Narayana Health
Health for all. All for health.

Date of submission: 8th August 2022

To	To
The Secretary Listing Department BSE Limited Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 **Scrip Code - 539551**	The Secretary Listing Department National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Mumbai – 400 051 **Stock Code- NH**

Dear Sir/Madam,

Sub: Notice of 22nd Annual General Meeting and Annual Report for the FY 2021-22

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), we enclose herewith Notice of 22nd Annual General Meeting of the Members of the Company to be held on Tuesday, 30th August, 2022, at 11:30 a.m. through Video Conferencing / Other Audio-Visual Means (VC/OAVM) and Annual Report of the Company for the FY 2021-22.

Further, in compliance with the provisions of Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of SEBI (LODR) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company will be providing to the members, facility to exercise their right to vote at 22nd Annual General Meeting by electronic means. The business as proposed in the Notice of the AGM will be transacted through remote e-voting services provided by National Securities Depository Limited (NSDL). The e-voting period will commence on Friday, 26th August 2022, from 09:00 A.M.(IST) and will end on Monday, 29th August 2022, at 5:00 P.M. (IST). The cut-off date for determining the members who shall be eligible to vote is Tuesday, 23rd August 2022.

The Notice of Annual General Meeting and the Annual Report for the Financial Year 2021-22 has been uploaded on the website of the Company https://www.narayanahealth.org/, and also being dispatched to all eligible shareholders whose e-mail IDs are registered with the Company/Depositories/RTA.

Kindly take the above said information on record.

Yours faithfully,
For **NARAYANA HRUDAYALAYA LIMITED**

Sridhar S
Group Company Secretary, Legal and Compliance Officer

NARAYANA HRUDAYALAYA LIMITED

Encl: As above

Narayana Hrudayalaya Limited
CIN: L85110KA2000PLC027497
Registered Office: 258/A, Bommasandra Industrial Area, Anekal Taluk, Bangalore 560099
Corporate Office: 261/A, 2nd Floor, Bommasandra Industrial Area, Anekal Taluk, Bangalore 560099
Tel +91 80 7122 2636 | Fax +91 80 2783 2648 | Email: info@narayanahealth.org | **www.narayanahealth.org**

Appointments
186-0208-0208

Narayana Hrudayalaya Limited

Registered Office: 258/A, Bommasandra Industrial Area, Anekal Taluk, Bengaluru-560099

CIN: L85110KA2000PLC027497

Website: www.narayanahealth.org, E-mail: nhlagm2022@narayanahealth.org, Tel: +91 80 7122 2129

NOTICE OF 22ND ANNUAL GENERAL MEETING

Notice is hereby given that the 22nd Annual General Meeting (AGM) of the Members of Narayana Hrudayalaya Limited will be held on Tuesday, the 30th August 2022 at 11.30 a.m. through Video Conferencing / Other Audio Visual Means to transact the following business. The venue of the meeting shall be deemed to be the Registered Office of the Company.

ORDINARY BUSINESS

1. **To receive, consider and adopt the audited financial statements of the Company including the audited consolidated financial statements for the financial year ended 31st March 2022, 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 Standalone Financial Statements of the Company for the financial year ended 31st March 2022 including the Audited Balance Sheet as at 31st March 2022 and Statement of Profit & Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year ended on that date along with notes thereon, Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2022, 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 declare dividend of ₹ 1.00 per Equity Share for the financial year ended 31st March 2022**

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

   "RESOLVED THAT a final dividend of ₹1.00 per share on the equity shares of ₹10 each aggregating to ₹20,43,60,804 as recommended by the Board of Directors of the Company for the year ended 31st March 2022 be and is hereby declared and paid to those members whose name stand on the Register of Members and Register of Beneficial Owners of the Company as on 23rd August 2022."

3. **To appoint a director in place of Dr. Devi Prasad Shetty (DIN:00252187), who retires by rotation and being eligible, offers himself for re-appointment**

   Explanation: As per Article 59 of the Articles of Association of the Company, at every AGM, one third of such of the directors as are liable to retire by rotation for the time being, shall retire from office and they will be eligible for re-election. Except the Managing Director and the Independent Directors, all other Directors are liable to retire by rotation. Dr. Devi Prasad Shetty, whose office as a director is liable to retire by rotation at the ensuing AGM and being eligible, seeks himself for re-appointment.

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

   "RESOLVED THAT Dr. Devi Prasad Shetty (DIN:00252187), who retires by rotation at this Annual General Meeting pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and Article 59 of Articles of Association of the Company, be and is hereby re-appointed as a director of the Company and that his period of office be liable to determination by retirement of Directors by rotation under Companies Act, 2013 and the Articles of Association of the Company".

4. **To re-appoint M/s. Deloitte Haskins and Sells LLP, Chartered Accountants as statutory auditors of the Company and to fix their remuneration**

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

   "RESOLVED THAT pursuant to Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit, Risk and Compliance Committee and the Board of Directors

of the Company, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Bengaluru, having Firm Registration No. 117366W/W-100018, who have confirmed their eligibility for the re-appointment pursuant to Section 141 of the Companies Act, 2013 as Statutory Auditors of the Company, be and are hereby re-appointed as the Statutory Auditors of the Company for a term of five (5) consecutive years, who shall hold office from the conclusion of this 22nd Annual General Meeting till the conclusion of the 27th Annual General Meeting, on such remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company."

SPECIAL BUSINESS

5. To ratify remuneration payable to the Cost Auditors for the Financial Year 2022-23

The members are requested to consider and, if thought fit, 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 of the Company be and is hereby approve and ratify the remuneration of ₹ 3,30,000 (Rupees Three Lakhs and Thirty Thousand Only) per annum plus applicable taxes and out of pocket expenses payable to M/s. PSV & Associates, Cost Accountants, Bengaluru (Firm Registration Number: 000304) who are appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of cost records for the financial year ending 31st March 2023.

RESOLVED FURTHER THAT, the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

6. To approve revision in remuneration of Dr. Devi Prasad Shetty (DIN: 00252187) as Whole-time Director of the Company

The members are requested to consider and, if thought fit, to pass the following resolution as a **Special Resolution:**

"RESOLVED THAT, pursuant to the provisions of Section 196, 197, 198, 200 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment/modification or enactment thereof for the time being in force), Article 52 of the Articles of Association of the Company and the recommendation of the Nomination and Remuneration Committee and the Board of Directors, subject to such necessary approval(s), consent(s) or permission(s), as may be required, approval of the members be and is hereby given to revise the remuneration payable to Dr. Devi Prasad Shetty (DIN: 00252187) as Whole-time Director of the Company on the terms and conditions as hereinafter mentioned effective from 1st April 2022 and valid for the remaining tenure of his appointment or till such time his remuneration is further revised before the end of his tenure, whichever is earlier:

Consolidated Salary: Consolidated salary upto ₹ 12,66,00,000/- (Rupees Twelve Crores Sixty Six Lakhs Only) per annum which includes performance-based pay, allowances and perquisites, with the authority to the Board of Directors to fix the salary within the said maximum limit from time to time including the various components of such salary.

Benefits apart from consolidated salary: Group Mediclaim Insurance Policy, Group Personal Accident Policy and Group Term Life Insurance Policy.

FURTHER RESOLVED THAT, all other terms and conditions as per the HR policy of the Company be and is hereby applicable including Earned/Privilege leave, Gratuity in terms of applicable provisions of the relevant statutes.

FURTHER RESOLVED THAT, in the event the remuneration payable to the Whole-time Director along with remuneration payable to other Whole-time Directors and Non-executive Directors of the Company exceeds the limits specified under first proviso and second proviso of sub-section (1) of Section 197 of the Companies Act, 2013, the aforesaid remuneration be paid to the Whole-time Director notwithstanding the limits prescribed under the said provisos.

FURTHER RESOLVED THAT, the aforesaid remuneration be paid to the Whole-time Director notwithstanding the limits prescribed under the Regulation 17 (6) (e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

FURTHER RESOLVED THAT, in the event of loss or the profits made are inadequate as determined under Section 198 of the Act, in any financial year during the currency of the tenure of the Whole-time Director, the Board of Directors be and is hereby authorised to pay aforesaid remuneration notwithstanding the limits prescribed under Schedule V of the Act.

FURTHER RESOLVED THAT, the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds and things as may be necessary, proper, expedient or incidental for giving effect to this resolution as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard".

7. **To approve revision in remuneration of Mr. Viren Prasad Shetty (DIN:02144586) as Whole-time Director, designated as Executive Vice Chairman of the Company**

The members are requested to consider and, if thought fit, to pass the following resolution as a **Special Resolution:**

"RESOLVED THAT, pursuant to the provisions of Section 196, 197, 198, 200 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment/modification or enactment thereof for the time being in force), Article 52 of the Articles of Association of the Company and the recommendation of the Nomination and Remuneration Committee and the Board of Directors, subject to such necessary approval(s), consent(s) or permission(s), as may be required, approval of the members be and is hereby given to revise the remuneration payable to Mr. Viren Prasad Shetty (DIN: 02144586) as Whole-time Director designated as Executive Vice Chairman of the Company on the terms and conditions as hereinafter mentioned effective from 1st April 2022 and valid for the remaining tenure of his appointment or till such time his remuneration is further revised before the end of his tenure, whichever is earlier:

Consolidated Salary: Consolidated salary upto ₹ 2,88,00,000/- (Rupees Two Crores Eighty Eight Lakhs Only) per annum which includes performance-based pay, allowances and perquisites, with the authority to the Board of Directors to fix the salary within the said maximum limit from time to time including the various components of such salary.

Benefits apart from consolidated salary: Group Mediclaim Insurance Policy, Group Personal Accident Policy, Group Term Life Insurance Policy and Group Term Life – Future Service Guarantee.

FURTHER RESOLVED THAT, all other terms and conditions as per the HR policy of the Company be and is hereby applicable including Earned/Privilege leave and Gratuity in terms of applicable provisions of the relevant statutes.

FURTHER RESOLVED THAT, in the event the remuneration payable to the Whole-time Director along with remuneration payable to other Whole-time Directors and Non-executive directors of the Company exceeds the limits specified under first proviso and second proviso of sub-section (1) of Section 197 of the Companies Act, 2013, the aforesaid remuneration be paid to the Whole-time Director notwithstanding the limits prescribed under the said provisos.

FURTHER RESOLVED THAT, the aforesaid remuneration be paid to the Whole-time Director notwithstanding the limits prescribed under the Regulation 17 (6) (e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

FURTHER RESOLVED THAT, in the event of loss or the profits made are inadequate as determined under Section 198 of the Act, in any financial year during the currency of the tenure of the Whole-time Director, the Board of Directors be and is hereby authorised to pay aforesaid remuneration notwithstanding the limits prescribed under Schedule V of the Act.

FURTHER RESOLVED THAT, the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds and things as may be necessary, proper, expedient or incidental for giving effect to this resolution as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard".

8. **To approve revision in remuneration payable to Dr. Varun Shetty as a Consultant Surgeon, an office or place of profit under the Companies Act, 2013**

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

"RESOLVED THAT, pursuant to the provisions of Section 188 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), read with Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014, Article 57 of the Articles of Association of the Company, approval of the members be and is hereby accorded for the payment of revised remuneration of ₹ 2,60,00,000/- (Rupees Two Crores Sixty Lakhs Only)

per annum effective from 1st April 2022 to Dr. Varun Shetty, a Consultant Surgeon, who is a relative of Dr. Devi Prasad Shetty, Chairman & Whole-time Director and Mr. Viren Prasad Shetty, Executive Vice Chairman of the Company.

RESOLVED FURTHER THAT, the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds and things, as may be necessary, proper, expedient or incidental for giving effect to this resolution".

9. To approve revision in remuneration payable to Dr. Vivek Shetty as a Consultant Surgeon, an office or place of profit under the Companies Act, 2013

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

"RESOLVED THAT, pursuant to the provisions of Section 188 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), read with Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014, Article 57 of the Articles of Association of the Company, the consent of the members be and is hereby accorded for the payment of revised remuneration of ₹ 1,50,00,000/- (Rupees One Crore Fifty Lakhs Only) per annum effective from 1st April 2022 to Dr. Vivek Shetty, a Consultant Surgeon, who is a relative of Dr. Devi Prasad Shetty, Chairman & Whole-time Director and Mr. Viren Prasad Shetty, Executive Vice Chairman of the Company.

RESOLVED FURTHER THAT, the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds and things, as may be necessary, proper, expedient or incidental for giving effect to this resolution."

10. To approve issue of Debt Securities on Private Placement Basis

The members are requested to consider and, if thought fit, to pass the following resolution as **Special Resolution:**

"RESOLVED THAT, pursuant to the provisions of Section 42, 71 and all other applicable provisions of the Companies Act, 2013 ("the Act"), applicable provisions of the Securities Contracts (Regulation) Act, 1956, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Foreign Exchange Management Act, 1999 and any other applicable Rules, Regulations, Notifications, Circulars (including any statutory modification(s) or re-enactment thereof, for the time being in force), prescribed by the Government of India, Reserve Bank of India, or any other regulatory authority, whether in India or abroad and Article 29 of the Articles of Association of the Company, the consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of Directors which the Board may have constituted / will constitute to exercise any or all of its powers including the powers conferred by this resolution) to offer, invite subscription for or issue debt securities, secured or unsecured, including redeemable Non-Convertible Debentures ("Debt Securities") not exceeding ₹ 200 crores during the period of one year from the date of this Annual General Meeting in one or more series/ tranches, denominated in Indian Rupees or in any foreign currency on a private placement basis, on such terms and conditions as the Board of Directors may, from time to time, determine and consider proper and most beneficial to the Company including as to when the said debt securities be issued, the consideration for the issue, utilization of the issue proceeds and all matters connected with or incidental thereto.

PROVIDED THAT, the total amount that may be so raised in the aggregate, by such offer or invitation for subscriptions of the said Debt Securities, and outstanding at any point of time along with the other borrowings of the Company, shall be within the overall borrowing limit as approved by the members at the AGM held on 3rd August, 2018 under Section 180(1)(c) of the Act, that is ₹ 1500 crores (Rupees One Thousand Five Hundred Crores only).

RESOLVED FURTHER THAT, the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds and things as may be necessary, proper, expedient or incidental for giving effect to this resolution".

11. To approve increase in the limits for providing Loans, Guarantee, Security and making Investments under Section 186 of the Companies Act, 2013

The members are requested to consider and, if thought fit, to pass the following resolution as **Special Resolution:**

"RESOLVED THAT, pursuant to the provisions of Section 186 and any other applicable provisions of the Companies Act, 2013, read with the applicable rules and other statutory approvals, consents, sanctions, if any, and in supersession of all the earlier resolutions passed in this regard, the consent of the Shareholders, be and is hereby accorded to the Board of Directors (including any Committee which the Board

may have constituted or hereinafter constitute to exercise the power conferred by this Resolution) to give loan and/or guarantee and/or provide security to any person, any body corporate including subsidiaries and associate companies of the Company, and to make investments and acquire by way of subscription, purchase or otherwise, the securities of any other body corporates including subsidiaries and associate companies of the Company and invest in units of mutual funds and any other securities and instruments as may be required from time to time, exceeding sixty percent of the Paid up Share Capital, Free Reserves and Securities Premium Account or One Hundred Percent of the Free Reserves and Securities Premium Account of the Company, whichever is more, as the Board of Directors may think fit, provided that the total of the investments made, loans, guarantees given and securities provided shall not at any time exceed ₹3,500 Crore (Rupees Three Thousand Five Hundred Crore Only).

RESOLVED FURTHER THAT, the Board of Directors or a duly constituted Committee thereof be and is hereby authorized to decide and finalize the terms and conditions while making investment, giving loan or guarantee or providing securities within the aforesaid limits including with the power to transfer and dispose of the investments so made, from time to time, and to execute all deeds, documents and other writings and to do all such acts, deeds, matters and things, as may be necessary and expedient for implementing and giving effect to this resolution".

By Order of the Board of Directors
For **Narayana Hrudayalaya Limited**

Sridhar S
Group Company Secretary, Legal & Compliance Officer

Place: Bengaluru
Date: 8th August, 2022

Notes:

1. Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Item Nos. 5 to 11 to be transacted at the Annual General Meeting as set out in the Notice, is annexed hereto.

2. Details as required in Regulation 26(4) and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings issued by the Institute of Companies Secretaries of India in respect of the Director seeking appointment / re-appointment at the Annual General Meeting forms integral part of the Notice. The Director has furnished details as required under this regulation for their reappointment/ appointment and also as required under the Companies Act, 2013 and Rules made thereunder.

3. The Company has fixed Tuesday, 23rd August 2022 as the 'Record Date' for determining entitlement of members to final dividend for the financial year ended 31st March 2022, if approved at the AGM.

4. If the final dividend, as recommended by the Board of Directors, if approved at the AGM, payment of such dividend will be made within 30 days from date of the AGM, to all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and to Members in respect of shares held in physical form as of the close of business hours on Tuesday, 23rd August 2022.

5. **General instructions for accessing and participating in the 22nd AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting:**

   a. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') issued General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020, 22/2020 dated 15th June, 2020, 33/2020 dated 28th September, 2020, 39/2020 dated 31st December, 2020, 02/2021 dated 13th January, 2021, 10/2021 dated 23rd June, 2021, 19/2021 and 20/2021 dated 8th December, 2021, 21/2021 dated 14th December, 2021 and 02/2022 and 03/2022 dated 5th May, 2022, allowed companies whose AGMs were due to be held in the year 2022 or become due in the year 2022, to conduct their AGMs on or before 31st December, 2022, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 dated 5th May, 2020 (collectively referred to as "MCA Circulars"). In compliance with these Circulars, provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 22nd AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of members at a common venue. The deemed venue for the 22nd AGM shall be the Registered Office of the Company.

   b. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed to this Notice.

   c. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

   d. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

   e. Corporate Members (i.e., other than individuals / HUF, NRI, etc.) intending to send their authorised representatives to attend the meeting are requested to send to the Company a scanned copy of the Board or governing body Resolution/Authorization etc., authorising their representatives to attend the e-AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through registered email address to sudhindraksfcs@gmail.com with a copy marked to evoting@nsdl.co.in.

   f. In line with the MCA Circulars and SEBI Circular, the Notice of the 22nd AGM will be available on the website of the Company at www. http://narayanahealth.org/, on the website of BSE Limited at www.bseindia.com and also on the website of NSDL at www.evoting.nsdl.com.

   g. National Securities Depository Limited ("NSDL") will be providing facility for voting through remote e-Voting, for participation in the 22nd AGM through VC/OAVM Facility and e-Voting during the 22nd AGM.

   h. Members may join the 22nd AGM through VC/OAVM Facility by following the procedure as mentioned below which shall be kept open for the Members from 11:15 a.m. IST i.e., 15 minutes before the time scheduled to start the 22nd AGM.

   i. Members may note that the VC/OAVM Facility, provided by NSDL, allows participation of atleast 1,000 Members on a first-come-first-served basis. The large shareholders (i.e., shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee

and Stakeholders Relationship Committee, auditors, etc. can attend the 22nd AGM without any restriction on account of first-come first-served principle.

j. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS- 2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of Listing Regulations read with MCA Circulars and SEBI Circular, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the 22nd AGM and facility for those Members participating in the 22nd AGM to cast vote through e-Voting system during the 22nd AGM.

6. Instructions for Members for Remote e-Voting are as under:

a. The remote e-Voting period will commence on Friday, 26th August, 2022 (9.00 a.m. IST) and end on Monday 29th August, 2022 (5:00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Tuesday, 23rd August 2022, may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

b. A person who is not a Member as on the cut-off date should treat this Notice of 22nd AGM for information purpose only.

c. The details of the process and manner for remote e-Voting are explained hereinafter.

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on Company name or **e-Voting service provider i.e., NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
	4. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e- Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL**. Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

   a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

8. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to sudhindraksfcs@gmail.com with a copy marked to evoting@nsdl.co.in and nhlagm2022@narayanahealth.org. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

2. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to 1800 1020 990 at evoting@nsdl.co.in

7. Process for those Members whose email ids are not registered for procuring user id and password and registration of email ids for e-Voting on the resolutions set out in this Notice:

i. Those Members, who hold shares in physical form or who have not registered their email address with the Company and who wish to participate in the 22nd AGM or cast their vote through remote e-Voting or through the e-Voting system during the meeting, may obtain the login ID and password by sending scanned copy of: i) a signed request letter mentioning your name, folio number and complete address; and ii) self-attested scanned copy of the PAN Card and any document (such as Driving Licence, Bank Statement, Election Card, Passport, AADHAR Card) in support of the address of the Member as registered with the Company; to the email address of the Company nhlagm2022@narayanahealth.org.

ii. In case shares are held in demat mode, Members may obtain the login ID and password by sending scanned copy of (i) a signed request letter mentioning your name, DP ID-Client ID (16 digit DP ID + Client ID or 16 digit beneficiary ID); (ii) self-attested scanned copy of client master or Consolidated Demat Account statement; and (iii) self-attested scanned copy of the PAN Card, to the email address of the Company nhlagm2022@narayanahealth.org. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method

for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

iii. Alternatively, Member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by providing the details mentioned in Point (i) or (ii) as the case may be.

iv. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

8. Instructions for Members for e-Voting during the 22nd AGM are as under:

a. Members may follow the same procedure for e-Voting during the 22nd AGM as mentioned above for remote e-Voting.

b. Only those Members, who will be present in the 22nd AGM through VC/OAVM Facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the 22nd AGM.

c. The Members who have cast their vote by remote e-Voting prior to the 22nd AGM may also participate in the 22nd AGM through VC/ OAVM Facility but shall not be entitled to cast their vote again.

d. Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

9. Instructions for Members for participating in the 22nd AGM through VC/OAVM are as under:

i. Member will be provided with a facility to attend the 22nd AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

ii. Please note that Members connecting from mobile devices or tablets or through laptops etc. connecting via mobile hotspot, may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches. Members are encouraged to join the Meeting through Laptops for better experience.

iii. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

iv. Members can submit questions in advance with regard to the financial statements or any other matter to be placed at the 22nd AGM, from their registered email address, mentioning their name, DP ID and Client ID number /folio number and mobile number, to reach the Company's email address nhlagm2022@narayanahealth.org before 24th August 2022 by 10:00 a.m. IST. Such questions by the Members shall be taken up during the meeting and replied by the Company suitably.

v. Members, who would like to ask questions during the 22nd AGM with regard to the financial statements or any other matter to be placed at the 22nd AGM, need to register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's email address nhlagm2022@narayanahealth.org by 24th August 2022 by 10:00 a.m. IST. Those Members who have registered themselves as a speaker shall be allowed to ask questions during the 22nd AGM, depending upon the availability of time. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, to ensure the smooth conduct of the meeting.

vi. Institutional Investors who are Members of the Company, are encouraged to attend and vote in the 22nd AGM through VC/OAVM Facility.

10. Other Guidelines for Members

a. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon

five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

b. The voting rights of Members shall be in proportion to their share in the paid up equity share capital of the Company as on the cutoff date of Tuesday, 23rd August 2022.

c. Any person, who acquires shares of the Company and becomes Member of the Company after the Company sends the Notice of the 22nd AGM by email and holds shares as on the cut-off date i.e., Tuesday, 23rd August 2022, may obtain the User ID and password by sending a request to the Company's email address nhlagm2022@narayanahealth.org. However, if you are already registered with NSDL for remote e-Voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.

d. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the meeting.

e. Mr. Sudhindra K S, Practicing Company Secretary (FCS No. 7909, CP No. 8190), Bengaluru is appointed as scrutinizer to scrutinize the remote e-voting and voting at the e-AGM venue in a fair and transparent manner.

f. During the 22nd AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the 22nd AGM, formally propose to the Members participating through VC/ OAVM Facility to vote on the resolutions as set out in the Notice of the 22nd AGM and announce the start of the casting of vote through the e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be closed with the formal announcement of closure of the 22nd AGM.

g. The Scrutinizer shall after the conclusion of e-Voting at the 22nd AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him, within 48 (forty eight) hours from the conclusion of the 22nd AGM, who shall then countersign and declare the result of the voting forthwith.

h. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at https://www.narayanahealth.org/ and on the website of NSDL at www.evoting.nsdl.com immediately after the declaration of Results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.

11. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website https://www.narayanahealth.org/, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL.

    Those members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:

    a. Members holding shares in demat form can get their e-mail ID registered by contacting their respective Depository Participant.

    b. Members holding shares in physical form may register their email address and mobile number with Company's Registrar and Share Transfer Agent, KFin Technologies Limited (KFin) by sending an e-mail request at the email ID: einward.ris@kfintech.com along with signed scanned copy of the request letter providing the email address, mobile number, self-attested PAN copy and copy of share certificate for registering their email address and receiving the Annual report, e-AGM Notice and the e-voting instructions.

12. The following documents will be available for inspection by the Members electronically during the 22nd AGM. Members seeking to inspect such documents can send an email to nhlagm2022@narayanahealth.org

    i. Certificate from the Statutory Auditors relating to the Company's Stock options/Restricted Stock Units

Plans under SEBI (Share Based Employee Benefits) Regulations, 2014.

ii. Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under the Companies Act, 2013.

13. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their DP. Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and KFin to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to KFin.

14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DP with whom they are maintaining their Demat Accounts. Members holding shares in Physical form can submit their PAN details to KFin.

15. As mandated by SEBI, effective from April 1, 2019, securities of listed companies shall be transferred only in dematerialized form. To ensure better service and elimination of risk of holding shares in physical form, we request shareholders holding shares in physical form to dematerialize their shares at the earliest.

16. Members are requested to note that as per Section 124(5) of the Act, the dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account, is liable to be transferred by the Company to the "Investor Education Protection Fund" (IEPF) established by the Central Government under Section 125 of the Act. Pursuant to IEPF Rules, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 27th August, 2021 (date of last AGM) on the website of the Company at https://www.narayanahealth.org/ and also on the website of the Ministry of Corporate Affairs. Members may approach the Company Secretary and Compliance Officer of the Company for claiming the unclaimed dividend which is yet to be transferred to IEPF by the Company.

17. **TDS ON DIVIDEND:** Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. The shareholders are requested to update their valid PAN with the DPs (if shares held in dematerialized form) and the Company (if shares are held in physical form).

    A Resident individual shareholder with PAN and who is not liable to pay income tax can upload a yearly declaration in Form No. 15G/15H with the Registrar and Transfer Agent (RTA) of the Company at https://ris.kfintech.com/form15/forms.aspx?q=0 or emailed to einward.ris@kfintech.com, by Thursday, August 25, 2022, to avail the benefit of non-deduction of tax at source. Shareholders are requested to note that in case their PAN is not registered or having invalid PAN or Specified Person as defined under section 206AB of the Income-tax Act ("the Act"), the tax will be deducted at a higher rate prescribed under section 206AA or 206AB of the Act, as applicable.

    Non-resident shareholders [including Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose the shareholder may upload the above documents (PDF/JPG Format) with the Company's RTA at https://ris.kfintech.com/form15/forms.aspx?q=0 or emailed to einward.ris@kfintech.com, by Thursday, August 25, 2022. For further details please refer to FAQs on TDS on dividend at https://www.narayanahealth.org/ under Stakeholders Relations section. In this regard a separate email communication will also be sent to the shareholders.

18. Since SEBI has made it mandatory for distributing dividends through Electronic Clearing Service (ECS), the Company shall use the bank account details furnished by the Depositories for distributing dividends to shareholders holding shares in electronic form. Members are requested to notify any change in their Bank account details to their Depository Participant immediately.

By Order of the Board of Directors
For **Narayana Hrudayalaya Limited**

Sridhar S
Group Company Secretary, Legal & Compliance Officer

Place: Bengaluru
Date: 8th August, 2022

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("THE ACT")

Item No. 4

To re-appoint M/s. Deloitte Haskins and Sells LLP, Chartered Accountants as statutory auditors of the Company and to fix their remuneration.

This explanatory statement is provided in terms of Regulation 36(5) of the Listing Regulations, however, the same is strictly not required as per Section 102 of the Companies Act, 2013.

The Members, at the 17th Annual General Meeting ('AGM') held on August 3, 2017, had approved the appointment of Deloitte Haskins & Sells LLP ("Deloitte"), Chartered Accountants (Registration No. 117366W/W-100018), as Statutory Auditors of the Company, to hold office till the conclusion of the 22nd AGM. Deloitte is a leading global provider of audit services. After evaluating various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., the Board of Directors of the Company has, based on the recommendation of the Audit, Risk and Compliance Committee, at its meeting held on 20th May, 2022, proposed the re-appointment of Deloitte, as the Statutory Auditors of the Company, for a second term of 5 (five) consecutive years from the conclusion of the 22nd AGM till the conclusion of the 27th AGM of the Company to be held in the year 2027. Deloitte have consented to the aforesaid appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Companies Act, 2013. They have further confirmed that they are not disqualified to be appointed as statutory auditors as per the provisions of Section 139(1), Section 141(2) and Section 141(3) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as applicable. As per Section 142 of the Companies Act, 2013 the remuneration payable to Deloitte for statutory audit services for the proposed period of appointment including out of pocket expenses shall be recommended by the Audit, Risk and Compliance Committee for each year after considering various factors in consultation with the statutory auditors and approved by the Board of Directors. Further, the Company may obtain certifications from Deloitte under statutory regulations and avail other permissible non-audit services, as may be required from time to time. The provision of such permissible non-audit services by Deloitte will be reviewed and pre-approved by the Audit, Risk and Compliance Committee. The remuneration for certifications and non-audit services will be paid on mutually agreed terms.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at item No. 4.

The Board of Directors recommends the resolution as set out in Item No. 4, for approval of the Members of the Company by way of an Ordinary Resolution.

This explanatory statement may be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Item No. 5

To ratify remuneration payable to the Cost Auditors for the Financial Year 2022-23.

The Board, on the recommendations of Audit, Risk and Compliance Committee, at their meeting held on 20th May 2022, has approved the re-appointment of M/s. PSV and Associates, Cost Accountants, Bengaluru, as Cost Auditors for the Financial Year ending 31st March 2023, at a remuneration of ₹ 3,30,000/- (Rupees Three Lakhs Thirty Thousand Only) exclusive of applicable taxes and reimbursement of out of pocket expenses payable to the Cost Auditors.

In accordance with Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration so payable to the Cost Auditors is required to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice of the AGM for ratification of remuneration payable to the Cost Auditors for the Financial Year ending 31st March 2023.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise, either directly or indirectly in the proposed resolution.

Accordingly, the Board recommends passing of the Ordinary Resolution as set out at Item No. 5 of this Notice, for the approval of the Members.

This explanatory statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Item No. 6

To approve revision in remuneration of Dr. Devi Prasad Shetty (DIN: 00252187) as Whole-time Director.

Dr. Devi Prasad Shetty was appointed as Whole-time Director effective from 29th August, 2018 by the Board of Directors and was subsequently approved by the members at the 18th AGM held on 3rd August, 2018.

