820	2,927.88	2,92,78,820	2,927.88
Issued during the year	-	-	-	-
At the end of the year	2,92,78,820	2,928	2,92,78,820	2,927.88

ii) Rights, preference and restrictions attached to equity shares:

The Company has a single class of equity shares referred to as equity shares having a par 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	2,90,24,467	2,902.45	2,90,24,467	2,902.45

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	% holding
- Narayana Hrudayalaya Limited	2,90,24,467	99.13%	2,90,24,467	99.13%

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

(v) Shareholding of promoters:

Promoter Name	As at March 31, 2023		
	Number of shares	% of total shares	% Change during the year
Narayana Hrudayalaya Limited	2,90,24,467	99.1310%	0.00%
Dr. Devi Prasad Shetty *	100	0.0003%	0.00%
Shakuntala Shetty *	100	0.0003%	0.00%
Viren Prasad Shetty *	100	0.0003%	0.00%
Dr. Varun Shetty *	100	0.0003%	0.00%
Dr. Emmanuel Rupert *	100	0.0003%	0.00%

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

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12 Other equity

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Reserves and surplus		
Securities premium		
At the commencement of the year	3,666.25	3,666.25
Add: Movement during the year	-	-
At the end of the year	3,666.25	3,666.25
Deemed Capital Contribution		
At the commencement of the year	14.22	14.22
Add: Additions during the year	-	-
At the end of the year	14.22	14.22
Retained earnings		
At the commencement of the year	2,070.94	(100.43)
Add: Net profit after tax transferred from statement of profit and loss	3,652.82	2,171.37
At the end of the year	5,723.76	2,070.94
Other Comprehensive Income		
At the commencement of the year	(103.42)	(76.92)
Add: Addition during the year	(32.92)	(26.50)
At the end of the year	(136.34)	(103.42)
	9,267.89	5,647.99

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 comprises of amounts that can be distributed by the company as dividend to its equity shareholders.

Other Comprehensive Income
Other Comprehensive Income represents actuarial gain or loss on re-measurement of defined benefit obligation.

Deemed Capital Contribution
Deemed capital contribution by Holding Company on account of employee stock options issued to employees.

13 Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Non-current		
(i) Secured		
Term loans		
From banks (refer note I)	92.96	119.70
Less: Current maturity of long term debt (refer note 13(b))	(24.79)	(32.94)
Total non-current borrowings	68.17	86.76
(b) Current		
(i) Secured		
Term loans		
Current maturity of long term debt	24.79	32.94
Total current borrowings	24.79	32.94

I **Term loans from banks :**

Details of repayment terms, interest and maturity	Nature of Security
Term loan from Axis Bank Ltd of ₹ 92.96 lakhs (previous year : ₹ 119.70 lakhs). Payable in 20 quarterly instalments starting from 16 May 2022. Interest is charged at 7.00% p.a. (previous year 7.00% p.a.)	Exclusive security on Robotic equipment purchased out of Term loan / capex LC. Additional movable fixed assets of the borrower such that total security cover is 1.25x.

Note: Statements of current assets including stock statement filed by the Company with its bankers are in agreement with books of accounts.

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14 **Lease liabilities**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Non-current		
Lease liability Opening	573.96	726.19
Additions during the period	-	-
Finance cost accrued during the period	43.13	57.81
Lease payment	(220.04)	(210.04)
Lease liability Closing	397.05	573.96
Less: Current lease liability	(176.91)	(176.91)
	220.14	397.05
(b) Current		
Current lease liability	176.91	176.91
	176.91	176.91

15 **Provisions (refer note 33)**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Non-current		
Provision for employee benefits		
Gratuity	107.23	85.80
	107.23	85.80
(b) Current		
Provision for employee benefits		
Compensated absences	149.79	173.60
	149.79	173.60

16 **Trade payables**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (refer note 34)	163.62	200.90
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,335.30	2,881.84
	3,498.92	3,082.74

Trade payables ageing schedule

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payments					Total
	Not Due *	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2023						
a) Undisputed - MSME	121.48	23.37	18.65	0.13	-	163.63
b) Undisputed - Others	2,516.74	637.20	105.77	44.06	31.53	3,335.30
c) Disputed dues - MSME	-	-	-	-	-	-
d) Disputed dues - Others	-	-	-	-	-	-
Total	2,638.22	660.57	124.42	44.19	31.53	3,498.93
As at March 31, 2022						
a) Undisputed - MSME	140.82	64.17	5.12	0.47	-	210.58
b) Undisputed - Others	1,502.46	1,312.44	46.26	14.23	5.64	2,881.03
c) Disputed dues - MSME	-	-	-	-	-	-
d) Disputed dues - Others	-	-	-	-	-	-
Total	1,643.28	1,376.61	51.38	14.70	5.64	3,091.61

* Not Due includes provision for expenses

17 **Other financial liabilities**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
To parties other than related parties		
Creditors for capital goods	153.54	68.17
Others	13.77	14.62
	167.31	82.79

18 **Other liabilities**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
To parties other than related parties		
Deferred government grant for EPCG License *	477.84	-
Deferred grant -others **	3.12	5.33
	480.96	5.33
Current		
To parties other than related parties		
Unearned revenue	108.26	67.55
Contract liabilities	343.04	582.67
Deferred government grant for EPCG License **	41.25	-
Balances due to statutory/ government authorities	138.10	121.01
Interest Accrued but not Due on Long Term Borrowing	-	0.82
	630.65	772.08

* During the financial year 2022-23, the company had availed EPCG benefits amounting to ₹ 536.20 lakhs on Import of various Medical equipments. The Company has recognized this grant as deferred income at fair value which is being amortized over the useful life of the fixed assets in proportion in which related depreciation is recognized.

**During the financial year 2021-22, the company had received capital grants from various corporates amounting to ₹ 8.85 lakhs for purchase of Medical equipments as agreed. The Company has recognized this grant as deferred income at fair value which is being amortized over the useful life of the fixed assets in proportion in which related depreciation is recognized.

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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	25,851.85	22,937.60
Sale of medical consumables and drugs	635.67	483.24
Other operating revenue:		
Revenue from Nursing School	-	36.39
	26,487.52	**23,457.23**

Refer notes below

(i) **Category of Customer**

Cash*	13,114.90	11,614.91
Credit	13,372.62	11,842.32
Total	**26,487.52**	**23,457.23**

* Includes receipts through digital/electronic mode

(ii) **Nature of treatment**

In-patient	20,951.03	18,706.10
Out-patient	4,900.82	4,231.50
Sale of medical consumables and drugs	635.67	483.24
Others	-	36.39
	26,487.52	**23,457.23**

(iii) The revenue from rendering Healthcare services and Pharmaceutical products satisfies 'at a point in time' recognition criteria as prescribed by Ind AS 115

(iv) **Transaction price allocated to the remaining performance obligations** (₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contractual Liabilities		
Contractual Liabilities	342.04	582.67

(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	11.13	4.01
- Income tax Refund	55.86	8.31
Grant income	19.32	3.51
Foreign exchange gain, (net)	3.42	-
Liabilities no longer required written back	147.11	49.37
Miscellaneous income	66.76	44.02
	303.60	**109.22**

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21 Changes in inventories of medical consumables, drugs and surgical instruments (₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventory at the beginning of the year	309.50	211.16
Inventory at the end of the year	339.47	309.50
	(29.97)	(98.34)

22 Employee benefits expenses (₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	3,202.84	2,772.60
Contribution to provident and other funds (refer note 33)	261.36	235.71
Staff welfare expenses	33.27	24.67
	3,497.47	3,032.98

23 Other expenses (₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Hospital operating expenses		
Power and fuel	533.09	502.36
Hospital general expenses	274.74	188.12
House keeping expenses	593.08	553.15
Patient welfare expenses	286.47	255.82
Rent	187.07	169.23
Medical gas charges	89.71	97.68
Biomedical wastage expenses	15.13	18.38
Repairs and maintenance		
- Hospital equipments	522.33	659.48
- Buildings	204.71	139.31
- Others	322.07	296.53
	3,028.40	2,880.06
Administrative expenses		
Traveling and conveyance	32.21	41.31
Security charges	146.65	140.96
Printing and stationery	68.00	51.08
Rent	66.40	80.07
Advertisement and publicity	571.64	382.58
Legal and professional fees (refer note (i) below)	41.21	34.65
Business promotion	61.17	50.93
Telephone and communication	42.19	43.99
Bank charges	66.63	42.24
Insurance	52.22	87.38
Corporate social responsibility (refer note (ii) below)	40.33	22.79
Rates and taxes	43.87	33.32
Books and periodicals	12.87	16.56
Provision for loss allowances	-	174.03
Provision for Doubtful Deposits	6.20	-
Loss on sale/disposal of Property, plant and equipment	51.62	49.28
Foreign exchange loss, (net)	-	0.26
Miscellaneous expenses	4.55	4.01
	1,307.76	1,255.44
	4,336.16	4,135.50

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(i) **Payment to auditors***

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
As an auditor		
Audit fee	9.00	9.00
In other capacity :		
Other services (certification fees)	0.50	0.50
Reimbursement of expenses	0.15	0.14

*excluding goods and service tax

(ii) **Corporate social responsibility**

Consequent to the requirements of Section 135 of the Companies Act 2013, the Company has made contributions as stated below. The same is in line with activities specified in Schedule VII of the Companies Act. 2013.

The Company's CSR activities primarily focuses on programs that aims to make a positive difference in the lives of the people by engaging in activities that eliminates or alleviates pain and suffering to the under privileged sections of the society by Promoting healthcare facilities for the upliftment of people at large and creating a positive impact by addressing issues of accessibility and affordability.Promoting educational facilities to help and assist in unfolding the creative potentials and talents of the children and amateurs.

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Amount required to be spent by the Company during the year	38.28	22.79
b) Amount of expenditure incurred on purpose other than construction/ acquisition of any asset	40.33	22.79
c) Excess spend of prior years set off during the year	-	-
d) Shortfall/(Excess) at the end of the year [(d)=(a)-(b)-(c)]	(2.05)	-
e) Total of previous years shortfall	-	-
f) Reason for shortfall	NA	NA
g) Nature of CSR Activities	Promoting healthcare facilities for the upliftment of people at large, Promoting educational facilities to deserved children and amateurs	
h) Details of related party transactions	NA	NA
i) Where a provision is made with respect to a liability incurred by entering	NA	NA

24 Finance costs

(₹ in Lakhs)

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	7.95	170.77
- bank overdraft	0.56	0.39
Interest expense on lease liabilities	43.13	57.81
	51.64	**228.97**

25 Depreciation and amortisation expense

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment (refer note 4)	1,029.86	994.06
Depreciation of Right of Use Assets (refer Note 5)	141.95	141.94
	1,171.81	**1,136.00**

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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 ₹2862.34 lakhs as on March 31, 2023 (previous year ₹ 3016.02 lakhs).

27 Segment information

Operating Segments

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

Geographical information

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

One Customers - Swasthyasathi (16.85%) accounted for more than 10% of the revenue for the year ended March 31, 2023 and One Customer - Swasthyasathi (21.55%) accounted for more than 10% of the revenue as of March 31, 2022.

28 Leases

The Company has taken various medical equipment, hospital premises, office and residential premises under operating leases. The leases typically run for a term ranging from one to thirty three years, with an option to renew the lease after the term completion. The escalation clause in these arrangement ranges from 0% to 5%.

The table below provides details regarding the contractual maturities of rental payments (₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Less than 1 year	204.04	220.04
1 - 2 years	28.03	204.04
2-5 years	84.09	84.09
More than 5 years	266.29	294.32

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

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current lease liabilities	176.91	176.91
Non-current lease liabilities	220.14	397.05
	397.05	573.96

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

(₹ in Lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Lease liability Opening	573.96	736.19
Additions during the period	-	-
Finance cost accrued during the period	43.13	57.81
Lease payment	(220.04)	(220.04)
	397.05	573.96

Rental expense recorded for short-term leases was ₹253.47 lakhs for the year ended March 31, 2023 (₹249.30 lakhs for the year ended March 31, 2022).

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29 Income tax

(a) Amount recognised in statement of profit and loss

(₹ in Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Current income tax	1,485.64	613.05
Deferred tax liability / (asset)		
Origination and reversal of temporary differences	21.75	315.11
Deferred tax charge/ (credit)	**21.75**	**315.11**
Tax expense for the year	**1,507.39**	**928.16**

(b) Amount recognised in other comprehensive income

(₹ in Lakhs)

	For the year ended March 31, 2023			For the year ended March 31, 2022		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Re-measurement on defined benefit plans	(46.44)	13.52	(32.92)	(36.72)	10.22	(26.50)
	(46.44)	**13.52**	**(32.92)**	**(36.72)**	**10.22**	**(26.50)**

(c) Reconciliation of effective tax rate

(₹ in Lakhs)

	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit before tax	**5,160.21**	**3,099.53**
Tax using the Company's domestic tax rate (Current year 29.12% and Previous Year 29.12%)	1,502.65	992.58
Tax effect of:		
Changes in tax rates	-	12.05
Expenses not deductible for tax purpose	6.12	19.56
Others	(1.38)	(6.43)
	1,507.39	**928.16**

Deferred tax assets and liabilities are attributable to the following:

(₹ in Lakhs)

	Balance as at April 1, 2022	Other Adjustment/MAT Credit utilisation	Recognised in Profit or loss during 2022-23 (charge)/credit	Recognised in OCI during 2022-23	Balance as at March 31, 2023
Deferred tax asset					
Provision for doubtful receivables	123.87	-	(41.03)	-	82.84
Provision for gratuity	35.20	10.22	(3.98)	13.52	54.96
Provision for compensated absences	35.90	-	7.63	-	41.62
Provision for slow moving and non moving inventory	8.22	-	(1.26)	-	6.96
Others	86.53	-	(5.23)	-	81.30
Total deferred tax asset	289.72	10.22	(43.84)	13.52	269.68
Deferred tax liability					
Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act.	(901.26)	-	11.87	-	(889.39)
Total deferred tax liability	**(901.26)**	**-**	**11.87**	**-**	**(889.39)**
Minimum alternative tax asset	488.00	(488.00)	-	-	-
Deferred tax asset/(Liability) (net)	**(123.48)**	**(477.78)**	**(31.97)**	**13.52**	**(619.71)**