The members at the 21st AGM held on 27th August, 2021 approved maximum remuneration of ₹ 9,74,19,520/- (Rupees Nine Crore Seventy Four Lakh Nineteen Thousand Five Hundred and Twenty Only) per annum and other benefits payable to Dr. Devi Prasad Shetty in his capacity as Whole-time Director.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee, at their meeting held on 20th May 2022, approved increase in the remuneration payable to Dr. Devi Prasad Shetty, as Whole-time Director of the Company as proposed in the resolution in Item No. 6 of the Notice, and hereby recommend it for your approval.

The proposed remuneration is based on Industry Standards and the role and responsibilities of Dr. Devi Prasad Shetty as Whole-time Director of the Company. Further, Performance Based Incentive (PBI) as may be approved by the Nomination & Remuneration Committee & the Board of Directors which shall form part of the overall remuneration shall be based on the actual achievement to target revenue and EBIDTA and the PBI amount will have 40% weightage towards revenue and 60% towards EBIDTA.

Accordingly, approval of the Members is sought pursuant to the provisions of Section 196, 197, 198, 200 read with Schedule V and other applicable provisions, if any, of the Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Article 52 of the Articles of Association of the Company.

Accordingly, the Board recommends the Special resolution as set out at Item No. 6 of this Notice, for the approval of the members. Except Dr. Devi Prasad Shetty, none of the Directors or Key Managerial Personnel of the Company or their relatives are in any way, deemed to be concerned or interested, financially or otherwise, in the said resolution.

Profile of Dr. Devi Prasad Shetty has been provided in the Annual Report for Financial Year 2021-22.

This explanatory statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED UNDER SECTION II OF PART II OF SCHEDULE V OF THE ACT.

I.	**General Information**	
(I)	Nature of Industry:	Healthcare Industry – Operating and Managing Hospitals
(2)	Date or expected date of commencement of commercial production	Not Applicable. The Company was incorporated and commenced its operations in the year 2000.
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable
(4)	Financial performance based on given indicators	

₹ in Million

Year	2017-18	2018-19	2019-20	2020-21	2021-22
Turnover	22,809.07	28,609.20	31,278.09	25,793.35	37,013.17
EBIDTA	2,311.65	3,044.83	4,466.74	2,102.8	6,880.83
PBT	850.01	957.29	1,647.35	-492.3	4,297.78
PAT	289.64	616.11	1,224.82	-74.57	3,421.20

(5)	Foreign investments or collaborations, if any.	None
II.	**Information about the appointee:**	
(1)	Background	Please refer to the Directors Profile section of the Annual Report 2021-22 of the Company, for detailed profile.
(2)	Past Remuneration	₹ 9,74,19,520/- (Rupees Nine Crore Seventy Four Lakhs Nineteen Thousand Five Hundred and Twenty Only) per annum.
(3)	Recognition or awards	Please refer to the Directors Profile section of the Annual Report 2021-22 of the Company, for detailed profile.
(4)	Job profile and his suitability	Please refer to the Directors Profile section of the Annual Report 2021-22 of the Company, for detailed profile.

(5)	Remuneration proposed	Consolidated salary upto ₹ 12,66,00,000/- (Rupees Twelve Crores Sixty Six Lakhs Only) per annum which includes performance-based pay, allowances and perquisites Other Benefits: Group Mediclaim Insurance Policy, Group Personal Accident Policy and Group Term Life Insurance Policy. All other terms and conditions as per the HR policy of the Company shall be applicable including Earned/Privilege leave and Gratuity in terms of applicable provisions of the relevant statutes.
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	In the year 2019, the company had done a benchmarking for the role-based remuneration of the Chairman. However, implementation of this was deferred due to COVID. In 2021, a review of the benchmarking data was carried out to bring the remuneration of Dr. Devi Prasad Shetty at market standards, against comparative competitors. However, since the Company was yet recovering from the impact of COVID, a subdued correction was proposed and approved by the Board, which was also approved at the 21st AGM. In FY 2021-22, the Company performed significantly well and is well on way to a full recovery from the COVID impact of the past two years. The remuneration of Dr. Devi Prasad Shetty, was benchmarked by commissioning a market benchmarking study through Ernst & Young in 2022, using industry specific data from comparative hospital chains, of similar roles of his expertise and experience. On comparing the relevant data, the average compensation arrived was around Rs.16 crore for a role in his capacity and scale of operations. On the basis of the above, a 15% merit increase was proposed for Dr. Devi Prasad Shetty for the financial year, and in addition, a market benchmarked correction of 15% was proposed for him which was considered and approved by the Nomination and Remuneration Committee and the Board of Directors and placed for approval of the Members.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any.	Dr. Devi Prasad Shetty holds 27.66% of shares in the Company. Dr. Devi Prasad Shetty and his relatives and related entity together hold 63.85% of the shareholding in the Company. Dr. Devi Prasad Shetty is related to Mr. Viren Prasad Shetty, Executive Vice Chairman (son).
III.	**Other information**	
1.	Reasons of loss or inadequate profits	The Company has not incurred loss for the FY 2021-22
2.	Steps taken or proposed to be taken for improvement	Not Applicable
3.	Expected increasein productivity and profits in measurable terms	Not Applicable

Item No. 7

To approve revision in remuneration of Mr. Viren Prasad Shetty (DIN:02144586) as Executive Vice Chairman of the Company.

Mr. Viren Prasad Shetty was appointed as Whole-time Director and Group Chief Operating Officer effective from 29th August 2018 by the Board of Directors and was subsequently approved by the members at the 18th AGM held on 3rd August, 2018.

The members at the 21st AGM held on 27th August, 2021 approved maximum remuneration of ₹ 2,40,00,000/- (Rupees Two Crore Forty Lakhs Only) per annum and other benefits payable to Mr. Viren Prasad Shetty in his capacity as Whole-time Director and Group Chief Operating Officer.

The Board of Directors in their meeting held on 29th March, 2022 elected Mr. Viren Prasad Shetty as Vice Chairman of the Company, with effect from 1st April, 2022 and designated as Executive Vice Chairman.

The Board of Directors on recommendations of the Nomination and Remuneration Committee, at their meeting held on 20th May, 2022 have passed a resolution for increasing the remuneration payable to Mr. Viren Prasad Shetty, Executive Vice Chairman of the Company as proposed in the resolution in Item No.7 of the Notice, and hereby recommend it for your approval.

Approval of the members is sought pursuant to the provisions of Section 196, 197, 198, 200 read with Schedule V and other applicable provisions, if any, of the Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Article 52 of the Articles of Association of the Company.

The proposed remuneration is based on Industry Standards and the role and responsibilities of Mr. Viren Shetty as Whole-time Director. Further, Performance Based Incentive (PBI) as may be approved by the Nomination & Remuneration Committee & the Board of Directors which shall form part of the overall remuneration shall be based on the actual achievement to target revenue and EBIDTA and the PBI amount will have 40% weightage towards revenue and 60% towards EBIDTA.

Accordingly, the Board recommends the Special resolution as set out at Item No. 7 of this Notice, for the approval of the Members.

Except Mr. Viren Prasad Shetty, none of the Directors or Key Managerial Personnel of the Company or their relatives are in any way, deemed to be concerned or interested, financially or otherwise, in the said resolution.

Profile of Mr. Viren Prasad Shetty has been provided in the Annual Report for Financial Year 2021-22.

This explanatory statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED UNDER SECTION II OF PART II OF SCHEDULE V OF THE ACT.

I.	**General Information**	
(I)	Nature of Industry:	Healthcare Industry – Operating and Managing Hospitals
(2)	Date or expected date of commencement of commercial production	Not Applicable. The Company was incorporated and commenced its operations in the year 2000.
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable
(4)	Financial performance based on given indicators	

₹ in Million

Year	2017-18	2018-19	2019-20	2020-21	2021-22
Turnover	22,809.07	28,609.20	31,278.09	25,793.35	37,013.17
EBIDTA	2,311.65	3,044.83	4,466.74	2,102.8	6,880.83
PBT	850.01	957.29	1,647.35	-492.3	4,297.78
PAT	289.64	616.11	1,224.82	-74.57	3,421.20

(5)	Foreign investments or collaborations, if any.	None
II.	**Information about the appointee:**	
(1)	Background	Please refer to the Directors Profile section of the Annual Report 2021-22 of the Company, for detailed profile.
(2)	Past Remuneration	₹ 2,40,00,000/- (Rupees Two Crore Forty Lakhs Only) per annum.
(3)	Recognition or awards	Please refer to the Directors Profile section of the Annual Report 2021-22 of the Company, for detailed profile.
(4)	Job profile and his suitability	Please refer to the Directors Profile section of the Annual Report 2021-22 of the Company, for detailed profile.

(5)	Remuneration proposed	Consolidated salary upto ₹ 2,88,00,000/- (Rupees Two Crores Eighty Eight Lakhs Only) per annum which includes performance-based pay, allowances and perquisites. Other Benefits: Group Mediclaim Insurance Policy, Group Personal Accident Policy, Group Term Life Insurance Policy and Group Term Life – Future Service Guarantee. All other terms and conditions as per the HR policy of the Company shall be applicable including Earned/Privilege leave and Gratuity in terms of applicable provisions of the relevant statutes.
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Mr. Viren Prasad Shetty, Whole time Director and Group COO was elected as Vice Chairman by the Board w.e.f. 1st April 2022 and was redesignated as Executive Vice Chairman. Mr. Viren Prasad Shetty has been overseeing the operations since 2019 and leading the business operations, business transformation agenda, service transformation, new business initiatives, international growth and technology agenda. He was transitioned to a larger and global strategic role to provide leadership direction and strategic guidance to provide leadership and strategic direction for allied new business spanning across the healthcare ecosystem including all the technological initiatives of the Company. As an Executive Vice Chairman, he provides further impetus and enhanced focus on new business initiatives, technology transformation and international markets. An internal benchmarking was carried out using the industry data for similarly placed positions and thereafter remuneration was calibrated considering the role he plays and the remuneration of similarly placed positions in the industry. Accordingly, a 15% merit increase and an additional increment of 5% commensurate with the role enhancement has been proposed for him.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any.	Mr. Viren Prasad Shetty holds 1% of shares in the Company. Mr. Viren Prasad Shetty and his relatives and related entity together hold 63.85% of the shareholding in the Company. Mr. Viren Prasad Shetty is related to Dr. Devi Prasad Shetty, Chairman and Whole-time Director (father).
III.	**Other information**	
1.	Reasons of loss or inadequate profits	The Company has not incurred loss for the FY 2021-22
2.	Steps taken or proposed to be taken for improvement	Not Applicable
3.	Expected increase in productivity and profits in measurable terms	Not Applicable

Item No. 8

To approve revision in remuneration payable to Dr. Varun Shetty as a Consultant Surgeon, an office or place of profit under the Companies Act, 2013.

The shareholders of the Company at the Annual General Meeting of the Company held on 3rd August, 2018 appointed Dr. Varun Shetty as Consultant Surgeon being an office or place of profit under Section 188 of the Companies Act, 2013, as he is related to Dr. Devi Prasad Shetty and Mr. Viren Prasad Shetty. Presently he draws a remuneration of ₹ 1,20,00,000/- (Rupees One Crore and Twenty Lakhs Only) per annum.

The Board of Directors at their meeting held on 20th May, 2022, on the recommendation of Audit, Risk and Compliance Committee and Nomination and Remuneration Committee of the Company, has approved revision in remuneration payable to Dr. Varun Shetty as a Consultant Surgeon with a Remuneration of ₹ 2,60,00,000/- (Rupees Two Crores Sixty Lakhs) per annum which is commensurate with his experience and as per prevalent industry standards. The proposed remuneration comprises fixed remuneration limit of ₹ 79,40,000/- (Rupees Seventy Nine Lakhs Forty Thousand Only) and variable performance based limit upto ₹ 1,80,00,000/- (Rupees One Crore Eighty Lakhs Only).

Dr. Varun Shetty being a relative of Dr. Devi Prasad Shetty, Chairman and Whole-time Director and Mr. Viren Prasad Shetty, Executive Vice Chairman of the Company is deemed to be holding an office or place of profit in the Company in terms of Section 188 (1)(f) of the Act.

Dr. Varun Shetty graduated with MBBS in 2010 and later finished his DNB in Cardiothoracic Surgery from Narayana Institute of Cardiac Sciences in 2016. He later did his FRCS In Cardiothoracic Surgery from the Joint Surgical College UK in 2018. He is now a Consultant Surgeon in the department of Cardiac surgery at Narayana Institute of Cardiac Sciences, Bengaluru, a unit of the Company.

Since the above proposed revision in remuneration exceeds the limit prescribed under Section 188 of the Act, the revision in remuneration will require prior approval of the members vide a Ordinary resolution.

Accordingly, the Board of Directors recommends the Ordinary resolution as set out at Item No. 8 of this Notice, for the approval of the members.

Except Dr. Devi Prasad Shetty, Mr. Viren Prasad Shetty and their relatives, none of the Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the said resolution.

This explanatory statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Item No. 9

To approve revision in remuneration payable to Dr. Vivek Shetty as a Consultant Surgeon, an office or place of profit under the Companies Act, 2013.

The shareholders of the Company at the Annual General Meeting of the Company held on 3rd August, 2018 appointed Dr. Vivek Shetty as Consultant Surgeon being an office or place of profit under Section 188 of the Companies Act, 2013 ('the Act'), as he is a relative of Dr. Devi Prasad Shetty and Mr. Viren Prasad Shetty. He is presently paid a remuneration of ₹ 80,00,000/- (Rupees Eighty Lakhs Only).

The Board of Directors at their meeting held on 20th May, 2022, on the recommendation of Audit, Risk and Compliance Committee and Nomination and Remuneration Committee of the Company, has approved revision in remuneration payable to Dr. Vivek Shetty as a Consultant Surgeon with a Remuneration of ₹ 1,50,00,000/- (Rupees One Crore Fifty Lakhs Only) per annum which is commensurate with his experience and as per prevalent industry standards. The proposed remuneration comprises fixed remuneration limit of ₹65,00,000/- (Rupees Sixty Five Lakhs Only) and variable performance based limit upto ₹ 85,00,000/- (Rupees Eighty Five Lakhs Only).

Dr. Vivek Shetty being a relative of Dr. Devi Prasad Shetty, Chairman and Whole-time Director and Mr. Viren Prasad Shetty, Executive Vice Chairman of the Company is deemed to be holding an office or place of profit in the Company in terms of Section 188 (1)(f) of the Act.

Dr. Vivek Shetty graduated with MBBS in February 2011 and subsequently did MS in General Surgery in May 2014. He further completed Fellowship in Head and Neck Oncology from Rajiv Gandhi University of Health Sciences in 2016. He underwent training in Head and Neck Surgical Oncology in June 2016 following which, he has been working as a Consultant Surgeon in the department of Head and Neck Oncology at Mazumdar Shaw Cancer Center, Bengaluru, a unit of the Company.

Since the above proposed revision in remuneration exceeds the limit prescribed under Section 188 of the Act, the revision in remuneration will require prior approval of the members vide a Ordinary resolution. Accordingly, the Board of Directors recommends the Ordinary resolution as set out at Item No. 9 of this Notice, for the approval of the members.

Except Dr. Devi Prasad Shetty, Mr. Viren Prasad Shetty and their relatives, none of the Directors or Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution.

This explanatory statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Item No. 10

To approve issue of Debt Securities on Private Placement Basis

In terms of the Circular issued by SEBI on 26th November, 2018, all Large Corporates (i.e., listed entities with borrowing of ₹100 crores or more and long term credit rating of AA and above) are stipulated to fund atleast 25% of their incremental borrowings during each financial year through issue of debt securities. With the objective of ensuring compliance with this requirement as and when your Company meets the criteria of Large Corporate, your Company is proposing an enabling resolution for the approval of the Members as set out in Item No. 10.

As per the provisions of Section 42 of the Companies Act, 2013 ('the Act'), read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company shall not make a Private Placement of its securities unless the proposed offer of securities or invitation to subscribe to securities has been previously approved by the members of the company by a Special Resolution for each of the offers or invitations. However, in case of offer or invitation for "Non-Convertible Debentures" (NCDs), it shall be sufficient for the company to pass prior to the offer or invitation Special Resolution only once a year for all the offers or invitations for such debentures during the year.

For meeting the requirement of SEBI Circular on 26th November, 2018 cited above, the Company may offer or invite subscription to secured / unsecured redeemable non-convertible debentures/ debt securities on private placement basis (within the meaning of Section 42 of the Act) in one or more series / tranches. Hence, the Board of Directors pursuant to Section 71 and 42 of the Act read with Rule 14 of the Companies (Prospectus & Allotment of Securities) Rules, 2014 seeks your approval to offer or invite subscription to debt securities, as may be required by the Company, from time to time, for a year, on such terms and conditions, including the issue price but within the overall borrowing limits under Section 180(1)(c) of the Act.

Accordingly, the Board recommends the Special resolution as set out at Item No. 10 of this Notice, for the approval of the members.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, either directly or indirectly in the proposed resolution.

This explanatory statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Item No. 11

To approve increase in the limits for providing Loans, Guarantee, Security and making Investments under Section 186 of the Companies Act, 2013.

Pursuant to Section 186 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Power) Rules, 2014, the Board of Directors were authorized by the Shareholders on 9th August 2017 through Postal Ballot process to give loans, guarantees or provide securities, acquire by way of subscription, investment, purchase or otherwise, the securities of any other body(ies) corporate, including subsidiaries and associate companies of the Company as may be required from time to time, exceeding sixty percent of the paid up share capital, free reserves and securities premium account or one hundred percent of the free reserves and securities premium account of the Company, whichever is more but not exceeding at any time in the aggregate ₹ 2000 crore (Rupees Two Thousand Crore Only).

Since the Company and its Subsidiaries are in the growth phase and in order to support its business activities, the Company is required to make investments, give loan, extend guarantee or provide security to body corporates including subsidiaries and associate companies of the Company. In view of this, it is proposed to increase the limit for providing loans, guarantee, security and making investments under Section 186 of the Companies Act, 2013 to ₹3,500 Crore (Rupees Three Thousand Five Hundred Crore Only), The Board of Directors had, in its meeting held on 20th May 2022 considered and approved this proposal, subject to the approval of Shareholders in the ensuing 22nd AGM.

Accordingly, the Board recommends the Special resolution as set out at Item No. 11 of this Notice, for the approval of the members.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, either directly or indirectly in passing of the said Special Resolution.

This explanatory statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

By Order of the Board of Directors
For **Narayana Hrudayalaya Limited**

Sridhar S
Group Company Secretary, Legal & Compliance Officer

Place: Bengaluru
Date: 8th August, 2022

Brief profile of Directors seeking appointment/re-appointment at the Annual General Meeting

[Pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings]

Particulars	Dr. Devi Prasad Shetty
Director Identification Number (DIN)	00252187
Date of Birth / Age	8th May 1953 (69 years)
Date of first appointment on the Board	19th July 2000
Educational Qualification	MBBS, Master's Degree in Surgery
Experience (including expertise in specific functional areas) /Brief Resume	He is Renowned Cardiac Surgeon and Healthcare Entrepreneur Please refer to the Directors Profile section of the Annual Report 2021-22 of the Company, for detailed profile.
Directorships held in other companies and entities (excluding foreign companies and Section 8 companies)	7 (Seven)
Memberships/ Chairmanships of Committees across in other listed companies and entities	Nil
Relationship with other Directors/ Key Managerial Personnel	Dr. Devi Prasad Shetty, Chairman and Whole-time director is the father of Mr. Viren Prasad Shetty, Executive Vice Chairman of the Company.
No. of shares held in the Company either by self or on a beneficial basis for any other person	5,65,26,139 equity shares of ₹10 each.

For details regarding the number of meetings of the Board/Committees attended by the above Directors during the year and remuneration drawn/ sitting fees received, please refer to the Boards' Report and the Corporate Governance Report forming part of the Annual Report.

Narayana Health

Health for all. All for health.

Reflection

Narayana Hrudayalaya Limited

Annual Report 2021-22

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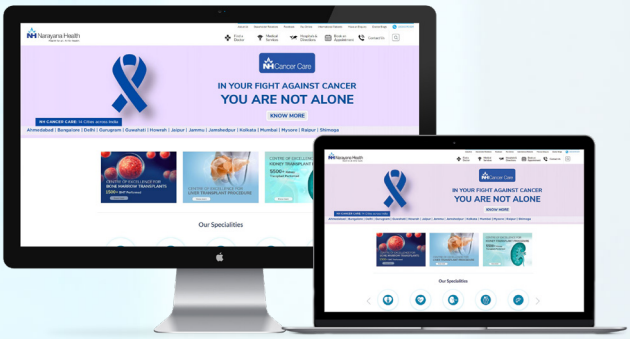


To see the report online please log on to
www.narayanahealth.org

Forward looking statement

Some information in this report may contain forward-looking statements. We have based these forward looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forwardlooking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward looking statements and assumed facts or bases almost always vary from actual results, and the differences between the results implied by the forwardlooking statements and assumed facts or bases and actual results can be material, depending on the circumstances.

OUR MISSION

The Company's mission is to deliver high-quality, affordable healthcare services to the broader population in India.

Chairman's Message

> In India, with a diverse population of 1.3 billion people, one size fit all solution will not work. We need health insurance at premiums starting from few hundred rupees to few lakh rupees.

Dear friends,

My entire professional life as a heart surgeon and as an entrepreneur was spent in trying to reduce the cost of healthcare. After spending years on cost reduction, we made massive difference to the common man of our country and set an example for the rest of the world to follow. I left England way back in 1989 and started a new inning at Calcutta as a heart surgeon. 31 years ago, my first patient paid one and half lakh rupees for a bypass grafting. Today, we are doing bypass for poor patients at the same price. Tell me, what was costing ₹1.5 lakhs 31 years ago that costs the same today? This was possible because of the dedication, passion, and sacrifice of lakhs of doctors, nurses, medical technicians, and hospital administrators of this blessed country.

However, we have reached the inflection point in reducing costs. We can't reduce the cost further without compromising on the quality of surgery. This is something we all want to avoid for obvious reasons. But what is the way forward for half of our country's population who cannot afford to pay for healthcare out of pocket?

Low-cost health insurance

Out of pocket payment for healthcare is a third world phenomena. We are no longer a third world country and we need to build new avenues to pay for healthcare. A financial intermediary pays for the healthcare in most parts of the world. The cell phone revolution taught us a very interesting lesson - Indians are willing to pay a small amount of money in instalments for essential services. We believe that the future of healthcare services in India is closely linked to innovation in low cost health insurance. There are a lot of exciting companies developing satchet-sized insurance as well as integrated healthcare plans. Some of these initiatives will fail, some will succeed, but all are worth exploring.

In India, with a diverse population of 1.3 billion people, one size fit all solution will not work. We need health insurance at premiums starting from few hundred rupees to few lakh rupees. That will only happen if risk takers are encouraged and eventually few good ideas will succeed and then the world will never be the same again. Once India cracks the code of affordable health insurance, we will prove to the world that it is possible to dissociate healthcare access from affluence. I would like to thank our government for Ayushman Bharat and starting discussions on affordable health insurance and I have no doubt that it will become a reality soon.

Electronic Medical Records

Mass adoption of EMR happened in USA because of $24 billion in grants given by the government to all hospitals. To improve the safety of healthcare in India, EMR adoption is critical. Today, small hospitals and nursing homes are reluctant to adopt EMR because of the time spent on learning a new system. If a small amount of money is paid per patient, nursing homes and clinics across the country will be incentivized to adopt electronic medical records. India is perhaps the only country which can do it at scale because of the extremely talented pool of software engineers who can develop most advanced electronic medical records and make it available at an affordable price.

Rapid expansion of Nursing and Medical Colleges

There are 2,600 nursing colleges offering nursing degree programs in USA. With less than a quarter of Indian population, USA graduates over 1,55,000 registered nurses per year. India has 2,500 colleges teaching General Nursing and Midwifery (GNM) and 1,900 colleges offering BSc Nursing. About 90,000 GNM and 100,000 BSc Nurses graduate each year. For 10,000 people, India has 21 nurses while USA has 116 nurses. Please keep this data in mind when you criticise Indian hospitals and compare them to western standards. Hospitals today have no control over the number of nurses and doctors getting trained or how well they are trained. Today, our hospitals have been reduced to a training school for nursing graduates to get experience certificate and migrate to the middle eastern or west.

There is nothing wrong in our doctors and nurses migrating abroad for better opportunities. Our doctors and nurses have generated tremendous goodwill for our country across the world. But we also have to recognize our position as the number 1 training ground for medical professionals, not just for India, but for the whole world. Shortage of nurses is the greatest stumbling block for delivering healthcare across the world. Indian hospitals struggle with nurse attrition rate of 50% to 75%. No service industry with this level of attrition can function without compromising on quality and patient safety.

Our government has adopted the bold strategy of "Make In India". I believe this should not be limited to manufacturing but extended to the services sector as well. India produces the largest number of skilled professionals in the world, and we have the opportunity to "Make Professionals in India for the World". Our policies should permit all hospitals with over 100 beds to start nursing colleges to train GNM and BSc nurses. Nursing colleges managed by hospitals will train highly skilled nurses because they have practical experience working as nurse assistants while studying. Since nursing students are also working, hospitals will be able to reduce the tuition fees, thus helping students from poor families to become nurses and build a better life.

> Once India cracks the code of affordable health insurance, we will prove to the world that it is possible to dissociate healthcare access from affluence.

Creating Cadre of Hospitalists

In 2020, about 1.6 lakh doctors appeared for NEET-PG and less than quarter of them were able to get a post graduate seat in clinical subjects. What would rest of the MBBS doctors do? Most of them will continue studying for a PG seat, attending coaching classes in Kerala or Kota, mugging MCQs, and not touching patients for 3-4 years. It is a colossal waste of talent and resources of the country. Due to the big gap between UG and PG seats, most of them will never get a PG seat. It is very important to create well-paid training programs for all graduating doctors inside hospitals either as specialists with postgraduate degree

Chairman's Message

> Our government has adopted the bold strategy of "Make In India". I believe this should not be limited to manufacturing but extended to the services sector as well. India produces the largest number of skilled professionals in the world,

or as hospitalists without post graduate degree. Hospitalists in USA and Staff Grade in UK are MBBS graduates who spend 2 years learning to assist the consultants and take care of patients admitted under the consultants. In India, the hospitalist equivalent would be an intermediate solution till these doctors get a PG seat and allow them to earn some money and support their families Medical profession is one of the most gruelling professions and is embraced by a very small group of passionate youngsters. Every graduating doctor should be assured of a well-paying job to take care of their family. This is the only way to attract talented youngsters to this noble profession. My heart breaks every year when I hear stories of medical students spending thousands of hours studying but not getting limited PG seats.

500 bed Hospitals for Research

The greatest engineering marvels of the future are going to be produced inside the human body because the future of health care will be totally dependent on the interaction between man and the machine. Throughout history, when engineering students work closely with the doctors, they produce innovative technology that transforms the medical profession. The MRI, heart valve, linear accelerator, surgical robot was created when engineers were given access to the human body. India has some of the best engineering colleges in the world and we can produce world-beating innovation for the 21st century. I am glad to hear that institutes of eminence like IIT-Kanpur and IISc are starting super specialty hospitals dedicated to research and we will do everything we can to support them.

Sorry, Chairman's speech cannot end without informing shareholders about our CSR activities. At NH we have different views on CSR. Of course, we follow the regulation about spending a percentage of profit on CSR. However, for us CSR means lot more than that. When a 40-year-old man with a young wife and 3 children landed on the ventilator due to COVID, protecting his life with no guarantee of payment is CSR. When COVID vaccine was in short supply, vaccinating people at our purchase price and incurring loss is CSR. When most hospitals made record profits during COVID, we were the only hospital chain in India to report losses. Thanks to the goodwill and blessings of the people we served, our business bounced back to a record revenue this year. This is what NH stands for and our values and traditions will continue in the years to come.

Thank you so much for giving us the opportunity to chase our dream of changing the world.

Best Regards,

Dr. Devi Prasad Shetty
Chairman

CEO's Insight

We are pleased to have recorded the highest ever consolidated profitability with EBITDA of INR 6,881 mn (YoY growth of 227.7%) translating into EBITDA margin of 18.6% and PAT of INR 3,421 mn reflecting a PAT margin of 9.2%.

Dear Shareholders,

It is an honour to report the performance of your Company for fiscal year 2021-22. The FY 2021-22 began with the enormous devastation experienced during the second pandemic wave. The magnitude of the humanitarian catastrophe, which affected the lives and livelihoods of countless people, rocked the nation's consciousness, and as a top healthcare service provider, the experience was overwhelming. So, let me begin by expressing our deepest sympathies to everyone affected. We stood in solidarity with those individuals and committed ourselves to defending and bolstering our communities in the face of the devastation unleashed during that time. I would want to thank the efforts and sacrifices made by our entire workforce during this extremely difficult time. A particular word of thanks to the frontline workers who risked their lives to protect us all while displaying extraordinary valour and compassion. We will be eternally grateful for their dedication and support, which is the foundation of the institution and its legacy at NH, of which we are all extremely proud.

All through the period, we made significant investments in manpower, medical infrastructure, and essential supplies to guarantee that our patients received uninterrupted service. We are grateful to the numerous Indian and international corporations who assisted us in expanding our network's critical care bed count. As you are aware, as part of our aim to make healthcare accessible to all, our hospitals started administering vaccines at cost of procurement. We also partnered with a number of NGOs and global corporates to sponsor free vaccines for the underprivileged, and we were proud to lend our support to India's much-lauded national immunisation programme.

Regulatory thrust to nurture healthcare ecosystem

While the gaps in the nation's healthcare infrastructure were exposed during the period in question, we would also like to take

this opportunity to express our gratitude to our central and state governments for continuing to prioritise health and well-being. In continuation of the enhanced allocation to the sector announced in the Union Budget of 2021, a number of commendable initiatives were introduced in the previous fiscal year, including a loan guarantee scheme of INR 50,000 crores for the expansion of health infrastructure in Tier-2 and Tier-3 cities. A further allocation of INR 23,220 crores, with a primary focus on paediatric care, was announced to increase human resource capabilities by funding the hiring of medical and nursing students, as well as increasing the availability of ICU beds and oxygen supply at the central, district, and subdistrict levels. In addition, banks were incentivized to lend by the availability of on-tap liquidity window of INR 50,000 crores, hence facilitating the expansion of COVID-related health care facilities and services across the nation.

With this kind of emphasis and slew of initiatives, together with an active partnership with private operators, we believe there will be system-wide efficiencies that will improve the delivery of healthcare services across the nation.