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30 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)	Rakesh Verma - Chief Executive Officer Prosenjit Mondal - Chief Financial Officer (w.e.f. March 25, 2022) Shweta Roy - Company Secretary (till June 14, 2022) Poonam Barsaiyan- Company Secretary (w.e.f. 8th August 2022)
Key Management Personnel (KMP) of the Holding Company	Dr. Devi Prasad Shetty- Chairman Dr. Emmanuel Rupert - Managing Director Viren Prasad Shetty - Whole time Director Sandhya Jayaraman - Chief Financial Officer Sridhar S- Company Secretary
Fellow subsidiaries	Narayana Institute for Advanced Research Private Limited (NIARPL) (Company is under liquidation) Narayana Hrudayalaya Surgical Hospital Private Limited (NHSHPL) Narayana Hospitals Private Limited (NHPL) Narayana Health Insurance Private Limited (NHIPL) (Company is under striking off) Narayana Vaishno Devi Specialty Hospitals Private Limited (NVDSHPL) Narayana Holdings Private Limited (NHPL, Mauritius) Health City Cayman Islands (HCCI) Narayana Health North America LLC (NHNA) Athma Healthtech Private Limited (AHPL) w.e.f. 2nd June 2022 NH Integrated Care Private Limited (NHIC) w.e.f. 10th January 2023 Cayman Integrated Healthcare Ltd (CIHL) September 28, 2022 ENT in Cayman Ltd (ECL) w.e.f. March 3, 2023 NH Health Bangladesh Private Limited (NHBPL)
Associate of Holding Company	Trimedx India Private Limited
Entity under control/ joint control of KMP of Holding company and their relatives	Amaryllis Healthcare Private Limited Hrudayalaya Pharmacy Charmakki Infrastructures Thrombosis Research Institute (TRI) Narayana Hrudayalaya Foundation (NHF) Mazumdar Shaw Medical Foundation (MSMF) Narayana Health Academy Private Limited (NHAPL) Asia Heart Foundation (AHF)

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

(₹ in Lakhs)

Transactions	Enterprise having control over the Company	Fellow subsidiaries	Entity under control/ joint control of KMP of Holding company and their relatives	Key Management Personnel (KMP)	Total
Purchase of medical consumables, drugs and surgical instruments & Services					
Narayana Hrudayalaya Limited	220.62 (351.95)	- (-)	- (-)	- (-)	220.62 (351.95)
Amaryllis Healthcare Private Limited	- (-)	- (-)	106.15 (111.01)	- (-)	106.15 (111.01)
Total	220.62 (351.95)	- (-)	106.15 (111.01)	- (-)	326.77 (462.96)
Sale of medical consumables, drugs and surgical instruments & Services					
Narayana Hrudayalaya Limited (NHL)	64.03 (35.25)	- (-)	- (-)	- (-)	64.03 (35.25)
Narayana Hrudayalaya Surgical Hospital Private Limited (NHSHPL)	- (-)	0.10 -	- (-)	- (-)	0.10 -
Total	64.03 (35.25)	0.10 (-)	- (-)	- (-)	64.13 (35.25)
Reimbursement of Expenses					
Narayana Hrudayalaya Limited (NHL)	18.90 (5.52)	- (-)	- (-)	- (-)	18.90 (5.52)
Narayana Hrudayalaya Surgical Hospital Private Limited (NHSHPL)	- (-)	0.01 (-)	- (-)	- (-)	- (-)
Purchase of assets					
Narayana Hrudayalaya Limited (NHL)	7.53 (4.75)	- (-)	- (-)	- (-)	7.53 (4.75)
Sale of assets					
Narayana Hrudayalaya Limited (NHL)	39.38 (-)	- (-)	- (-)	- (-)	39.38 (-)
Rent					
Narayana Hrudayalaya Foundation (NHF)	- (-)	- (-)	142.61 (142.61)	- (-)	142.61 (142.61)
Loan given					
Narayana Hrudayalaya Surgical Hospital Private Limited (NHSHPL)	- (-)	- (300.00)	- (-)	- (-)	- (300.00)
Loan received back					
Narayana Hrudayalaya Surgical Hospital Private Limited (NHSHPL)	- (-)	- (300.00)	- (-)	- (-)	- (300.00)
Interest income					
Narayana Hrudayalaya Surgical Hospital Private Limited (NHSHPL)	- (-)	- (8.29)	- (-)	- (-)	- (8.29)
[illegible] Narayana Hrudayalaya Limited	- (15.06)	- (-)	- -	- (-)	- (15.06)

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Discount entitlement					
Narayana Hrudayalaya Foundation (NHF)	- (-)	- (-)	60.00 (60.00)	- (-)	60.00 (60.00)
Short-term employee benefits*					
Rakesh Verma	- (-)	- (-)	- (-)	50.57 (43.41)	50.57 (43.41)
Arati Pandya (till December 11, 2021)	- (-)	- (-)	- (-)	- (12.94)	- (12.94)
Poonam Banerjee	- (-)	- (-)	- (-)	5.82 (-)	5.82 (-)
Shweta Dey	- (-)	- (-)	- (-)	3.43 (4.31)	3.43 (4.31)
Prosenjit Mandal	- (-)	- (-)	- (-)	44.71 (1.97)	44.71 (1.97)
Krishnan V Murthy (till November 17, 2021)	- (-)	- (-)	- (-)	- (7.39)	- (7.39)
Total	- (-)	- (-)	- (-)	104.52 (70.08)	104.52 (70.08)

* 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.

Figures in brackets are for the previous year

e) The balances receivable from and payable to related parties

(₹ in Lakhs)

Balances	Enterprise having control over the Company	Fellow subsidiaries	Entity under control/ joint control of KMP of Holding company and their	Key Management Personnel (KMP)	Total
Trade payables					
[illegible] Healthcare Private Limited	- (-)	- (-)	5.11 (4.68)	- (-)	5.11 (4.68)
Narayana Hrudayalaya Limited (NHL)	- (4.19)	- (-)	- (-)	- (-)	- (4.19)
Total	- (4.19)	- (-)	5.11 (4.68)	- (-)	5.10 (8.87)
Trade receivables					
Narayana Hrudayalaya Limited (NHL)	13.56 (-)	- (-)	- (-)	- (-)	13.56 -
Narayana Hrudayalaya Surgical Hospital Private Limited (NHSHPL)	- (-)	0.10 -	- (-)	- (-)	0.10 -
Total	13.56 (-)	0.10 (-)	- (-)	- (-)	13.66 (-)
Corporate guarantee taken					
Narayana Hrudayalaya Limited	- (8,207)	- (-)	- (-)	- (-)	- (8,207)

Notes:
(a) No amounts 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 parties on an arm's length basis.
(d) Figures in brackets are for the previous year.

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31 Earnings per share

Basic and diluted earning per share

(₹ in lakhs) except for share data

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit after tax	3,652.82	2,171.37

Weighted average number of equity shares (basic & diluted)

Shares	As at March 31, 2023	As at March 31, 2022
Total no. of shares outstanding	2,92,78,820	2,92,78,820
Effect of shares issued during the year	-	-
Weighted average number of equity shares for the year	**2,92,78,820**	**2,92,78,820**
Basic and diluted Earning per share (₹)	12.48	7.42

32 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 is as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total equity attributable to the equity shareholders of the Company	12,195.77	8,575.87
As a percentage of total capital	99%	99%
Long-term borrowings including current maturities	92.96	119.70
Total borrowings	92.96	119.70
As a percentage of total capital	1%	1%
Total capital (Equity and Borrowings)	**12,288.73**	**8,695.57**

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33 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 ending March 31, 2023 aggregated to ₹ 226.01 lakhs (previous year ending March 31, 2022 : ₹ 206.38 lakhs)

Defined benefit plan

The Company operates a post-employment defined benefit plan that provides 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 managed by Life Insurance Corporation of India. 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 other comprehensive income forming part of the statement profit and loss.

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

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Defined benefit liability	365.84	309.69
Plan assets	258.60	223.90
Net defined benefit liability	107.23	85.79
Liability for Compensated absences	149.79	123.60
Total employee benefit liability	257.02	209.40
Non-current	107.23	85.80
Current	149.79	123.60

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

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

i) Reconciliation of present values of defined benefit obligations (₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation at the beginning of the year	309.69	256.74
Current service cost	33.97	28.36
Interest cost	13.49	9.15
Benefit payments from plan assets	(39.77)	(22.65)
Benefit payments directly by employer	-	-
Actuarial (gains) losses recognised in other comprehensive income		
-changes in demographic assumptions	15.03	2.44
-changes in financial assumptions	(21.09)	(6.34)
-experience adjustements	54.52	41.99
Defined benefit obligations at the end of the year	365.84	309.69

ii) Reconciliation of fair value of plan assets (₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Plan assets at beginning of the year	223.89	230.82
Benefit refund to be received by the company	(29.97)	(4.44)
Contributions paid into the plan	90.32	4.17
Expected return on plan assets	12.11	10.18
Benefits paid	(39.77)	(18.20)
Actuarial gain on plan assets	2.02	1.37
Plan assets at the end of the year	258.60	223.90
Net defined benefit liability	107.23	85.79

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	33.97	28.36
Interest cost	13.49	9.15
Interest income	(12.11)	(10.18)
	35.35	27.33

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 loss on defined benefit obligation	48.45	38.09
Acturial gain on plan assets	(2.02)	(1.37)
	46.44	36.72

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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	258.60	223.90
	258.60	223.90

The nature of assets allocation of plan assets is in government bond of high credit rating.

Defined Benefit obligations

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
Withdrawal rate	Up to Level 6 = 25%, Level 7 and above - 44%	Up to Level 6 = 38%, Level 7 and above= 46%
Discount rate	7.30%	5.41%
Expected rate of return on plan assets	6.70%	6.70%
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Future salary increases	First year 7.90% Thereafter 6%	First year 7.90% Thereafter 6%

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

The expected contributions to the fund during the year ending 31 March 2024, will be approximately 248.65 lakhs

Maturity profile of defined benefit obligation

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
1st following year	10.62	120.61
2nd following year	81.18	78.52
3rd following year	65.09	52.37
4th following year	45.88	36.17
5th following year	38.59	21.39
Year 6 to 10	95.09	55.15
More than 10 years	34.13	4.00

ii) Sensitivity analysis

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

Particulars	March 31, 2023		March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(5.16)	5.32	(2.74)	2.77
Future salary increases (0.5% movement)	6.08	(5.97)	2.72	(2.72)
Attrition rate (0.5% movement)	(0.28)	0.27	(0.30)	0.34
Mortality rate (10% movement)	0.01	(0.02)	(0.01)	(0.01)

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

34 Due to Micro, Small and Medium Enterprises

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

(₹ in Lakhs)

Particulars	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	162.10	202.88
-Interest	1.52	2.70
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	1.52	2.70
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	-	-

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35 Financial instruments- Fair value and risk management

A. Accounting classification and fair values

(₹ in Lakhs)

As at March 31, 2023	FVTPL	Amortised cost	Total
Financial assets			
Trade receivables	-	2,026.54	2,026.54
Cash and cash equivalents	-	574.87	574.87
Bank balances other than above	-	863.51	863.51
Other financial assets	-	347.40	347.40
	-	**3,812.32**	**3,812.32**
Financial liabilities			
Borrowings	-	92.96	92.96
Lease liabilities	-	397.05	397.05
Trade payables	-	3,498.92	3,498.92
Other financial liabilities	-	167.31	167.31
	-	**4,156.24**	**4,156.24**

As at March 31, 2022	FVTPL	Amortised cost	Total
Financial assets			
Trade receivables	-	1,835.91	1,835.91
Cash and cash equivalents	-	294.32	294.32
Bank balances other than above	-	52.43	52.43
Other financial assets	-	330.06	330.06
	-	**2,512.72**	**2,512.72**
Financial liabilities			
Borrowings	-	119.70	119.70
Lease liabilities		573.96	573.96
Trade payables	-	3,091.61	3,091.61
Other financial liabilities	-	82.79	82.79
	-	**3,868.06**	**3,868.06**

Measurements of fair values

The carrying value of all financial assets approximates the fair value, fair value of mutual funds are based on quoted price.

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 impairment 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 net of provision for doubtful receivables amounting to ₹ 2026.54 Lakhs (31 March 2022: ₹ 1,835.91 lakhs). The movement in allowance for impairment 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	425.37	251.34
Impairment loss (reversed) / recognised	(147.11)	174.03
Closing balance	**278.26**	**425.37**

One Customers - Swasthyasathi 16.85% accounted for more than 10% of the revenue for the year ended March 31, 2023 and One Customers - Swasthyasathi 21.55% accounted for more than 10% of the revenue as of March 31, 2022.

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

(iii) Liquidity risk

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

The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. In addition, the Company maintains line of credits as stated in Note 14.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2023:

(₹ in Lakhs)

Particulars	Less than 1 year	1 - 2 years	2-5 years	more than 5 years	Total
Borrowings	24.79	24.79	43.38	-	92.96
Lease liabilities	176.92	9.07	32.35	178.72	397.06
Trade payables	3,498.92	-	-	-	3,498.92
Other financial liabilities	167.31	-	-	-	167.31
Total	**3,867.94**	**33.86**	**75.73**	**178.72**	**4,156.25**

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

(₹ in Lakhs)

Particulars	Less than 1 year	1 - 2 years	2-5 years	more than 5 years	Total
Borrowings	32.94	32.94	53.82	-	119.70
Lease Liabilities	176.92	176.92	29.70	190.43	573.96
Trade payables	3,091.61	-	-	-	3,091.61
Other financial liabilities	82.79	-	-	-	82.79
Total	**3,384.25**	**209.86**	**83.52**	**190.43**	**3,868.06**

(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

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CHARTERED ACCOUNTANTS
BENGALURU

Meridian Medical Research and Hospital Limited
Howrah
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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 the 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	92.96	119.70
Total borrowings	**92.96**	**119.70**

(b) Sensitivity

(₹ in Lakhs)

Particulars	Impact on profit or loss		Impact on other components of equity	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Sensitivity				
1% increase in base rate	(0.93)	(1.20)	(0.93)	(1.20)
1% decrease in base rate	0.93	1.20	0.93	1.20

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

36 Financial Ratios

Ratio	Methodology	For the year ended March 31, 2023	For the year ended March 31, 2022	Variance
a) Current Ratio [1]	Current assets over current liabilities	0.89	0.65	34.53%
b) Debt Equity Ratio [2]	Debt over total shareholders' equity	0.01	0.01	-45.39%
c) Debt Service Coverage Ratio [2]	Earning available for debt service over debt service	34.09	10.28	231.47%
d) Return on Equity Ratio % [3]	PAT over total average equity	35.12%	18.41%	90.95%
e) Trade Receivable Turnover Ratio	Credit Revenue from operations over average trade receivables	6.92	6.44	7.45%
f) Trade payables turnover ratio	Total purchases over average trade payables	1.90	2.24	-15.33%
g) Net capital turnover ratio [4]	Revenue from operations over working capital	-47.98	15.81	202.89%
h) Net profit ratio [4]	Net profit over revenue from operations	13.74%	9.26%	48.38%
i) Return on capital employed	PBIT over capital employed	40.35%	37.74%	6.98%
j) Inventory turnover ratio	Cost of goods sold over average inventory	19.55	24.23	-19.31%

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 lease liabilities
Capital employed refers to total shareholders' equity and debt.