Business recovery amidst severe disruptions

As we began this fiscal year, building on the slow recovery of the business following the onset of the pandemic-induced disruptions in March 2020, the momentum built in our Indian operations during the fourth quarter of FY 2020-21 was severely disrupted by the second wave-induced enormous disruptions. After the effects of the second wave of the pandemic subsided, there was a gradual recovery of business over the subsequent few months, with our Indian businesses reporting record profitability during the third quarter of the fiscal year, surpassing the pre-COVID highs for the first time, despite that being historically a seasonally moderate period. Unfortunately, the third wave of the pandemic again had a negative impact on our Indian operations during the fourth quarter, but we are glad to have ended the year on a strong note thanks to the recovery in March of 2022.

Overall, building upon the steady recovery through the course of the fiscal notwithstanding the multiple disruptions, we are pleased to have recorded the highest ever consolidated profitability with EBITDA of INR 6,881 mn (YoY growth of 227.7%) translating into EBITDA margin of 18.6% and PAT of INR 3,421 mn reflecting a PAT margin of 9.2%. Our strong business performance has resulted in a consolidated Return on Average Equity Employed (RoE) of 26.2% for the 12 months ending FY 2021-22. Its heartening to note that our consolidated balance sheet and liquidity profile remain strong with INR 5.4 bn of gross borrowings as against consolidated cash & liquid investments of over INR 3.0 bn as on 31st March, 2022.

Our flagship centres in Bengaluru experienced the brunt of the pandemic-induced disruptions during the course of the year due to the significant impact on our cardiac-sciences-led high-end elective work as well as numerous restrictions on the movement of out-of-station domestic and international patients. The network-wide recovery of our other facilities was relatively more rapid. We continue to be encouraged by the performance of these units, especially the three most recent hospitals, as they continue to advance along their respective growth trajectories, having supported the business's recovery and revival through tough times. Having recovered again in March 2022 following the third wave of COVID-19-related uncertainty, we remain optimistic that our Indian operations would be able to maintain their business momentum notwithstanding the emergence of additional COVID-19 related difficulties.

Our overseas Cayman Island operations continued its excellent growth trajectory in FY 2021-22, delivering an impressive EBITDA of US$39.7 million, growing at over 50% on YoY basis in the FY 2021-22. During the course of the year, we inaugurated a state-of-the-art clinic in the heart of the city, which will be integrated into the larger new campus upon its completion. We look forward to launching the expanded operations on the new campus, beginning with the Radiation Oncology programme, in a staggered manner due to the global supply chain disruptions affecting an entirely import-reliant nation like Cayman Islands for building materials and equipment. During the period, our Caribbean hospital consultancy assignment in St. Lucia also contributed to the overall profitability. We are optimistic that this regional business will emerge a strong pillar of our future growth.

Separately, as part of our portfolio rationalisation, we exited operations at our ophthalmology-focused centre in Kolkata, the Rotary Narayana Eye hospital, as well as our fledgling Cardiac Care operations in Chittagong, Bangladesh, to sustain the long term interest of the business.

CEO's Insight

Our overseas Cayman Island operations continued its excellent growth trajectory in fiscal year 2022, delivering an impressive EBITDA of US$39.7 million, growing at over 50% on YoY basis in the FY 2021-22. During the course of the year, we inaugurated a state-of-the-art clinic in the heart of the city, which will be integrated into the larger new campus upon its completion.

Clinical Service Excellence – At the core of our existence

The clinical governance structure has been implemented across the Group with different levels of accountability. Through this, we intend to continually monitor and take remedial measures to avert undesired adverse events in our healthcare ecosystem. This initiative aims to create an environment where clinical excellence can flourish.

Another important aspect through which clinical excellence can be achieved is through clinical research and we have heavily stressed upon this aspect lately. We are participating in research projects in collaboration with University of Arizona, Maastricht University, University of Bristol, and University of Birmingham. This year we have published the highest number of research papers (212) from our organization. We have also initiated a quarterly multi-specialty webinar (iNHouse) where academic work from different units is showcased. To create an environment for research, we have subscribed to "Scopus" a research tool, "REDCap" a database management platform, and have made educational resources like "Ovid" and "UpToDate" available to everyone across the Group. We have supported publication costs for open access journals and subsidized research related investigations in different centres.

Continual emphasis on digital transformation

As a result of our commitment to embracing technology to enhance all facets of our business, we have reached a number of significant milestones during the past year, including:

- Integrated mobile doctor's application with ICU monitors for real-time remote patient assessment to enhance the clinical efficiency across the network
- Launched a pilot project called "Enhanced Doctor's Bay Management System" for outpatient queue management to ensure transparency and predictability in service delivery
- Enabled automatic vitals tracking via wearable integration in the AADI (Athma Application for Doctor Insights) application to facilitate real-time information for doctors and create automated early-alert capabilities.
- Launched an automated feedback system for outpatient and inpatient visits in our homegrown ATHMA Hospital Information System, which enables collecting and analysis of comments via social networks.

Way forward - unlocking growth avenues

As you are aware that while continuing to build upon our solid consolidation of Indian operations over the last few years, we have been prioritizing debottlenecking and brownfield expansion at our existing centres having announced plans across the network. Going ahead, to complement our already announced expansion plans at Cayman Islands, in India we shall also be open towards pursuing strategic growth avenues through greenfield facilities at our core regions as well as inorganic opportunities on opportunistic basis with the idea of deriving synergies from our existing operations. Being agile and to ensure comprehensive service offerings, we shall also be exploring integrated managed care delivery model focusing on increasing wellness of an individual through retail touchpoints across select locations.

In conclusion, I would like to convey our gratitude to you all for your trust and support and pleased to have contributed to the significant value-creation for all our shareholders during the fiscal gone by. We remain committed to achieving the goal of making high quality healthcare accessible to all. I would like to express my gratitude to the entire NH family - doctors, nurses, technicians, administrators, and our respected shareholders who have reposed faith in our journey towards making India a healthy nation for all.

Best Regards,

Dr. Emmanuel Rupert
Managing Director and Group CEO

Profile of
Board of Directors

Dr. Devi Prasad Shetty

Dr. Devi Prasad Shetty is the Chairman of our Company and also a Whole time Director. He is a cardiac surgeon with over 37 years of experience. After completing his MBBS from University of Mysore in 1978 and Master's Degree in 1982, he was granted a fellowship from the Royal College of Surgeons of England in 1989. He established Narayana Hrudayalaya Ltd. in the year 2000. Dr. Shetty is also a recipient of honorary Doctorates from University of Minnesota in 2011, from Rajiv Gandhi University of Health Sciences in 2014 and from IIT Madras also in 2014.

Dr. Shetty initiated the concept of "Micro Health Insurance Scheme" in Karnataka, which eventually led to the Karnataka government implementing the Yeshasvini Scheme, a Micro Health Insurance Scheme for Rural Farmers.

Dr. Shetty is the current Chairman of Board of Governors of Indian Institute of Management, Bangalore. He was a member of Supreme Court nominated committee to recommend preparedness and management of COVID and similar pandemic situations. He is a member of High- Level expert Group on Healthcare constituted by the Fifteenth Finance Commission. He is nominated by the Comptroller and Auditor General to the Tenth Audit Advisory Committee. Dr. Shetty is the Chairman of Academics Committee of Healthcare Sector Skills Council. He also serves as a member of Rajasthan Chief Minister's Economic Transformation Advisory Committee. Dr. Shetty is a Professor at Rajiv Gandhi University of Health Sciences, Bengaluru, India and University of Minnesota Medical School, USA.

Dr. Shetty is a recipient of several awards and honours, most noteworthy being "Padma Shri" and "Padma Bhushan" Awards in 2003 and 2012 respectively, conferred by the Government of India and the Rajyotsava Award in 2002 conferred by the Government of Karnataka. In 2013 he was the recipient of Financial Times-Arcelor Mittal Boldness in Business Award. He received the '19th Nikkei Asia Prize for Economic and Business Innovation' by Nikkei Inc. in 2014. He is an active member of the European Association for Cardio-Thoracic Surgery since 1996 and a life member of the Indian Medical Association. He was one of the Board of Governors of the Medical Council of India between 2010 and 2011.

A strong advocate of technology for efficient healthcare delivery, Dr. Shetty takes deep interest in creating and developing software products and applications to achieve time and cost efficiency while minimizing clinical errors in healthcare delivery.

Dr. Shetty also has a US Patent No.10,109,377 dated October 23, 2018 registered as inventor – "System and Method for Facilitating Delivery of Patient-Care" – 'A computer-implemented method for facilitating delivery of patient-care in adherence with a standard of care clinical protocol is described'.

Dr. Shetty is routinely invited for his advice and opinion on healthcare policies by Government of India and different state governments in India.

Mr. Viren Prasad Shetty

Mr. Viren Prasad Shetty has been associated with NH since 2004. He is a post-graduate in Business Administration, from Stanford Graduate School of Business. He is also an undergraduate in civil engineering from RV College of Engineering, Bangalore.

Mr. Viren Prasad Shetty has been instrumental in designing and building some of the key hospitals for Narayana Hrudayalaya Ltd, including the Mazumdar Shaw Medical Center as well as the Multispecialty hospitals in Jaipur and Ahmedabad. He has also worked in operations, supply chain management, business development, strategy, and investor relations at NH.

He has been the Executive Director and Senior Vice President - Strategy since 2012 and was responsible for identifying and developing new growth opportunities for NH.

He was given additional responsibility as Chief Operating Officer in 2019, and designated as Whole-time Director & Group COO, with the additional responsibility of overseeing the business operations, digital transformation, service excellence, new business initiatives, international growth, and the Athma healthcare management system.

The Board of Directors elected Mr. Viren Prasad Shetty as the Vice Chairman of the Board w.e.f. 1st April 2022 and designated him as Executive Vice-Chairman. As Executive Vice Chairman, Mr. Viren Prasad Shetty continues to provide leadership and strategic guidance to NH while overseeing the development of a new generation of leaders to fulfil our mission of making healthcare accessible to everyone.

Dr. Kiran Mazumdar Shaw

Dr. Kiran Mazumdar Shaw is a Non-executive Director of our Company. She is the executive Chairperson of Biocon Limited, an innovation-led global biopharmaceutical company, which is India's largest publicly listed biotech enterprise.

A first-generation entrepreneur with Over 45 years of experience in the field of biotechnology, she holds a Bachelor's degree in Science (Zoology Honours) from Bengaluru University and a Masters' degree in Malting and Brewing from Ballarat College, Melbourne University, Australia. She has also been awarded several honorary degrees from universities of repute globally, including Ballarat University, Australia; University of Abertay, Dundee, Scotland; Trinity College, Dublin, Ireland; University of Glasgow, Scotland; and Deakin University, Victoria, Australia.

She has several national and international recognitions to her credit, the most noteworthy being the Padma Shri and the Padma Bhushan in 1989 and 2005, respectively, conferred by the Government of India. She has also been conferred with Order of Australia, Australia's Highest Civilian Honour in 2020, highest French distinction - Chevalier de l'ordre National de la Légion d'Honneur (Knight of the Legion of Honour) in 2016 and Othmer Gold Award in 2014.

Dr. Kiran Mazumdar Shaw has been conferred with the EY World Entrepreneur of the Year™ 2020 Award, which is a testimony to her entrepreneurial journey of over four decades. She has also been appointed as the Vice Chair of the U.S.-India Business Council in 2021. She serves on the Board of The Massachusetts Institute of Technology (MIT), USA, Pure-Tech Health, USA, Memorial Sloan Kettering Cancer Centre, USA and Infosys in India. She is also the Member of the Advisory Board of The France India Foundation apart from holding key positions in various industry, educational, government and professional bodies globally.

Profile of Board of Directors

Mr. Dinesh Krishnaswamy

Mr. Dinesh Krishnaswamy is an Independent Director of our Company. He is a professional with around 30 plus years of experience. He received a Bachelor's degree from the Government Science College, Bengaluru in 1971. Thereafter, he was granted a Master's degree in Mathematics from Bengaluru University, followed by his Honorary Doctorate in Literature from the Karnataka State Open University in 2007. In 1981, Mr. Dinesh Krishnaswamy became a founding member of Infosys Limited. Since its founding, he has held various positions such as, a Board Member, Head of Quality, Information Systems, Head of the Communication Design Group and Chairman of Infosys Australia. He held the position of the President of Infosys Science Foundation in 2010 and from 2017 to January 2019 and, Trustee of Centre for Brain Research at Indian Institute of Science, Bengaluru.

Mr. Muthuraman Balasubramanian

Mr. Muthuraman Balasubramanian is an Independent Director of our Company. He has been on the Board of several companies and educational institutions. He is a professional with over 49 years of experience. He holds a Bachelor's degree in Metallurgical Engineering from Indian Institute of Technology, Madras and a Master's degree in Business Administration from the Xavier Labour Relations Institute, Jamshedpur. Mr. Muthuraman joined Tata Steel Limited in 1966 and has held various positions at Tata Steel Limited including Vice-President (Marketing and Sales) and Vice President (Cold Rolling Mill Projects) and Managing Director. He retired from Tata Steel Limited as Vice Chairman.

He served on the Board of Bosch India Limited for six years. He was also on the Board of Directors of Tata Industries Limited. He was the Chairman of the Board of Governors of the Indian Institute of Technology, Kharagpur, National Institute of Technology, Jamshedpur and Xavier's Labour Relations Institute, Jamshedpur. Currently, he is also on the Board of Directors of Sundaram Fasteners Limited and Ashirvad Pipes Private Limited. Mr. Muthuraman has been conferred with the prestigious Padma Bhushan award in 2012, from the Government of India. He received the Tata Gold Medal in 2002 from the Indian Institute of Metals, Calcutta for his significant contribution to the metallurgical industries particularly to iron and steel industry.

Ms. Terri Smith Bresenham

Ms. Terri is passionate about developing new systems of healthcare that yield more precision, affordability and accessibility for patients. She is a proven innovator and global healthcare domain expert, with a track record of technical, commercial and operational excellence that creates sustainable, profitable growth across many different situations and geographies. She is co-founder of Forte Health Advisors, LLC and serves on boards of healthcare companies in the USA and internationally that focus on novel innovations, digital platforms, tech-enabled services, and new care delivery models that can scale and benefit patients, providers and investors.

Ms. Terri's career spans roles in hospital, R&D, commercialization and operational environments. As a GE Corporate Officer, Terri spent nearly 30 years with GE's Healthcare business, most recently serving as Chief Innovation Officer, where she led innovation and the identification and incubation of disruptive business models for the company. This included leading GE's billion-dollar digital health business and advancing clinical data, AI platforms and partnerships.

Prior to this, she was President and CEO of GE's Sustainable Healthcare Solutions business, based out of Bangalore, India, focused on improving access to quality care in regions of Africa, India and Southeast Asia. She and her team developed new systems of R&D, launched a health tech incubator (five.eight) to partner with regional innovation, created a medical skills creation platform and built specialized project development solutions for governments, aid organizations and development banks. Earlier, Ms. Terri served as President and CEO of GE Healthcare India, where she spearheaded development of a portfolio of affordable innovations and created GenWorks, a first-in-market distribution and services company to exclusively bring innovative medical technologies to the semi-urban and rural markets of India. Previously she was CEO of various global product businesses of Ultrasound, Molecular Imaging, Women's Health and Bone Health businesses and in the early part of her GE career was a design engineer in MR, CT and PET. She earned her Master's in Biomedical Engineering from the University of Texas, and her Bachelor's in Medical Technology from the University of Tennessee.

Ms. Terri is active in community-based health projects and is a champion for women leadership in technology and global health.

Profile of Board of Directors

Dr. Emmanuel Rupert

Dr. Emmanuel Rupert joined the Company in May of 2000, in the capacity of Chief Consultant - Anaesthesia & as Director of Academic Services. Over the next 18 years, he was instrumental in building and strengthening the clinical operations across units in the Group. His core capability has been in developing strong clinical practices, and engaging doctors, to build a strong clinical operations team.

In February 2019, Dr. Emmanuel Rupert was appointed as Managing Director and Group CEO.

Dr. Rupert has provided critical leadership to the Company and the Group, especially during the year where the Company had to go through one of the toughest periods in the history of the Company, during the COVID-19 pandemic. He spearheaded significant enhancement of clinical capability, continuing strong cost management programs, building a strong base for clinical operations excellence, thereby delivering a quick recovery and a healthy business growth trajectory for the Company over his three years of stewardship.

He has over 30 years of clinical experience and 15 years of experience as Administrator in healthcare delivery. He provides critical leadership to the Group in fulfilling excellence through clinical outcome, patient safety and quality. Dr. Rupert also oversees various initiatives relating to clinicians, nursing, and paramedical staff.

Mr. B N Subramanya

Mr. B. N. Subramanya is an Independent Director of our Company. Mr. Subramanya holds a Bachelor's degree in Commerce from Bengaluru University. He became an Associate Member of the Institute of Chartered Accountants of India in the year 1982 and a fellow member since April 1994. He began his career with Varsons Chemicals Private Limited wherein he worked as the General Manager, Finance for a period of four years. He founded Mr. B. N. Subramanya & Co., Chartered Accountants in May 1984 and was a Senior Partner till May 2014. He has been a member of the Board at M.S. Ramaiah University of Applied Sciences, M.S. Ramaiah – HCG Cancer Centre and Governing Council of International Medical School, Bengaluru. Currently, he is also on the Board of Directors of QS-ERA India Private Limited, Sadbhava Fabricators Private Limited and Svasth-Heart India Foundation (Incorporated under Section 8 of the Indian Companies Act).

Mr. Arun Seth

Mr. Arun Seth is an Independent Director of our Company. He is an alumnus of IIT Kanpur and IIM Calcutta. He has worked in senior commercial positions in British Telecom, HCL, Usha Martin and the UB Group, in the last 40 years. He was a Managing Director of British Telecom since 1995 and retired as Non-executive Chairman of British Telecom in India in 2012. He was also on the Board of Airtel and Tech Mahindra, Jubilant Foodworks (Dominos) and Chair of Nasscom Foundation. He took early retirement to focus on bringing the benefits of IT and Telecom to the real-world businesses i.e. energy, health, fintech and payments, hospitality, retail etc., and help create a vibrant entrepreneurial system.

Currently, he is also an independent Director on the Board of various companies including listed companies like Jubilant Pharmova Ltd and Jubilant Ingrevia Ltd. He is currently on the Board of The Nudge Foundation and HelpAge India – leading NGO's.

FY22 Operational Highlights

NH RTIICS, Kolkata launched Robotic Surgery Program

DNSH, Delhi successfully completed installation of Halcyon Radiation Therapy System (LINAC)

MSMC, Bengaluru replaced its existing Robotic Davinci SI with the advanced Robotic Davinci X model

MSMC, Bengaluru operationalized its Aesthetic Centre

MSMC, Bengaluru also launched After Completion of Therapy (ACT) clinic for cancer patients

MSMC, Bengaluru launched the department of Hyperbaric Medicine and commissioned Hyperbaric Oxygen Therapy (HBOT) Unit

NH Shimoga inaugurated Neuro Navigation services for minimally invasive brain and spine surgeries

FY22 Clinical Highlights

Cardiac Sciences

NICS, Bengaluru achieved the highest ever monthly volume of 754 cardiac surgical procedures in March 2022

RTIICS, Kolkata - successfully performed its first On-pump HeartMate 3 Implantation on beating heart, a small left ventricular assist device that helps the heart pump blood in patients with heart failure

MSR-NH, Bengaluru performed its first Percutaneous Transluminal Coronary Angioplasty (PTCA) with Impella Catheterization, a technique in which a miniaturized ventricular assist device is inserted that pumps blood from left ventricle (LV) in patients with cardiogenic shock, severe heart failure & high-risk PCI

In a first-ever in Eastern India, NSH Howrah performed PDA Device Closure procedure on a 24-week-old baby weighing 840 grams

RTIICS, Kolkata successfully performed a Tracheal Resection & Reconstruction in a patient with post-COVID Tracheal Stenosis, a major side effect of endo tracheal intubation observed amongst patients with COVID-19

The network hospitals in the Group also have to their credit several complex and cutting-edge clinical procedures such as TAVR (Transcatheter Aortic Valve Replacement), MITRA CLIP procedure etc. in the minimally invasive cardiac sciences segment

FY22 Clinical Highlights

Neurosciences

MSMC, Bengaluru Neurosurgical team successfully performed 'Selective Dorsal Rhizotomy' - a rare procedure done in children with spasticity

Oncology

MSMC, Bengaluru reached the milestone of 1500 Successful Paediatric Bone Marrow Transplants (BMT) in FY22

NSH Howrah performed its first ever Total Body Irradiation (TBI) for conditioning of a Bone Marrow Transplant patient - a form of radiotherapy used primarily as part of the preparative regimen for haematopoietic stem cell transplantation

NH Raipur conducted a Complex and High-risk Onco-Surgery for Bone & Joint Disease - Internal Hemipelvectomy on a 67-year-old with Chondrosarcoma of pelvic bone, a rare primary cancer of bone which does not respond to chemotherapy and radiotherapy, making it the first reported procedure in Chhattisgarh

NSH Howrah - in a first ever, performed Nasal Brachytherapy in an elderly patient, a rare procedure

NH Ahmedabad successfully performed Segmental Liver Resection Stage I (Segment V & VI resection) on a 65-year-old diagnosed with Hepatocellular carcinoma

SMVDNSH, Jammu performed its first ever totally Thoracoscopic Segmental Lung Lobectomy, a less invasive surgical technique preferred for treating lung cancer with comparatively lesser chances of post-op recurrence

Image-guided Procedures

RTIICS, Kolkata successfully performed certain leading edge Image Guided Procedures in Interventional Radiology & Interventional Neurology such as -

Interventional Radiology

- Cryoablation in Renal Cell Carcinoma (RCC), a treatment approach used to kill cancer cells/ tissues with extreme cold
- Thoracic endovascular aortic repair (TEVAR) with carotid-carotid and left carotid-subclavian artery bypass grafting

Interventional Neurology

- FLOWDIVERTER assisted coiling on a 50-year-old presented with acutely ruptured aneurysm
- FLOWDIVERTER assisted Coiling on a patient with intracranial cavernous segment aneurysm in the right internal carotid artery
- Percutaneous embolization of scalp Arteriovenous Malformation (AVM)

Perinatology

NH SRCC Mumbai performed its 1st Pre-Natal Intervention for Twin-to-Twin transfusion syndrome (TTTS), a rare & serious pregnancy condition in which twins share unequal amounts of the placenta's blood supply resulting in the two foetuses growing at different rates

Other Surgical Specialties

MSMC, Bengaluru performed a Total Robotic Bariatric Procedure (OAGB), in a first ever for Karnataka and second in India

NH Shimoga successfully conducted Stem Cell Therapy on a patient with critical lower limb ischemia, a severe blockage in the arteries of the lower extremities resulting in marked reduction in blood-flow, thus making it 7th such case in Karnataka & 14th in India

NH Ahmedabad successfully performed a rare case of Total Elbow Replacement on a patient with Inflammatory Arthritis

NH Overseas

HCCI, Cayman Islands received affiliation from the American Society of Phlebotomy Technicians in Q4FY22 for conducting Phlebotomy Program in the Unit

HCCI launched the Robotic Surgery Program in Cayman Islands making it first of its kind service in the region

HCCI has also launched Digital Mammography services in Q4FY22

Clinical Overview

COVID-19 update

The overall pattern of the coronavirus pandemic so far has been a series of COVID-19 waves, i.e., surges in new cases followed by declines.

It is important to understand heterogeneity across regions as this explains why some Hospitals were more affected than others.

The Delta variant in the 2nd wave swept rapidly through the country and it quickly surged and became the predominant SARS-CoV-2 variant, accounting for more than 99% of COVID-19 cases (at the time) and leading to an overwhelming increase in hospitalizations.

During the Delta wave and Omicron pandemic, patients suffering from other conditions faced disruption in their treatment. The pandemic disrupted the utilisation of healthcare services for routine and emergency visits, and the consequences of this disruption for patients is difficult to quantify, as all efforts were directed towards dealing with the crisis. NH hospitals were not immune to the Pandemic and just like any other industry and Healthcare organisations, we were severely affected too.

We continued to plough through the Delta wave and Omicron Pandemic on the strong foundations built during the 1st wave. i.e., strong, capable clinical team, strengthened evidence-based protocols, ramped-up COVID-19 testing and isolation facilities, increased ICU facilities and usage of technology.

As in the first wave, technology played a crucial role, and it was leveraged for increased accessibility for NH healthcare services during the Pandemic

India had already vaccinated 90.8 % of the eligible population with the first dose and 65.4% of the second dose when initial signs of the third surge powered by Omicron started emerging. This proved pivotal in saving lives during the third surge.

Some of NH's Covid statistics are:

We had over

15000

COVID admissions and

1,15,730

COVID occupied bed days.

7

Oxygen Generator plants were added in NH network of Hospitals as a contingency measure.

Total of

1,71,805

RT-PCR tests were performed in the year and since the first wave we have performed over 3 lakhs RT-PCR tests.

500+

beds were upgraded to ICU category during COVID-19 second wave with

36000+

ICU admissions (COVID and Non-COVID).

Despite COVID restrictions and its impact on healthcare industry, NH quaternary work has shown definite recovery as shown in the table below:

Service Lines	FY22 Volume	% Growth	Growth Indicator
Liver Transplant	50	67%	↑
Kidney Transplant	560	79%	↑
Bone Marrow Transplant	216	73%	↑
Advanced Electrophysiology	2694	24%	↑
Heart Transplant & VAD	17	325%	↑
Aortic Program	329	77%	↑
Transcatheter Aortic Valve Implantation (TAVI)	79	139%	↑
Pulmonary Endarterectomy	67	52%	↑
Robotics	227	132%	↑
Interventional Radiology (IR) & Interventional Neurology	1479	39%	↑
Total	**5718**	**41%**	↑

Clinical Overview

Free COVID Vaccination Drive

During the year under review, the Company's CSR activities were focused on COVID treatment and pandemic work. The Company is committed to fight the COVID-19 pandemic and towards this end, apart from the efforts and steps taken by the Company in fighting the pandemic in the normal course of business as a hospital operator, the Company launched free vaccination drives for the underprivileged communities and helped in inoculating the semi urban, slums and marginalized communities with help of local NGOs to drive free vaccination program. The Company took precautionary measures in assembling large crowds with government permissions and further inoculating population in the marginalized communities.

NH also launched a campaign with name "Get 1 and Give 1" with GiveIndia Foundation, where the purpose was to encourage individuals, philanthropist, and corporate organizations to come forward and donate for the cost of one vaccine for underprivileged population. The purpose was to encourage individuals who could afford to bear the cost of their own vaccine, to donate the same amount for someone who couldn't. NH's CSR and community connect team inoculated 65,000 + with free vaccinations drive. The activities were performed to help community development projects of NH, where they visited towns and villages to drive vaccination with help of local NGOs.

Covid Awareness Sessions

Company's CSR team were part of COVID awareness sessions through online to make the population cognizant of the pandemic. These sessions helped in reducing the stress and guided the population in the right direction during the pandemic. These sessions were implemented with help of NGOs, Gram panchayat and local semi-urban governing bodies.

Culture of Safety

Patient safety culture refers to the beliefs, values, and norms shared by healthcare practitioners and staff throughout the organization that influence their actions and behaviours. Patient safety culture can be measured by determining what is important and what attitudes and behaviours are rewarded, supported, expected, and accepted, regarding patient safety and as a part of Quality and Patient safety program.

The year has been crucial in our journey to be the safest Hospital delivering quality care.

Narayana Hrudayalaya (NH) Governance Framework

NH aims to provide the safest clinical care in its hospitals by preventing avoidable harm and to this effect introduced Clinical Governance Framework.

> "A framework through which Hospitals are accountable for continually improving the quality of their services and safeguarding high standards of care by creating an environment in which excellence in clinical care can flourish'

We want to ensure that patients can rely on consistently high-quality care and experience when they use our services. By developing transparent and rigorous review and assurance processes, staff will be provided with the data and feedback they require to engage with continuous improvement.

These themes are underpinned by our vision and values. Our core values are represented by the acronym "iCare", which encompasses Innovation and efficiency, Compassionate care, Accountability, Respect for all, and Excellence as a culture.

Adherence to the framework will help the organisation use a transparent approach, lead by example, put policies in place, focus on a just culture, use validated tools, act on the data, commit the necessary resources and train our team.

NH has established 5-layer NH-Governance Framework (NHGF) to ensure alignment of Board, Governance, Clinical team, Quality Department, Audit team and front-line staff.

Framework design focuses primarily on engagement of stakeholders at all levels and range of appropriate parameter / data is selected and reported in a format that is easily understood by all stakeholders.

Within the clinical governance structure there are committees, sub-committees and groups; each have designated responsibilities to deliver NH strategic goals and objectives.

The following are some of the projects/initiatives being implemented under the NH Governance Framework.

Clinical Overview

Our achievements so far are:

- Strengthened specialty-based Clinical KPI monitoring
- Clinical new initiatives- Patient Safety Rounds, Escalation Matrix & Venous thromboembolism (VTE) risk assessment & management protocol, Standardized Mortality Ratio
- Mortality Review process standardization.
- Strengthening international patient safety goals across the group.

Clinical Outcome Measures

Strengthened Clinical KPI monitoring process and specific measures were defined for 25+ clinical specialties and total 97 KPIs were identified. Each KPI's definition, calculation formula, benchmarking and source of benchmarking has been defined. 84 of these KPIs have been selected and being monitored in different units. The data for these KPIs is being reviewed at department, unit & corporate level and monthly trends are presented in comparable format.

Mortality Review

Mortality review tool was introduced taking reference from IHI-Institute for Healthcare Improvement (for identification of adverse events through mortality) and WHO (for categorization). The structured mortality review helps in identifying process gaps and provides avenues to implement evidence-based strategies which are proven to reduce mortalities.

Every month close to **90% mortalities** are being reviewed using IHI tool and learnings are discussed in the forum to institutionalise the same across NH Group.

Escalation matrix

The purpose of this process is to escalate concerns for ensuring safe, quality patient care in timely manner. The scope of the process at present is limited to new admitted patients and the primary goal is to ensure initial assessment within 60 minutes and post escalation at least within 2 hours.

The escalation matrix provides easy access to next level review, to ensure timely attention to the patient. The nurse is empowered to escalate the matter to the highest level to ensure patients are attended within defined time frame.

Patient Safety Rounds

The project aimed to improve the patient satisfaction and safety through implementation of purposeful 2 hourly rounding by the nurse supervisor. A script assisted training programme was developed and senior nurses were trained on taking purposeful patient safety rounds with specific questions designed around nursing care related indicators for Example: Fall, Pressure ulcers, medication errors, patient satisfaction etc. The focused 2 hourly assessment includes the completion of the evaluation of the "5P's": Pain, Potty, Positioning, Possessions and Personal

needs. It is an evidence-based model of care that promotes a systematic and proactive approach to patient care.

The scope of the process is for patients admitted in the wards. The nurse visits the patient every 2 hourly during daytime and to not to disturb the patient during night-time, the round frequency was reduced to 4 hours.

Every patient is being visited 10 times a day with a standard script to ensure safety throughout. The overall compliance to this process across NH Group is 98%.

Clinical Overview

Venous Thrombo Embolism Risk Assessment & Management

Venous thromboembolism (VTE) which comprises pulmonary embolism (PE) and deep vein thrombosis (DVT) is a major source of morbidity and mortality for surgical and medical patients in hospital. Most hospitalised patients have one or more risk factors for VTE. Despite the frequency with which VTE occurs in hospitalised patients and the well-established efficacy and safety of preventative measures, prophylaxis is often underused or used sub-optimally.

To standardize the risk assessment and appropriate prophylaxis to reduce the risk has been focus of this clinical initiative. Risk based groups were created and 4 different risk assessment tools were finalised for each group (Medical, Surgical, Obstetrics & Paediatrics).

As the project aimed to risk assess each patient within 24 hours of admission, after full scale implementation, we have seen increasing trend of compliance with risk assessment and currently this stand at 85% - 95%. This is a significant improvement considering that we had approximately 50,000 new admissions in the last quarter across 19 NH Hospitals.

Post implementation analysis of prophylaxis usage data suggest that appropriate tool and standardized process has helped clinicians to advise judicial administration of chemical prophylaxis.

Thrombophlebitis

The insertion of peripheral intravenous canulation is the most common procedure done on patients in the hospital. And a very common complication of this procedure is phlebitis. Early detection of signs of phlebitis is the key to reduce the incidences of inflammation, re-insertion of canula and saves a lot of time for nurse.

There are many phlebitis checklists in existence and are being used all over the world. The major lacuna with these checklists is that there was no risk score allotted to early signs of phlebitis. Visual Infusion Phlebitis (VIP) score provides range from 0 to 5 for each stage and each grade/stage has been associated with recommendation of action.

VIP assessment is done for each patient in each shift by the nurse. The compliance is

100%.

Standardized Mortality Ratio

The standardized mortality ratio (SMR) is a recognized indicator of critical care quality. This ratio is used to compare actual hospital mortality of all patients treated in an Intensive Care Unit (ICU) with predicted mortality. SMR is a basic indicator to tell how good our ICU services are in preventing acute illnesses from hospital mortalities.

At present total of 6 different predictive scores (STS, EURO-II, SOFA, APACHE-II, APACHE-III & PRISM-III) have been identified across NH Group and is used in different ICUs. Monthly trends for SMR are reviewed and is compared within the unit and at NH Group level as well.

The NH Group average for SMR is less than <1, which is within the defined Benchmark.

These are some of the safety initiatives which have already proven beneficial to our patients, staff, and organisation. Going forward, this framework and quality initiative programmes will bring us closer to be a Healthcare provider, where no patient comes to avoidable harm.

Clinical Overview

Research at NH

Current activity and achievements

Apart from oncology, immunology, and cardiovascular research, we focus on translational research, artificial intelligence program, discovery program, product research and computational biology. In collaboration with Mazumdar Shaw Medical Foundation, our on-campus research partner we have been involved in translational research in the fields of head and neck oncology, glioblastoma, haematology and COVID. We have also collaborated with Immuneel Therapeutics Pvt. Ltd. and have embarked upon a study on CAR-T therapy which makes us one of the only three centres in the country carrying out this cutting-edge research. We are participating in research projects in collaboration with University of Arizona, Maastricht University, University of Bristol, and University of Birmingham. We are currently engaged in 25 Clinical Trials, 23 Sponsored Studies, 15 Investigator Initiated Studies and 7 Multi-centric Studies. This year we have published the highest number of research papers (212) from our organization

Measures currently taken to promote research

We have also initiated a quarterly multi-specialty webinar (iNHouse) where academic work from different units is showcased. To create an environment for research we have subscribed to “Scopus” a research tool, “REDCap” a database management platform, and have made educational resources like “Ovid” and “UpToDate” available to everyone across NH Group. We have supported publication costs for open access journals and subsidized research related investigations in different centres.

Future Strategy

We intend to promote research and have devised several strategies to achieve this. We intend to increase our national and international collaborations, engage in more multicentric studies, promote research in smaller units, support and incentivize research for publication, and support presentations in national and international meetings.

Specialties Overview

Oncology

At NH, we believe in patient centric care and focus on accessible oncological services, advanced treatments and high-quality care and outcomes. We have earned the trust and admiration of thousands of patients and the community over the years as a responsible brand. Our commitment to sophisticated technology, capacity to produce great clinical outcomes, and a team of dedicated professionals give us the ability to enhance the oncology care continuum while establishing ourselves as a pioneer and leader in the field. NH is one of India's major private cancer care providers, delivering Radiation Therapy, Medical Oncology, Hemato-Oncology, and Surgical Oncology services as well as complete cancer diagnosis and treatment. Over the years, our team of Hemato-Oncologists, Radiation Oncologists, Medical and Surgical Oncologists, nuclear medicine experts, radiologists, pathologists, and other experts have worked tirelessly to provide high-quality care to thousands of patients.

With a constant need to provide the best quality care and state-of-the-art infrastructure, NH continues to improve its medical infrastructure and accommodate changes to improve its efficiency and performance. We strive to provide excellent treatment by providing virtual OPD facilities, advanced technological infrastructure, and increasing the number of beds. This not only helps us improve the quality of clinical outcomes, but it also allows us to serve patients with the utmost care and compassion. We are in the process of upgrading three more centers to Comprehensive Cancer Centers - Jaipur, Shimoga and Ahmedabad. LINAC at Delhi, Kolkata and Bangalore have been upgraded to provide latest treatments.

A special focus is to develop additional capabilities in tier 2 and tier 3 cities and its showing results. Jammu, Raipur, and Guwahati have emerged as centers of choice for Cancer Care for regional Population.

Clinical Overview

NH is committed to providing affordable patient care and treatment by ensuring seamless operations throughout the value chain. Our openness and long term solutions enable us to provide services that meet a wide range of patient needs.

Chimeric Antigen Receptor T-cell (CAR-T) therapy is considered breakthrough in cancer treatment but is prohibitively expensive. Currently, this technology is not available for treatment in India and the major challenge was to develop it in a cost-effective manner so that cancer patients in India benefit from it. Mazumdar Shaw Medical Centre, Bengaluru is one of the first centers in India which has started phase 2 trials of CAR-T in association with Immuneel Therapeutics Pvt. Ltd.

Oncology services overview

7
Comprehensive Cancer Centers

Largest Hemato Oncology Program in Southeast Asia

1,00,000
Radiation Fractions Delivered

50,000+
Intensity-modulated radiation therapy (IMRT) / Image-guided radiation therapy (IGRT)

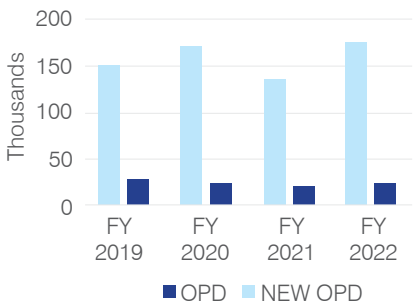
150+
robotic surgeries

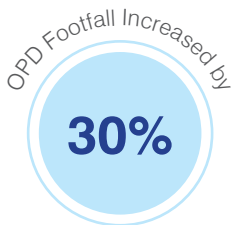
55,000
Chemotherapies administered

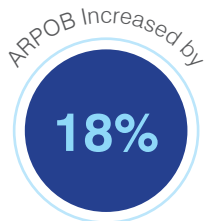
200+ BMT
done across NH in FY22

2000 BMTs
done till date

Footfall



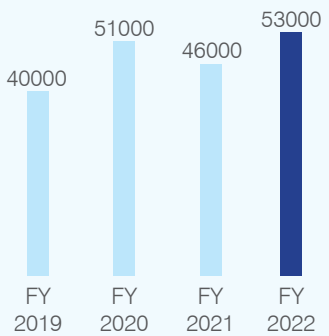




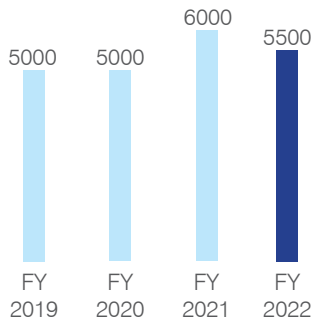
Chemotherapy Sessions Increased by

15%

Chemotherapy



Onco-Surgeries



150+

Robotic surgeries performed

Radiation Oncology

500+
patients on couch/month

12%
increase In Service Volumes

Radiation Oncology service

New Upcoming Units

- Jaipur
- Ahmedabad
- Shimoga

Upgradation

- Delhi
- Bengaluru
- Kolkata

Clinical Overview

Hemato-Oncology

Biggest program in Asian region

200+
transplants across country in FY 22

First BMT
performed in Ahmedabad

Initiation of ACT (after completion of therapy) clinic with Indian Cancer Society

1600
Transplants completed in health city

service

Upgradation
of stem cell storage done in NSH Howrah

10
BMT beds expansion in Health City, Bengaluru

CAR-T
trials initiated at MSMC, Bengaluru

Thalassemia
transfusion center in Mysore

Medical Oncology

One of the biggest programs in India

Best performing department

55,000
chemotherapies

service

Expansion
of Beds in Ahmedabad

Program Initiated in RTIICS, Kolkata

Programs to be initiated in Barasat, Shimoga

Expansion of program in Jammu

Surgical Oncology

6000+ surgeries

150+ robotic surgeries

Cryoablation added in RTIICS, Kolkata

service

New program initiated in Shimoga, Guwahati

Oral Oncology department created

Program expanded in Gurugram, Ahmedabad, Bangalore, Kolkata

Screening Programs In rural areas with ICS

Tie up with Govt Bodies for Bone Marrow Transplant / rare diseases

Tie up with St. Jude's NGO for housing care for Pediatric Oncology Patients

Tie up with Thalassemia Society of India for expansion of Hematology Programs

Clinical Overview

Cardiac Sciences

NH's top-ranked team of Cardiologists and Cardiac Surgeons diagnoses and treats close to 5 lac adults and children each year, including those with complex or rare conditions.

Our Cardiac sciences is one of the largest and most comprehensive heart practices in the world. It includes more than 400 subspecialized experts trained in Congenital Heart Disease in adults and children, Coronary Artery Disease, Structural Heart Disease, Heart Rhythm Disorders and Aortic Artery Diseases.

Our Cardiac sciences specialists are part of an integrated, multidisciplinary group, collaborating with experts in many specialties to provide our patients with comprehensive and seamless care. These experts include doctors trained in Surgery, Radiology, Pathology, Endocrinology, Nephrology, Pulmonology, intensive care and other areas, depending on the patient's condition.

Having all this expertise in each Hospital means that there is a collaborative approach to coordinated patient care, test results are available swiftly, appointments and procedures are scheduled in coordination with experts.

Cardiac care bandwidth

46
Cardiac Operation Theatres across the NH Group

38
Cath Labs across NH Group

14000+
Cardiac surgical procedures

Cardiac care performance

24K+
Coronary Angiogram

11K+
Coronary Angioplasty

6K+
CABG – Coronary Artery Bypass Graft

500+
Valve Repair

5K+
Computerised Tomography (CT) Coronary Angio

3K+
Cardiac MRI (Magnetic Resonance Imaging)

Advanced Cardiac

24% Growth
Advanced Electrophysiology

325% Growth
Heart Transplant & VAD – Ventricular Assist Device

139% Growth
TAVI – Transcatheter Aortic Valve Implantation

77% Growth
Aortic Program

52% Growth
Pulmonary Endarterectomy

Clinical Overview

Neurosciences-Interventional Neurology

Interventional Neurology services started at NH Mazumdar Shah Medical Centre (MSMC), Bengaluru in 2009. MSMC was the first Centre in India to do temporary endovascular bypass/ stent retriever for stroke (2010) and the first Centre to do mechanical thrombectomy for Paediatric patients in Asia. We were the first centre to use Artificial Intelligence(AI) in stroke imaging (RAPID system) in India. MSMC has crossed 5500 cases in total.

The Neuro interventional procedures carried out are

- Mechanical thrombectomy for arterial and venous strokes
- Carotid, Vertebral and Intracranial stenting
- Aneurysm coiling
- Flow divertor stenting
- Flow disruptors
- Arteriovenous Malformations and Dural Fistula Embolization
- Spinal interventions
- Pre-op tumour Embolization
- Retinoblastoma Embolization
- Cerebral and spinal angiograms
- Paediatric malformations embolization

NH Group carried out Over

800

Neuro Intervention Procedures in FY22

Organ transplants

Our goal at NH is to offer the widest range of treatment options to patients with end stage kidney failure, liver disease, heart failure and bone marrow failure.

Organ transplantations save lives in patients affected by terminal organ failures, and it immensely improves quality of life, reduces co-morbidities, allows our patients to get back to leading near normal life.

Our de-sensitization and ABO incompatible programs for kidney transplantations are one of the largest in the country.

Organ Transplant performance

50
Liver Transplant

67%
Growth

14
Heart Transplant

250%
Growth

560
Kidney Transplant

79%
Growth

200+
Bone Marrow Transplant

73%
Growth

Clinical Overview

Robotic Surgery

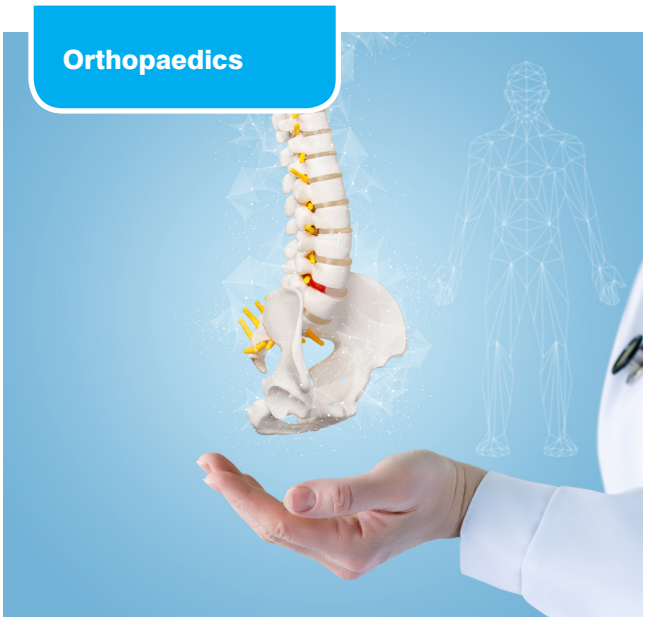
Robotic surgery, also called robot-assisted surgery, allows doctors to perform many types of complex procedures with more precision, flexibility and control than is possible with conventional techniques and is minimally invasive.

At NH, finding new ways to offer advanced healthcare acquires immense priority. This mission has made us introduce robotic surgery initially at Health City, Bengaluru, and Narayana Super speciality Hospital, Howrah, Rabindranath Tagore International Institute of Cardiac Sciences, Kolkata, Health City Cayman Island and Dharamshila Narayana Superspeciality Hospital, Delhi.

NH has performed 227 robotic surgeries during the year under review representing growth of

132%

Orthopaedics



NH provides comprehensive and world-class orthopaedic services. This department offers specialized care in the field of complex trauma, poly-trauma and related sub-specialities. The Orthopaedic department at our hospitals delivers personalised care utilising the latest research and evidence-based medicine. The department provides management related to disorders of bone, joint and a variety of musculoskeletal disorders.

Some of the procedures that we take care are:

Joints:

Total knee replacement, Hip and shoulder replacement, custom implant surgeries.

Arthroscopy:

Knee, Shoulder, and Ankle arthroscopy,

Procedures

2021-22 Volume

1500+
Knee Replacement

500+
Hip Replacement

500+
Arthroscopy

Other Highlights

2 Mn +
OP Consultations

1 lac +
Video Consultations

Over 1 lac
Health Check-ups

Over 2 lacs
IP Admissions

Approx. 10 lacs
Patient Bed Days

18 Mn +
Laboratory Test

268K+
Haemodialysis

Over 1.1 lac
CT Scans

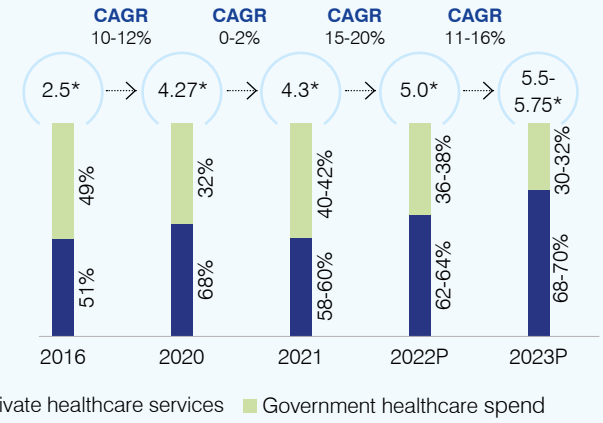
57K+
MRI

32K+
GI Endoscopy

Management Discussion & Analysis Report

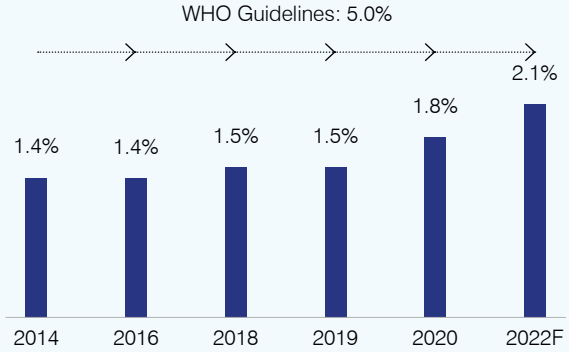
India Healthcare Industry Snapshot

Healthcare expenditure has grown
at 10-12% CAGR in FY16-20



*Rs. in Trillion

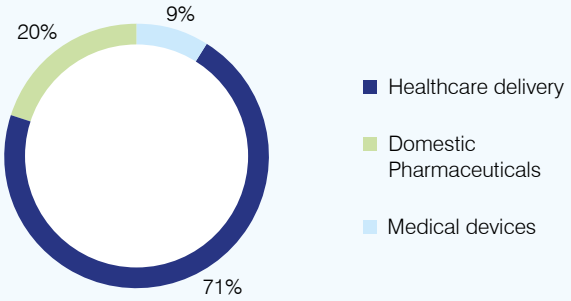
India's spend on healthcare remain low compared to global average



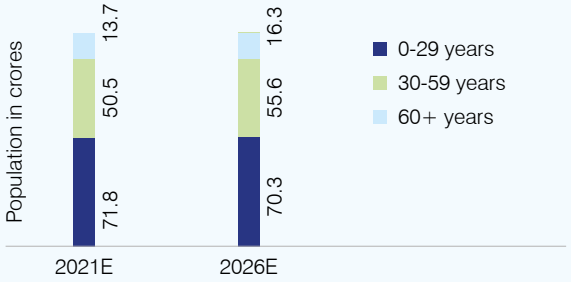
Source:CRISIL,Nitiayoa,KPMG& Prathudas Lilladher Research

Growing Indian Healthcare Delivery industry

Healthcare Delivery Growth has grown at CAGR of 12-14% over FY16 - FY20

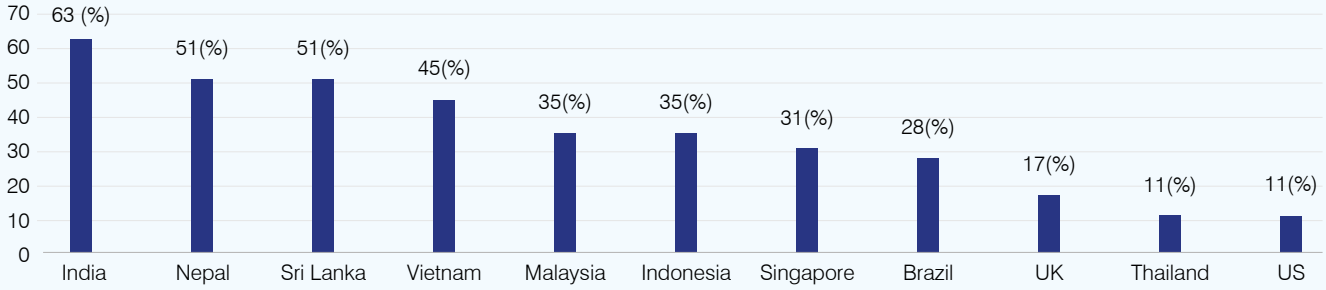


Ageing population to provide additional demand



Public healthcare expenditure is low, private sector account for bulk

Out-of-pocket expenses as % of Healthcare expenditure



Under penetration with attractive dynamics

Healthcare industry growth:

Ageing population, burgeoning lifestyle diseases, and rising affordability are contributing to the Indian healthcare industry growth at 15-17% CAGR. Healthcare Delivery has grown at CAGR of 12-14% over FY16-20.

Dominant Private healthcare spending:

India's private sector accounts for 65-70% of healthcare spending; hence new investments will largely be driven by private firms.

Higher Out of pocket expenditure:

Low public spending and limited penetration of health insurance has led to 'out-of-pocket' expenditure accounting for ~63% of total healthcare compared to global average of 22%.

Growing Medical tourism:

The revival of medical tourism due to easy travel restrictions. This market is expected to rise at a CAGR of 65- 70% between FY21-25.

Investment Climate

Heightening Investor interest in hospital care:

As of October 2021, PE Deals worth ₹ 244 Billion was witnessed in the last six years.

Merger & Acquisition Deals:

The M&A deals in the healthcare industry has jumped to $1.9 Billion in H1 FY2020-21 compared to $772 Million in H1 FY2019-20, owing to factors including digitization, supply chain optimisation, new business models and incubation.

Technology-led revolution

Moving towards internet of medical things (IoMT) and ease of home care:

IoMT helps in assess a patient's health conditions in real time and exchange information remotely.

Electronic health records (EHR):

In Union budget 2022-23, it was announced that an open platform for the National Digital Health Ecosystem will be rolled out. It will consist of digital registries of health providers and facilities, unique health identity and universal access to health facilities.

Digital platforms/Telemedicine:

National teleconsultation service a online OPD service (eSanjeevaniOPD) offered by the government. A national tele mental health programme announced to better access to quality mental health counselling and care services.

NH Consol P&L Review

Operating Income:

NH India

The Company's revenue from operations increased from ₹ 20,706 Million in 2020-21 to ₹ 29,655 Million in 2021-22 on account of the recovery of business attribute to subsidizing the pandemic and removal of domestic and international travel restrictions. The flagship units in Bengaluru and Kolkata surpassed the pre COVID levels volumes despite the second wave and third wave. Also, strong traction momentum is demonstrated by our new units.

HCCI

The facility's revenue from operations increased from US$ 68.6 Million in 2020-21 to US$ 91.9 Million in 2021-22. This increase of 33.9% is attributable to strong pick up in patients' footfall as the facility is getting decent traction from neighbouring islands leading to higher growth in the business. Also, local affluent patients who used to travel to the US for treatment, visited our facility due to travel restrictions imposed by the US government which is still prevalent. Even after the pandemic, the traction of high net worth patient footfalls continued to grow.

Cost of Material Consumed:

NH India

The cost of material consumed (Purchase of medical consumables, drugs and changes in inventories of medical consumables) increased from ₹ 5,920 Million last year to ₹ 8,019 Million in 2021-22 this fiscal as the revenues from operations got significantly increased due to recovery of business.

Consumption as a % of revenues decreased from 28.6% last year to 27.0%. Higher contribution of high-yield business such as international medical tourism coupled with growth in OP and decreased use of consumables such as surgical gloves, PPE kits and other protective gears also led to a decrease in consumption combined with operational efficiency has led to this dip in consumption.

HCCI

The cost of material consumed (Purchase of medical consumables, drugs and surgical equipment and changes in inventories of medical consumables, drugs and surgical equipment) increased from US$ 11.4 Million last year to US$ 15.9 Million in 2021-22 with consumption as a % of revenues increasing from 16.5% in FY2020-21 to 17.4% in 2021-22.

Manpower Expenses (Employees Benefits + Prof. Fees paid to doctors)

NH India

The manpower expenses including professional fees paid to doctors increased from ₹ 9,927 Million in FY2020-21 to ₹ 12,525 Million in FY2021-22. This increase in manpower expenses is due to increase in headcount including the doctors, and also attributable to revision in employee benefits & compensation by the Company. The manpower expenses as a % of operating income decreased from 47.9% in 2020-21 to 42.2% in 2021-22 due to leverage effect of increase in revenue.

HCCI

The manpower expenses including professional fees paid to doctors have increased from US$ 19.2 Million in 2020-21 to US$ 21.8 Million in 2021-22 due to increase in head count and revision in employee benefits & compensation by the Company.

Other Expenses (Overheads)

NH India

The other expenses of the Company at the India business level have decreased from ₹ 4,913 Million in 2020-21 to ₹ 5,774 Million in 2021-22. Some of the key heads and the movement of expenses across each is explained below:

Operating Rent/Revenue Share

The operating rent/revenue share increased from ₹ 234 Million (1.1% of total operational revenue) in 2020-21 to ₹ 334 Million (1.1% of total operational revenue) in 2021-22. This increase is on account of increase in operating revenue in 2021-22 resulting in higher payout (revenue share to hospital partners (Owner/promoter of the facilities we are running on revenue share basis).

Repair and Maintenance

The repair and maintenance expenses have marginally increased from ₹ 1,072 Million in 2020-21 to ₹ 1,187 Million.

Power and Fuel

The overall power and fuel cost increased from ₹ 615 Million in 2020-21 to ₹ 676 Million this year primarily due to increase in power/diesel cost.

Business Promotion and Advertisements

These expenses were ₹ 538 Million for 2020-21 and ₹ 773 Million in 2021-22 as we increased our marketing spend in line with the recovery of business from COVID-19 induced hardship.

HCCI

The other expenses of the unit have increased from US$ 12.1 Million in 2020-21 to US$ 18.7 Million in 2021-22 on account of increase in hospital operating expenses majorly in maintenance.

EBITDA

NH India

The Company registered an EBITDA of ₹ 3,581 Million in 2021-22 for its India business as compared to ₹ 199 Million we achieved last year. India business that was severely impacted in the wake of COVID-19 pandemic in 2020-21 saw a strong recovery in 2021-22 despite the second and third waves of the pandemic. Our core business in the form of high-end procedures/surgeries has gradually picked up and contributed to the increase in EBITDA. Our flagship centres at Bengaluru and Kolkata post recovery of business have surpassed the pre-COVID volumes attribute to good traction in domestic and international patient footfalls. However, our centres in hinterland regions were relatively less impacted and demonstrated resilience during the tough times and continued to show the momentum of growth trajectory. Also there has been an increase in contribution margin on account of savings in consumption.

HCCI

Facility's EBITDA increased from US$ 26.2 Million in 2020-21 to US$ 36 Million in 2021-22 reflecting a YOY growth of 37.4% on the back of increased proportion of high-net-worth Caymanian patients coming to our facility for quaternary care who historically were going to the US for medical care thus helping us register strong profitability.

Finance Cost

NH India

Finance cost decreased from ₹ 648 Million in 2020-21 in 2020-21 to ₹ 571 Million this year due to repayment of borrowings.

NH Consol Balance Sheet Review

Category (Amount)	FY 2020-21			FY 2021-22		
	NH India (₹ Million)	HCCI Consol (US$ Million)	NH Consol (INR Million)	NH India (INR Million)	HCCI Consol (US$ Million)	NH Consol (INR Million)
Borrowings	4,491	23.1	6,178	4,135	17.3	5,449
Trade Payables	3,664	6.0	4,103	4,015	6.3	4,490
Gross Tangible Assets	20,580	61.0	25,044	21,914	63.4	26,680
Trade Receivables	1,943	11.5	2,785	2,437	25.5	4,369
Inventories	243	3.2	478	312	3.7	594

Borrowings

NH India

Total Borrowings decreased from ₹ 4,491 Million as on 31st March 2021 to ₹ 4,135 Million as on 31st March 2022 despite a significant drop in revenues as we implemented certain cost control measures such as salary cuts, reduced marketing spends, etc. Better working capital management ranging from strong institutional collection, restructuring the payment terms with our vendors, etc also helped manage the situation.

HCCI:

Total Borrowings came down from US$ $ 23.1 Million as on 31st March 2021 to US$ 17.3 Million as on 31st March 2022. This is in line with the repayment schedule of the term loan from First Caribbean International Bank.

Trade Payables

NH India

The trade payables have increased from ₹ 3,664 Million as on 31st March 2021 to ₹ 4,015 Million as on 31st March 2022. This increase is on account of us having re-negotiated certain contracts with our vendors to optimise our working capital requirement by extending the payment cycle due to cash crunch as the business was impacted severely due to lockdown and other restrictions.

HCCI

The trade payables marginally increased from US$ 6.0 Million as on 31st March 2021 to US$ 6.3 Million as on 31st March 2022. This increase is line with the uptick in revenues.

Assets

Gross Block

NH India

Gross Block (tangible assets) increased from ₹ 20,580 Million as on 31st March 2021 to ₹ 21,914 Million as on 31st March 2022. Bulk of this increase is attributed towards investment in medical equipment across our network to strengthen our clinical offerings so as to provide quaternary care.

HCCI

Gross Block (tangible assets) increased slightly from US$ 61.0 mn as on 31st March 2021 to US$ 63.4 mn as on 31st March 2022.

Trade Receivables

NH India

The trade receivables (net of provision for doubtful receivables) increased from ₹ 1,943 Million as on 31st March 2021 to ₹ 2,437 Million as on 31st March 2022.

HCCI

The trade receivables (net of provision for doubtful receivables) increased from US$ 11.5 Million as on 31st March 2021 to US$ 25.5 Million as on 31st March 2022. This increase in receivables is in line with increase in revenues of the facility.

Inventories

NH India

The inventory increased from ₹ 243 mn as on 31st March 2021 to ₹ 312 Million as on 31st March 2022 as we implemented certain measures to optimise our working capital requirement in light of the uncertainty about the business recovery.

HCCI

The inventory increased from US$ 3.2 Million as on 31st March 2021 US$ 3.7 Million as on 31st March 2022 as the company is maintaining increased volume of the stock due to supply chain disruptions because of the pandemic and also due to uptick in the business.

Material developments in Human Resources / Industrial Relations front, including number of people employed

2021-22 was a year of recovery for the business after the COVID impact of 2020. While the country went through two waves of COVID, the relative impact of the same was significantly less than in the previous wave. In these challenging times, we continued to keep ourselves abreast of market forces to ensure that we provide our employees an organisational environment that is designed to engage and motivate employees and help them deliver superior performance at work. This helped in creating an environment of trust and bonding within the employees and in turn then gave their best to the turnaround in business delivery, post the COVID impact.

The NH brand continues to carry a respectable goodwill in the field of Healthcare delivery and is one of the most sought-out workplaces for good talent. Being spread across geographical locations have helped us to leverage our expertise across the group entities.

The Company also recognises the importance of Human Resources Development and in the context of programmes on training and development of the employees which continues to be an important focus area. The Company acknowledges the value every employee brings with him / her and continuously strives to nurture competence and potential. Trainings continue to be conducted for both Clinical and Non-Clinical areas which has helped us raise the quality of performance and output.