Explanation for variances exceeding 25%:

[1] Improvement in Current ratio is due to increase in cash balance due to good collection and increase in business.
[2] Improvement in Debt equity ratio and Debt service coverage ratio is due to repayment of term loans
[3] Improvement in Return on equity is due to improved operational profits
[4] Net capital turnover ratio, Net profit ratio percentage has improved due to operational efficiencies

37 Other Statutory Information

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

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

(iii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies) including foreign entities (Intermediaries) with the understanding that intermediary shall
(a) Directly 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
(b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

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

(v) 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.

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

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS
BENGALURU

For and on behalf of the Board of Directors of
Meridian Medical Research & Hospital Limited

Viren Prasad Shetty Director DIN: 02144586 Place: Bengaluru Date: May 19, 2023	**Dr. Emmanuel Rupert** Director DIN: 07010883 Place: Bengaluru Date: May 19, 2023	**Rakesh Verma** Chief Executive Officer Place: Kolkata Date: May 19, 2023
Prosenjit Mondal Chief Financial Officer Place: Kolkata Date: May 19, 2023	**Poonam Barsaiyan** Company Secretary Place: Bengaluru Date: May 19, 2023	

Meridian Medical Research and Hospital Limited
Howrah
711 109.

Narayana Health

29TH ANNUAL REPORT
MERIDIAN MEDICAL RESEARCH & HOSPITAL LTD.

FY 2023-24

MERIDIAN MEDICAL RESEARCH & HOSPITAL LTD.

CIN: U85110WB1995PLC071440

Registered Office: Westbank Hospital, Andul Road, Howrah-711109

Email: info.nshhowrah@narayanahealth.org, Tel: 080-71222636

BOARD'S REPORT

To the Members,

The Directors of your Company are pleased to present the Twenty Ninth (29th) Annual Report of your Company together with the audited financial statement of your Company for the financial year ended, 31st March 2024.

1. FINANCIAL SUMMARY/ HIGHLIGHTS OR RESULT OF OPERATIONS:

The summarized financial results of the Company for the year ended 31st March 2024 are as under:

(Amt. in Rs. Lakhs)

Particulars	2023-24	2022-23
Revenue from Operations	29,046.83	2 6,487.52
Other Income	439.20	156.49
Total Income	**29,486.03**	**26,664.01**
Expenses before finance costs, depreciation and amortization	22,027.40	20,260.35
Earnings before Finance cost, depreciation and amortization and tax	7,458.61	6,383.66
Finance Cost	50.61	51.64
Depreciation & Amortization expense	1,369.52	1,171.81
Profit / (Loss) Before tax	**6,038.48**	**5,160.21**
Tax expense	1,876.20	1,507.39
Profit/Loss for the year After Tax	**4,162.28**	**3,652.82**
Total comprehensive income for the year	4,136.54	3,619.90
Earnings per Share (EPS) (Rs.)	14.22	12.48

***Face Value Rs. 10 per share.**

2. PERFORMANCE OVERVIEW:

- During the year under review, the total income of the Company increased from Rs. 26,664.01 lakhs in FY 2022-23 to Rs. 29,486.03 Lakhs in FY 2023-24.
- Earnings before Finance cost, depreciation and amortization and tax increased from Rs. 6,383.66 lakhs in FY 2022-23 to Rs. 7,458.61 Lakhs in FY 2023-24.
- Profit for the year increased from Rs. 3,652.82 lakhs in FY 2022-23 to Rs. 4,162.28 Lakhs in FY 2023-24

3. STATE OF AFFAIRS OF THE COMPANY:

Your company continued its focus on Quality Parameters, Patient care and Welfare services resulting in significant improvement in patient satisfaction levels.

The Management has used the principles of prudence in developing estimates, assumptions, exercising judgements and performing sensitivity analysis. Your Company continues to place greater emphasis on managing its affairs with diligence, transparency, responsibility and accountability. Your Company continues to strive hard to serve the interest of the stakeholders and society at large, resulting in creation of value and wealth for all stakeholders at all times.

4. TRANSFER TO RESERVES:

For the financial year ended 31st March 2024, the Company has transferred Rs. 4,162.28 Lakhs to Reserves.

5. DIVIDEND:

The Board of directors did not recommended any dividend for the financial year under review with a view to retain the earnings for meeting the operational and capex requirements of the Company.

6. AUDITORS:

a. STATUTORY AUDITORS

M/s. Deloitte Haskins and Sells LLP (Firm Registration Number 117366W/W-100018), Chartered Accountants, Bengaluru are the statutory auditors of the company who were re-appointed for the second term of 5 years at the 27th Annual General Meeting of the Company held on 29th August, 2022.

Auditors' Report for Financial Year 2023-24

The Auditors' have issued an unmodified Report for the year ended 31st March 2024 and does not contain any qualification, reservation or adverse remark and therefore, do not call for any explanation/comment. No fraud was reported by the Auditors.

b. COST AUDITORS:

The Cost Audit, as required under Section 148 of the Act for the year ended on 31st March, 2023 was conducted by M/s. PSV & Associates, Cost and Management Accountants, and submitted their report. They have been also appointed to carry on the Cost Audit for the year ended on 31st March, 2024, which would be conducted within the stipulated time.

In accordance with Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013, the Board has approved the reappointment of M/s. PSV & Associates, Cost Accountants having Firm Registration Number 000304, as the Cost Auditors of the Company to audit the cost records for the financial year 2024-25, at a remuneration of Rs. 1,00,000 (Rupees One Lakhs Only) per annum excluding all applicable taxes and out-of-pocket expenses to be incurred, if any, in connection with the cost audit.

The Board of Directors of the Company proposes the ratification of remuneration of M/s. PSV & Associates, Cost Accountants as the Cost Auditor of the Company, for financial year 2024-25 at the ensuing Annual General Meeting.

c. SECRETARIAL AUDITORS:

Pursuant to Section 204 of the Companies Act, 2013 read with Rule 9(1)(b) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company has appointed M/s. P. Sarawgi & Associates, Practicing Company Secretaries, as the Secretarial Auditors of the Company for the year 2023-24. The Secretarial Auditors have submitted their Report in prescribed Form MR-3, which is annexed to this Report as **Annexure – A**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark and therefore, do not call for any explanation/comment.

7. DISCLOSURE AS TO MAINTENANCE OF COST AUDIT RECORDS:

The Company is required to maintain the cost records as specified by the Central Government under sub-section (1) of section 148 of the Act and the rules made thereunder and accordingly such accounts and records are made and maintained.

8. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THIS REPORT:

There was no material changes and commitments, affecting the financial position of the Company which had occurred between the end of the financial year of the Company to which the financial statements relate and date of the report.

9. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

During the year under review, there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

10. HOLDING COMPANY:

Narayana Hrudayalaya Limited continued be the Holding Company of the Company as on date of this Report.

11. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company neither have any Subsidiary, Joint Venture Company and Associate Company nor any company/body corporate became or ceased to be Subsidiary, Joint Venture or Associate during the financial year under review. As such information required to be given pursuant to Rule 5 and Rule 8(1) of the Companies (Accounts) Rules, 2014 are not applicable.

12. SHARE CAPITAL:

As on 31st March 2024, the Authorized share Capital of the Company is Rs. 35,00,00,000 divided into 3,50,00,000 equity shares of Rs. 10 each.

The issued, subscribed and paid-up capital of the Company as on 31st March 2024, stands at Rs. 29,27,88,200 divided into 2,92,78,820 equity shares of Rs. 10 each.

During the year under review, the Company has not issued or allotted any shares.

Further, the Company during the year under review has not issued any equity shares with differential rights/sweat equity shares under Rule 4 & Rule 8 of The Companies (Share Capital and Debentures) Rules, 2014. Also, the Company does not have any Employee Stock Option Scheme and hence no equity shares have been issued or allotted under Employee Stock Option Scheme in terms of Rule – 12 of The Companies (Share Capital and Debentures) Rules, 2014.

13. PERFORMANCE EVALUATION:

Pursuant to the provisions of the Companies Act, 2013, evaluation of performance of every director, Board was carried out by the Nomination & Remuneration committee. The Chairman of the respective committees reviewed the performance of the respective committee. The performance evaluation of Non-Independent Directors and Board as a whole, Committees thereof was also carried out by the Independent Directors. Evaluation of Independent Directors was carried out by the entire Board of Directors, excluding the Director being evaluated. A separate meeting of the Independent Directors of the Company was held on 2nd August 2023 and was attended by both the Independent Director

14. DECLARATION BY INDEPENDENT DIRECTOR:

A declaration of independence in compliance with Section 149(6) of the Companies Act, 2013, has been received from all the Independent Directors of the Company and taken on record by the Board.

15. PUBLIC DEPOSITS:

The Company has not accepted any deposits within the meaning of section 73 to 76 of the Companies Act, 2013 and Rules made there under.

16. RISK MANAGEMENT POLICY:

The Company has adopted a Risk Management Policy, and the activities of the Company are accordingly reviewed. The Risk Management Policy, inter alia, includes identification of elements of risk and to mitigate various business risks arising due to internal and external risks. The Company's policy is to manage its resources conservatively and regular review of statutory/legal compliances carried out through internal checks and control as well as external audits.

17. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The Company has been following well laid down policy on Appointment and Remuneration of Directors, Key Managerial Personnel and Senior Management Personnel.

18. DETAILS OF MEETINGS:

During the year under review, 5 Board Meetings, 5 Audit Committee meetings, 1 Nomination and Remuneration Committee meetings and 1 Corporate Social Responsibility Committee meeting were held. The details are as follows:

Sl. No.	Name of the Director	No. of meetings held during the year	No. of meetings attended during the year	Date of meeting attended
Board Meeting				
1.	Dr. Devi Prasad Shetty	5	2	19.05.2023 02.08.2023 13.11.2023 14.02.2023 27.03.2024
2.	Mr. Viren Prasad Shetty	5	5	
3.	Dr. Emmanuel Rupert	5	5	
4.	*Mr. B.N Subramanya	5	2	
5.	*Mr. Muthuraman B	5	2	
6.	#Mr. Shankar Arunachalam	5	3	
7.	#Dr. Nachiket Mor	5	3	
Audit Committee				
1.	#Mr. Shankar Arunachalam	5	3	19.05.2023 02.08.2023 13.11.2023 14.02.2023 27.03.2024
2.	#Dr. Nachiket Mor	5	3	
3.	Dr. Emmanuel Rupert	5	5	
4.	*Mr. Muthuraman B	5	2	
5.	*Mr. B N Subramanya	5	2	
Nomination & Remuneration Committee				
1.	#Dr. Nachiket Mor	1	-	02.08.2023
2.	#Mr. Shankar Arunachalam	1	-	
3.	Dr. Emmanuel Rupert	1	1	
4.	Mr. Muthuraman B	1	1	
5.	Mr. B N Subramanya	1	1	
Corporate Social Responsibility Committee$				
1.	Mr. Viren Prasad Shetty	1	1	13.11.2023
2.	Dr. Emmanuel Rupert	1	1	
3.	Mr. Shankar Arunachalam	1	1	

Independent Directors Meeting				
1.	Mr. Muthuraman B	1	1	02.08.2023
2.	Mr. B N Subramanya	1	1	

**Mr. Muthuraman B. and Mr. B N Subramanya resigned with effect from the close of business hours on 7th August 2023.*

 # Mr. Shankar Arunachalam and Dr. Nachiket Mor appointed with effect from 8th August 20232023 and subsequent to their appointment the Audit Committee and Nomination and Remuneration Committee were reconstituted with effect from 8th August, 2023.

$ Pursuant to the Section 135 (5), Corporate Social Responsibility Committee is constituted with effect from 8th August 2023.

19. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:

Your Company does not have any funds lying unpaid or unclaimed. Therefore, it is not applicable.

20. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

During the year under review, the Company has not given any loans, provided guarantees or made investments under Section 186 of the Companies Act, 2013.

21. COMPANIES/BODY CORPORATES WHICH HAVE BECOME OR CEASED TO BE SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES DURING THIS FINANCIAL YEAR:

There is no Subsidiary, Associate or Joint Venture Company for the Company. Hence, there are no Companies/Body corporates which have become or ceased to be subsidiary, joint venture or Associate Companies during the financial year.

22. DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Companies Act, 2013, the Directors would like to state that:

a) In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period under review;
c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
d) The directors have prepared the annual accounts on a going concern basis;
e) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

23. CORPORATE SOCIAL RESPONSIBILITY:

In accordance with the requirements of Section 135 of the Companies Act, 2013, the Company has constituted a Corporate Social Responsibility Committee (CSR Committee) during the year under review.

During the year under review, the Company has spent Rs. 61.15 Lakhs towards various CSR activities as against Rs. 58.44 lakhs being 2% of average net profit of financial years 2020-21, 2021-22 and 2022-23, as computed under Section 198 of the Companies Act 2013.

The Annual Report on CSR activities in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as **Annexure - B** to this Report. The Board confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

24. RELATED PARTY TRANSACTIONS:

The Company has not entered into any contract or arrangement, during the year under review, falling under purview of the provisions of Section 188 of the Companies Act, 2013. The transaction entered into by the Company during the year under review with related parties were in the ordinary course of business and on arms-length price and therefore, do not fall under the ambit of Section 188 of the Companies Act, 2013 and disclosure is enclosed as **Annexure - C**

Related Party disclosures pursuant to Ind AS 24 are made in the notes to Financial Statements.

25. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 READ WITH THE RULES:

As required under the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 read with the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Rules, 2013, the Company has constituted the Compliant Committee. The necessary disclosure regarding sexual harassment complaints received and disposed-off during the year are given below:

No. of Complaints received	: 3
No. of Complaints disposed off	: 3
No. of Complaints pending	:Nil

26. CHANGES IN THE NATURE OF BUSINESS, IF ANY:

During the year under review, there was no change in the nature of the business of the Company.

27. COMPOSITION OF THE BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNELS AND CHANGES THEREOF:

Directors as on the date of the report

1) Mr. Viren Prasad Shetty (DIN: 02144586)– Non-Executive Director
2) Dr. Devi Prasad Shetty(DIN: 00252187) – Non-Executive Director
3) Dr. Emmanuel Rupert (DIN: 07010883) – Non-Executive Director
4) Mr. Shankar Arunchalam (DIN:00203948) - Independent Director *(w.e.f. 8th August 2023)*
5) Dr. Nachiket Mor (DIN:00043646) - Independent Director *(w.e.f. 8th August 2023)*

Change in the Board of Directors during the year –

At the last Annual General Meeting of the Company held on 4th August, 2023, Mr. Viren Prasad Shetty (DIN: 02144586), Director retired by rotation and was re-appointed as Director of the Company, liable to retire by rotation, at that meeting.

Mr. Muthuraman B. (DIN:00004757) and Mr. B N Subramanya (DIN:00483654), Independent Directors of the Company, had resigned with effect from the close of business hours on 7th August, 2023.

The Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, had appointed Mr. Shankar Arunchalam and Dr. Nachiket Mor as Additional Directors with effect from 8th August 2023, to hold office as an Independent Directors of the Company for a term of 5 (five) consecutive years, subject to approval of the Members of the Company. The Company has received Notices under Section 160 of the Companies Act, 2013 from the members of the Company signifying the candidature of Mr. Shankar Arunchalam and Dr. Nachiket Mor, for their appointment as Independent Directors of the Company. The Board recommends their appointment.

In the opinion of the Board, Mr. Shankar Arunchalam and Dr. Nachiket Mor, possess the requisite integrity, expertise and experience.

Dr. Emmanuel Rupert (DIN: 07010883), Director of the Company, is due to retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment. Your Board recommends re-appointment of Mr. Rupert as a Director of the Company, liable to retire by rotation.

Key Managerial Personnel as on the Date of the report

1) Mr. Rakesh Verma - Chief Executive Officer
2) Ms. Poonam Barsaiyan – Company Secretary
3) Mr. Prosenjit Mondal – Chief Financial Office

28. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

A. CONSERVATION OF ENERGY		
Sl. No.	**Particulars**	**Details**
1	The steps taken or impact on conservation of energy	The Company is conscious towards conservation of energy and measures implemented through previous energy audits.
2	The steps taken by the Company for utilizing alternate sources of energy	
3	The capital investment on energy conservation equipments;	

		Optimization of secondary pump VFD frequency, optimization of AHUs' VFD Frequency, Replacement of conventional light fittings with energy efficient LED fittings at Narayana Super Speciality Hospital, Howrah. And Replaced 80% light with LED Light. Planned to Replacement of Existing old inefficient Chiller with Energy Efficient Chiller and reduce annual Energy consumption by 10% to 15% of Energy Consumption in FY 2023-24. Also Planned to Replace Old and inefficient cooling tower with energy efficient cooling tower.
B. TECHNOLOGY ABSORPTION		
Sl. No.	**PARTICULARS**	
1	The efforts made towards technology absorption.	Replacement of Conventional Light with LED light
2	The benefits derived like product improvement, cost reduction, product development or import substitution.	NA
3	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year: (a) The details of technology imported; (b) The year of import; (c) Whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	NA
4	The expenditure incurred on Research and Development	**Nil**
C. FOREIGN EXCHANGE EARNINGS AND OUTGO		
Sl. No.	**PARTICULARS**	**2023-24 (Amount in USD)**
1	The Foreign Exchange earned in terms of actual inflows during the year	USD 239907.59
2	The Foreign Exchange outgo during the year in terms of actual outflows	USD 70570.49

29. ANNUAL RETURN

The Annual Return in prescribed Form MGT-7 for the financial year 2022-23 was filed within the stipulated time and the Annual Return in the prescribed Form MGT-7 for the year 2023-24 will be filed after the Annual General Meeting, as required under Section 92 of the Companies Act, 2013 read with Rule 11 of the Companies (Management and Administration) Rules, 2014. The Company does not have any website.

30. ESTABLISHMENT OF VIGIL MECHANISM:

Pursuant to the provisions of section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and it powers) Rules, 2014, the Company has established the Vigil Mechanism for directors and employees to report their genuine concerns or grievances about unethical behaviour, actual or suspected fraud. It also provides for adequate safeguards against victimization of directors /employees who avail of the Mechanism. The Company affirms access to the Chairman of the Audit Committee in appropriate or exceptional cases.

31. SECRETARIAL STANDARDS:

The Directors have devised proper systems and procedures for ensuring compliance with all applicable Secretarial Standards as approved by the Central Government under Section 118 (10) of the Companies Act 2013. The Directors have devised proper systems and procedures for ensuring compliance with all applicable Secretarial Standards as approved by the Central Government under Section 118 (10) of the Companies Act 2013. During the year, your Company has complied with all the applicable provisions of these Secretarial Standards.

32. INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY:

The Company has in place adequate internal financial controls with reference to the financial statements. The Company periodically reviews the existing financial controls for better monitoring and evaluation of the performance of the Company. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

33. IBC Code

Neither Company has made any application, nor any application is made against the Company under any provisions the Insolvency and Bankruptcy Code, 2016 during the year under review and no proceedings are pending under the said Code as at the end of the financial year. No one time settlement with any Bank or Financial Institution was done during the year under review.

34. ACKNOWLEDGEMENT:

MERIDIAN MEDICAL RESEARCH & HOSPITAL LTD.

CIN: U85110WB1995PLC071440
Registered Office: Westbank Hospital, Andul Road, Howrah-711109
Email: info.nshhowrah@narayanahealth.org, Tel: 080-71222636

It is our strong belief that caring for our business constituents has ensured our success in the past and will do so in future. The Board acknowledges with gratitude the co-operation and assistance provided to your Company by its bankers, financial institutions, and the government. Your Directors thank the vendors and other business associates for their continued support in the Company's growth and your Company shall continue to strive to provide the best treatment for the patients. The Board also takes this opportunity to express its gratitude for the continued co-operation and support received from its valued shareholders. Your Directors also wish to place on record its deep sense of appreciation for the devoted services rendered by the employees of the Company at all level.

By order of the Board of Directors

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

Annexure - B

ANNUAL REPORT ON CSR ACTIVITIES OF MERIDIAN MEDICAL RESEARCH & HOSPITAL LTD.

1. Brief outline of Meridian Medical Research & Hospital Ltd. CSR Policy (MMRHL CSR):

Meridian Medical Research & Hospital Ltd. aims to make a positive difference in the lives of the people by engaging in activities that eliminates or alleviates pain and suffering to the under privileged sections of the society by:

- Promoting healthcare facilities for the upliftment of people at large and creating a positive impact by addressing issues of accessibility and affordability.
- Promoting educational facilities to help and assist in unfolding the creative potentials and talents of the children and amateurs.
- Strive for socio-economic development thereby reducing inequality between rich and poor.

1.1 Overview of projects/programs undertaken during the financial year 2023-24

Project Kiran: This program was started in 2016 for providing trained paramedical and support staff to Howrah City Police who provide free accidental road trauma care ambulance services in Howrah.

This program is a joint initiative between Howrah City Police and Howrah Development Trust with Narayana Super specialty Hospital (Unit of MMRHL) as a medical partner.

Other Programs: Nutrition of orphanage children, providing mid-day meal programme, Sanitation program for rural girl students and providing facility safe drinking water for street and working children.

2. COMPOSITION OF CSR COMMITTEE:

Pursuant to the provisions of Section 135(1) of the Companies Act, 2013, companies having a 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 shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

Corporate Social Responsibility Committee	
Mr. Viren Prasad Shetty	Chairman
Dr. Emmanuel Rupert	Member
Mr. Shankar Arunachalam	Member

3. **Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

CSR Committee	The Company has no website.
CSR Policy	
CSR Projects	

4. **Details of the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:**

The Company does not meet the criteria in terms of Rule 8 (3) of Companies (Corporate Social responsibility Policy) Rules, 2014 and hence impact assessment is not applicable. However, the Board reviews the progress of various CSR projects undertaken by the Company and its impacts in terms of beneficiaries covered and the outcome of the programs.

5. **a. Average net profit of the company as per section 135(5):** Rs. 29,22,21,261

b. Two percent of average net profit of the company as per section 135(5): Rs. 58,44,425

c. Surplus arising out of the CSR projects or programmes or activities of the previous financial years.: 2,05,723

d. Amount required to be set off for the financial year, if any: Nil

e. Total CSR obligation for the financial year [(b)+(c)-(d)]: Rs. 58,44,425

6.

a. Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Rs. 61,15,637

b. Amount spent in Administrative Overheads: Nil

c. Amount spent on Impact Assessment, if applicable: NA

d. Total amount spent for the Financial Year [(a)+(b)+(c)]. Rs. 61,15,637

e. CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amoun	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 61,15,637	Nil	Nil	Nil	Nil	Nil

CIN: U85110WB1995PLC071440
Registered Office: Westbank Hospital, Andul Road, Howrah-711109
Email: info.nshhowrah@narayanahealth.org, Tel: 080-71222636

f. Excess amount for set off, if any:

Sl. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per section 135(5)	58,44,425
(ii)	Total amount spent for the Financial Year	61,15,637
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2,71,212
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	2,05,723
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	4,76,935

7. Details of Unspent CSR amount for the preceding three financial years: NA

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs.)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs.)	Deficiency, if any
					Amount (in Rs.)	Date of Transfer		
1	FY-1	NA						
2	FY-2							
3	FY-3							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):

The Company has spent on CSR activities to the extent of the prescribed limit under the Companies Act, 2013.

Dr. Emmanuel Rupert
Non-Executive Director

Viren Prasad Shetty
Non-Executive Director

Annexure: C

FORM NO. AOC – 2

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under the third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL
2. Details of material contracts or arrangements or transactions at arm's length basis: NIL

By order of the Board of Directors

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

Deloitte Haskins & Sells LLP

Chartered Accountants
Prestige Trade Tower, Level 19
46, Palace Road, High Grounds
Bengaluru – 560 001
Karnataka, India

Tel: +91 80 6188 6000
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INDEPENDENT AUDITOR'S REPORT

To The Members of Meridian Medical Research & Hospital Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Meridian Medical Research & Hospital Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its 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.

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

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

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any managerial remuneration during the year ended March 31, 2024 and hence reporting under Section 197 of the Act is not applicable.

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

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

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

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

   iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 39(iii) to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the note 39(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.

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

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

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

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

Monisha Parikh
(Partner)
(Membership No. 47840)
UDIN: 24047840BKFIXZ2503

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

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

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

We have audited the internal financial controls with reference to financial statements of **Meridian Medical Research & Hospital Limited** ("the Company") as of March 31, 2024 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 the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

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Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

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

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

Monisha Parikh
(Partner)
(Membership No. 47840)
UDIN: 24047840BKFIXZ2503

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

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

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

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

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

(i) (b) The Company has a program of verification of property, plant and equipment, capital work in progress and right of use assets to cover all the items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were due for verification during the year and 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 our examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee, and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment, right of use assets and capital work-in progress are held in the name of the Company as at the balance sheet date.

(i) (d) The Company has not revalued any of its property, plant and equipment (including 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, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder, and hence reporting under clause 3(i)(e) of the Order is not applicable.

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

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

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(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 generally been regularly deposited with the appropriate authorities 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, 2024 for a period of more than six months from the date they became payable.
(vii)	(b)	There are no statutory dues referred to in sub-clause (a) above which have not been deposited on account of disputes as on March 31,2024.
(viii)		There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the 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 or financial institution or government or any government authority.
(ix)	(c)	The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
(ix)	(d)	The Company has not raised funds on short-term basis and hence, reporting under clause (ix)(d) of the Order is not applicable to the Company.

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(ix)	(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 did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(f) of the Order is not applicable.
(x)	(a)	The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the 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 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
(xiv)	(a)	The Company has an internal audit system commensurate with the size and nature of its business.
(xiv)	(b)	We have considered, the internal audit reports issued to the Company during the year and covering the period up to December 2023 and the final of the internal audit report issued after the balance sheet date covering the period from January 2024 to March 2024 for the period under audit.
(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) (b) (c)	The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clauses 3(xvi)(a), (b),and (c) of the Order is not applicable.
(xvi)		The Group does not have any Core Investment Company (CIC) as part of the Group and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
(xvii)		The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

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(xviii)	There has been no resignation of the statutory auditors of the Company during the year.
(xix)	On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
(xx)	The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amounts for the year requiring a transfer to a Fund specified in Schedule VII to the Act or special account in compliance with the provision of sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause 3(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: 24047840BKFIXZ2503

Place:-Bengaluru
Date :- May 24, 2024
MP/EKP/SM/NM/SA/202

Meridian Medical Research & Hospital Limited
Balance sheet as at March 31, 2024
CIN - U85110WB1995PLC071440

(₹ in Lakhs)

Particulars	Note No	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	4	11,086.17	11,195.34
Right of use assets	5	275.00	406.85
Capital work-in-progress	4	4,681.91	1,408.95
Financial assets			
(i) Other financial assets	6(a)	195.01	201.45
Other non-current assets	7(a)	167.34	1,032.55
Total non-current assets		16,405.43	14,245.14
Current assets			
Inventories	8	641.58	339.47
Financial assets			
(i) Investments	9	3,635.05	-
(ii) Trade receivables	10	1,646.89	2,026.54
(iii) Cash and cash equivalents	11(a)	284.21	574.87
(iv) Bank balances other than (iii) above	11(b)	74.88	863.51
(v) Other financial assets	6(b)	129.91	145.95
Other current assets	7(b)	203.36	144.87
Total current assets		6,615.88	4,095.21
TOTAL ASSETS		23,021.31	18,340.35
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	2,927.88	2,927.88
Other equity	13	13,404.43	9,267.89
Total equity		16,332.31	12,195.77
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	14(a)	-	68.17
(ii) Lease liabilities	15(a)	211.06	220.14
Provisions	16(a)	91.01	107.23
Deferred tax liabilities (net)	31	718.76	619.71
Other non current liabilities	19(a)	437.38	480.96
Total non-current liabilities		1,458.21	1,496.21
Current Liabilities			
Financial liabilities			
(i) Borrowings	14(b)	-	24.79
(ii) Lease liabilities	15(b)	9.07	176.91
(iii) Trade payables	17		
Total outstanding dues of micro enterprises and small enterprises		282.90	163.62
Total outstanding dues of creditors other than micro enterprises and small enterprises		3,040.69	3,335.30
(iv) Other financial liabilities	18	947.91	167.31
Other current liabilities	19(b)	677.37	630.65
Provisions	16(b)	180.69	149.79
Current Tax liabilities (net)	20	92.16	-
Total current liabilities		5,230.79	4,648.37
TOTAL EQUITY AND LIABILITIES		23,021.31	18,340.35
Material accounting policies	3		

The accompanying notes form an integral part of these financial statements.