As an organisation, we strongly believe in being compliant with all statutes and labour-related acts, we also ensure that our partners and vendor organisations who work as an integrated part of NH are also following the same standards of compliance. This is closely monitored by a central team and also at each location where NH has its presence.

Training and Development

At NH we continue to invest significantly in training of our workforce on a continuous basis. While there were significant challenges faced with the advent of COVID-19, in 2020, the Learning and Development (L&D) function, managed to deliver several programmes on safety, hygiene, and managing during the COVID-19 crisis, through a digital platform "NH Excelerate". We have also developed several online modules on training nursing group on skill enhancement and capability building. The nurses are encouraged to take these courses and qualify through an assessment. This helps in building the capability, while also creating an environment of sustained learning and development. We have also continued to invest in developing the senior and midlevel leadership to build skills and competency on operational excellence, cross-functional skill development, core leadership skill development and interpersonal skills.

During the year, the L&D Team rolled out specific initiatives that are aimed at enhancing the customer experience, through the Service Excellence initiative to enhance the experience of the patient in the hospital.

Recruitment

This year we consolidated our core operating strategy to align the new business initiatives business on retail, managed care and clinics. We have fulfilled several key positions in core clinical areas of expertise that were started in several units. Recruitment of nursing talent continued to be a challenge for the team, where we have managed to maintain our position as the most-sought after place to work, for nurses.

Compensation

Being a vital function of Human resources, our compensation strategies ensure there is a balance in work-employee relation by providing competitive monetary and non-monetary benefits which are as per market standards. As part of the strategy, we review market forces to align the compensation philosophy of the organisation, thereby providing all associates with a good balance of compensation and benefits. This year also, we have benchmarked salaries against market and implemented a significant correction to roles like nursing, which are critical and core to the success of the hospital.

Risks and Concerns

Risks are an integral part of any enterprise and needs to be balanced with the rewards at all times. Risk Management is increasingly a key differentiator that determines profitability, growth, and even long-term sustenance of organizations. Healthcare industry has been particularly impacted by the pandemic that hit without warning in March 2020. Heightened Government oversight and intervention by way of an active regulatory regime that tends to control margins on medicines, implants and even cost of other medical services impacts revenue and margin of hospitals. Joint negotiation by the major insurance organizations by way of GIPSA etc., and the ever increasing coverage of various State and Centra Government schemes also driving down the margins for healthcare service providers.

At NH, we proactively focus on risk identification, management and mitigation. There is a concerted program at all levels – Operational, Financial and Strategic to continuously update the risk register at the enterprise level. This robust framework helps in responsibility accounting and brings to bear the efforts of the right stakeholders to focus on the mitigation of the identified risks at various levels in the enterprise.

Internal Control Systems and their adequacy

The Company has adequate Internal Control Systems, commensurate with the size, scale and complexity of its operations. The Board of Directors has laid down internal financial controls to be followed by the Company and the policies and procedures to be adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies and compliance with all applicable Laws, Rules and Directives from any Statutory or Regulatory Authority, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information.

The Audit, Risk and Compliance Committee, comprising of three independent directors of the Company, reviews the effectiveness of the Company's financial controls and other internal controls and risk management systems and processes (including those relating to compliance with all applicable laws and regulations) to ensure that they are robust and have been appropriately developed, implemented and maintained so that financial, compliance and other risks are identified, assessed, mitigated and controlled. They are aided in this task by an Internal Audit Team which continually evaluates the existing internal controls, providing feedback on its effectiveness and recommendations on possible improvements to the Operational and Executive Management team. The key findings are reported on a quarterly basis to the Audit, Risk and Compliance Committee for in-depth review and follow-up on appropriate resolutions of critical issues.

Key Financial Ratio Analysis

Standalone

Ratios	2021-22	2020-21	Movement	Remarks
(i) Debtors Turnover	4.38	3.18	37.7%	
(ii) Inventory Turnover	23.15	15.66	47.8%	Improved performance coupled with better margins
(iii) Interest Coverage Ratio	15.09	1.63	824.2%	
(iv) Current Ratio	0.78	0.60	28.8%	
(v) Debt Equity Ratio	0.31	0.36	-12.4%	
(vi) Operating Profit Margin (%)	9.7%	-4.5%	316.4%	
(vii) Net Profit Margin (%) or sector-specific equivalent ratios, as applicable.	5.3%	-4.5%	216.7%	Improved performance coupled with better margins
(viii) Return on Net Worth	10.91%	-7.22%	251.0%	

Consolidated

Ratios	2021-22	2020-21	Movement	Remarks
(i) Debtors Turnover	4.35	3.86	12.6%	
(ii) Inventory Turnover	13.76	10.35	32.9%	Improved performance coupled with better margins
(iii) Interest Coverage Ratio	19.02	4.85	292.4%	
(iv) Current Ratio	1.17	0.95	23.3%	
(v) Debt Equity Ratio	0.37	0.55	-33.6%	
(vi) Operating Profit Margin (%)	13.5%	1.0%	1218.1%	Improved performance coupled with better margins
(vii) Net Profit Margin (%) or sector-specific equivalent ratios, as applicable.	9.2%	-0.5%	1772.5%	
(viii) Return on Net Worth	22.97%	-1.28%	1901.2%	

Board's Report

Dear Members,

Your Directors have immense pleasure in presenting their 22nd Annual Report on the business and operations of the Company along with the audited financial statements for the financial year ended 31st March 2022.

1. FINANCIAL SUMMARY/HIGHLIGHTS, PERFORMANCE AND STATE OF AFFAIRS OF THE COMPANY

(₹ in Million, except per share data)

Particulars	Consolidated		Standalone	
	2021-22	2020-21	2021-22	2020-21
Income				
Revenue from Operations	37,013.17	25,830.35	24,119.87	16,546.18
Other Income	345.59	274.87	1,063.79	758.10
Total Income	**37,358.76**	**26,105.22**	**25,183.66**	**17,304.28**
Total Expenditure*	30,477.93	24,002.42	21,554.09	16,850.49
Earnings Before Interest, Tax, Depreciation and Amortisation and Exceptional items	**6,880.83**	**2,102.80**	**3,629.57**	**453.79**
Less: Interest & Depreciation	2,497.79	2,595.10	1,574.58	1,663.65
Less: Exceptional items	-	-	-	-
Profit before tax	4,383.04	(492.30)	2,054.99	(1,209.86)
Less: Income Tax	876.58	(417.73)	719.01	(423.13)
Profit/(Loss) After Tax	**3,506.46**	**(74.57)**	**1,335.98**	**(786.73)**
Add: Share of Profit/ (Loss) in Associate (Net)	(85.26)	(68.37)	-	-
Profit for the year	**3,421.20**	**(142.94)**	**1,335.98**	**(786.73)**
Add: Other Comprehensive Income	261.52	(20.17)	15.73	18.02
Net Profit/(Loss)	**3,682.72**	**(163.11)**	**1,351.71**	**(768.71)**
Earnings Per Share (Basic)	16.85	(0.70)	6.58	(3.88)
Earnings Per Share (Diluted)	16.84	(0.70)	6.58	(3.88)

* Expenses before depreciation and amortisation, finance costs and exceptional items.

2. PERFORMANCE OVERVIEW

Standalone Operations

- During the year under review, the total income of the Company increased from ₹ 17,304.28 Million in FY 2020-21 to ₹ 25,183.66 Million in FY 2021-22.
- Earnings Before Interest, Tax, Depreciation and Amortization and Exceptional Items increased from ₹ 453.79 Million in FY 2020-21 to ₹ 3,629.57 Million in FY 2021-22.
- Profit for the year was ₹ 1,335.98 Million against loss of ₹ (786.73) Million in FY 2020-21.

Consolidated Operations

- During the year under review, the total income of the Company increased from ₹ 26,105.22 Million in FY 2020-21 to ₹ 37,358.76 Million in FY 2021-22.
- Earnings Before Interest, Tax, Depreciation and Amortization and Exceptional Items increased from ₹ 2,102.80 Million in FY 2020-21 to ₹ 6,880.83 Million in FY 2021-22.
- Profit for the year was ₹ 3,421.20 Million as against loss of ₹ (142.94) Million in FY 2020-21.

3. TRANSFER TO RESERVES

Dividend and transfer to reserves

Based on the Company's performance, the Directors are pleased to recommend for approval of the members a final dividend of Re. 1 per share for the financial year ended 31st March 2022. The final dividend on equity shares, if approved by the members, would involve a cash outflow of ₹204.36 Million.

The Directors have decided to retain an amount of ₹ 1,335.98 Million in the retained earnings.

Pursuant to SEBI's notification dated 8th July 2016, the Board of Directors of the Company have formulated a Dividend Distribution Policy ("the policy"). The policy is also available on our website (URL: https://www.narayanahealth.org/sites/default/files/download/codes-policies/DIVIDEND-DECLARATION-POLICY-website.pdf).

4. SUBSIDIARY AND ASSOCIATE COMPANIES

Review of performance of Subsidiaries and Associate Companies

As on 31st March 2022, the Company has 10 Subsidiary Companies and 2 Associate Companies. Except Health City Cayman Islands Ltd., none of the other subsidiary company is a Material Subsidiary within the meaning of Material Subsidiary as defined under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing the salient features of the Financial Statements of the Company's Subsidiaries and Associates in Form AOC-1, that forms part of this Report is attached as **Annexure I**.

Pursuant to Section 129 of the Companies Act, 2013, the Consolidated Financial Statements of the Company, prepared in accordance with the relevant Accounting Standards specified under Section 133 of the Companies Act, 2013 read with the Rules made thereunder, forms part of this Annual Report.

Further, pursuant to provisions of Section 136 of the Companies Act, 2013:

i. The Annual Report of the Company, containing therein its standalone and consolidated financial statements are available on the Company's website i.e., https://www.narayanahealth.org/stakeholder-relations/annual-reports.

ii. The audited financial statements of Subsidiary Companies are available on the website of the Company i.e., https://www.narayanahealth.org/stakeholder-relations/annual-reports.

The brief details of all the Subsidiary and Associate Companies are as follows:

i. Narayana Hrudayalaya Surgical Hospital Private Limited (NHSHPL)

NHSHPL is a wholly owned subsidiary of the Company and is engaged in the business of operating and maintaining hospitals, clinics, health centers, nursing homes and other related activities. This subsidiary operates a multispecialty hospital in Mysore, offering a wide range of services across specialties, which includes cardiology, cardiac surgery, nephrology, urology, neurology, neuro- surgery, endocrinology, orthopaedics, internal medicines, obstetrics, gynaecology, paediatrics, neonatology, gastroenterology and oncology to name a few. The subsidiary also operates and runs the Dharamshila Narayana Superspecialty Hospital in Delhi under a Service Agreement with Dharamshila Cancer Foundation and Research Centre. Further, other financial information is included in Form AOC-1.

ii. Meridian Medical Research & Hospital Limited (MMRHL)

MMRHL is a subsidiary of the Company and is engaged in the business of operation of hospitals, clinics, health centers, and other related activities. This subsidiary operates two hospitals in Howrah offering multispecialty and super-specialty healthcare services which includes nephrology, urology, neurology, neurosurgery, etc., Further, other financial information is included in Form AOC-1.

iii. Narayana Vaishno Devi Specialty Hospitals Private Limited (NVDSHPL)

NVDSHPL is a wholly owned subsidiary of the Company and is engaged in the business of providing healthcare services of superior quality with state-of-the-art technology, clinics, health centers, diagnostic centers and other related activities. This subsidiary operates a hospital of Shri Mata Vaishno Devi Shrine Board at Kakryal near Katra in Jammu under a Concession Agreement executed in 2014, which caters to patients across more than 20 different specialties, with radiology, obstetrics & gynaecology, oncology, etc. Further, other financial information is included in Form AOC-1.

iv. Narayana Hospitals Private Limited (NHPL)

NHPL is a wholly owned subsidiary of the Company and is authorised to engage in the business of operation of hospitals, clinics, health centers, nursing homes and other related activities. This subsidiary is yet to commence its operations. Further, other financial information is included in Form AOC-1.

v. Narayana Institute for Advanced Research Private Limited (NIARPL)

NIARPL is a wholly owned subsidiary of the Company and is authorised to engage in the business of research and development work connected with faculty of medicines and operation of hospitals, clinics, health centers, nursing homes and other related activities. This subsidiary is yet to commence its operations. Further, other financial information is included in Form AOC-1.

vi. Narayana Health Institutions Private Limited (NHIPL)

NHIPL is a wholly owned subsidiary of the Company and is authorised to engage in the business of running medical colleges and operation of hospitals, clinics, health centers, nursing homes and other related activities. This subsidiary is yet to commence its operations. Further, other financial information is included in Form AOC-1.

vii. NH Health Bangladesh Private Limited (NHBPL)

NHBPL is a step-down subsidiary of the Company, incorporated on 22nd July, 2018 and is authorised to engage in the business of running and operation of hospitals, clinics, health centers, nursing homes and other related activities. The company was operating the Cardiac Care unit of Imperial Hospital Ltd., in Chittagong, Bangladesh pursuant to an agreement executed in 2020. To sustain the long term interest of the Company, the said agreement was not renewed and consequently the company discontinued its operations in Bangladesh in February 2022. Further, other financial information is included in Form AOC-1.

viii. Narayana Holdings Private Limited (Narayana Holdings)

Narayana Holdings Private Limited, Mauritius is 100% step-down subsidiary of the Company incorporated in the Republic of Mauritius in April, 2016. Further, other financial information is included in Form AOC-1.

ix. Health City Cayman Islands Limited (HCCI)

HCCI is a wholly owned subsidiary of the Company, incorporated in Cayman Islands and operates a hospital in Cayman Islands. HCCI is a Material Subsidiary within the meaning of Material Subsidiary as defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, other financial information is included in Form AOC-1.

x. Narayana Health North America LLC

Narayana Health North America LLC is a subsidiary Company incorporated in Delaware, United States of America on 9th April, 2019 with the object of providing consultancy services in the field of healthcare including licensing of ERP solutions. The company commenced its operations during the year. Further, other financial information is included in Form AOC-1.

Associate Companies

i. Reya Health Inc (formerly Cura Technologies Inc)

Reya is an Associate Company incorporated in the State of Delaware, USA, in which the Company holds 43.58% of common stock of the Associate Company through HCCI and the remaining shares are held by Mr. Samir Mitra and others. This company is engaged in the business of developing software and technology to transform delivery of patient care. Further, other financial information is included in Form AOC-1.

ii. ISO Healthcare

ISO Healthcare is an Associate Company incorporated in Mauritius in which the Company holds 8.72% of the equity shares through its step-down subsidiary Narayana Holdings. Further, other financial information is included in Form AOC-1.

The Company has adopted a Policy for determining Material Subsidiaries in line with Regulation 16 of the SEBI Listing Regulations. The Policy, as approved by the Board, is uploaded on the Company's Website (URL: https://www.narayanahealth.org/sites/default/files/download/codes-policies/Policy_for_material_subsidiary.pdf)

5. SHARE CAPITAL

As on 31st March 2022, the Authorized Share Capital of the Company is ₹ 3,800.00 Million comprising of 30,90,00,000 Equity Shares of ₹ 10 each and 7,10,00,000 Preference Shares of ₹ 10 each. The Paid-up Share Capital is ₹ 2,043.61 Million comprising of 20,43,60,804 Equity Shares of ₹ 10 each.

6. DIRECTORS' RESPONSIBILITY STATEMENT

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

i) In the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any.

ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 or loss of the Company for the year under review.

iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv) The Directors have prepared the annual accounts on a going concern basis.

v) The Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively.

vi) 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.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant Board Committees, including the Audit, Risk and Compliance Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2021-22.

7. BOARD OF DIRECTORS AND COMMITTEES

Composition of Board of Directors and changes thereof

As on 31st March, 2022, the composition of your Company's Board has an ideal combination of Executive, Non-Executive and Independent Directors and thereby ensuring separation of management and governance while maintaining its independence. In compliance with the terms of the SEBI Regulations, Independent Directors constitute more than 50% of the Board strength including an independent women director as required to be appointed by top 500 listed entities.

Type of Directorship	No. of Directors	% of Board Strength
Executive Directors	3	33.33%
Non-executive & Non-independent Directors	1	11.11%
Independent Directors	5	55.56%
Total	**9**	**100.00%**

The Composition of the Board and Committees of the Board along with the changes in composition during the year is detailed in the Corporate Governance Report which forms a part of this Report.

Resignation

During the year under review, Ms. Nivruti Rai (DIN: 01353079) resigned from the position of Independent Director of the Company with effect from 11th June, 2021.

Appointment

During the year under review, Ms. Terri Smith Bresenham (DIN: 09111500) was appointed as an Independent Director of the Company with effect from 5th August, 2021 and the said appointment was approved by the shareholders of the Company in their 21st Annual General Meeting held on 27th August, 2021.

Re-appointment

During the year under review, Dr. Emmanuel Rupert (DIN: 07010883) was reappointed as Managing Director and Group CEO of the Company, for a period of three years with effect from 11th February, 2022 and subsequently same was approved by the shareholders of the Company by passing resolution through Postal Ballot on 24th March, 2022.

Retirements

Dr. Devi Prasad Shetty (DIN:00252187), Chairman & Whole-time Director is retiring by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel (KMPs) of the Company are:

Sl. No.	Name of the KMPs	Position held in the Company
1.	Dr. Emmanuel Rupert	Managing Director and Group CEO
2.	Mr. Kesavan Venugopalan*	Group Chief Financial Officer
3.	Ms. Sandhya Jayaraman#	Group Chief Financial Officer
4.	Mr. Sridhar S	Group Company Secretary, Legal & Compliance Officer

*Resigned as Chief Financial Officer with effect from 12th November 2021.

#Appointed as a Chief Financial Officer with effect from 8th December 2021.

Committees and their Constitution

As required under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has formed four Committees viz. Stakeholders' Relationship Committee, Audit, Risk and Compliance Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee and the details of membership of the Committees are disclosed in Corporate Governance Report which forms a part of Board's Report.

Keeping in view the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Board reviews the Terms of Reference of these Committees and the nomination of Board Members to various Committees. The recommendations, if any, of these Committees are submitted to the Board for approval.

Number of meetings of the Board

The meetings of the Board are scheduled at regular intervals to decide and discuss on the business performance, policies, strategies and other matters of significance. The schedule of the meetings is circulated in advance to ensure proper planning and effective participation in meetings. In certain exigencies, decisions of the Board are also accorded through circulation.

The Board during the financial year under review met five (5) times. Detailed information regarding the meetings of the Board and meetings of the Committees of the Board is included in the Report on Corporate Governance which forms a part of Board's Report.

8. COMPANY'S POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS

Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Companies Act, 2013 is uploaded on the Company's Website (URL: https://www.narayanahealth.org/sites/default/files/download/codes-policies/Nomination-and-Remuneration-Policy.pdf).

9. DECLARATION BY INDEPENDENT DIRECTORS OF THE COMPANY

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.

10. PERFORMANCE EVALUATION OF DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and Regulations 17 and 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, evaluation of performance of every director, Board and the Chairman was carried out by the Nomination and Remuneration Committee. The Chairman of the respective committees reviewed the performance of the respective committees. 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 through a separate meeting of the Independent Directors. Evaluation of Independent Directors was carried out by the entire Board of Directors, excluding the Director being evaluated.

The evaluation was carried out on the basis of response of the Directors to a structured questionnaire covering various aspects of Board performance such as Board composition and expertise, Board oversight, strategy and direction, Corporate Governance and Board administration and inputs shared by the Directors at the meeting.

11. RELATED PARTY TRANSACTIONS

The Company has taken necessary approvals as and when required as per the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of the transactions entered into with the Related Parties are stated in the notes to accounts, and also in Form AOC-2 as prescribed under the Companies Act, 2013 which is annexed herewith as **Annexure II**.

12. CORPORATE SOCIAL RESPONSIBILITY

Your Company has formulated a Corporate Social Responsibility Policy (CSR Policy) which is available on the website of the Company at (URL: https://www.narayanahealth.org/sites/default/files/download/nh_investor_relations/Corporate-Social-Responsibility-Policy.pdf).

As a responsible corporate citizen, your Company undertook several social welfare initiatives during he financial year under review. The Annual Report on CSR activities for the financial year 2021-22 as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been appended as **Annexure III** and forms integral part of this Report.

13. PARTICULARS OF EMPLOYEES

The statement containing particulars in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Annual Report and is appended herewith as **Annexure IV** to the Boards' Report.

The statement containing particulars in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Annual Report. Considering the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report, excluding the aforesaid information, is being sent to the Members of the Company and others entitled thereto. The said information is available for inspection at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. Any shareholder interested in obtaining a copy thereof, may write to the Secretarial Team of the Company in this regard.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act,

2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is detailed in **Annexure V**

15. CORPORATE GOVERNANCE

Your Company places utmost importance on its fiduciary role as a guardian of stakeholders' interest and strives to achieve a mutually aligned objective of value and wealth creation for all interested parties. The Board and the Management humbly acknowledges this role and continues to propagate this belief through all layers of the organization to create an environment of accountability and trust.

These responsibilities continue to be the focus of its attention through the tumultuous ride along the path of expansion, ensuring the highest standards of ethics and integrity in all its business dealings while avoiding potential conflicts of interest. The result of this is a corporate structure which serves its ever- expanding business needs while maintaining transparency and adherence to the above stated beliefs.

A Report on Corporate Governance has been appended as **Annexure VI** and forms an integral part of this Report. As required by Regulation 17(8) read with Schedule II Part B of the SEBI Listing Regulations, the Managing Director & Group Chief Executive Officer and Chief Financial Officer have given appropriate certifications to the Board of Directors.

Further, pursuant to Regulation 34(3) of SEBI Listing Regulations read with Part E of Schedule V of the Listing Regulations, a certificate from M/s. Ganapathi and Mohan, (Firm Registration Number P2002KR57100), Bengaluru, Practicing Company Secretaries certifying the compliance with various provisions of the Corporate Governance is annexed to this Report as **Annexure VII**.

The Company has received a certificate from M/s. Ganapathi and Mohan, (Firm Registration Number P2002KR57100), Bengaluru, Practicing Company Secretaries, pursuant to clause 10(i) of Part C under Schedule V of SEBI Listing Regulations that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority and same is attached as **Annexure VIII** to this report.

16. BUSINESS RESPONSIBILITY REPORT

The Board of Directors of the Company has adopted the Business Responsibility Policy of the Company at its meeting held on 29th May 2017 which is available on our website i.e., https://www.narayanahealth.org/sites/default/files/download/codes-policies/Business-Responsibility-Policy.pdf.

Details of the various initiatives taken by the Company towards the wellbeing of consumers, employees and the equitable development of the society at large, sustainability of the environment, etc. are given separately in the Business Responsibility Report attached in **Annexure IX**.

17. 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 17th Annual General Meeting (AGM) of the Company held on 3rd August 2017 for a period of 5 (five) years, to hold the office up to the ensuing AGM.

The Board of Directors, based on the recommendation of the Audit Committee, proposed reappointment of M/s. Deloitte Haskins and Sells LLP (Firm Registration Number 117366W/W-100018), Chartered Accountants, Bengaluru. The members are requested to consider their re-appointment as Statutory Auditors of the Company, for a term of 5 (five) years, from the conclusion of the ensuing Annual General Meeting, till the 27th Annual General Meeting.

The Company has received confirmation from the statutory auditors to the effect that their re-appointment, if made, will be in accordance with the limits specified under the Companies Act, 2013 and the firm satisfies the criteria specified in Section 141 of the Companies Act, 2013 read with Rule 4 of Companies (Audit & Auditors) Rules 2014.

Auditor's Report

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 Auditors

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 for the financial year 2022-23, at a remuneration of ₹ 3,30,000 (Rupees Three Lakhs and Thirty Thousand only) exclusive of taxes and reimbursement of out-of-pocket expenses 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 2022-23 at the ensuing Annual General Meeting.

C. Secretarial Auditor

The Company has appointed M/s. Ganapathi and Mohan, (Firm Registration Number P2002KR57100), Practicing Company Secretaries to undertake the Secretarial Audit of the Company for financial year 2021-22. The Report of the secretarial audit as required under Section 204 of the Companies Act, 2013 read with Regulation 24A(1) of the SEBI Listing Regulations is annexed herewith as **Annexure X**.

Pursuant to Regulation 24A(2) of the SEBI Listing Regulations, the Secretarial Compliance Report, issued by M/s. Ganapathi & Mohan, Practicing Company Secretaries, Bengaluru (firm Registration No. P2002KR057100) is annexed herewith as **Annexure XI**.

There is no qualification, reservations or adverse remarks made by M/s. Ganapathi and Mohan, Practicing Company Secretaries, Secretarial Auditor of the Company in their Secretarial Audit Report and Secretarial Compliance Report.

18. INTERNAL AUDIT SYSTEMS

Your Company has continued its engagement with M/s. Ernst & Young LLP, Chartered Accountants, to conduct internal audit across the organization during the year under review. We also have an in-house internal audit team to supplement and support the efforts of M/s. Ernst & Young LLP.

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

There are no material changes affecting the financial position of the Company between the end of the financial year to which these financial statements relate and the date of the Report.

20. DEPOSITS

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

21. PARTICULARS OF LOANS, SECURITIES, GUARANTEES AND INVESTMENTS

The loans given, security provided, guarantees given and investments made by the Company under Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

22. EMPLOYEE STOCK OPTION PLAN

The Company has adopted the Narayana Hrudayalaya Employee Stock Option Plan (NH ESOP), 2015 pursuant to the approval of the Board on 7th September 2015 and the approval of Shareholders on 12th September 2015. The Plan is administered by the Nomination and Remuneration Committee through Narayana Health Employees Benefit Trust. Pursuant to Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 read with Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 the details of the Employee Stock Option Plan are annexed as **Annexure XII** to this Report.

23. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31st March, 2022 is available on the Company's website on https://www.narayanahealth.org/stakeholder-relations/annual-return.

24. SIGNIFICANT OR MATERIAL ORDERS PASSED BY THE REGULATORS/ COURTS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operation in future.

25. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed analysis of the Company's operational and financial performance as well as the initiatives taken by the Company in its key functional areas are separately discussed in this Annual Report.

26. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has developed a Whistle Blower Policy with a view to provide a mechanism for employees and Directors of the Company to voice concerns and grievances in a responsible manner. The policy of vigil mechanism is available on the Company's website at (URL: https://www.narayanahealth.org/sites/default/files/download/nh_investor_relations/Whistle%20Blower%20Policy.pdf).

Further, details of the same are provided in Corporate Governance Report attached to this Report.

27. DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a Policy on prevention of sexual harassment in workplace framed under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committees (ICC) have been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. Below is the report on the same containing details of number of cases filed, their disposal, nature of action taken, number of cases pending and number of workshop/awareness sessions conducted.

No. of cases reported	No. of cases disposed	Nature of Action Taken	No. of cases pending	No. of workshops conducted (Induction & Refresher)	No. of participants
10	10	Out of 10 cases, in 4 cases the services of the respondents were terminated. 6 cases have been settled through conciliation and warning letters issued to the concerned respondents.	Nil	134	5286

28. RISK MANAGEMENT POLICY

The Board of Directors of the Company at their meeting held on 31st October, 2018 has decided to entrust the Audit, Risk and Compliance Committee to perform the role of a Risk Management Committee in terms of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and has amended the Terms of Reference of the Committee suitably to include the following:

i. 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.

ii. To approve Risk Management Policy of the Company and review the same annually to keep it updated to address varying nature and dynamics of risks faced by the Company from time-to-time.

iii. To review management's assessment of risk at least once in a year and provide an update to the Board in this regard.

The Audit, Risk and Compliance Committee also meets the requirement of composition and other stipulations in terms Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has implemented Enterprise Risk Management wherein business units and corporate functions review and address risks with the oversight of the Audit, Risk & Compliance Committee and the Board of Directors. This is being facilitated by the Internal Audit team of the Company. The Risk Management Policy of the Company is available on our website i.e., https://www.narayanahealth.org/sites/default/files/download/codes-policies/Risk-Management-Policy.pdf.

29. DECLARATION ON CODE OF CONDUCT

The Company has adopted the Code of Conduct for all its Senior Management Personnel and Directors and the same is affirmed by all the Board Members and Senior Management Personnel as required under Regulation 34 read with Part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A declaration signed by Dr. Emmanuel Rupert, Managing Director and Group CEO of the Company affirming the compliance with the Code of Conduct of the Company for the financial year 2021-22 has been annexed as part of this Report.

30. ACKNOWLEDGEMENT

Your Directors express strong sense of gratitude towards all the internal and external stakeholders including patients, business associates, vendors, bankers, investors, central and state governments for all the support extended during the year. Your Directors' also wish to thank the medical professionals and employees at each level for their continued hard work, commitment and performance during the year. Your Directors further wish to recognize the exemplary, untiring, selfless and dedicated services rendered by the clinical staff including doctors, paramedics, nurses and clinical support functions over the last two years in effectively continuing to fight COVID-19.

For and on behalf of the Board

Dr. Emmanuel Rupert
Managing Director and Group CEO
DIN: 07010883

Dr. Devi Prasad Shetty
Chairman
DIN: 00252187

Place: Bengaluru
Date: 20th May, 2022

Declaration on Code of Conduct

To
The Members of
Narayana Hrudayalaya Limited

I, Dr. Emmanuel Rupert, Managing Director and Group CEO, declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year ended 31st March 2022.