As per our report attached

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

Monisha Parikh
Partner
Membership number: 47840
Place: Bengaluru
Date: May 24, 2024

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BENGALURU

For and on behalf of the Board of Directors of
Meridian Medical Research & Hospital Limited
CIN - U85110WB1995PLC071440

Viren Prasad Shetty
Director
DIN: 02144586
Place: Bengaluru
Date: May 24, 2024

Dr. Emmanuel Rupert
Director
DIN: 07010883
Place: Bengaluru
Date: May 24, 2024

Rakesh Verma
Chief Executive Officer
Place: Kolkata
Date: May 24, 2024

Prosenjit Mondal
Chief Financial Officer
Place: Kolkata
Date: May 24, 2024

Poonam Barsaiyan
Company Secretary
Place: Bengaluru
Date: May 24, 2024

Meridian Medical Research and Hospital Limited Howrah 711 109.

Meridian Medical Research & Hospital Limited
Statement of profit and loss for the year ended March 31, 2024
CIN - U85110WB1995PLC071440

(₹ in Lakhs)

Particulars	Note No	For the year ended March 31, 2024	For the year ended March 31, 2023
Income			
Revenue from operations	21	29,046.83	26,487.52
Other income	22	439.20	156.49
Total income (A)		29,486.03	26,644.01
Expenses			
Purchase of medical consumables, drugs and surgical instruments		6,989.27	6,372.61
Changes in inventories of medical consumables, drugs and surgical instruments - (Increase)/Decrease	23	(302.11)	(29.97)
Employee benefits expense	24	3,934.11	3,497.47
Professional fees to doctors		6,846.62	6,231.19
Other expenses	25	4,559.53	4,189.05
Expenses before finance cost, depreciation and amortisation and tax (B)		22,027.42	20,260.35
Earnings before finance costs, depreciation and amortisation and tax (A-B)		7,458.61	6,383.66
Finance costs (C)	26	50.61	51.64
Depreciation and amortisation expense (D)	27	1,369.52	1,171.81
Total expenses (E) = (B+C+D)		23,447.55	21,483.80
Profit before tax (F) =(A-E)		6,038.48	5,160.21
Tax expenses	31		
Current Tax		1,766.58	1,485.64
Deferred tax charge / (credit)		109.62	21.75
Total tax expense (G)		1,876.20	1,507.39
Net Profit for the year H=(F-G)		4,162.28	3,652.82
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement of defined benefit plans		(36.32)	(46.44)
Income tax effect		10.58	13.52
Other comprehensive loss for the year, net of tax (I)		(25.74)	(32.92)
Total comprehensive income for the year J=(H+I)		4,136.54	3,619.90
Earnings per share (of ₹ 10 each) :	33		
(a) Basic		14.22	12.48
(b) Diluted		14.22	12.48
Material accounting policies	3		

The accompanying notes form an integral part of these financial statements.

As per our report attached

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

Monisha Parikh
Partner
Membership number: 47840
Place: Bengaluru
Date: May 24, 2024

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BENGALURU

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Poonam Barsaiyan
Company Secretary
Place: Bengaluru
Date: May 24, 2024

Meridian Medical Research and Hospital Limited Howrah 711 109.

Meridian Medical Research & Hospital Limited
Statement of changes in equity for the year ended March 31, 2024
CIN - U85110WB1995PLC071440

(in ₹ in lakhs except No. of Shares)

(a) Equity share capital

Particulars	No. of Shares	Amount
Equity shares of ₹Rs. 10 each issued, subscribed and fully paid up		
Balance as at March 31, 2022	2,92,78,820	2,927.88
Changes in equity share capital during the year	-	-
Issue of equity shares (refer note 12)	-	-
Balance as at March 31, 2023	**2,92,78,820**	**2,927.88**
Changes in equity share capital during the year	-	-
Issue of equity shares (refer note 12)	-	-
Balance as at March 31, 2024	**2,92,78,820**	**2,927.88**

(₹ in Lakhs)

(b) Other equity

Particulars	Reserves & Surplus			Items of OCI	Total other equity
	Securities Premium Reserve	Deemed Capital Contribution	Retained earnings	Remeasurements of the net defined benefit Plans	
Balance as at March 31, 2022	3,666.25	14.22	2,070.94	(103.42)	5,647.99
Profit for the year			3,652.82		3,652.82
Other comprehensive income (OCI) (net of tax)				(32.92)	(32.92)
Total comprehensive income for the year	-	-	3,652.82	(32.92)	3,619.90
Balance as at March 31, 2023	3,666.25	14.22	5,723.76	(136.34)	9,267.89
Profit for the year			4,162.28		4,162.28
Other comprehensive income (OCI) (net of tax)				(25.74)	(25.74)
Total comprehensive income for the year	-	-	4,162.28	(25.74)	4,136.54
Balance as at March 31, 2024	3,666.25	14.22	9,886.04	(162.08)	13,404.43

As per our report attached

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

Monisha Parikh
Partner
Membership number: 47840
Place: Bengaluru
Date: May 24, 2024

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BENGALURU

For and on behalf of the Board of Directors of
Meridian Medical Research & Hospital Limited
CIN - U85110WB1995PLC071440

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Company Secretary
Place: Bengaluru
Date: May 24, 2024

Meridian Medical Research and Hospital Limited Howrah 711 109.

Meridian Medical Research & Hospital Limited
Statement of cash flows for the year ended March 31, 2024
CIN - U85110WB1995PLC071440

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flow from operating activities		
Profit after tax	4,162.28	3,652.82
Adjustments :		
Income tax charge /(credit)	1,876.20	1,507.39
Depreciation and amortisation expense	1,369.52	1,171.81
(Reversal)/Provision for loss allowance	(105.16)	(147.11)
Interest income	(36.37)	(11.13)
Finance costs	50.61	51.64
Grant income	(43.58)	(19.32)
Loss on disposal of assets	197.42	51.62
Operating cash flow before working capital changes	7,470.92	6,257.72
Changes in trade receivables	484.81	(190.63)
Changes in inventories	(302.11)	(29.97)
Changes in loans, other financial assets and other assets	(50.57)	(10.80)
Changes in trade payables and other financials liabilities	(325.67)	907.08
Changes in provision	(11.06)	14.71
Cash generated from operations	7,266.32	6,948.11
Income taxes paid (Net)	(1,046.86)	(664.13)
Net cash generated from operating activities (A)	6,219.46	6,283.98
Cash flow from investing activities		
Acquisition of property, plant and equipment (including capital work-in-progress, capital advances)	(3,379.58)	(4,997.14)
Proceeds from sale of property, plant and equipment	-	48.95
Proceeds from bank deposits	788.63	-
Investment in bank deposits	-	(811.08)
Investment in mutual funds	(3,635.05)	-
Interest received	36.37	11.13
Net cash used in investing activities (B)	(6,189.63)	(5,748.14)
Cash flow from financing activities		
Repayment of long-term borrowings	(92.96)	(26.74)
Interest and other borrowing costs	(23.49)	(8.51)
Payment of lease liabilities (refer note 15)	(204.04)	(220.04)
Net cash used in financing activities (C)	(320.49)	(255.29)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(290.66)	280.55
Cash and cash equivalents at the beginning of the year (refer note 11)*	574.87	294.32
Cash and cash equivalents at the end of the year (refer note 11)	284.21	574.87

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

Material accounting policies (refer note 3)

Reconciliation of liabilities from financing activities for the quarter ended March 31, 2024

Particulars	As at April 1, 2023	Proceeds	Repayment	Non Cash Changes: Fair Value/other changes	Non Cash Changes: Foreign exchange	As at March 31, 2024
Long-term borrowings (including current maturities)	92.96	-	(92.96)	-	-	-
Lease liabilities (refer note 15)	397.05	-	(204.04)	27.12	-	220.13
Total liabilities from financing activities	490.01	-	(297.00)	27.12	-	220.13

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

Particulars	As at April 1, 2022	Proceeds	Repayment	Non Cash Changes: Fair Value/other changes	Non Cash Changes: Foreign exchange	As at March 31, 2023
Long-term borrowings (including current maturities)	119.70	-	(26.74)	-	-	92.96
Lease liabilities (refer note 15)	573.96	-	(220.04)	43.13	-	397.05
Total liabilities from financing activities	693.66	-	(246.78)	43.13	-	490.01

The accompanying notes form an integral part of these financial statements.

As per our report attached

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

Monisha Parikh
Partner
Membership number: 47840
Place: Bengaluru
Date: May 24, 2024

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BENGALURU

For and on behalf of the Board of Directors of
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Company Secretary
Place: Bengaluru
Date: May 24, 2024

Meridian Medical Research and Hospital Limited Howrah 711 109.

Meridian Medical Research & Hospital Limited

Notes to the financial statements for the year ended March 31, 2024

1. Company overview

Meridian Medical Research & Hospital Limited ('the Company') was incorporated on 08 May 1995 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 disciplines 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 standalone financial statements of the Company have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP). GAAP comprises of Indian Accounting Standards (IndAS) as specified in Sec 133 of the Companies Act, 2013 ('the Act') read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 ('the Rules') and the relevant amendment rules issued thereafter, pronouncements of regulatory bodies applicable the Company and other provisions of the Act.

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

Details of the accounting policies are included in Note 3.

2.2. Basis of preparation

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

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

2.3. Basis of measurement

The financial statements have been prepared on the accrual basis under the historical cost convention except for certain financial assets and liabilities that are measured at fair value at the end of each reporting period 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

2.4. Use of estimates and judgements

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

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

Judgements

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

- Note 30 – leases and lease classification.
- Note 37 – financial instruments

Meridian Medical Research and Hospital Limited Howrah 711 109.

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BENGALURU

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2023 is included in the following notes:

- Note 31 – recognition of tax expense
- Note 35 – measurement of defined benefit obligations: key actuarial assumptions.
- Note 28 – recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources.
- Note 6, 9, 10, 37 – recognition of impairment of financial assets and
- Note 4 – useful life of property, plant and equipment and intangible assets

2.5. Measurement of fair values

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

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in Note 37 – financial instruments.

3. Material accounting polices

3.1. Financial instruments

a. Recognition and initial measurement

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

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

b. Classification and subsequent measurement

Financial assets

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

- amortised cost; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BENGALURU

Meridian Medical Research and Hospital Limited Howrah 711 109.

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A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

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

Financial assets: Business model assessment

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

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

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

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

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

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

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

DELOITTE HASKINS & SELLS LLP
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Meridian Medical Research and Hospital Limited
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Financial assets: Subsequent measurement and gains and losses

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

c. Derecognition

Financial assets

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

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

Financial liabilities

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

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

d. Offsetting

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

3.2. Inventories

The inventories of medical consumables, drugs and surgical equipment's 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. The comparison of cost and net realisable 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.

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BENGALURU

Medical Research and Hospital Limited Howrah 711 109.

3.3. Cash and cash equivalents

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

3.4. Cash flow statement

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

3.5. Revenue recognition

Revenue from operations

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

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

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 the excess of earnings.

Other medical and health care services
Revenue from other medical and health care services are recognized as and when the services are rendered in accordance with the terms of the agreements.

Interest

Interest income is recorded using the effective interest rate (EIR) which 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.

3.6. Property, Plant and Equipment

Recognition and measurement

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

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS
BENGALURU

Depreciation and amortisation

The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are ready for intended use. Leasehold improvements are amortized over the lower of estimated useful life and lease term. Freehold land is not depreciated. 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	13years
Office equipment	5 years
Other equipment including air conditioners	15 years
Furniture and fixtures	10 years
Computers	3 years
Vehicles	5 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. Intangible assets

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

The estimated useful lives of intangibles are as follows:

Block of assets	Useful life
Computer software	3 years

Amortisation method

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

3.8. Employee benefits

Short term employee benefits

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

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Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

The gratuity scheme is managed by third party administrator.

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

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

Compensated absences

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

3.9. Borrowing cost

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

3.10. Leases

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

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

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

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

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

3.11. Earnings per share

The basic earnings per share is computed by dividing the net 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 recognised in profit and loss except to the extent that is relates to an item recognised directly in equity or in other comprehensive income.

Current income tax

Current tax comprises the expected tax payable or receivable on the taxable income for the 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 by the reporting dates.

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

Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences.

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

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

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

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

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Minimum Alternative tax

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

3.13. Foreign exchange transactions and translations

Transactions in foreign currencies are recorded at prevailing rate at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the statement of profit or loss.

3.14. Impairment

a. Impairment of financial instruments

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

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

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

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

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

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

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

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

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

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

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

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Measurement of expected credit losses

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

Presentation of allowance for expected credit losses in the balance sheet

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

Write-off

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

b. *Impairment of non-financial assets*

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

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

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

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

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

3.15. Provisions and contingencies

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

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

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

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

3.16. Segment Reporting

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

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3.17 Operating Cycle

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

3.18 Recent pronouncements

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

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

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

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 April 1, 2023	Additions	Deletions	As at March 31, 2024	As at April 1, 2023	Depreciation/ Amortisation	Deletions	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
(A) Tangible assets (owned)										
Freehold land	88.82	-	-	88.82	-	-	-	-	88.82	88.82
Building	6,631.54	13.44	-	6,644.98	2,718.99	262.96	-	2,981.95	3,663.03	3,912.55
Electrical installation	447.34	6.39	-	453.73	342.38	20.84	-	363.22	90.51	104.96
Medical equipment	9,506.44	619.26	-	10,125.70	3,375.99	714.39	-	4,090.38	6,035.32	6,130.45
Office equipment	12.22	0.13	-	12.35	11.88	0.10	-	11.98	0.37	0.34
Other equipment including air conditioners	1,679.32	251.26	-	1,930.58	951.99	120.19	-	1,072.18	858.40	727.33
Furniture and fixtures	503.17	122.40	-	625.57	397.29	36.25	-	433.54	192.03	105.88
Computers	499.27	115.63	-	614.90	374.26	82.95	-	457.21	157.69	125.01
Vehicles	38.27	-	-	38.27	38.27	-	-	38.27	-	0.00
Total tangible assets (A)	19,406.39	1,128.51	-	20,534.90	8,211.05	1,237.68	-	9,448.73	11,086.17	11,195.34
(B) Capital work-in-progress	1,408.95	3,413.52	140.56	4,681.91	-	-	-	-	4,681.91	1,408.95
(C) Intangible assets										
Computer software	19.26	-	-	19.26	19.26	-	-	19.26	-	-
Total intangible assets (C)	19.26	-	-	19.26	19.26	-	-	19.26	-	-
Grand total (A+B+C)	20,834.60	4,542.03	140.56	25,236.07	8,230.31	1,237.68	-	9,467.99	15,768.08	12,604.29

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, 2022	Additions	Deletions	As at March 31, 2023	As at April 1, 2022	Depreciation/ Amortisation	Deletions	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
(A) Tangible assets (owned)										
Freehold land	88.82	-	-	88.82	-	-	-	-	88.82	88.82
Building	6,529.58	101.96	-	6,631.54	2,461.22	257.77	-	2,718.99	3,912.55	4,068.36
Electrical installation	421.78	25.56	-	447.34	323.00	19.38	-	342.38	104.96	98.78
Medical equipment	6,870.52	3,402.95	767.03	9,506.44	3,477.19	566.99	668.19	3,375.99	6,130.45	3,393.33
Office equipment	12.22	-	-	12.22	11.54	0.34	-	11.88	0.34	0.68
Other equipment including air conditioners	1,583.85	129.11	33.64	1,679.32	875.79	108.11	31.91	951.99	727.33	708.06
Furniture and fixtures	475.98	27.19	-	503.17	363.48	33.81	-	397.29	105.88	112.50
Computers	396.10	103.17	-	499.27	330.80	43.46	-	374.26	125.01	65.30
Vehicles	38.27	-	-	38.27	38.27	-	-	38.27	-	-
Total tangible assets (A)	16,417.12	3,789.94	800.67	19,406.39	7,881.29	1,029.86	700.10	8,211.05	11,195.34	8,535.83
	-	-	-	-	-	-	-	-	-	-
(B) Capital work-in-progress	243.65	1,877.76	712.46	1,408.95	-	-	-	-	1,408.95	243.65
	-	-	-	-	-	-	-	-	-	-
(C) Intangible assets	-	-	-	-	-	-	-	-	-	-
Computer software	19.26	-	-	19.26	19.26	-	-	19.26	-	-
Total intangible assets (C)	19.26	-	-	19.26	19.26	-	-	19.26	-	-
	-	-	-	-	-	-	-	-	-	-
Grand total (A+B+C)	16,680.03	5,667.70	1,513.13	20,834.60	7,900.55	1,029.86	700.10	8,230.31	12,604.29	8,779.48

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

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

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress					
As at March 31, 2024	3,345.01	1,104.11	211.78	21.01	4,681.91
As at March 31, 2023	1,176.16	211.78	12.87	8.14	1,408.95

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

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5 (i) Right of Use Assets (ROU)

(₹ in Lakhs)

Category of ROU asset	Gross block				Accumulated depreciation				Net block	
	As at April 1, 2023	Additions	Deletions	As at March 31, 2024	As at April 1, 2023	Depreciation	Deletions	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Equipment	595.98	-	-	595.98	484.86	111.12	-	595.98	-	111.12
Land	378.65	-	-	378.65	82.92	20.73	-	103.65	275.00	295.73
Grand total	**974.63**	-	-	**974.63**	**567.78**	**131.85**	-	**699.63**	**275.00**	**406.85**

(ii) Right of Use Assets (ROU)

(₹ 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
Equipment	595.98	-	-	595.98	363.64	121.22	-	484.86	111.12	232.34
Land	378.65	-	-	378.65	62.19	20.73	-	82.92	295.73	316.46
Grand total	**974.63**	-	-	**974.63**	**425.83**	**141.95**	-	**567.78**	**406.85**	**548.80**

Refer note 30 for disclosures related to ROU assets and liabilities.

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

(₹ in Lakhs)

6 Other financial assets

(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Non-current		
To parties other than related parties		
Bank deposits (due to mature after 12 months from the reporting date)	39.22	49.34
Security deposits	155.79	152.11
	195.01	**201.45**
(b) Current		
To parties other than related parties		
Security deposits	16.08	14.82
Less: Provision for Doubtful advances-Security deposit	6.20	6.20
Security deposits (net)	9.88	8.62
Unbilled revenue	120.03	137.33
	129.91	**145.95**

(₹ in Lakhs)

7 Other assets

(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Non-current		
To parties other than related parties		
Prepaid expenses	56.18	41.62
Capital advances	111.16	352.80
Advance income tax and tax deducted at source, net	-	638.13
	167.34	**1,032.55**
(b) Current		
To parties other than related parties		
Prepaid expenses	123.64	64.95
Advance to vendors	65.20	10.53
Other loans and advances	14.52	69.39
	203.36	**144.87**

(₹ in Lakhs)

8 Inventories

Particulars	As at March 31, 2024	As at March 31, 2023
(Valued at lower of cost and net realisable value)		
Medical consumables, drugs and surgical instruments	675.03	363.37
Less: Provision for slow and non-moving inventory	(33.45)	(23.90)
	641.58	**339.47**

The inventories are subject to first charge to secured bank loans, however during the current year the Company has repaid the entire loan amount.

9 Current investments

Particulars	As at March 31, 2024		As at March 31, 2023	
	No of units	Amount	No of units	Amount
Investments in Mutual Funds (quoted)				
Name of the Fund				
Bandhan Overnight Fund Direct Plan - Growth	2,84,660	3,635.05	-	-
Total	**2,84,660**	**3,635.05**	-	-

(₹ in Lakhs)

10 Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Considered Good - unsecured	1,819.99	2,304.80
Less: Allowance for expected credit losses	(173.10)	(278.26)
Total	**1,646.89**	**2,026.54**

Trade receivables ageing schedule

Particulars	Outstanding for the following period from due date of payments						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - Considered Good							
As at March 31, 2024	1,554.68	60.80	67.41	96.03	15.85	25.22	1,819.99
As at March 31, 2023	1,873.05	273.58	54.43	12.39	33.49	57.86	2,304.80

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

Category	Ageing		
	Within due date	Due date to 1 year	More than 1 year
As at March 31, 2024			
ESI/CGHS/SCHEMES	1.86%	18.11%	37.11%-100%
Others	1.44%	10.21%	30.83%-100%
	Within due date	**Due date to 1 year**	**More than 1 year**
As at March 31, 2023			
ESI/CGHS/SCHEMES	3.53%	33.09%	63.58%
Others	2.84%	21.84%	49.24%

The Company's exposure to credit risk and currency risks, and loss allowances are disclosed in note 37.

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11 Cash and bank balances

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Cash and cash equivalents		
Cash on hand	20.49	15.00
Balance with banks		
-On current accounts	263.72	559.87
	284.21	574.87
(b) Bank balances other than above		
-On deposit accounts (due to mature within 12 months of the reporting date)*	74.88	863.51
	74.88	863.51

* The FY 24 deposits includes restrictive amount of ₹ 74.88 lakhs as they pertain to bank guarantee and for FY 23 amounting to ₹ 63.51 lakhs.

For the purpose of the statement of cash flows, cash and cash equivalent comprises the following:

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	20.49	15.00
Balances with banks		
-On current accounts	263.72	559.87
	284.21	574.87

12 Equity share capital

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised		
35,000,000 equity shares (March 31, 2023: 35,000,000 equity shares) of ₹ 10 each, with voting rights.	3,500.00	3,500.00
Issued, subscribed and paid up		
2,92,78,820 equity shares (March 31, 2023: 2,92,78,820 of ₹ 10 each, fully paid up ,with voting rights.	2,927.88	2,927.88
	2,927.88	2,927.88

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

(₹ in Lakhs except number of shares)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	2,92,78,820	2,927.88	2,92,78,820	2,927.88
Issued during the year	-	-	-	-
At the end of the year	**2,92,78,820**	**2,927.88**	**2,92,78,820**	**2,927.88**

ii) Rights, preference and restrictions attached to equity shares:

The Company has a single class of equity shares referred to as equity shares having a par 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 then ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

iii) Shares held by holding company

(₹ in Lakhs except number of shares)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
- Narayana Hrudayalaya Limited	2,90,24,467	2,902.45	2,90,24,467	2,902.45

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount	Number of shares	% holding
- Narayana Hrudayalaya Limited	2,90,24,467	99.13%	2,90,24,467	99.13%

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

(v) Shareholding of promoters:

Promoter Name	As at March 31, 2024		
	Number of shares	% of total shares	% Change during the year
Narayana Hrudayalaya Limited	2,90,24,467	99.13%	0.00%
Dr. Devi Prasad Shetty *	100	0.00%	0.00%
Shakuntala Shetty *	100	0.00%	0.00%
Viren Prasad Shetty *	100	0.00%	0.00%
Dr. Varun Shetty *	100	0.00%	0.00%
Dr. Emmanuel Rupert *	100	0.00%	0.00%

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

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(₹ in Lakhs)

13 Other equity

Particulars	As at March 31, 2024	As at March 31, 2023
Reserves and surplus		
Securities premium		
At the commencement of the year	3,666.25	3,666.25
Add: Movement during the year	-	-
At the end of the year	3,666.25	3,666.25
Deemed Capital Contribution		
At the commencement of the year	14.22	14.22
Add: Additions during the year	-	-
At the end of the year	14.22	14.22
Retained earnings		
At the commencement of the year	5,723.76	2,070.94
Add: Net profit after tax transferred from statement of profit and loss	4,162.28	3,652.82
At the end of the year	9,886.04	5,723.76
Other Comprehensive Income		
At the commencement of the year	(136.34)	(103.42)
Add: Addition during the year	(25.74)	(32.92)
At the end of the year	(162.08)	(136.34)
	13,404.43	9,267.89

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 comprises of amounts that can be distributed by the company as divided to its equity shareholders.

Other Comprehensive Income
Other Comprehensive Income represents actuarial gain or loss or re-measurement of defined benefits obligation.

Deemed Capital Contribution
Deemed capital contribution by Holding Company on account of employee stock options issued to employees.

(₹ in Lakhs)

14 Borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Non-current		
(i) Secured		
Term loans		
From banks (refer note I)	-	92.96
Less: Current maturity of long term debt (refer note 14(b)]	-	(24.79)
Total non-current borrowings	-	**68.17**
(b) Current		
(i) Secured		
Term loans		
Current maturity of long term debt	-	24.79
Total current borrowings	-	**24.79**

I Term loans from banks :

Details of repayment terms, interest and maturity	Nature of Security
Term loan from Axis Bank Ltd: Nil (previous year : ₹ 92.96 lakhs). Payable in 20 quarterly instalments starting from 16 May 2022). Interest is charged at 7.00% p.a., (previous year: 7.00% p.a.)	Exclusive security on Robotic equipment purchased out of Term loan / capex LC, Additional movable fixed assets of the borrower such that total security cover is 1.25x. However during the current year the Company has repaid the entire loan amount.

(₹ in Lakhs)

15 Lease liabilities (Refer Note 30)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Non-current		
Lease liability Opening	397.05	573.96
Additions during the period	-	-
Finance cost accrued during the period	27.12	43.13
Lease payment	(204.04)	(220.04)
Lease liability Closing	220.13	397.05
Less: Current lease liability	(9.07)	(176.91)
	211.06	220.14
(b) Current		
Current lease liability	9.07	176.91
	9.07	176.91

(₹ in Lakhs)

16 Provisions (refer note 35)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Non-current		
Provision for employee benefits		
Gratuity (Net of planned assets)	91.01	107.23
	91.01	107.23
(b) Current		
Provision for employee benefits		
Compensated absences	180.69	149.79
	180.69	149.79

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17 Trade payables

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises (refer note 36)	282.90	163.62
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,040.69	3,335.30
	3,323.59	3,498.92

Payables to related parties (refer note 32)
The Company's exposure to liquidity risk related to trade payables is disclosed in note 37

Trade payables ageing schedule

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payments					Total
	Not Due *	Less than 1	1-2 years	2-3 years	More than 3 years	
As at March 31, 2024						
a) Undisputed - Micro enterprises and small enterprises	70.54	190.64	2.95	18.77	-	282.90
b) Undisputed - Others	1,575.03	1,354.96	89.21	0.46	21.03	3,040.69
c) Disputed dues - Micro enterprises and small enterprises	-	-	-	-	-	-
d) Disputed dues - Others	-	-	-	-	-	-
Total	1,645.57	1,545.60	92.16	19.23	21.03	3,323.59
As at March 31, 2023						
a) Undisputed -Micro enterprises and small enterprises	121.48	23.37	18.65	0.13	-	163.62
b) Undisputed - Others	2,516.74	637.20	105.77	44.06	31.53	3,335.30
c) Disputed dues - Micro enterprises and small enterprises	-	-	-	-	-	-
d) Disputed dues - Others	-	-	-	-	-	-
Total	2,638.22	660.57	124.42	44.19	31.53	3,498.92

* Not Due includes provision for expenses

18 Other financial liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
To parties other than related parties		
Creditors for capital goods*	933.79	153.54
Others	14.12	13.77
	947.91	167.31

* Creditors for capital goods includes dues of micro enterprises and small enterprises for FY 24 ₹ 111.93 lakhs and for FY 23 amounting to ₹ 67.23 lakhs.