For **Narayana Hrudayalaya Limited**

Dr. Emmanuel Rupert
Managing Director and Group CEO
DIN: 07010883

Place: Bengaluru
Date: 20th May, 2022

ANNEXURE I

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part A: Subsidiaries

(amounts in ₹)

Sl. No.	1	2	3	4	5	6	7	8	9	10
Name of the subsidiary	Narayana Institute for Advanced Research Private Limited	Narayana Health Institutions Private Limited	Narayana Hospitals Private Limited	Narayana Hrudayalaya Surgical Hospital Private Limited	Narayana Vaishno Devi Specialty Hospitals Private Limited	Meridian Medical Research & Hospitals Limited	Health City Cayman Islands Ltd	NH Health Bangladesh Private Limited	Narayana Holdings Private Limited	Narayana Health North America, LLC
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22
Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	INR	INR	INR	USD 1 USD = ₹ 75.80)	BDT (1 BDT = ₹ 0.90)	USD 1 USD = ₹ 75.80)	USD 1 USD = ₹ 75.80)
Share capital	1,03,83,870	1,10,40,400	53,26,14,420	24,42,59,000	1,00,00,000	29,27,88,200	510	8,38,14,900	18,30,000	5000
Reserves & surplus	4,76,50,518	(1,10,11,432)	11,51,62,438	(8,67,32,679)	1,64,95,686	56,47,97,904	9,22,62,140	(11,73,26,746)	(17,13,704)	13742
Total assets	5,80,34,388	28,968	2,04,62,40,702	2,08,92,38,072	28,48,66,800	1,35,54,20,452	12,38,16,516	1,95,20,421	1,28,135	181695
Total Liabilities	-	-	1,39,84,63,844	1,93,17,11,751	25,83,71,113	49,78,34,348	3,15,53,866	5,30,32,267	11,839	162953
Investments	-	-	-				1,69,60,734	-	79,575	-
Turnover	-	-	90,00,000	3,05,57,96,697	1,00,82,67,051	2,34,57,22,919	9,18,58,291	5,54,93,279	-	177000
Profit before taxation	16,45,557	7,88,585	(3,45,27,791)	27,51,54,389	5,34,91,030	30,99,50,447	2,95,81,799	(6,58,65,010)	(9,17,821)	17395
Provision for taxation	90,381	-	-	5,09,92,970	1,61,47,967	9,28,14,582	-	3,87,253	-	3653
Profit after taxation	15,55,176	7,88,585	(3,45,27,791)	22,41,61,420	3,73,43,062	21,71,35,865	2,95,81,799	(6,62,52,263)	(9,17,821)	13742
Proposed Dividend	-	-	-	-	-	-	-	-	-	-
% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	99.13%	100.00%	99.99%	100.00%	100.00%

1. Name of the subsidiaries which are yet to commence operations
   i) Narayana Hospitals Private Limited
   ii) Narayana Institute for Advanced Research Private Limited
   iii) Narayana Health Institutions Private Limited.
2. Name of the subsidiaries which have been liquidated or sold during the year

   Vide Certificate of Merger issued by Registrar of Companies, Cayman Islands on 2nd March 2021, Narayana Cayman Holdings Ltd. stands merged with Health City Cayman Islands Ltd. with effect from 1st April 2021

Part "B": Subsidiaries/Joint Ventures

Name of Associates /Joint Ventures	Reya Health Inc (formerly known as Cura Technologies Inc)(Associate)	ISO Healthcare (Associate)
	USD	USD
Latest audited Balance Sheet Date	31-Mar-22	31-Mar-22
Shares of Associate/Joint Ventures held by the Company on the year end		
No.	3,90,00,000	226
Amount of Investment in Associates	1,36,833	2,25,957
Extent of Holding %	43.58%	8.72%
Description of how there is significant influence	Due to percentage of share capital held	Due to participation in policymaking processes and technological dependency
Reason why the associate/ joint venture is not consolidated	Consolidated as per Ind AS 28	Consolidated as per Ind AS 28
	March 31, 2022	March 31, 2022
Net worth attributable to Shareholding as per latest audited Balance Sheet	(93,41,969)	12,16,779
Profit / (Loss) for the year	(27,81,691)	(1,99,415)
i. Considered in Consolidation	(10,81,466)	(17,389)
ii. Not Considered in Consolidation	(17,00,225)	(1,82,026)
1. Names of associates or joint ventures which are yet to commence operations.	ISO Healthcare	
2. Names of associates or joint ventures which have been liquidated or sold during the year.	NIL	

Place: Bengaluru
Date: 20th May, 2022

Dr. Devi Prasad Shetty
Chairman
DIN: 00252187

Dr. Emmanuel Rupert
Managing Director and Group CEO
DIN: 07010883

ANNEXURE II

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.	Hrudayalaya Pharmacy, Partnership firm owned by Mrs. Shakuntala Shetty (Wife of Dr. Devi Prasad Shetty), Mr. Viren Shetty (Whole-time Director and Group Chief Operating Officer), Dr. Varun Shetty (Son of Dr. Devi Prasad Shetty), Ms. Ameya Shetty, (Daughter of Dr. Devi Prasad Shetty) and Dr. Anesh Shetty (Son of Dr. Devi Prasad Shetty)	Sale / purchase and provision / availing of services of hospital related goods, equipments, assets and services	Ongoing	Purchase of Medicines and Surgical Consumables. Value of transactions during the year was ₹ 2,50,581.81	29th March 2021	NIL
2.	Amaryllis Healthcare Private Limited, Mr. Viren Shetty (Whole-time Director and Group Chief Operating Officer), is a Director & Member in Amaryllis Healthcare Private Limited	Sale / purchase and provision /availing of services of hospital related goods, equipments, assets and services	Ongoing	Medicines and Hospital supplies, Supply of disposable drapes, etc., Value of transactions during the year was ₹ 18,57,36,361	29th March 2021	NIL
3.	Charmakki Infrastructures, Partnership firm owned by Mrs. Shakuntala Shetty (Wife of Dr. Devi Prasad Shetty), Mr. Viren Shetty (Whole-time Director and Group Chief Operating Officer), Dr. Varun Shetty (Son of Dr. Devi Prasad Shetty), Ms. Ameya Shetty, (Daughter of Dr. Devi Prasad) and Dr. Anesh Shetty (Son of Dr. Devi Prasad Shetty)	Leasing of property – payment of rent	Ongoing	Nursing Hostel Rent. Value of transactions during the year was ₹ 70,97,919.	29th March 2021	NIL
4.	Biocon Biologics Ltd, Dr. Kiran Mazumdar Shaw (Non-executive Director) is a Director of Biocon Biologics India Ltd.	Sale / purchase and provision /availing of services of hospital related goods, equipments, assets and services	Ongoing	Purchase of Medicines. Value of transactions during the year was ₹ 5,93,47,201.	29th March 2021	Nil
5.	Mazumdar Shaw Medical Foundation (MSMF), Section 8 company under the Companies Act, 2013. Dr. Devi Prasad Shetty (Chairman and Whole-time Director) and Dr. Kiran Mazumdar Shaw (Non- Executive Director) are the Directors in Mazumdar Shaw Medical Foundation.	Leasing Arrangement	Ongoing	Payment towards lease rent. Value of the transactions during the year was ₹ 2,95,00,000.	29th March 2021	NIL
		Availing Services	Ongoing	Availing of Diagnostic Services. Value of transactions during the year was ₹ 26,08,400.	29th March 2021	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
6.	Health City Cayman Islands Ltd, subsidiary company in Cayman Islands. Dr. Devi Prasad Shetty (Chairman & Whole-time Director), and Mr. Viren Shetty (Whole-time Director and Group Chief Operating Officer), Dr. Varun Shetty relative of Dr. Devi Prasad Shetty are Directors of Health City Cayman Islands Limited.	Sale / purchase and provision /availing of services of hospital related goods, equipments, assets and services	Ongoing	Sale / Purchase of Biomedical Equipments, medicines and consumables, software license. Value of transactions during the year was ₹ 33,35,08,339.	29th March 2021	NIL
		Rendering of service	Ongoing	For providing cloud managed services. Value of transactions during the year was USD 1,44,000.		NIL
		Corporate Guarantee commission	Ongoing	Corporate Guarantee Commission during the year was ₹ 39,85,720		NIL
7.	Meridian Medical Research & Hospital Limited, Subsidiary in which the Company is holding 99.12% of the shares. Dr. Devi Prasad Shetty (Chairman & Whole-time Director), Dr. Emmanuel Rupert (Managing Director and Group CEO) and Mr. Viren Shetty ((Whole-time Director and Group Chief Operating Officer) are Directors of Meridian Medical Research & Hospital Limited	Sale / purchase and provision /availing of services of hospital related goods, equipments, assets and services	Ongoing	Sale of Medicine and fixed assets. Value of transactions during the year was ₹ 3,95,93,102.	29th March 2021	NIL
8.	Narayana Hrudayalaya Surgical Hospital Private Limited, Wholly Owned Subsidiary. Dr. Devi Prasad Shetty (Chairman), Dr. Emmanuel Rupert (Managing Director and Group CEO) and Mr. Viren Prasad Shetty (Whole-time Director and Group Chief Operating Officer) are Directors and Nominee Shareholders in Narayana Hrudayalaya Surgical Hospital Private Limited. Mr. Subramanya Bangalore Nagappa (Independent Director), is a Director in Narayana Hrudayalaya Surgical Hospital Private Limited.	Leasing of property – payment of rent	Ongoing	Hospital Lease rent. Value of transactions during the year was ₹ 49,56,000.	29th March 2021	NIL
		Sale / purchase and provision /availing of services of hospital related goods, equipments, assets and services	Ongoing	Sale/ Purchase of pharmacy stock, fixed assets, provision or receipt of services, excluding IT related services. Valueof transactions during the year was ₹ 33,27,203.	29th March 2021	NIL
9.	Narayana Vaishno Devi Specialty Hospitals Private Limited, Wholly Owned Subsidiary of the Company. Dr. Devi Prasad Shetty (Chairman), Dr. Emmanuel Rupert (Managing Director and Group CEO of NHL), Mr. Viren Shetty (Whole-time Director and Group Chief Operating Officer), Mr. K. Dinesh (Independent Director), Dr. Kiran Mazumdar Shaw (Non-executive Director) are Directors in Narayana Vaishno Devi Specialty Hospitals Private Limited. Also, Dr. Devi Prasad Shetty, Dr. Emmanuel Rupert and Mr. Viren Shetty, Dr. Varun Shetty, Relative (son of Dr. Devi Prasad Shetty) are Nominee Shareholders in this company.	IT Services	Ongoing	Payment towards IT Service reimbursement. Value of transactions during the year was ₹ 36,15,064.	29th March 2021	NIL
		Reimbursement of expenses	Ongoing	Reimbursement of expenses towards corporate management services excluding IT services. Value of transactions during the year was ₹ 13,49,885.	29th March 2021	NIL
		Sale / purchase and provision /availing of services of hospital related goods, equipments, assets and services	Ongoing	Purchase of medical stores and consumables. Value of transactions during the year was ₹ 10,47,275	29th March 2021	NIL
10.	Narayana Hospitals Private Limited, Wholly Owned Subsidiary. Dr. Devi Prasad Shetty (Chairman), Dr. Emmanuel Rupert (Managing Director and Group CEO) and Mr. Viren Prasad Shetty (Whole-time Director and Group Chief Operating Officer) are Directors and Nominee Shareholders in Narayana Hospitals Private Limited	Leasing of property – payment of rent	Ongoing	Hospital Lease rent. Value of transactions during the year was ₹ 1,06,20,000.	29th March 2021	NIL
		Reimbursement of expenses (Net) & Other Contingencies	Ongoing	For receipt and providing manpower and services. The value of the transaction during the year was ₹ 53,90,349.	29th March 2021	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
11.	Narayana Health Institutions Private Limited, Wholly Owned Subsidiary. Dr. Devi Prasad Shetty (Chairman), Dr. Emmanuel Rupert (Managing Director and Group CEO) and Mr. Viren Prasad Shetty (Whole-time Director and Group Chief Operating Officer) are Directors and Nominee Shareholders in Narayana Health Institutions Private Limited	Reimbursement of expenses.	Ongoing	Payment towards professional fees. Value of transactions during the year was ₹ 2,94,612	29th March 2021	NIL
12.	Narayana Institute for Advanced Research Private Limited, Wholly Owned Subsidiary. Dr. Devi Prasad Shetty (Chairman), Dr. Emmanuel Rupert (Managing Director and Group CEO) and Mr. Viren Prasad Shetty (Whole-time Director and Group Chief Operating Officer) are Directors and Nominee Shareholders in Narayana Institute for Advanced Research Private Limited	Reimbursement of expenses.	Ongoing	Payment towards professional fees. Value of transactions during the year was ₹ 3,49,442.	29th March 2021	NIL
13.	Dr. Varun Shetty, relative (son) of Dr. Devi Prasad Shetty and relative (brother) of Mr. Viren Shetty (Whole-time Director and Group Chief Operating Officer).	Appointment to office or place of profit	Ongoing	Payment of professional fees for providing service as a consulting surgeon. Value of transactions during the year was ₹ 30,59,500	25th March 2019	NIL
14.	Dr. Vivek Shetty, relative (son in law) of Dr Devi Prasad Shetty (Chairman).	Appointment to office or place of profit	Ongoing	Payment of professional fees for providing services as a consulting surgeon. Value of transactions during the year was ₹ 65,40,000	25th March 2019	NIL
15.	Narayana Hrudayalaya Foundation (NHF). Dr. Devi Prasad Shetty, Chairman and Whole-time Director, Mr. Viren Shetty, Whole-time Director and Group Chief Operating Officer of the Company along with Mrs. Shakuntala Shetty and Dr. Varun Shetty (Relatives of Dr. Devi Prasad Shetty and Mr. Viren Shetty) are trustees of this Trust.	Leasing of property – payment of rent	Ongoing	Amount paid towards Rental charges for the Assets. Value of transactions during the year was ₹ 31,60,838.	25th March 2021	NIL
		Reimbursement of expenses	Ongoing	Amount received for Group Staff Insurance paid by NHL. Value of transactions during the year ₹ 3,79,387		NIL
		Reimbursement of expenses	Ongoing	Medical fees received from NHF for treatment of patients. Value of transactions during the year was ₹ 21,02,963		NIL
16.	Asia Heart Foundation (AHF). Dr. Devi Prasad Shetty, Chairman and Whole- time Director, Mr. Viren Shetty, Whole-time Director and Group Chief Operating Officer of the Company along with Mrs. Shakuntala Shetty and Dr. Varun Shetty (Relatives of Dr. Devi Prasad Shetty and Mr. Viren Shetty) are trustees of this Trust.	Discount entitlement for the year	Ongoing	Value of transactions during the year was ₹ 30,36,454.	25th March 2021	NIL
		Rental expense for Robotic CT ingenuity and Dental bus	Ongoing	Value of transactions during the year was ₹ 91,61,639.		NIL
17.	Dharamshila Cancer Foundation and Research Centre, the Subsidiary Company Narayana Hrudayalaya Surgical Hospital Private Limited has entered into an Healthcare Service Agreement with said entity	Sale / purchase and provision/availing of services of hospital related goods, equipments, assets and services	Ongoing	Value of transactions during the year was ₹ 2,61,75,180.	29th March 2021	NIL
18.	Syngene International Limited, Dr. Kiran Mazumdar Shaw (Non-executive Director) is a Director of Syngene International Limited	Sale / purchase and provision /availing of services of hospital related goods, equipments, assets and services	Ongoing	Lab outsourcing charges. Value of transactions during the year was ₹ 14,79,800	29th March 2021	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
19.	Cardiac Design Labs Private Limited, Mr. Viren Shetty, Whole-time Director and Group Chief Operating Officer of the Company, was a Director of Cardiac Design Labs Private Limited till 18th September, 2021.	Sale / purchase and provision /availing of services of hospital related goods, equipments, assets and services	Ongoing	Holter Machine Charges. Value of transactions during the year was ₹ 29,24,017	29th March 2021	NIL
20.	Narayana Health Academy Private Limited, Dr. Devi Prasad Shetty is a shareholder of this company.	Reimbursement of expenses (Net) & Other Contingencies	Ongoing	Value of transactions during the year was ₹ 1,012.	29th March 2021	NIL
21.	Narayana Health North America LLC, Wholly owned subsidiary of the Company.	Sale / purchase and provision and receipt of services relating to hospital related goods and services and offshore software consultancy services	Ongoing	Value of transactions during the year was USD 1,59,300.	29th March 2021	NIL

Place: Bengaluru
Date: 20th May, 2022

Dr. Devi Prasad Shetty
Chairman
DIN: 00252187

Dr. Emmanuel Rupert
Managing Director and Group CEO
DIN: 07010883

ANNEXURE III

ANNUAL REPORT ON CSR ACTIVITIES OF NARAYANA HRUDAYALAYA LIMITED

1. Brief outline of Narayana Hrudayalaya CSR Policy (NH CSR):

Narayana Hrudayalaya 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

Free Covid Vaccination Drive

During the year under review, the Company's CSR activities were focused on COVID treatment and pandemic work. The Company is committed to fight the COVID-19 pandemic and towards this end, apart from the efforts and steps taken by the Company in fighting the pandemic in the normal course of business as a hospital operator, the Company launched Free vaccination drives for the underprivileged communities and helped in inoculating the semi urban, slums and marginalized communities with help of Local NGOs to drive free vaccination program. The Company took precautionary measures in assembling large crowds with government permissions and further inoculating vaccinations in the marginalized communities. The Company inoculated about 6700 underprivileged citizens with COVID vaccination free of cost.

Covid Awareness Sessions

As pandemic bought lot of unprecedented challenges in social, financial and at personal level, the Company organized Awareness sessions via online and zoom links to make the population to get aware about the pandemic, the sessions helped in removing the stress and guided the population for do's and don'ts during the pandemic. These sessions were done with help of NGO, Gram panchayat and local semi urban governing bodies. The awareness sessions were imparted to about 6,830 individuals.

Community Radio

Your Company is knowledge partner for the community radio of Narayana Hrudayalaya Foundation. The broader objective of our community radio station is to serve as a consensus building platform wherein communication processes would help the communities around us to share common understanding and common goals. The community radio was named "Namma Nadi" with focus on health, education, environment, culture and civic issues within the primary and secondary zones of Health City. Various programs were aired on Namma Nadi with participation from multiple communities of interest.

The community radio program, with internet radio software is an ideal medium to reach the local population with credible health-based information and this was evident in the context of COVID-19. Several programs were recorded and broadcast with relevance to COVID-19 symptoms, safety measures, helplines, nutrition, pregnant women and COVID, as well as pointers for those who have chronic diseases.

UDAAN

The Udaan scholarship program was started in December 2014 in Karnataka with an objective to nurture the potential of rural students from disadvantaged backgrounds and create a platform which they could leverage towards realizing medical education. Students from our Udaan program can be motivated to use their medical education in improving health care systems in their villages and small towns. It is hoped that these enabled students would fulfil their dreams of becoming able physicians, have a multiplier effect among students and practice ethical healthcare thereby serving the larger community.

The program follows a very careful selection process to ensure we are reaching out to the brightest and most deserving students who have an aptitude and are committed towards taking up science as a subject after class 10 and choosing the medical profession as their careers. Social and economic background of the students is verified before they become part of our program.

The Company intends to continue this program going forward and this year 43 Students were supported under the Udaan Program.

E-Health Centre

The e-Health center program was initiated in 2015 with focus on delivering accessible, quality and affordable primary health care to people living in resource-deprived locations of India using appropriate technologies. NH is the healthcare partner to implement, operate and manage e-Health Centers. The centers are rapidly deployable healthcare facilities powered by cloud-enabled solutions and fully equipped with workstations, open electronic records (EMR) systems, biometric patient identification and integrated diagnostic services.

The E-Health center helped in pandemic to inoculate free vaccination drive and distributing free medicines. As the above program has achieved the objectives it was concluded in FY 2021-22.

Non-Communicable Diseases

The Non-Communicable Diseases (NCD) program was initiated in June 2017 with a focus to improve awareness and conduct screening for non-communicable diseases including breast and oral cancer. The focus has been on a continuum of activities including promotive, preventive, curative and palliative care services. The focus of the program has been on promotive, preventive, curative as well as palliative activities. Program staff at various locations coordinate with several groups in both urban and rural settings to increase the reach of screening services.

Due to pandemic much work could not be done and focus was more in free vaccination program, the program was discontinued from FY 2021-22.

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. Dinesh Krishna Swamy	Chairperson - Independent Director	3	3
2.	Mr. B N Subramanya	Member - Independent Director	3	3
3.	Mr. Viren Prasad Shetty	Member - Whole-time Director & Group COO	3	3

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	https://www.narayanahealth.org/stakeholder-relations/board-committees
CSR Policy	https://www.narayanahealth.org/stakeholder-relations/company-policies
CSR Projects	https://www.narayanahealth.org/stakeholder-relations/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 programmes.

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 incurred an excess amount of ₹ 3,15,198 (Rupees Three Lacs Fifteen Thousand One Hundred and Ninety Eight only) for the CSR spends done in the Financial Year 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): ₹ 32,78,63,078 (Rupees Thirty Two Crores Seventy Eight Lacs Sixty Three Thousand and Seventy Eight only)

7. (a) Two percent of average net profit of the Company as per section 135(5): ₹ 65,57,262 (Rupees Sixty Five Lacs Fifty Seven Thousand Two Hundred and Sixty Two only)

(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): ₹ 65,57,262 (Rupees Sixty Five Lacs Fifty Seven Thousand Two Hundred and Sixty Two only)

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

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	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
₹ 68,72,459	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 VII to the Act.	Local area (Yes/ No)	Location of the project.		Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation Direct (Yes/No)	Mode of Implementation -Through Implementing Agency	
				State	District						Name	CSR Registration number
Nil												

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project.		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR Registration number
1.	Covid awareness	(i)	No	Karnataka	Gulbarga	3,42,000	Direct	NA	NA
2.	Community Radio Program	(i)	Yes	Karnataka	Bengaluru	4,72,416	Direct	NA	NA
3.	Free Vaccination	(i)	Yes	Rajasthan, West Bengal, Karnataka	Jaipur, Kolkata, Bengaluru	47,71,850	Direct	NA	NA
4.	E-Health Centres	(i)	Yes	Rajasthan	Jaipur	5,97,565	Direct	NA	NA
5.	Non-Communicable Diseases	(i)	Yes	Rajasthan, West Bengal, Karnataka	Jaipur, Kolkata, Bengaluru	1,88,628	Direct	NA	NA
6.	Student sponsorship for education	(i)	Yes	Karnataka	Bengaluru	5,00,000	Direct	NA	NA
	TOTAL					**68,72,459**			

(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): ₹ 68,72,459.

(g) Excess amount for set off, if any: ₹ 3,15,198.

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	₹ 65,57,262
(ii)	Total amount spent for the Financial Year	₹ 68,72,459
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 3,15,198
(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)]	₹ 3,15,198

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):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
Nil								

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/-
Dr. Emmanuel Rupert
Managing Director & Group CEO

Sd/-
Dinesh Krishna Swamy
Chairman - CSR Committee

ANNEXURE IV

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is detailed as under:

a. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

Non-Executive Directors	Ratio to median remuneration
Mr. Muthuraman Balasubramanian	8.53
Mr. Dinesh Krishna Swamy	9.10
Mr. Arun Seth	8.24
Ms. Kiran Mazumdar Shaw	8.24
Mr. B N Subramanya	8.81
Ms. Terri Smith Bresenham*	8.62
Ms. Nivruti Rai**	0.29

*Appointed as an Independent Director of the Company with effect from 5th August, 2021

** Resigned as an Independent Director w.e.f. 11th June, 2021

Executive Directors	Ratio to median remuneration
Dr. Devi Prasad Shetty	346.21
Mr. Viren Shetty	80.22
Dr. Emmanuel Rupert	188.75

b. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary	% increase
Dr. Devi Prasad Shetty	48%
Mr. Viren Prasad Shetty	77%
Dr. Emmanuel Rupert	15%
Mr. Venugopalan Kesavan*	14%
Mr. Sridhar S	13%
Ms. Sandhya Jayaraman#	Nil

* Resigned as a Chief Financial Officer w.e.f 12th November, 2021

#Appointed as a Chief Financial Officer of the Company w.e.f 8th December, 2021

c. The percentage increase in the median remuneration of employees in the financial year: 7%

d. The number of permanent employees on the rolls of Company: 11,465

e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

The Administration and Paramedical staff were accorded an average increment of 13.4% including promotions on the base salary budget. This increment included the period of performance review from 1st April 2020 till March 2021. Increments for Nursing were considered in the month of Jan 2021 for a period of 15 months till Mar 2022. Nursing increments factored in market benchmarks and ringfencing critical roles in the organization. The average nursing increments were at 15% plus an additional 1% for promotions.

Renumeration for Dr. Devi Shetty was benchmarked through a corroboration of data through internal benchmarking using industry specific data from comparative hospital chains. The distribution of salary data for Chairman & Whole-time director of his stature, expertise and experience for hospital chains are as below -

(In Millions)

25th Percentile	Median	75th Percentile	90th Percentile
20.83	65.82	121.34	137.86

Accordingly, resolution was proposed for approval of members in the Notice of 21st AGM of the Company.

Mr. Viren Shetty, Whole time Director, was elevated to the role of Group COO, taking additional responsibility of supporting and assisting the top management in leading the transformation journey for NH to a new phase, new business initiatives, growing the digital initiative and technology interventions, overseeing the international growth and expansion agenda, organic growth and business development with the current business.

In the Aon Hewitt study, Mr. Viren Shetty's salary was positioned at 29th percentile against comparative roles in the industry and related ancillary industries.

(In Millions)

25th Percentile	Median	75th Percentile	90th Percentile
11.77	19.97	24.25	29.52

Accordingly, resolution was proposed for approval of members in the Notice of 21st AGM of the Company.

f. Affirmation that the remuneration is as per the remuneration policy of the Company.

The Company affirms that the remuneration is as per the remuneration policy adopted by the Company.

ANNEXURE V

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is given below:

(A) CONSERVATION OF ENERGY

Implementation of Energy Conservation measures through investment on equipment/components was a key agenda for Energy Conservation initiatives in FY 2021-22 at NH. Process improvement and utilization of existing resources identified in last financial year were also reviewed to ensure continued savings.

Various initiatives have been undertaken by the Company to optimize the energy usage and cost.

Adequate measures have been taken for energy conservation and thereby reducing energy cost with reduction of Carbon footprint for sustainable development.

i. Steps taken to create impact on conservation of energy.

a. Energy conservation by Improving overall efficiency of Utility by replacing older technology machines by newer technology to improve efficiency.

The Company has achieved conservation of energy by replacement of older technology boiler with Energy efficient electric Heat pump, cooling tower, Pump, modification and optimization of chilled water line for building & LED lights at various units.

b. Use of solar/Wind & Hydro power for flagship unit in Bengaluru – Health City campus reaching 90% of its total power requirement and in the Group 26% of its energy comes from captive Wind and Hydro energy. This activity is reducing carbon emissions by 12,394.5 ton/Year by consuming 13.05 MU of power from Solar/wind and Hydro energy producer suppliers and & further reduced 2408 tons Carbon by reducing diesel consumption and other energy efficiency projects.

c. Overall achievement (Summary) of NHL- Group with multiple approach of energy conservation activity.

NHL - Group Summary	Detail		%
Consumption of Renewable Energy	13,050	Mwh	26%
Cost Saving by Renewable Energy	65,511.28	Mwh	9%
Energy Conservation through other Energy efficient projects	2,317	Mwh	5%
Energy cost saving by Energy efficient Project	150	Lakhs	4%
Reduction of Diesel consumption	80	Lakhs	18%
Reduction of Diesel cost	38	Lakhs	10%
Overall Reduction in Energy Consumption	553	Lakhs	11%

d. Through various energy saving initiatives undertaken by the Company, a reduction in energy consumption by ~ 11% and reduction in carbon footprint by ~14,806 ton/year was achieved.

e. Narayana Institute of Cardiac Sciences, Bengaluru won the Green Hospital award from Association of Healthcare Providers.

ii. Plan for conservation of energy (2022-23)

a. Utilizing alternate sources of energy.

Initiated activities to acquire solar & wind power for hospitals based on opportunity available at the site depending on the regulatory approvals.

b. Upgradation & replacement of capital equipment like inefficient Chiller, Pump cooling tower at certain hospitals.

Evaluation of energy efficiency and lifecycle cost shall be carried out and new technology upgradation or replacement as appropriate shall be explored.

c. Energy monitoring system to ensure efficient energy management.

d. Live monitoring of energy consumption at the process and equipment end is being initiated using cloud- based application. Plan to link with Air Handling Unit & Chiller to enhance energy efficiency.

iii. Conservation of Energy & Water by adopting advance technology cooling tower.

The Company has taken initiative for conservation of water by adopting new technology for cooling tower.

iv. Conservation of Energy & reduction of operational expense through technology partner analysis

Initiatives are taken for reduction of operational expenses of less energy efficient equipment's through different technology partnership.

(B) TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption are detailed as under

1. Implemented chat functionality during video consultation and instant refunds to improve patient experience.
2. Enabled IVR based family communication feature in AADI (Athma Application for Doctor Insights) Doctor's application to ensure timely communication with patients' families.
3. Implemented Neuro Imaging Stroke Artificial Intelligence (AI) Platform for Health City Cayman Islands Limited, , Cayman Islands one of subsidiaries of the Company.
4. Implemented visual item detection of medicines in our consumables pilot program with an aim to reduce errors and improve efficiency.
5. Implemented patient analytics dashboards for the patient service excellence group to analyze and improve upon waiting periods across consultation, lab and radiology departments.
6. Implemented AI based chest X-ray anomaly detection pilot program on AADI Doctor's App.
7. Integrated doctor's mobile app with ICU monitors for real-time remote patient assessment to enhance the clinical efficiency across the network.
8. Implemented machine learning-based diagnosis for X Ray for smart technology-based assessment.
9. Launched a pilot project ie "Enhanced Doctor's Bay Management System" for OP patient queue management to ensure transparency and predictability.
10. ATHMA Health Information System, AADI Mobile Application, Attune Lab Information System and Electronic Claim management systems implemented at our overseas operations at Health City Cayman Islands Limited, Cayman Islands one of subsidiaries of the Company.
11. Improved patient registration experience by integrating with Veri5digital's regulatory compliant AADHAAR base Know Your Customer (KYC) database.
12. Redesigned and launched an interactive patient timeline which provides comprehensive medical information across Out Patient and In Patient visits.
13. Enabled automatic vitals' tracking through wearable integration in AADI (Athma Application for Doctor Insights) application to facilitate real-time feed for doctors and thus create automated early-alert capabilities.
14. Launched automated feedback system for outpatient and inpatient visits in our home-grown ATHMA Hospital Information System, which allows collection and analysis of feedback through social channels; also released the updated version of visual item detection which is an experimental project to eliminate errors in pharmacies.
15. Launched Prescription Audit module in ATHMA to improve inpatient safety.
16. Launched Family communication service using IVR in AADI which enabled doctors to seamlessly reach patient family and provide timely updates.
17. Introduced "book tests" feature in the NH Care application which allows patients to book their investigations and pay for it online to eliminate the need for the patient to wait in queues at the counters to book for lab and non-lab diagnostic tests.

18. Successfully demonstrated integration of Cardiac Monitors with the AADI Doctor App for real time patient vitals monitoring.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution

- Improved patient and doctor experience
- Improved Efficiency
- Cost optimization
- Transform digitally by reducing manual intervention
- Reduce possibilities of non-compliance to information security guidelines

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

The Company is in the business of providing healthcare services and it continues to use the latest technology in medical equipments.

(iv) The expenditure incurred on Research and Development- NIL

(C) FOREIGN EXCHANGE EARNINGS AND EXPENDITURE:

(₹ in million)

Particulars	2021-22	2020-21
Foreign Exchange Earnings	942.05	560.45
Foreign Exchange Expenditure	47.25	54.42
Value of Imports on CIF Basis	21.95	29.32

ANNEXURE VI

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31st MARCH, 2022

1. Corporate governance Philosophy

Your Company is committed to the principles of 'Accountability', 'Transparency' and 'Trusteeship' in its dealing with stakeholders. Accordingly, in the endeavor to take balanced care of stakeholders, your Company adheres to good corporate governance practices in its business processes.