19 Other liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Non-current		
To parties other than related parties		
Deferred government grant for EPCG Licence *	436.48	477.84
Deferred grant -others **	0.90	3.12
	437.38	480.96
(b) Current		
To parties other than related parties		
Unearned revenue	51.06	108.26
Contract liabilities	414.80	342.04
Deferred government grant for EPCG Licence **	41.25	41.25
Balances due to statutory/ government authorities	170.26	139.10
	677.37	630.65

* During the financial year 2022-23, the company had availed EPCG benefits amounting to ₹ 536.20 lakhs on Import of various Medical equipments. The Company has recognized this grant as deferred income at fair value which is being amortized over the useful life of the fixed assets in proportion in which related depreciation is recognized.

**During the financial year 2021-22, the company had received capital grants from various corporates amounting to ₹ 8.85 lakhs for purchase of Medical equipments as agreed. The Company has recognized this grant as deferred income at fair value which is being amortized over the useful life of the fixed assets in proportioning which related depreciation is recognized.

20 Current tax liabilities (net)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Income Tax (net of advance tax)	92.16	-
	92.16	-

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21 Revenue from operations

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Income from medical and healthcare services	28,103.10	25,851.85
Sale of medical consumables and drugs	943.73	635.67
	29,046.83	26,487.52

Refer notes below

(i) **Category of Customer**

Cash*	14,698.59	13,114.90
Credit	14,348.24	13,372.62
Total	29,046.83	26,487.52

* Includes receipts through digital/electronic mode

(ii) **Nature of treatment**

In-patient	22,836.75	20,951.03
Out-patient	5,266.35	4,900.82
Sale of medical consumables and drugs	943.73	635.67
	29,046.83	26,487.52

(iii) The revenue from rendering Healthcare services and Pharmaceutical products satisfies 'at a point in time' recognition criteria as prescribed by Ind AS 115

(iv) **Transaction price allocated to the remaining performance obligations**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Contractual Liabilities		
Contractual Liabilities	414.80	342.04

(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.

(vi) **Reconciliation of revenue recognised with contract price:**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Contract Price (as reflected in the invoice raised on customer as per the terms of the contract with customer)	29,394.48	26,846.44
Reduction in the form of discounts	(347.65)	(358.92)
	29,046.83	26,487.52

22 Other income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income on		
- Bank deposits	36.37	11.13
- Income tax Refund	79.73	55.86
Grant income	43.58	19.32
Foreign exchange gain, (net)	1.46	3.42
Miscellaneous income	278.06	66.76
	439.20	156.49

23 Changes in inventories of medical consumables, drugs and surgical instruments

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventory at the beginning of the year	339.47	309.50
Inventory at the end of the year	641.58	339.47
	(302.11)	(29.97)

24 Employee benefits expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus	3,615.07	3,202.84
Contribution to provident and other funds (refer note 35)	282.59	261.36
Staff welfare expenses	36.45	33.27
	3,934.11	3,497.47

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25 Other expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Hospital operating expenses		
Power and fuel	564.81	533.09
Hospital general expenses	213.15	274.74
House keeping expenses	646.04	593.08
Patient welfare expenses	290.16	286.47
Rent (refer note 30)	182.22	187.07
Medical gas charges	106.46	89.71
Biomedical wastage expenses	16.91	15.13
Repairs and maintenance		
- Hospital equipments	463.20	522.33
- Buildings	265.50	204.71
- Others	470.38	322.07
	3,218.83	**3,028.40**
Administrative expenses		
Traveling and conveyance	40.00	32.21
Security charges	153.17	146.65
Printing and stationery	160.73	68.00
Rent (refer note 30)	75.68	66.40
Advertisement and publicity	315.26	571.64
Legal and professional fees (refer note (i) below)	77.35	41.21
Business promotion	147.65	61.17
Telephone and communication	47.05	42.19
Bank charges	67.35	66.63
Insurance	47.29	52.22
Corporate social responsibility (refer note (ii) below)	61.16	40.33
Rates and taxes	30.63	43.87
Books and periodicals	12.90	12.87
(Reversal)/Provision for loss allowance	(105.16)	(147.11)
Provision for Doubtful Deposits	-	6.20
Loss on disposal of Property, plant and equipment	197.42	51.62
Miscellaneous expenses	12.22	4.55
	1,340.70	**1,160.65**
	4,559.53	**4,189.05**

(i) Payment to auditors*

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
As an auditor		
Audit fee	9.00	9.00
In other capacity :		
Other services (certification fees)	0.50	0.50
Reimbursement of expenses	0.15	0.15
	9.65	**9.65**

*excluding goods and service tax

(ii) Corporate social responsibility

Consequent to the requirements of Section 135 of the Companies Act 2013, the Company has made contributions as stated below. The same is in line with activities specified in Schedule VII of the Companies Act, 2013.

The Company's CSR activities primarily focuses on programs that aims to make a positive difference in the lives of the people by engaging in activities that eliminates or alleviates pain and suffering to the under privileged sections of the society by Promoting healthcare facilities for the upliftment of people at large and creating a positive impact by addressing issues of accessibility and affordability. Promoting educational facilities to help and assist in unfolding the creative potentials and talents of the children and amateurs.

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Amount required to be spent by the Company during the year	58.44	38.28
b) Amount of expenditure incurred on purpose other than construction/ acquisition of any asset	61.16	40.33
c) Excess spend of prior years set off during the year	-	-
d) Shortfall/(Excess) at the end of the year [(d)=(a)-(b)-(c)]	(2.72)	(2.05)
e) Total of previous years shortfall	-	-
f) Reason for shortfall	NA	NA
g) Nature of CSR Activities	Promoting healthcare facilities for the upliftment of people at large, Promoting educational facilities to deserved children and amateurs	
h) Details of related party transactions	NA	NA
i) Where a provision is made with respect to a liability incurred by entering	NA	NA

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26 Finance costs

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense on financial liabilities measured at amortised cost		
- term loans from banks	6.86	7.95
- bank overdraft	0.47	0.56
- Others	16.16	-
Interest expense on lease liabilities (refer note 30)	27.12	43.13
	50.61	**51.64**

27 Depreciation and amortisation expense

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of property, plant and equipment (refer note 4)	1,237.68	1,029.86
Depreciation of Right of Use Assets (refer Note 5)	131.84	141.95
	1,369.52	**1,171.81**

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28 Contingent liabilities and commitments

(i) Contingent liabilities

The Company does not have any contingent liability as on March 31, 2024 (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 ₹3,582.64 lakhs as on March 31, 2024 (previous year: ₹ 2,862.34 lakhs).

29 Segment information

Operating Segments

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

Geographical information

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

Two Customers - Swasthyasathi (14.23%) and West bengal health scheme (10.43%) accounted for more than 10% of the revenue as of March 31, 2024 and One Customer - Swasthyasathi (16.85%) accounted for more than 10% of the revenue as of March 31, 2023.

30 Leases

The Company has taken various medical equipment, hospital premises, office and residential premises under operating leases. The leases typically run for a term ranging from one to thirty three years, with an option to renew the lease after the term completion. The escalation clause in these arrangement ranges from 0% to 5%.

(₹ in Lakhs)

The table below provides details regarding the contractual maturities of rental payments

Particulars	As at March 31, 2024	As at March 31, 2023
Less than 1 year	28.03	204.04
1 - 2 years	28.03	28.03
2-5 years	84.09	84.09
More than 5 years	238.26	266.29

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

Particulars	As at March 31, 2024	As at March 31, 2023
Current lease liabilities	9.07	176.91
Non-current lease liabilities	211.06	220.14
	220.13	397.05

(ii) The following is the movement in the lease liabilities

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2022
Lease liability Opening	397.05	573.96
Additions during the period	-	-
Finance cost accrued during the period	27.12	43.13
Lease payment	(204.04)	(220.04)
	220.13	397.05

Rental expense recorded for short-term leases was ₹257.90 lakhs for the year ended March 31, 2024 (₹253.47 lakhs for the year ended March 31, 2023).

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31 Income tax

(₹ in Lakhs)

(a) Amount recognised in statement of profit and loss

	For the year ended March 31, 2024	For the year ended March 31, 2023
Current income tax	1,766.58	1,485.64
Deferred tax liability / (asset)		
Origination and reversal of temporary differences	109.62	21.75
Deferred tax charge	**109.62**	**21.75**
Tax expense for the year	**1,876.20**	**1,507.39**

(₹ in Lakhs)

(b) Amount recognised in other comprehensive income

	For the year ended March 31, 2024			For the year ended March 31, 2023		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Re-measurement on defined benefit plans	(36.32)	10.58	(25.74)	(46.44)	13.52	(32.92)
	(36.32)	**10.58**	**(25.74)**	**(46.44)**	**13.52**	**(32.92)**

(₹ in Lakhs)

(c) Reconciliation of effective tax rate

	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit before tax	**6,038.48**	**5,160.21**
Tax using the Company's domestic tax rate (Current year 29.12% and Previous Year 29.12%)	1,758.41	1,502.65
Tax effect of:		
Expenses not deductible for tax purpose	67.45	6.12
Others	50.34	(1.38)
	1,876.20	**1,507.39**

(₹ in Lakhs)

Deferred tax assets and liabilities are attributable to the following:

	Balance as at April 1, 2023	Other Adjustment/ MAT Credit utilisation	Recognised in Profit or loss during 2023-24 (charge)/credit	Recognised in OCI during 2023-24	Balance as at March 31, 2024
Deferred tax asset					
Provision for doubtful receivables	82.84	-	(32.43)	-	50.41
Provision for gratuity	54.96	-	(28.46)	10.58	37.08
Provision for compensated absences	43.62	-	9.00	-	52.62
Provision for slow moving and non moving inventory	6.96	-	2.78	-	9.74
Others	81.30	-	(0.20)	-	81.10
Total deferred tax asset	**269.68**	-	**(49.31)**	**10.58**	**230.95**
Deferred tax liability					
Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act.	(889.39)	-	(60.32)	-	(949.71)
Total deferred tax liability	**(889.39)**	-	**(60.32)**	-	**(949.71)**
Minimum alternative tax asset	-	-	-	-	-
Deferred tax asset/(Liability) (net)	**(619.71)**	-	**(109.62)**	**10.58**	**(718.76)**

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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 (NHL)
Key Management Personnel (KMP)	Rakesh Verma - Chief Executive Officer Prosenjit Mondal - Chief Financial Officer Poonam Barsaiyan- Company Secretary
Key Management Personnel (KMP) of the Holding Company	Dr. Devi Prasad Shetty- Chairman Dr. Emmanuel Rupert - Managing Director Viren Prasad Shetty - Whole-time Director Sandhya Jayaraman - Chief Financial Officer Sridhar S- Company Secretary
Fellow subsidiaries	Narayana Hospitals Private Limited (NHPL) Narayana Holdings Private Limited (NHDPL) (Subsidiary of NCHL) Narayana Vaishno Devi Specialty Hospitals Private Limited (NVDSHPL) NH Health Bangladesh private Limited (Subsidiary of NHDPL) Athma Healthtech Private Limited (AHPL) Narayana Hrudayalaya Surgical Hospital Private Limited (NHSHPL) ENT in Cayman Ltd. (EICL) Cayman Integrated Healthcare Ltd (CIHL) Health City Cayman Islands Ltd (HCCI) Narayana Health North America LLC (NHNA) Narayana Institute for Advanced Research Private Limited (NIARPL) Dissolved w.e.f 15th September 2023 Narayana Health Institutions Private Limited (NHIPL) strike off w.e.f 20th September 2023 NH Integrated Care Private Limited (NHIC) w.e.f 10th January 2023 Narayana Health Insurance Limited (NHIL) w.e.f 24th May 2023 Samyat Healthcare Private Limited (SHPL) w.e.f 04th July 2023 Medha AI Private Limited w.e.f 15th December 2023
Associate of Holding Company	Trimedx India Private Limited
Entity under control/ joint control of KMP of Holding company and their relatives	Amaryllis Healthcare Private Limited Kateel Software Private Limited Hrudayalaya Pharmacy Charmakki Infrastructures Lakshmi Enterprises Thrombosis Research Institute(TRI) Narayana Hrudayalaya Foundation (NHF) Mazumdar Shaw Medical Foundation (MSMF) Narayana Health Academy Private Limited(NHAPL) Asia Heart Foundation (AHF)

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

(₹ in Lakhs)

Transactions	Enterprise having control over the Company	Fellow subsidiaries	Associate of enterprise having control	Entity under control/ joint control of KMP of Holding company and their relatives	Key Management Personnel (KMP)	Total
Purchase of medical consumables, drugs and surgical instruments & Services						
Narayana Hrudayalaya Limited	247.24 (220.62)	- (-)	- (-)	- (-)	- (-)	247.24 (220.62)
Amaryllis Healthcare Private Limited	- (-)	- (-)	- (-)	122.61 (106.15)	- (-)	122.61 (106.15)
Total	247.24 (220.62)	- (-)	- (-)	122.61 (106.15)	- (-)	369.85 (326.77)
Sale of medical consumables, drugs and surgical instruments & Services						
Narayana Hrudayalaya Limited (NHL)	40.29 (64.03)	- (-)	- (-)	- (-)	- (-)	40.29 (64.03)
Narayana Hrudayalaya Surgical Hospital Private Limited (NHSHPL)	- (-)	- (0.10)	- (-)	- (-)	- (-)	- (0.10)
Total	40.29 (64.03)	- (0.10)	- (-)	- (-)	- (-)	40.29 (64.13)
Reimbursement of Expenses						
Narayana Hrudayalaya Limited (NHL)	28.06 (18.90)	- (-)	- (-)	- (-)	- (-)	28.06 (18.90)
Narayana Hrudayalaya Surgical Hospital Private Limited (NHSHPL)	- (-)	- (0.01)	- (-)	- -	- (-)	- (0.01)
Purchase of assets						
Narayana Hrudayalaya Limited (NHL)	2.29 (7.53)	- (-)	- (-)	- (-)	- (-)	2.29 (7.53)
Sale of assets						
Narayana Hrudayalaya Limited (NHL)	- (39.38)	- (-)	- (-)	- (-)	- (-)	- (39.38)
Rent						
Narayana Hrudayalaya Foundation (NHF)	- (-)	- (-)	- (-)	142.61 (142.61)	- (-)	142.61 (142.61)

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Transactions with related party during year ended March 31, 2024 (continued)

(₹ in Lakhs)

Transactions	Enterprise having control over the Company	Fellow subsidiaries	Associate of enterprise having control	Entity under control/ joint control of KMP of Holding company and their relatives	Key Management Personnel (KMP)	Total
Discount entitlement						
Narayana Hrudayalaya Foundation (NHF)	- (-)	- (-)	- (-)	60.00 (60.00)	- (-)	60.00 (60.00)
Short-term employee benefits*						
Rakesh Verma	- (-)	- (-)	- (-)	- (-)	51.11 (50.57)	51.11 (50.57)
Poonam Barsaiyan	- (-)	- (-)	- (-)	- (-)	10.71 (5.82)	10.71 (5.82)
Shweta Priy (till June 14, 2022)	- (-)	- (-)	- (-)	- (-)	- (3.43)	- (3.43)
Prosenjit Mondal	- (-)	- (-)	- (-)	- (-)	48.02 (44.71)	48.02 (44.71)
Total	- (-)	- (-)	- (-)	- (-)	109.84 (104.52)	109.84 (104.52)

*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.