The Company is conscious of the fact that the success of a corporation reflects the professionalism, conduct and ethical values of its management and employees. In addition to compliance with regulatory requirements, the Company endeavors to ensure that highest standards of ethical and responsible conduct are met throughout the organization. The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct for its Employees including the Managing Director and the Executive Directors. In addition, the Company's terms of appointment with Independent Directors suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013. These Codes and terms of appointment are available on the Company's website and can be accessed at www.narayanahealth.org.

A Report on Corporate Governance, in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations), and amendments thereto is outlined below.

2. Board of Directors

The Board of Directors (the Board) is at the core of the Company's Corporate Governance practices and oversees how Management serves and protects the long-term interest of its stakeholders. It brings in strategic guidance, leadership and an independent view to the Company's Management while discharging its fiduciary responsibilities, thereby, ensuring that Management adheres to highest standards of ethics, transparency and disclosure.

The Board consists of an optimal combination of Executive Directors and Non-Executive Directors including Independent Directors, representing a judicious mix of in-depth knowledge and experience.

(a) Composition and Category of Directors

The Board comprises of 9 (Nine) Directors viz., 3 (Three) Executive Directors and 6 (Six) Non-Executive Directors out of which 5 (Five) are Independent Directors. In the opinion of the Board, the Independent Directors of the Company fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

Composition of the Board and Committees as on 31st March 2022 are given below

Sl. No.	Name of Director	Designation	Category	Board	Audit, Risk and Compliance Committee	Corporate Social Responsibility Committee	Nomination and Remuneration Committee	Stakeholder Relationship Committee
1	Dr. Devi Prasad Shetty	Chairman & Executive Director	ED & Promoter	√√	-	-	-	-
2	Dr. Emmanuel Rupert	Managing Director & Group CEO	ED	√	-	-	-	-
3	Mr. Viren Prasad Shetty	Whole-time Director & Group COO	ED	√	-	√	-	√
4	Dr. Kiran Mazumdar Shaw	Non-Executive Director	NED	√	-	-	√	-
5	Mr. Dinesh Krishna Swamy	Non-Executive & Independent Director	INED	√	√	√√	√	-
6	Mr. Muthuraman Balasubramanian	Non-Executive & Independent Director	INED	√	√	-	-	√√
7	Mr. Arun Seth	Non-Executive & Independent Director	INED	√	-	-	√√	-
8	Mr. B.N Subramanya	Non-Executive & Independent Director	INED	√	√√	√	-	√
9	Ms. Terri Smith Bresenham	Non-Executive & Women Independent Director	INED	√	-	-	-	-

√√ – Chairman, √ – Member, ED – Executive Director, INED – Independent Non-Executive Director, NE – Non-Executive Director

(b) Changes in the composition of the Board

- **Appointment of the Directors, if any**
  - During the year under review, Ms. Terri Smith Bresenham (DIN: 09111500) was appointed as an Additional Director (in the capacity of Independent Director) with effect from 5th August 2021. Further, at the 21st Annual General Meeting (AGM) of the Company held on 27th August, 2021, Ms. Terri Smith Bresenham was appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years from 5th August, 2021 to 4th August, 2026.
- **Resignations or removal of the Directors, if any**
  - During the year under review, Ms. Nivruti Rai (DIN: 01353079) Independent Director resigned due to the personal reasons with effect from 11th June, 2021.

(c) Attendance of each director at the Board Meetings and the last Annual General Meeting

Directors	Number of Board Meetings		Attendance at the last Annual General Meeting held on 27th August, 2021
	Held	Attended	
Dr. Devi Prasad Shetty	5	5	Yes
Dr. Emmanuel Rupert	5	5	Yes
Mr. Viren Prasad Shetty	5	5	Yes
Dr. Kiran Mazumdar Shaw	5	5	No
Mr. Dinesh Krishna Swamy	5	5	Yes
Mr. Muthuraman Balasubramanian	5	5	Yes
Mr. Arun Seth	5	5	Yes
Mr. B N Subramanya	5	5	Yes
Ms. Terri Smith Bresenham*	3	3	Yes
Ms. Nivruti Rai**	1	1	NA

* Ms. Terri Smith Bresenham was appointed as an Additional Director (in the capacity of Independent Director) with effect from 5th August 2021. Further, at the 21st Annual General Meeting (AGM) of the Company held on 27th August, 2021, Ms. Terri Smith Bresenham was appointed as a Independent Director of the Company to hold office for a term of 5 (five) consecutive years from 5th August, 2021 to 4th August, 2026. Meetings held after 5th August, 2021 has been considered for the purpose of determining number of meetings held and attended by Ms. Terri Smith Bresenham.

** Ms. Nivruti Rai resigned as an Independent Director w.e.f. 11th June, 2021. Meetings held up to 11th June, 2021 has been considered for the purpose of determining number of meetings held and attended by Ms. Nivruti Rai.

(d) Number of other Boards or Board Committees in which Director is a member or Chairman

Number of Directorships and Committee chairmanships / memberships held by Directors in other public companies as on 31st March, 2022 are given herein below. Other directorships do not include directorships in private limited companies, foreign companies and companies under Section 8 of the Companies Act 2013. The Chairmanships / Memberships of Board Committees includes only Audit Committee and Stakeholders' Relationship Committee.

Sl. No.	Name of the Director	Name of the Listed entity where he/she is a Director and the category of Directorship	No. of Directorship in other public entities including this entity	No. of memberships in Audit and Stakeholder Relationship Committee(s) held in other public entities including this entity	No. of post of Chairman in Audit and Stakeholders 'Relationship Committee held in public entities including this entity
1	Dr. Devi Prasad Shetty	Narayana Hrudayalaya Limited – Chairman & Executive Director	8	0	0
2	Dr. Emmanuel Rupert	Narayana Hrudayalaya Limited – Group CEO & Managing Director	4	1 – Audit Committee	0
3	Mr. Viren Prasad Shetty	Narayana Hrudayalaya Limited – Whole-time Director & Group COO	7	1 – Stakeholder Relationship Committee	0

Sl. No.	Name of the Director	Name of the Listed entity where he/she is a Director and the category of Directorship	No. of Directorship in other public entities including this entity	No. of memberships in Audit and Stakeholder Relationship Committee(s) held in other public entities including this entity	No. of post of Chairman in Audit and Stakeholders 'Relationship Committee held in public entities including this entity
4	Dr. Kiran Mazumdar Shaw	• Infosys Limited – Independent Director • Biocon Limited – Executive Chairperson • United Breweries Ltd. – Independent Director • Syngene International Ltd. – Non-Executive Chairperson • Narayana Hrudayalaya Limited - Non-Executive Director	10	1 – Audit Committee	1 – Audit Committee
5	Mr. Dinesh Krishna Swamy	Narayana Hrudayalaya Limited – Independent Director	2	1 – Audit Committee	0
6	Mr. Muthuraman Balasubramanian	• Sundaram Fasteners Ltd. – Independent Director • Narayana Hrudayalaya Limited - Independent Director	3	3 – Audit Committee 1 – Stakeholder Relationship Committee	1 – Audit Committee 1 – Stakeholder Relationship Committee
7	Mr. Arun Seth	• Narayana Hrudayalaya Limited - Independent Director • Jubilant Pharmova Limited -Independent Director • Jubilant Ingrevia Limited -Independent Director • Cyber Media (India) Limited – Independent Director	10	5 – Audit Committee 2 – Stakeholder Relationship Committee	0
8	Mr. B N Subramanya	• Narayana Hrudayalaya Limited - Independent Director	5	2 – Audit Committee 1 – Stakeholder Relationship Committee	2 – Audit Committee
9	Ms. Terri Smith Bresenham*	• Narayana Hrudayalaya Limited - Independent Director	2	0	0
10	Ms. Nivruti Rai**	• Narayana Hrudayalaya Limited - Independent Director	2	0	0

* Ms. Terri Smith Bresenham was appointed as an Additional Director (in the capacity of Independent Director) with effect from 5th August 2021. Further, at the 21st Annual General Meeting (AGM) of the Company held on 27th August, 2021, Ms. Terri Smith Bresenham was appointed as a Independent Director of the Company to hold office for a term of 5 (five) consecutive years from 5th August, 2021 to 4th August, 2026. Meetings held after 5th August, 2021 has been considered for the purpose of determining number of meetings held and attended by Ms. Terri Smith Bresenham.

** Ms. Nivruti Rai resigned as an Independent Director w.e.f. 11th June, 2021. Meetings held up to 11th June, 2021 has been considered for the purpose of determining number of meetings held and attended by Ms. Nivruti Rai.

(e) Number of Board meetings held and dates on which held

During the financial year under review 5 (Five) Board Meetings were held on 31st May 2021, 5th August 2021, 10th November 2021, 4th February 2022 and 29th March 2022. The gap between 2 (two) Board Meetings did not exceed 120 (One Hundred and Twenty) days as required under Section 173 of the Companies Act, 2013 read with Rule 3 & 4 of the Companies (Meetings of Board and its Powers) Rules, 2014 along with Regulation 17 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These Meetings were well attended by all the Directors including Independent Directors. Due to the exceptional circumstances caused by the COVID-19 pandemic and consequent relaxations granted by MCA and SEBI, all Board meetings in Financial Year 2021-22 were held through Video Conferencing means.

(f) Meeting of Independent Directors

The Company's Independent Directors are required to meet at least once in every Calendar Year in compliance with the provisions of the Companies Act, 2013. Such meetings are conducted to enable Independent Directors to discuss the matters pertaining to the Company's affairs and put forth their views. Further, Independent Directors also review the performance of the Non-Independent

Directors, Chairman (after considering the views of Executive and Non-Executive Directors of the Company) and the Board as a whole. During the year under review, the Independent Directors met on 31st May 2021 and all the Independent Directors attended the meeting.

(g) Pecuniary Relationship

There were no pecuniary relations or transactions of Non-Executive Directors vis-a-vis the Company other than:

a. The payment of sitting fees and commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

b. Dr. Kiran Mazumdar Shaw (Non-executive Director) holds 47,05,671 equity shares of ₹ 10 each of the Company as on 31st March 2022.

c. Mr. Arun Seth (Non-executive Independent Director) holds 1,111 equity shares of ₹ 10 each of the Company as on 31st March 2022.

d. Mr. Muthuraman Balasubramanian (Non-executive Independent Director) holds 258 equity shares of ₹ 10 each of the Company as on 31st March 2022.

e. Related Party Transactions with companies in which Dr. Kiran Mazumdar Shaw is interested as under: Biocon Limited - Executive Chairperson, Syngene International Limited - Non-Executive Chairperson, Biocon Biologics Limited - Executive Director.

(h) Familiarization Programs for Board Members

The Board members are provided with necessary documents/ brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices.

Periodic presentations are made at the Board and Committee Meetings, on business and performance updates of the Company, operations review, quarterly and annual results, budgets, review of internal audit reports and action taken reports, statutory compliances, risk management, operations of subsidiaries and business strategy and risks involved. Such presentations and documents provide an opportunity to the Independent Directors to interact with the Senior Management Team of the Company and help them understand the Company's strategy, operations, services, organization structure, finance, human resources, technology, quality and such other areas as may arise from time to time.

The Policy on the Familiarization Programs for Independent Directors and their terms of appointment are also posted on the website of the Company and can be accessed at www.narayanahealth.org.

(i) Key Board skills/expertise/competencies

Pursuant to Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, the Board of Directors have identified the following key skills/ expertise/competence so that the Board of Directors comprises of a diverse and multidisciplinary group of professionals with requisite skills/expertise/competence who can contribute towards providing strategic direction to the Company's management to continue to pursue its vision of providing quality and affordable healthcare whilst upholding the highest standards of Corporate Governance.

Key Competencies	Brief Description	Name of Directors
Governance and Board service	The Board shall collectively comprise of Directors who demonstrate competence and experience in application of Corporate Governance principles.	All the Directors
Business/Management	Experience with, or can demonstrate knowledge or expertise in, sound management and operational business processes and practices in the private or public sector including an understanding of topics such as managing complex projects, leveraging information technology, planning and measuring performance, and allocating resources to achieve outcomes.	All the Directors
Risk/Legal/Regulatory Compliance	Ability to identify key risks to the organization in a wide range of areas including legal and regulatory compliance and monitor risk and compliance management frameworks and systems.	Mr. Muthuraman Balasubramanian Mr. B N Subramanya Mr. Arun Seth Mr. Dinesh Krishna Swamy Dr. Kiran Mazumdar Shaw

Key Competencies	Brief Description	Name of Directors
Information Technology	Knowledge and experience in the strategic use and governance of information management and information technology with ability to apply technology to the hospital sector.	Mr. Dinesh Krishna Swamy Mr. Arun Seth Mr. Viren Shetty Ms. Nivruti Rai *
Accounting/Financial Experience	Experience with, or can demonstrate knowledge or expertise in, accounting or financial management including analyzing and interpreting financial statements, evaluating organizational budgets and use of resources, critically analyze performance and financial viability, oversee funding arrangements and understanding financial reporting.	Mr. B N Subramanya Mr. Muthuraman Balasubramanian
Industry/Sector Knowledge	Experience with or is able to demonstrate knowledge or expertise of healthcare industry with specific exposure in Hospital segment including an understanding of particular trends, challenges and opportunities, or unique dynamics within the sector that are relevant to the Company.	Dr. Devi Prasad Shetty Mr. Viren Shetty Dr. Emmanuel Rupert Ms. Terri Smith Bresenham
Strategy development and implementation	Ability to think strategically and contribute to effective strategy formulation in the light of the strategic objectives of the Company.	All the Directors
Human Resource management	Experience in the Human Resource Management with understanding of employment law.	Mr. Muthuraman Balasubramanian Dr. Kiran Mazumdar Shaw Mr. Arun Seth Mr. Dinesh Krishna Swamy

- Resigned as an Independent Director w.e.f. 11th June, 2021.

3. Board Procedure

A detailed agenda and notes thereon are sent to each Director in advance of Board and Committee Meetings. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any documents with the agenda, it is tabled before the meeting with specific reference to this effect in the agenda. To enable the Board to discharge its responsibilities effectively, the Board is kept abreast at every meeting on the overall performance of the Company. All the relevant reports are also presented at the Board Meetings.

The Chairman of the Board and Company Secretary, in consultation with other concerned members of the Senior Management, finalize the agenda for Board meetings.

Every Board member can suggest the inclusion of additional items in the agenda. The Board meets at least once a quarter to review the quarterly results and other items on the agenda. Additional meetings are held when necessary.

4. Board member evaluation

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Nomination and Remuneration Committee has laid down the manner of evaluation of performance of the Board, its committees and individual directors and its implementation and review. The Board of Directors have adopted the same.

Some of the performance indicators, based on which the Independent Directors are evaluated include:

- The ability to contribute to and monitor our corporate governance practices.
- The ability to contribute by introducing international best practices to address business challenges and risks.
- Active participation in long-term strategic planning.
- Commitment to the fulfilment of a director's obligations and fiduciary responsibilities; these include participation in Board and Committee meetings.

To improve the effectiveness of the Board and its Committees, as well as that of each individual director, a formal Board review is internally undertaken on an annual basis. The members may refer to the Board's Report for the evaluation process followed by the Company.

5. Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee has been constituted in terms of Section 177 of the Companies Act, 2013 read with Regulations 18 and 21 of SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

The terms of reference of Audit, Risk and Compliance Committee are broadly as follows:

The Audit, Risk and Compliance Committee provides direction to the audit function and monitors the quality of internal and statutory audit. The Committee functions as per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of the Companies Act 2013. The responsibilities of the Committee include review of the quarterly and annual financial statements before submission to Board, review and approval of related party transactions, review of compliance of internal control system, overseeing the financial reporting process to ensure transparency, sufficiency, fairness and credibility of financial statements, approve risk management policy, assist the Board in oversight of risk identification, evaluation and mitigation and review management's assessment of risk. The Committee also reviews the functioning of whistle blower mechanism, adequacy and effectiveness of internal audit function, review of management discussion and analysis of financial condition and results of operation.

As on 31st March 2022, the Audit, Risk and Compliance Committee comprised of 3 Directors. All are Independent Directors and the details of the same are as follows:

Director	Nature of Directorship	Designation
1. Mr. B N Subramanya	Independent Director	Chairman
2. Mr. Dinesh Krishna Swamy	Independent Director	Member
3. Mr. Muthuraman Balasubramanian	Independent Director	Member

Meetings and attendance during the year

Name of the members attending the meeting	Date of Committee Meeting	No. of meetings held	No. of meetings attended
Mr. B N Subramanya	31.05.2021	6	6
Mr. Dinesh Krishna Swamy	05.08.2021	6	6
Mr. Muthuraman Balasubramanian	16.09.2021	6	6
	10.11.2021		
	04.02.2022		
	29.03.2022		

6. Nomination and Remuneration Committee

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 read with Regulation 19 and Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms of reference of the Nomination and Remuneration Committee includes determination of the Company's policy on specific remuneration packages for the Executive Directors and Senior Management, oversee the framing, review and implementation of compensation policy of the Company on behalf of the Board. The Committee's terms also include to frame a policy, procedures and schemes and to undertake overall supervision and administration of Employee Stock Option Plan (ESOP) of the Company and to review the Board structure, size and composition and make recommendation for any change. The Committee also formulates evaluation criteria for Directors and the Board.

The Nomination and Remuneration Policy is also posted on the website of the Company and can be accessed at www.narayanahealth.org.

The composition, name of members and Chairman of the Nomination and Remuneration Committee are as under:

Director	Nature of Directorship	Designation
1. Mr. Arun Seth	Independent Director	Chairman
2. Mr. Dinesh Krishna Swamy	Independent Director	Member
3. Dr. Kiran Mazumdar Shaw	Non-Executive Director	Member
4. Ms. Nivruti Rai*	Independent Director	Member

*Ceased to be Member w.e.f. 11.06.2021

Meetings and attendance during the year:

Name of the members attending the meeting	Date of Committee Meeting	No. of meetings held	No. of meetings attended
Mr. Arun Seth	31.05.2021	4	4
Dr. Kiran Mazumdar Shaw	28.07.2021	4	4
Mr. Dinesh Krishna Swamy	10.11.2021	4	4
Ms. Nivruti Rai*	04.02.2022	1	1

*Ceased to be Member w.e.f. 11.06.2021

7. Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

Director	Nature of Directorship	Designation
1. Mr. Muthuraman Balasubramanian	Independent Director	Chairman
2. Mr. B. N. Subramanya	Independent Director	Member
3. Mr. Viren Prasad Shetty	Whole-time Director & Group COO	Member

Meetings and attendance during the year:

Name of the members attending the meeting	Date of Committee Meeting	No. of meetings held	No. of meetings attended
Mr. Muthuraman Balasubramanian	31.05.2021	1	1
Mr. B N Subramanya		1	1
Mr. Viren Prasad Shetty		1	1

The scope and function of the Stakeholders Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms of reference of the Stakeholders' Relationship Committee of our Company include effectively overseeing the resolution of the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual reports, resolving investors' complaints pertaining to share transfers, issue of duplicate share certificates, transmission of shares and other Shareholder related queries, complaints, monitoring implementation of code of conduct for prohibition of insider trading etc.

The details with regard to Stakeholders' grievances as on 31st March 2022 are:

Sl. No.	Particulars	Related Details
1.	Name of the Non-executive Director heading the Committee	Mr. Muthuraman Balasubramanian (Independent Director), Chairman
2.	Name and Designation of Compliance Officer	Mr. Sridhar S, Group Company Secretary, Legal and Compliance Officer
3.	No. of shareholders' complaints received as on 31st March 2022	46
4.	No. of complaints not solved to the satisfaction of shareholders as on 31st March 2022	Nil
5.	No. of pending complaints as on 31st March 2022	Nil

8. Other Committees

a. Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

Director	Nature of Directorship	Designation
1. Mr. Dinesh Krishna Swamy	Independent Director	Chairman
2. Mr. B. N. Subramanya	Independent Director	Member
3. Mr. Viren Prasad Shetty	Whole-time Director & Group COO	Member

Meetings and attendance during the year:

Name of the members attending the meeting	Date of Committee Meeting	No. of meetings held	No. of meetings attended
Mr. Dinesh Krishna Swamy	31.05.2021	3	3
Mr. B N Subramanya	10.11.2021	3	3
Mr. Viren Prasad Shetty	29.03.2022	3	3

The Committee owns the Corporate Social Responsibility Policy and recommends any changes to the policy (or related activities) from time to time to the Board. The Committee also oversees the implementation of the policy, approves plans and programs.

The Corporate Social Responsibility Policy is also posted on the website of the Company and can be accessed at www.narayanahealth.org.

b. Risk Management Committee

In terms of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the top 1000 listed entities, are required to constitute a Risk Management Committee. The responsibilities related to a Risk Management Committee are being performed by our Audit, Risk and Compliance Committee. The Board has nominated the Audit, Risk and Compliance committee also as Risk Management Committee.

In addition to the scope and function of the Audit, Risk and Compliance Committee of the Company as referred above, the scope of the Committee is also to assist the Board in fulfilling its responsibilities about the identification, evaluation and mitigation of operational, strategic and environmental risks. The Committee has the overall responsibility of monitoring and approving the risk policies and associated practices of the Company. It is also responsible for reviewing and approving risk disclosure statements in public documents or disclosures.

The Risk Management Policy is also posted on the website of the Company and can be accessed at www.narayanahealth.org.

As on 31st March 2022, the Audit, Risk and Compliance Committee comprised of 3 Directors. All are Independent Directors and the details of the same are as follows:

Director	Nature of Directorship	Designation
1. Mr. B N Subramanya	Independent Director	Chairman
2. Mr. Dinesh Krishna Swamy	Independent Director	Member
3. Mr. Muthuraman Balasubramanian	Independent Director	Member

Meetings and attendance during the year

Name of the members attending the meeting	Date of Committee Meeting	No. of meetings held	No. of meetings attended
Mr. B N Subramanya	31.05.2021	6	6
Mr. Dinesh Krishna Swamy	05.08.2021	6	6
Mr. Muthuraman Balasubramanian	16.09.2021	6	6
	10.11.2021		
	04.02.2022		
	29.03.2022		

9. Remuneration to Directors

a. Details of remuneration to Directors for the Financial Year ended 31st March, 2022.

(in ₹)

Director	All elements of remuneration packages of the Directors				Total
	Salary and allowances **	Contribution to PF and other funds	Other benefits and perquisites	Performance related pay *	
Dr. Devi Prasad Shetty, Chairman & Whole-time Director	8,21,64,294	-	39,600	2,43,54,876	10,65,58,770
Mr. Viren Prasad Shetty, Whole-time Director and Group COO	1,92,58,048	-	-	60,00,000	2,52,58,048
Dr. Emmanuel Rupert, Managing Director and Group CEO	3,34,44,208	16,46,832	91,96,588	1,17,63,120	5,60,50,748

*Performance Based Incentive (PBI) for FY 2021-22 paid in FY 2022-23

*PBI is based on the actual achievement to budgeted revenue and EBIDTA for NH Group and the PBI amount will have 40% weightage towards revenue and 60% towards EBIDTA.

** Includes encashment of accumulated earned leaves in excess of 45 days paid in FY 2021-22 (Dr. Devi Prasad Shetty – ₹ 1,07,78,646, Mr. Viren Prasad Shetty – ₹ 16,62,088 & Dr Emmanuel Rupert – ₹ 5,93,812)

b. Remuneration to Non-executive, Independent Directors paid for the year ended 31st March 2022

(in ₹)

Director	All elements of remuneration packages of the Directors				Total
	Sitting fees (Board)	Sitting fees (Committees)	Commission	Other benefits, if any	
Mr. Arun Seth	2,50,000	1,00,000	18,00,000	-	21,50,000
Dr. Kiran Mazumdar Shaw	2,50,000	1,00,000	18,00,000	-	21,50,000
Mr. B N Subramanya	2,50,000	2,50,000	18,00,000	-	23,00,000
Mr. Muthuraman Balasubramanian	2,50,000	1,75,000	18,00,000	-	22,25,000
Mr. Dinesh Krishna Swamy	2,50,000	3,25,000	18,00,000	-	23,75,000
Ms. Terri Smith Bresenham*	1,50,000	-	21,00,330	-	22,50,330
Ms. Nivruti Rai**	50,000	25,000	-	-	75,000

*Ms. Terri Smith Bresenham was appointed as an Additional Director (in the capacity of Independent Director) with effect from 5th August 2021. Further, at the 21st Annual General Meeting (AGM) of the Company held on 27th August, 2021, Ms. Terri Smith Bresenham was appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years from 5th August, 2021 to 4th August, 2026.

Ms. Terri Smith Bresenham is also an independent director on the Board of Health City Cayman Islands Ltd., wholly owned subsidiary of the Company. HCCI has paid a Board fee of USD 28,000 to Ms. Terri for the year 2021-22.

**Ms. Nivruti Rai resigned w.e.f. 11th June, 2021.

The remuneration of Non-Executive Directors comprises of commission paid pursuant to approval of the shareholders under Section 197 of the Companies Act, 2013, sitting fees of ₹ 50,000/- per Board Meeting and ₹ 25,000/- per Committee Meeting attended in accordance with the provisions of Companies Act, 2013. Also, reimbursement of expenses incurred by the Non-executive Directors in connection with attending the Board Meetings, Committee Meetings, General Meetings and in relation to the business of the Company are extended to the Non-executive Directors.

c. Service Contracts, Notice and Severance Fees

As at 31st March 2022, the Board comprised of 9 (Nine) members including 3 (Three) Executive Directors and 6 (Six) Non-Executive Directors of which 5 (Five) Directors are Independent Directors. The Executive Directors are the employees of the Company and are subject to service conditions as per the Company's Policy. There is no separate provision for payment of severance fees. However, Independent Directors are subject to a notice period of 30 (Thirty) days but are not eligible for severance fees.

d. Criteria for making payment to Non-executive Directors

The criteria of making payment to the Non-executive directors is based on the varied roles played by them towards the Company. It is not just restricted to corporate governance or outlook of the Company, but they also bring along with them significant professional expertise and rich experience across the wide spectrum of functional areas such as technology, corporate strategy, finance and other corporate functions. The Company seeks their expert advice on various matters in general management, strategy, business planning, finance, science, technology and intellectual property.

e. Disclosure of relationships between Directors inter-se

There is no inter-se relationship between any Directors except Dr. Devi Prasad Shetty, Chairman & Executive Director and Mr. Viren Prasad Shetty, Whole-time Director & Group COO of the Company.

f. Number of shares and convertible instruments held by Non-executive Directors

- Dr. Kiran Mazumdar Shaw (Non-Executive Director) holds 47,05,671 equity shares of ₹ 10 each as on 31st March 2022.
- Mr. Arun Seth (Independent Director) holds 1,111 equity shares of ₹ 10 each of the Company as on 31st March 2022.
- Mr. Muthuraman Balasubramanian (Independent Director) holds 258 equity shares of ₹ 10 each of the Company as on 31st March 2022.

The Company has not issued any convertible instruments.

10. General Body Meetings

a. Details of location and time, where last 3 (three) Annual General Meetings were held:

Financial year ended	Day, Date and Time of Annual General Meeting	Location
31st March 2021	Friday, 27th August 2021 at 11:30 AM	Meeting held via Video Conferencing means
31st March 2020	Monday, 31st August 2020 at 11:30 AM	Meeting held via Video Conferencing means
31st March 2019	Saturday, 10th August 2019 at 11.30 A.M	"Sathya Sai Samskruta Sadanam", No. 20, Hosur Road, Bengaluru - 560029

b. Details of Special Resolutions passed in the previous 3 (three) Annual General Meetings:

Annual General Meeting held on 27th August 2021	Ratification of remuneration payable to the Cost Auditors for the Financial Year 2021-22.
	Revision in remuneration of Dr. Emmanuel Rupert (DIN: 07010883) as Managing Director and Group CEO of the Company.
	Revision in remuneration of Dr. Devi Prasad Shetty (DIN: 00252187) as Whole-time Director.
	Revision in remuneration of Mr. Viren Prasad Shetty (DIN: 02144586) as Whole-time Director and Group Chief Operating Officer.
	Revision in remuneration payable to Dr. Varun Shetty as a Consultant Surgeon, an office or place of profit under the Companies Act, 2013.
	Revision in remuneration payable to Dr. Vivek Shetty as a Consultant Surgeon, an office or place of profit under the Companies Act, 2013.
	Payment of Remuneration to Non-executive Directors.
	Issue of Debt Securities on Private Placement Basis.
	Appointment of Ms. Terri Smith Bresenham (DIN: 09111500) as an Independent Director of the Company for a term of five consecutive years.
Annual General Meeting held on 31st August 2020	Issue of Debt Securities on Private Placement Basis.
Annual General Meeting held on 10th August 2019	Appointment of Dr. Emmanuel Rupert (DIN: 07010883) as Managing Director and Group CEO of the Company.
	Continuation of Mr. Muthuraman Balasubramanian (DIN: 00004757) as an Independent Director of the Company.
	Revision in remuneration of Dr. Devi Prasad Shetty (DIN: 00252187) as Whole-time Director.
	Revision in remuneration of Mr. Viren Shetty (DIN:02144586) as Whole-time Director and Group Chief Operating Officer (COO).
	Provide loans to and / or give guarantees and / or provide securities in connection with loans raised by Meridian Medical Research and Hospital Limited, Subsidiary Company.
	Issue of debt securities on Private Placement Basis.
	Revision in remuneration payable to Dr. Vivek Shetty as a Consultant Surgeon, an office or place of profit under the Companies Act, 2013.
	Revision in remuneration payable to Dr. Varun Shetty as a Consultant Surgeon, an office or place of profit under the Companies Act, 2013.

11. Details of Postal Ballots

During the Financial Year 2021-22, the Company sought the approval of the shareholders by way of a Special Resolutions through notice of postal ballot dated 17th February, 2022 for (a) Re-appointment of Dr. Emmanuel Rupert (DIN: 07010883) as Managing Director and Group Chief Executive Officer of the Company and (b) Revision in remuneration of Dr. Emmanuel Rupert (DIN:07010883) as Managing Director and Group Chief Executive Officer of the Company w.e.f. 1st April 2022, the results of which were announced on 26th March, 2022. Mr. Sudhindra K S, Practicing Company Secretary, Bengaluru (FCS No. 7909, CP No. 8190) was appointed as the Scrutiniser to conduct the Postal Ballot through e-voting process in a fair and transparent manner.