Figures in bracket are for the previous year

c) The balances receivable from and payable to related parties

(₹ in Lakhs)

Balances	Enterprise having control over the Company	Fellow subsidiaries	Associate of enterprise having control	Entity under control/ joint control of KMP of Holding company and their relatives	Key Management Personnel (KMP)	Total
Trade payables						
Amaryllis Healthcare Private Limited	- (-)	- (-)	- (-)	5.26 (5.11)	- (-)	5.26 (5.11)
Narayana Hrudayalaya Limited (NHL)	21.74 (17.22)	- (-)	- (-)	- (-)	- (-)	21.74 (17.22)
Total	21.74 (17.22)	- (-)	- (-)	5.26 (5.11)	- (-)	27.00 (22.33)
Trade receivables						
Narayana Hrudayalaya Limited (NHL)	3.96 (30.78)	- (-)	- (-)	- (-)	- (-)	3.96 (30.78)
Narayana Hrudayalaya Surgical Hospital Private Limited (NHSHPL)	- (-)	- (0.10)	- (-)	- (-)	- (-)	- (0.10)
Total	3.96 (30.78)	- (0.10)	- (-)	- (-)	- (-)	3.96 (30.88)

Notes:

(a) No amounts 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.

(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.

(d) Figures in brackets are for the previous year

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33 Earnings per share

Basic and diluted earning per share

(₹ in lakhs) except for share data

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit after tax	4,162.28	3,652.82

Weighted average number of equity shares (basic & diluted)

Shares	As at March 31, 2024	As at March 31, 2023
Total no. of shares outstanding	2,92,78,820	2,92,78,820
Effect of shares issued during the year	-	-
Weighted average number of equity shares for the year	**2,92,78,820**	**2,92,78,820**
Basic and diluted Earning per share (₹)	14.22	12.48

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 is as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Total equity attributable to the equity shareholders of the Company	16,332.31	12,195.77
As a percentage of total capital	100%	99%
Long-term borrowings including current maturities	-	92.96
Total borrowings	-	92.96
As a percentage of total capital	0%	1%
Total capital (Equity and Borrowings)	**16,332.31**	**12,288.73**

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35 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 ending March 31, 2024 aggregated to ₹ 233.95 lakhs (previous year ending March 31, 2023 : ₹ 226.01 lakhs)

Defined benefit plan

The Company operates a post-employment defined benefit plan that provides 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 managed by Life Insurance Corporation of India. 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 other comprehensive income forming part of the statement profit and loss.

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

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Defined benefit liability	447.48	365.84
Plan assets	356.47	258.60
Net defined benefit liability	91.01	107.23
Liability for Compensated absences	180.69	149.79
Total employee benefit liability	271.70	257.02
Non-current	91.01	107.23
Current	180.69	149.79

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

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

i) Reconciliation of present values of defined benefit obligations

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Defined benefit obligation at the beginning of the year	365.84	309.69
Current service cost	44.70	33.97
Interest cost	22.82	13.49
Benefit payments from plan assets	-	(39.77)
Benefit payments directly by employer	(31.50)	-
Actuarial (gains) losses recognised in other comprehensive income		
-changes in demographic assumptions	0.88	15.03
-changes in financial assumptions	5.15	(21.09)
-experience adjustments	39.59	54.52
Defined benefit obligations at the end of the year	447.48	365.84

ii) Reconciliation of fair value of plan assets

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Plan assets at beginning of the year	258.60	223.89
Benefit refund to be received by the company	-	(29.97)
Contributions paid into the plan	69.69	90.32
Expected return on plan assets	18.88	12.11
Benefits paid	-	(39.77)
Actuarial gain on plan assets	9.30	2.02
Plan assets at the end of the year	356.47	258.60
Net defined benefit liability	91.01	107.23

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

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current service cost	44.70	33.97
Interest cost	22.82	13.49
Interest income	(18.88)	(12.11)
	48.64	35.35

ii) Remeasurements recognised in other comprehensive income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Actuarial loss on defined benefit obligation	45.62	48.45
Actuarial gain on plan assets	(9.30)	(2.02)
	36.32	46.44

D. **Plan Assets**

Plan assets comprises of the following:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Pooled assets with an insurance company	356.47	258.60
	356.47	258.60

The nature of assets allocation of plan assets is in government bond of high credit rating.

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Defined Benefit obligations

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, 2024	As at March 31, 2023
Withdrawal rate	Up to Level 6 = 25%, Level 7 and above= 44%	Up to Level 6 = 38%, Level 7 and above= 46%
Discount rate	7.30%	5.41%
Expected rate of return on plan assets	6.70%	6.70%
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Future salary increases	First year 7.90% Thereafter 6%	First year 7.90% Thereafter 6%

Assumptions regarding future mortality are based on published statistics and mortality tables.
The expected contributions to the fund during the year ending 31 March 2025, will be approximately ₹ 58.80 lakhs

Maturity profile of defined benefit obligation

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
1st following year	96.31	10.62
2nd following year	98.36	81.18
3rd following year	66.71	65.09
4th following year	62.62	45.88
5th following year	50.13	38.59
Year 6 to 10	153.54	95.09
More than 10 years	75.47	34.13

ii) Sensitivity analysis

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

Particulars	March 31, 2024		March 31, 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(7.79)	8.10	(5.16)	5.32
Future salary increases (0.5% movement)	9.02	(8.73)	6.08	(5.97)
Attrition rate (0.5% movement)	(0.37)	0.37	(0.28)	0.27
Mortality rate (10% movement)	0.03	(0.02)	0.01	(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.

36 Due to Micro, Small and Medium Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2024 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The Company has not received any claim for interest from any supplier.

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
-Principal	378.01	228.15
-Interest	16.62	2.70
The amount of interest paid by the buyer as per the MSMED Act, along with the amount of payments made to micro and small suppliers beyond the appointed day during the accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	16.62	2.70
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the section 23 of MSMED Act 2006.	-	-

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37 Financial instruments: Fair value and risk managements

A. Accounting classification and fair values

(₹ in Lakhs)

As at March 31, 2024	FVTPL	Amortised cost	Total
Financial assets			
Trade receivables	-	1,646.89	1,646.89
Cash and cash equivalents	-	284.21	284.21
Bank balances other than above	-	74.88	74.88
Other financial assets	-	324.92	324.92
	-	**2,330.90**	**2,330.90**
Financial liabilities			
Borrowings	-	-	-
Lease liabilities	-	220.13	220.13
Trade payables	-	3,323.59	3,323.59
Other financial liabilities	-	947.91	947.91
	-	**4,491.63**	**4,491.63**

As at March 31, 2023	FVTPL	Amortised cost	Total
Financial assets			
Trade receivables	-	2,026.54	2,026.54
Cash and cash equivalents	-	574.87	574.87
Bank balances other than above	-	863.51	863.51
Other financial assets	-	347.40	347.40
	-	**3,812.32**	**3,812.32**
Financial liabilities			
Borrowings	-	92.96	92.96
Lease liabilities		397.05	397.05
Trade payables	-	3,498.92	3,498.92
Other financial liabilities	-	167.31	167.31
	-	**4,156.24**	**4,156.24**

Measurement of fair values

The carrying value of all financial assets approximates the fair value; fair value of mutual funds are based on quoted price.

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 impairment 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 net of provision for doubtful receivables amounting to
₹ 1646.89 lakhs (31 March 2023: ₹ 2026.54 lakhs). The movement in allowance for impairment in respect of trade and other receivables during the year was as follows:

(₹ in Lakhs)

Allowance for credit loss	As at March 31, 2024	As at March 31, 2023
Opening balance	278.26	425.37
Impairment loss (reversed) / recognised	(105.16)	(147.11)
Closing balance	**173.10**	**278.26**

Two Customers - Swasthyasathi (14.23%) and West Bengal health scheme (10.43%) accounted for more than 10% of the revenue as of March 31, 2024 and One Customer - Swasthyasathi (16.85%) accounted for more than 10% of the revenue as of March 31, 2023.

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

(iii) Liquidity risk

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

The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. In addition, the Company maintains line of credits as stated in Note 14.

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

(₹ in Lakhs)

Particulars	Less than 1 year	1 - 2 years	2-5 years	more than 5 years	Total
Borrowings	-	-	-	-	-
Lease liabilities	9.07	9.88	35.22	165.96	220.13
Trade payables	3,323.59	-	-	-	3,323.59
Other financial liabilities	947.91	-	-	-	947.91
Total	**4,280.57**	**9.88**	**35.22**	**165.96**	**4,491.63**

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2023:

(₹ in Lakhs)

Particulars	Less than 1 year	1 - 2 years	2-5 years	more than 5 years	Total
Borrowings	24.79	24.79	43.38	-	92.96
Lease liabilities	176.92	9.07	32.35	178.72	397.05
Trade payables	3,498.92	-	-	-	3,498.92
Other financial liabilities	167.31	-	-	-	167.31
Total	**3,867.94**	**33.86**	**75.72**	**178.72**	**4,156.24**

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(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.

(a) Foreign currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of the company. The functional currency of company is ₹. The currencies in which these transactions are primarily denominated is US dollars.

The currency profile of financial assets and financial liabilities as at March 31, 2024 and March 31,2023 are as follows:

As at 31 March 2024	(USD in lakhs)
Financial assets	
Cash and cash equivalents	0.90
Net assets / (liabilities)	**0.90**

As at 31 March 2023	(USD in lakhs)
Financial assets	
Cash and cash equivalents	0.29
Net assets / (liabilities)	**0.29**

(b) Sensitivity analysis

The sensitivity of profit or loss to changes in exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ in Lakhs)

Particulars	Impact on profit or (loss) before tax	
	As at 31 March 2024	As at 31 March 2023
USD Sensitivity		
INR/USD - Increase by 1%	0.75	0.24
INR/USD - Decrease by 1%	(0.75)	(0.24)

(c) 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.

(i) Interest rate risk exposure

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

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Variable rate long term borrowings including current maturities	-	92.96
Total borrowings	-	**92.96**

(ii) Sensitivity

(₹ in Lakhs)

Particulars	Impact on profit or loss		Impact on other	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Sensitivity				
1% increase in base rate	-	(0.93)	-	(0.93)
1% decrease in base rate	-	0.93	-	0.93

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

38 Financial Ratios

Ratio	Methodology	For the year ended March 31, 2024	For the year ended March 31, 2023	Variance
a) Current Ratio [1]	Current assets over current liabilities	1.26	0.88	43.56%
b) Debt-Equity Ratio [2]	Debt over total shareholders' equity	-	0.01	-100.00%
c) Debt Service Coverage Ratio [2]	Earning available for debt service over debt service	114.20	34.08	235.11%
d) Return on Equity Ratio % [3]	PAT over total average equity	29.18%	106.07%	-72.49%
e) Trade Receivable turnover Ratio	Credit Revenue from operations over average trade receivables	7.81	6.92	12.92%
f) Trade payables turnover ratio	Total purchases over average trade payables	2.05	2.08	-1.37%
g) Net capital turnover ratio [4]	Revenue from operations over working capital	20.97	-47.88	-143.80%
h) Net profit ratio [4]	Net profit over revenue from operations	14.33%	13.79%	3.91%
i) Return on capital employed	PBIT over capital employed	35.71%	40.38%	-11.55%
j) Inventory turnover ratio [5]	Cost of goods sold over average inventory	13.63	19.55	-30.26%

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 lease liabilities
Capital employed refers to total shareholders' equity and debt.

Explanation for variances exceeding 25%:

[1] Improvement in Current ratio is due to increase in cash balance due to good collection and increase in business
[2] Improvement in Debt equity ratio and Debt service coverage ratio is due to repayment of Term loans
[3] Improvement in Return on equity is due to improved operational profits
[4] Net capital turnover ratio, Net profit ratio percentage has improved due to operational efficiencies
[5] Inventory turnover ratio decreased due to increase in inventory when compared to previous year

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39 Other Statutory Information

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

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

(iii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies) including foreign entities (Intermediaries) with the understanding that intermediary shall:
(a) Directly for indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate beneficiaries) or
(b) Provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries

(iv) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding party) with the understanding (whether recorded in writing or otherwise) that
(a) Directly for indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate beneficiaries) or
(b) Provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries

(v) The Company 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.

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

40 Code on Social Security 2020

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

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

The Company has established and maintained an adequate internal control framework over its financial reporting and based on its assessment, has concluded that the internal controls for the year ended 31 March 2024 were effective.

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For and on behalf of the Board of Directors of
Meridian Medical Research & Hospital Limited
CIN - U85110WB1995PLC071440

Viren Prasad Shetty	**Dr. Emmanuel Rupert**	**Rakesh Verma**
Director	Director	Chief Executive Officer
DIN: 02144586	DIN: 07010883	
Place: Bengaluru	Place: Bengaluru	Place: Kolkata
Date: May 24, 2024	Date: May 24, 2024	Date: May 24, 2024
Prosenjit Mondal	**Poonam Barsaiyan**	
Chief Financial Officer	Company Secretary	
Place: Kolkata	Place: Bengaluru	
Date: May 24, 2024	Date: May 24, 2024	

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