Details of Voting Pattern are as under:

Item No. 1 - Re-appointment of Dr. Emmanuel Rupert (DIN: 07010883) as Managing Director and Group Chief Executive Officer of the Company

Resolution required: (Ordinary/ Special)			Special Resolution					
Whether promoter/ promoter group are interested in the agenda/resolution?			No					
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – against	% of Votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	130485730	130485730	100.00	130485730	0	100.00	0
	Poll		0	0	0	0	0	0
	Postal Ballot (if applicable)		0	0	0	0	0	0
	Total	**130485730**	**130485730**	**100.00**	**130485730**	**0**	**0**	**0**
Public-Institutions	E-Voting	59715682	43154266	72.27	34629873	8524393	80.25	19.75
	Poll		0	0	0	0	0	0
	Postal Ballot (if applicable)		0	0	0	0	0	0
	Total	**59715682**	**43154266**	**72.27**	**34629873**	**8524393**	**80.25**	**19.75**
Public- Non-Institutions	E-Voting	14159392	5724861	40.43	5723784	1077	99.98	0.02
	Poll		0	0	0	0	0	0
	Postal Ballot (if applicable)		0	0	0	0	0	0
	Total	**14159392**	**5724861**	**40.43**	**5723784**	**1077**	**99.98**	**0.02**
Total		**204360804**	**179364857**	**87.77**	**170839387**	**8525470**	**95.25**	**4.75**

Item No. 2 - Revision in remuneration of Dr. Emmanuel Rupert (DIN:07010883) as Managing Director and Group Chief Executive Officer of the Company w.e.f. 1st April 2022

Resolution required: (Ordinary/ Special)			Special Resolution					
Whether promoter/ promoter group are interested in the agenda/resolution?			No					
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – against	% of Votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	130485730	130485730	100.00	130485730	0	100.00	0
	Poll		0	0	0	0	0	0
	Postal Ballot (if applicable)		0	0	0	0	0	0
	Total	**130485730**	**130485730**	**100.00**	**130485730**	**0**	**100.00**	**0**

Resolution required: (Ordinary/ Special)			Special Resolution					
Whether promoter/ promoter group are interested in the agenda/resolution?			No					
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – against	% of Votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Public- Institutions	E-Voting	59715682	43154266	72.27	27702319	15451947	64.19	35.81
	Poll		0	0	0	0	0	0
	Postal Ballot (if applicable)		0	0	0	0	0	0
	Total	**59715682**	**43154266**	**72.27**	**27702319**	**15451947**	**64.19**	**35.81**
Public- Non-Institutions	E-Voting	14159392	5724883	40.43	5721992	2891	99.95	0.05
	Poll		0	0	0	0	0	0
	Postal Ballot (if applicable)		0	0	0	0	0	0
	Total	**14159392**	**5724883**	**40.43**	**5721992**	**2891**	**99.95**	**0.05**
Total		**204360804**	**179364879**	**87.77**	**163910041**	**15454838**	**91.38**	**8.62**

12. Details of Special Resolution proposed to be conducted through Postal Ballot at the ensuing Annual General Meeting

None of the businesses are proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

13. Remote e-voting at the Annual General Meeting

To allow the Members to vote on the resolutions proposed at the Annual General Meeting to be held through Video Conferencing facility, the Company has arranged for a remote e-voting facility. The Company has engaged National Securities Depository Limited (NSDL) to provide e-voting facility to all the Members. Members whose names appear on the register of Members as on Tuesday, 23rd August 2022, shall be eligible to participate in the e-voting.

14. Means of Communication.

a. Financial results

The quarterly, half yearly and yearly financial results are filed with the Stock Exchanges immediately after the Board approves the same and within the stipulated timelines as specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These results are published in newspapers like Financial Express (English) and Vijaya Vani (Kannada).

b. The results along with investor presentations and press release are also posted on the website of BSE Limited and National Stock Exchange of India Limited, and on Company's website i.e., www.narayanahealth.org.

15. General Shareholder Information

a. Annual General Meeting Venue

The Company shall hold Annual General Meeting through Video Conferencing facility pursuant to MCA General Circulars Nos. 20/2020 dated 5th May 2020, No. 02/2021 dated 13th January 2021, No. 19/2021 dated 8th December 2021, No. 21/2021 dated 14th December 2021 and No. 02/2022 dated 5th May 2022. Details are provided in the Notice of this AGM.

Day, date and time

The 22nd Annual General Meeting of the Company will be held on Tuesday, the 30th day of August 2022, at 11:30 A.M. by means of Video Conferencing (VC)/Other Audio-Visual Means (OAVM).

b. Financial Year:

Financial Year covers the period from 1st April to 31st March.

c. Listing on Stock Exchanges

Equity Shares of the Company are listed on the BSE Limited (BSE), Department of Corporate Services, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 and National Stock Exchange of India Limited (NSE), Exchange plaza, Bandra Kurla Complex, Mumbai – 400 050. The requisite listing fees have been paid in full to the Stock Exchanges where the Company's Shares are listed.

d. Dividend payment date:

On and from 5th September 2022, subject to approval of the Shareholders at the ensuing Annual General Meeting.

e. Stock Exchange Codes

NSE: NH
BSE: 539551

f. Demat International Security Identification Number (ISIN) in NSDL and CDSL for Equity Shares

ISIN: INE410P01011

g. Suspension of Trading

No securities of the Company were suspended from trading on stock exchanges during the year under review.

h. Registrar and Share Transfer Agents

KFin Technologies Private Limited situated at Karvy Selenium Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad – 500 032, Telangana.

i. Share Transfer System

Trading in equity shares of the Company through recognized Stock Exchanges is permitted only in dematerialized form.

Pursuant to amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from April 1, 2019, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository.

j. Distribution of shareholdings as on 31st March 2022

Category (Amount)	Distribution Schedule - Consolidated as on 31.03.2022				
	No. of Cases	% of Cases	Total Shares	Amount (₹)	% of Amount
1-5000	51313	95.95	3193900	31939000	1.56
5001- 10000	1099	2.05	805165	8051650	0.39
10001- 20000	541	1.01	773759	7737590	0.38
20001- 30000	136	0.25	332906	3329060	0.16
30001- 40000	85	0.16	300152	3001520	0.15
40001- 50000	45	0.08	205518	2055180	0.10
50001- 100000	84	0.16	629887	6298870	0.31
100001 & Above	178	0.33	198119517	1981195170	96.95
Total	**53481**	**100.00**	**204360804**	**2043608040**	**100.00**

k. Category of Equity Shareholders as on 31st March 2022

Category	Consolidated Shareholding Pattern as on 31.03.2022		
	No. of Holders	Total Shares	% of Equity Capital
Promoter Individuals	6	12,67,83,666	62.04
Mutual Funds	36	2,81,24,721	13.76
Foreign Portfolio - Corp	112	2,17,34,373	10.64
Resident Individuals	50172	1,21,05,491	5.92
Qualified Institutional Buyer	15	85,01,782	4.16
Alternative Investment Fund	7	8,57,345	0.42
Promoters Bodies Corporate	1	37,02,064	1.81
Trusts	7	14,30,721	0.7
Non-Resident Indians	1075	2,88,159	0.14
Bodies Corporates	414	4,90,677	0.24
HUF	964	1,45,797	0.07
Non-Resident Indian Non Repatriable	601	1,73,985	0.09
Clearing Members	65	18,466	0.01
NBFC	2	2,359	0
Foreign Nationals	2	800	0
Banks	2	398	0
Total	**53481**	**204360804**	**100**

l. Dematerialization of Shares & Liquidity

As on 31st March 2022, except one resident individual holding 1 (one) share in physical form, the entire Paid-up Equity Share Capital of the Company is held in dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited.

m. Outstanding ADRs/GDRs Warrants or any Convertible Instruments, Conversion date and likely impact on Equity

The Company had not issued any ADRs/GDRs, Warrants or any Convertible Instruments during the year under review.

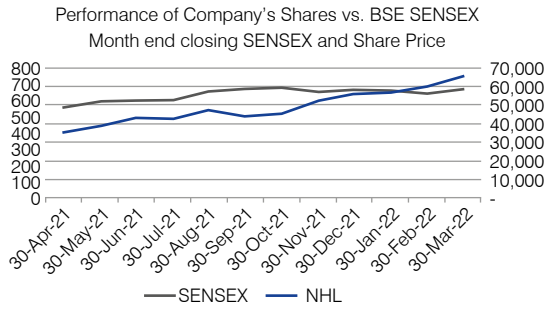
n. Address for correspondence

Mr. Sridhar S, Group Company Secretary, Legal and Compliance Officer.

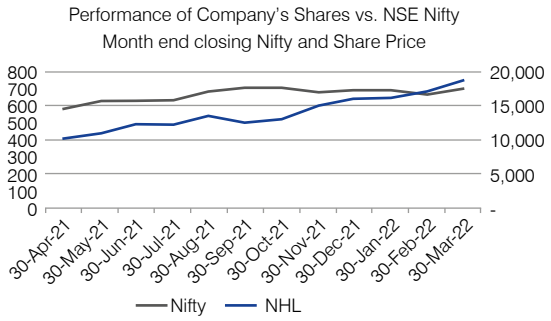
Narayana Hrudayalaya Limited, Corporate Office, 2nd Floor, 261/A, Bommasandra Industrial Area, Anekal Taluk, Hosur Road, Bangalore – 560099.

o. Performance in comparison to broad-based indices

i. BSE:



ii. NSE



p. Unit Locations

In view of the nature of the Company's business viz. Healthcare and allied activities, the Company operates from various facilities in India and abroad.

The first facility was established in Bengaluru with approximately 225 operational beds and since then the Company has grown to 19 owned/operated hospitals, 2 managed hospitals, 4 heart centres and 18 primary healthcare facilities across India and one hospital in Cayman Islands.

q. Credit Ratings

The credit rating assigned to long term and Short-term loans of the Company during the financial year 2021-22 is given below:

Instrument	Credit Rating
Long – Term Loans	AA- (stable)
Short-Term Loans	A1+

Details relating to these Credit Ratings are also available on the Company's website: https://www.narayanahealth.org/stakeholder-relations/credit-rating

r. Auditors Fees

Deloitte Haskins & Sells LLP (Firm Registration No. 117366W/W-100018) have been appointed as the Statutory Auditors of the Company. The Company paid an amount of ₹ 96,24,571/- (Rupees Ninety-Six Lakhs Twenty Four Thousand Five Hundred and Seventy One Only) to Statutory Auditors on a consolidated basis for the Financial Year 2021-22.

s. Certificate from Practicing Company Secretary

The Company has received a certificate from a Company Secretary-in-Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continued as Directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority and same is attached as **Annexure VIII** to the Board's Report.

t. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

The Company during the year under consideration has not raised any funds through preferential allotment or qualified institutional placement.

u. Non-acceptance of any recommendation of any Committee of the Board which is mandatorily required

The Board of Directors have taken in all the recommendations of the various Committees of the Board as statutorily prescribed.

v. Demat Suspense Account/Unclaimed Suspense Account

The Company during the year under consideration does not have any demat suspense account or unclaimed suspense account.

w. Stock Market Data:

High, Low and Total Traded Quantity of the Company's equity shares during each month of the financial year 2021-22 at BSE and NSE are given below:

Month	National Stock Exchange			Bombay Stock Exchange		
	High (₹)	Low (₹)	Total Traded Quantity	High (₹)	Low (₹)	Total Traded Quantity
April 2021	434.95	386.60	33,00,126	436.95	385.90	1,94,721
May 2021	465.00	395.15	69,57,146	462.70	395.50	3,96,048
June 2021	566.70	444.20	2,62,10,564	566.00	444.70	15,77,455
July 2021	532.20	471.45	78,10,106	532.00	471.45	4,38,579
August 2021	555.00	497.90	84,06,012	554.00	466.05	7,87,383
September 2021	562.00	498.05	48,32,395	561.00	498.50	2,13,237
October 2021	546.00	491.90	23,05,914	545.00	492.10	1,36,993
November 2021	626.70	509.85	1,78,07,470	626.60	510.00	6,23,307
December 2021	652.00	544.95	65,05,556	651.00	545.10	3,27,848
January 2022	675.00	607.70	60,79,051	675.10	608.75	2,72,685
February 2022	698.90	600.00	35,99,669	703.00	605.85	2,51,507
March 2022	777.00	632.10	47,14,612	774.00	632.85	2,66,083

16. Disclosures

a. Related Party transactions

During the financial year 2021-22, there were no materially significant transactions entered into between the Company and its promoters, Directors or the Management, Holding Company, Subsidiaries, Associates or relatives that may have potential conflict with the interest of the Company at large except for those mentioned in the Boards' Report. Further, details of related party transactions form part of notes to the standalone accounts of the Annual Report and a policy about same is available on the Company's website i.e., https://www.narayanahealth.org/sites/default/files/download/codes-policies/Related-party-transaction.pdf.

Details of Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount:

The Company has given loan to Narayana Hrudayalaya Surgical Hospital Private Limited, wholly owned subsidiary of the Company, details of which are given below:

Name of the Company	Nature of transaction	Balance as at 31.03.2022
Narayana Hrudayalaya Surgical Hospital Private Limited	Unsecured Loan	₹ 92.00 Million

b. Details of non-compliance with respect to Capital Markets

The Company has complied with all the requirements of regulatory authorities with respect to capital markets. There were no instances of non-compliances by the Company and no penalties or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to the capital markets during the last three years.

c. Whistle Blower Policy/Vigil Mechanism

The Company has developed a Vigil Mechanism and Whistle Blower Policy with a view to provide a mechanism for Directors, employees and stakeholders of the Company to report their genuine concern. The Whistle Blower Policy is also posted on the website of the Company and can be accessed at www.narayanahealth.org.

d. Compliance with Corporate Governance Requirements

The Company has complied with all the mandatory Corporate Governance requirements to the extent applicable to the Company.

e. Link for Policy on determining Material Subsidiaries

The Company has a Policy for determining material subsidiaries which is disclosed on website and can be accessed at https://www.narayanahealth.org/sites/default/files/download/codes-policies/Policy_for_material_subsidiary.pdf.

f. Disclosure of Commodity Price Risk or Foreign Exchange Risk and Hedging activities

Information on foreign exchange risk and hedging activities are provided under Notes to Accounts of Standalone Financial Statements section of Annual Report, you are requested to refer to Note No. 42 of Annual Report.

g. Disclosures regarding appointment or re-appointment of Directors

As per the Companies Act, 2013, at least two thirds of the Board should consist of retiring Directors, of these at least one third are required to retire every year.

Dr. Devi Prasad Shetty, Chairman & Executive Director of the Company, being the longest in the office, retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

The detailed profile of the above director is provided as part of this Annual Report.

h. Code for Prevention of Insider Trading Practices

The Company has in place an Insider Trading policy governing determination of Legitimate purposes for sharing of Unpublished Price Sensitive Information, mechanism for internal control, mechanism for dealing with suspected leak of unpublished price sensitive information as per the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

The insider trading Policy is posted on the website of the Company and can be accessed at www.narayanahealth.org.

i. Subsidiary Companies

All subsidiary companies are managed by their Boards having the rights and obligations to manage such Companies in the best interest of their stakeholders.

The Company monitors performance of subsidiary Companies, inter-alia, by reviewing financial statements, particularly investments (wherever applicable) made by unlisted subsidiary companies.

j. Accounting Treatment in Preparation of Financial Statements

In the preparation of the financial statements, the Company has followed existing Indian Accounting Standards (Ind AS). The significant accounting policies which are consistently applied have been set out in the notes to the financial statements.

k. Compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company has complied with all the mandatory provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, from time to time.

l. Secretarial Audit Report

Pursuant to Regulation 24A of the SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015, every listed entity and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its Annual Report, a secretarial audit report, given by a Company Secretary in Practice. In this regard, certificate from M/s. Ganapathi & Mohan, Practicing Company Secretaries, having their office at No.2243, Vishishta Arcade, 2nd Floor, 23rd Cross, Banashankari II Stage, Bengaluru – 560070 (firm Registration No. P2002KR057100) enclosed as **Annexure X** to the Board's Report.

m. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- Number of complaints filed during the financial year: 10
- Number of complaints disposed of during the financial year: 10
- Number of complaints pending as on end of the financial year: 0

n. Compliance with Mandatory Requirements

The Company has complied with all the mandatory corporate governance requirements under the Listing Regulations. Specifically, the Company confirms compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i)

of sub regulation (2) of Regulation 46 of the Listing Regulations.

o. Discretionary requirements (Schedule II Part E of the SEBI Listing Regulations)

Modified opinion in Audit Report: During the year under review, there was no audit qualification in the Auditors' Report on the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.

Ernst & Young LLP, the Internal Auditors of the Company, make presentations to the Audit committee on their reports.

The Company has been filing quarterly, half yearly results with stock exchanges within the stipulated timeline and publishes on website https://www.narayanahealth.org/stakeholder-relations/financial-results and in widely circulated newspapers.

17. Declaration as required under Regulation 34(3) and Schedule V of the Listing Regulations

All Directors and senior management personnel of the Company have affirmed compliance with Company's Code of Conduct for the financial year ended March 31, 2022.

18. CEO and CFO Certification

The Managing Director & Group Chief Executive Officer ("MD & Group CEO") and the Chief Financial Officer (CFO) of the Company have given annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The MD & Group CEO and CFO have also given quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

19. Compliance Certificate on Corporate Governance

Certificate received from M/s. Ganapathi & Mohan, Practicing Company Secretaries, having their office at No.2243, Vishishta Arcade, 2nd Floor, 23rd Cross, Banashankari II Stage, Bengaluru – 560 070 (firm Registration No. P2002KR057100), confirming compliance with the conditions of Corporate Governance as stipulated under Regulation 34 (3) read with Schedule V (E) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as **Annexure VII** to the Board's Report.

For and on behalf of the Board of Directors

Dr. Devi Prasad Shetty
Chairman
DIN: 00252187

Dr. Emmanuel Rupert
Managing Director and Group CEO
DIN: 07010883

Place: Bengaluru
Date: 20th May, 2022

ANNEXURE VII

REPORT ON CORPORATE GOVERNANCE BY COMPANY SECRETARY IN PRACTICE

To,
The Members,
M/s. NARAYANA HRUDAYALAYA LIMITED
CIN: L85110KA2000PLC027497
No. 258/A, Bommasandra Industrial Area,
Anekal.T.Q., Bangalore – 560099

We have examined the compliance of conditions of Corporate Governance by **NARAYANA HRUDAYALAYA LIMITED** ('the Company') for the year ended on 31st March, 2022 as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended, from time to time.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation process thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said clause.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations of the Management, we certify that the Company has complied with the conditions of Corporate Governance as specified in Regulations 17 to 27, sub-regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

We state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **GANAPATHI & MOHAN**
Company Secretaries

CS. G M GANAPATHI
Partner
FCS. 5659; C.P: 4520
(FRN: P2002KR057100)
UDIN: F005659D000352841

Place: Bengaluru
Date: 20th May, 2022

ANNEXURE VIII

CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
NARAYANA HRUDAYALAYA LIMITED
No.258/A, Bommasandra Industrial Area
Anekal. T.Q. Bangalore – 560099

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Narayana Hrudayalaya Limited** having CIN L85110KA2000PLC027497, having registered office at No.258/A, Bommasandra Industrial Area, Anekal. T.Q. Bangalore – 560099 (hereinafter referred to as "the Company"), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V, Para-C, Sub-clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations, legal opinion furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continued as Director of the Company, by the Securities and Exchange Board of India(SEBI), Ministry of Corporate Affairs, Government of India (MCA) or any such Statutory Authority.

The details of directors of the Company as on 31st March 2022 are as follows:

Sl. No.	Name of the Director	DIN	Designation	Date of Appointment
01.	Devi Prasad Shetty	00252187	Chairman cum Whole-time Director	19/07/2000
02.	Kiran Mazumdar Shaw	00347229	Non-Executive Director	06/02/2008
03.	Viren Prasad Shetty	02144586	Whole-time Director	10/04/2008
04.	Muthuraman Balasubramanian	00004757	Independent Director	06/05/2015
05.	Arun Seth	00204434	Independent Director	06/05/2015
06.	Subramanya Bangalore Nagappa	00483654	Independent Director	30/06/2015
07.	Dinesh Krishna Swamy	00041553	Independent Director	08/08/2015
08.	Emmanuel Rupert	07010883	Managing Director	03/02/2019
09.	Terri Smith Bresenham	09111500	Independent Woman Director	05/08/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **GANAPATHI & MOHAN**
Company Secretaries

Sd/-
CS. G M GANAPATHI
Partner
FCS. 5659; C.P: 4520
(FRN: P2002KR057100)
UDIN: F005659D000352808

Place: Bengaluru
Date: 20th May, 2022

ANNEXURE IX

BUSINESS RESPONSIBILITY REPORT

[As per Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L85110KA2000PLC027497.
2. Name of the Company: Narayana Hrudayalaya Limited.
3. Registered address: No. 258/A, Bommasandra Industrial Area, Anekal Taluk, Bengaluru - 560099.
4. Website: www.narayanahealth.org
5. E-mail id: investorrelations@narayanahealth.org
6. Financial Year reported: 2021-22.
7. Sector(s) that the Company is engaged in (Industrial activity code-wise):

   The Company is in the healthcare sector running, operating, maintaining multi-specialty hospitals and heart care centers and applicable NIC Code: 8610.
8. List three key products/services that the Company manufactures/provides (as in balance sheet):

   The Company provides only Healthcare Services.
9. Total number of locations where business activity is undertaken by the Company

   a. Number of International Locations (Provide details of major 5).

      The Company owns and operates one hospital in Cayman Islands.

   b. Number of National Locations-

      The Company the Group has a network of 19 owned/ operated hospitals, 2 managed hospitals, 4 heart centers and 18 primary healthcare facilities across India.
10. Markets served by the Company – Local/State/National/ International.

    National Presence:

    The Company has its hospitals and clinics in Ahmedabad, Bengaluru, Mysore, Davangere, Dharwad, Guwahati, Jaipur, Jamshedpur, Katra, Kolar, Kolkata, Raipur, Shimoga, Bellary, Delhi, Gurugram, and Mumbai.

    International:

    Cayman Islands.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR): 2043.61 Million.
2. Total Turnover (INR): 25,183.66 Million.
3. Total Profit After Taxes (INR): ₹ 1,335.98 Million.
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit After Tax (%):

   ₹ 6.87 Million spent on CSR for Financial Year 2021-22. However, the prescribed minimum amount to be spent on CSR as per Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 is 2% of the average net profits of the Company during the three immediately preceding financial years which amounts to ₹ 6.56 Million.
5. List of activities in which expenditure in 4 above has been incurred:

Sl. No.	Project	Expenditure (₹ million)
01.	Covid awareness	0.34
02.	Community Radio Program	0.47
03.	Free COVID-19 Vaccination	4.77
04.	E-Health Center	0.60
05.	Non-Communicable Disease	0.19
06.	Student Sponsorship for education	0.50
	Total	**6.87**

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

   Yes, the Company has totally Ten Subsidiaries as on 31st March, 2022.

   a. Narayana Hospitals Private Limited (India)

b. Narayana Institute for Advanced Research Private Limited (India)

c. Narayana Health Institutions Private Limited (India)

d. Narayana Hrudayalaya Surgical Hospital Private Limited (India)

e. Meridian Medical Research and Hospital Limited (India)

f. Narayana Vaishno Devi Specialty Hospitals Private Limited (India)

g. Narayana Holdings Private Limited (Mauritius)

h. NH Health Bangladesh Private Limited (Bangladesh)

i. Health City Cayman Islands Limited (Cayman Islands)

j. Narayan Health North America LLC (USA)

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the Parent Company? If yes, then indicate the number of such subsidiary Company(s)?

Certain business responsibility initiatives in the area of ethics, transparency and accountability, sustainable use of resources, wellbeing of employees is implemented by three operating subsidiaries in India and the subsidiary in Cayman Islands -

a. Narayana Hrudayalaya Surgical Hospital Private Limited (India)

b. Meridian Medical Research and Hospital Limited (India)

c. Narayana Vaishno Devi Specialty Hospitals Private Limited (India)

d. Health City Cayman Islands Limited (Cayman Islands)

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:

The Company does not mandate its suppliers/distributors to participate in the Company's BR initiatives. However, they are encouraged to adopt such practices and follow the concept of being responsible business.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies:

Name	DIN	Designation
Dr. Emmanuel Rupert	07010883	Managing Director and Group CEO

(b) Details of the BR head:

Sl. No.	Particulars	Details
1	DIN Number (if applicable)	07010883
2	Name	Dr. Emmanuel Rupert
3	Designation-	Managing Director & Group CEO
4	Telephone number	080 71222129
5	e-mail id	investorrelations@narayanahealth.org

2. Principle-wise (as per NVGs) BR Policy/Policies:

(a) Details of compliance (Reply in Y/N)

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/ policies for	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Has the policy being formulated in consultation with the relevant stakeholders?	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Does the policy confirm to any national / international standards? If yes, specify? (50 words)	✓	✓	✓	✓	✓	✓	✓	✓	✓

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4	Has the policy been approved by the Board? Is yes, has it been signed by MD/ Owner/ CEO/ appropriate Board Director?	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Does the Company have a specified Committee of the Board/ Director/ Official to oversee the implementation of the policy?	✓	X	✓	✓	✓	X	✓	✓	✓
6	Indicate the link for the policy to be viewed online?	Note 1	Note 2	Note 3	Note 4	Note 5	Note 6	Note 7	Note 8	Note 9
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Does the Company have in-house structure to implement the policy / policies?	✓	✓	✓	✓	X	✓	✓	✓	✓
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	✓	✓	✓	✓	✓	X	✓	✓	✓
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	X	X	X	X	X	✓	X	X	X

Note 1: https://www.narayanahealth.org/sites/default/files/download/codes-policies/Anti-Bribery- Policy.pdf

Note 2: https://www.narayanahealth.org/sites/default/files/download/codes-policies/ESG-Policy.pdf

Note 3: https://www.narayanahealth.org/sites/default/files/download/codes-policies/FAW-Policy.pdf Note4:https://www.narayanahealth.org/sites/default/files/download/codes-policies/NHL-CSR-Policy- Document-2016-17.pdf

Note 4 & 5: https://www.narayanahealth.org/sites/default/files/download/codes-policies/NHL-CSR-Policy- Document-2016-17.pdf

Note 6: same as policy for Principle 2.

Note 7: same as policy for Principle 2.

Note 8: same as policy for Principle 4.

Note 9: same as policy for Principle 2.

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)- **Not Applicable.**

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles.	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified Principles.	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	The Company does not have financial or manpower resources available for the task.	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	It is planned to be done within next 6 months.	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	It is planned to be done within the next 1 year.	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Any other reason (please specify).	NA	NA	NA	NA	NA	NA	NA	NA	NA

3. Governance related to Business Responsibility (BR):

   (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year?

   BR performance is reviewed as a part of the ongoing business review by the Management and the Board of Directors.

   (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

   The Company has qualified under clause (f) of sub regulation (2) of regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during financial 2016-17 and hence this is the sixth year of publishing this report. The Reports from the Financial Years 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21 are hosted on our website as a part of respective Annual Reports. The link for viewing the reports is https://www.narayanahealth.org/stakeholder-relations/annual-reports.

   It is published annually as a part of Annual Report.

SECTION E: PRINCIPLE-WISE PERFORMANCE:

Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No.

   Yes.

2. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?

   This policy extends to NH, all its subsidiaries and all its related entities.

3. How many stakeholder complaints have been received in the past Financial Year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   None.

Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   The Company is in the Healthcare-Hospital Sector and is engaged in the treating and curing patients from various diseases and thereby contributing to the health of the population in general. Apart from running and operating Hospitals, the Company is contributing to the discovery of new drugs and treatment interventions through clinical research.

   The Company has a Clinical Research Department which actively participates in many clinical trials and clinical studies in association with drug manufacturers and other institutions. The clinical research contributes towards development of new drugs for various diseases and clinical studies for better understanding various diseases and enabling interventions needed for effective treatment. The Clinical Research team comprises of doctors who are highly qualified and having expertise in various clinical specialties and who act as the principal investigators in the clinical research.

   The trials carried out at NH have played a major role in the understanding of the disease process as well as towards the management of various conditions.

   Apart from oncology, immunology and cardiovascular research, we focus on translational research, artificial intelligence program, discovery program, product research and computational biology. In collaboration with Mazumdar Shaw Medical Foundation, our on-campus research partner we have been involved in translational research in the fields of head and neck oncology, glioblastoma, haematology and COVID. We have also collaborated with Immuneel Therapeutics, and have embarked upon a study on CAR-T therapy which makes us one of the only three centers in the country carrying out this cutting-edge research. We are participating in research projects in collaboration with University of Arizona, Maastricht University, University of Bristol, and University of Birmingham. We are currently engaged in 25 Clinical Trials, 23 Sponsored Studies, 15 Investigator Initiated Studies and 7 Multi-centric Studies. This year we have published the highest number of research papers 212.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

   a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

      a. Energy conservation by Improving overall efficiency of Utility by replacing older technology machines by newer technology to improve efficiency.

      b. The Company has achieved conservation of energy by replacement of older technology boiler with Energy efficient electric Heat pump, cooling tower, Pump, Modification, and optimization of chilled

water line for building & LED lights at various units and reduced energy consumption.

c. Use of solar/Wind & Hydro power for flagship unit in Bengaluru – Health City campus reaching 90% of its total power requirement and in the Group 26% of its energy requirement comes from captive Wind and Hydro energy. This activity is reducing carbon emissions by 12,394.5 ton/Year by consuming 13.05 MU of power from Solar/wind and Hydro energy producer suppliers and & further reduced 2408 tons Carbon by reducing diesel consumption and other energy efficiency projects.

b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Same as above.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company is in the business of providing healthcare service in which the products and services as inputs are regulated by the statutes and hence, we procure the products and services from empaneled vendors who are governed by various statutes.

In the recent procurement of high value utilities, the facility started adopting life cycle cost analysis to identify a sustainable product with lesser energy footprint. This procedure ensures that energy efficiency, resource consumption to an optimum level, while meeting the requirement.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company is in the business of providing healthcare service in which the products and services as inputs are regulated by the statutes and hence, we procure the products and services from empaneled vendors who are governed by various statutes.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company being in the healthcare – hospital industry does not manufacture any product. However, all efforts are made to conserve water and energy in the course of running its business by adopting various measures as covered under this Business Responsibility Report including the following:

a. As part of water conservation initiatives, domestic wastewater from hospitals are treated in on-site wastewater treatment plants and reused in the hospitals for suitable non-contact purposes like flushing, gardening, green belt development, etc.

b. We are recycling 56% water and re-using 51% for gardening

c. We have participated in restoration of a lake in Bommasandra industrial area to protect water resource.

Principle 3 - Businesses should promote the wellbeing of all employees.

1. Please indicate the total number of employees: 11,465

2. Please indicate the total number of employees hired on temporary/contractual/casual basis: 3,509

3. Please indicate the number of permanent women employees: 6,917

4. Please indicate the number of permanent employees with disabilities: 15

5. Do you have an employee association that is recognized by management? No

6. What percentage of your permanent employees is members of this recognized employee association? Not Applicable

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last Financial Year and pending, as on the end of the financial year.

Sl. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/ involuntary labour	Nil	Nil
2	Sexual harassment	10	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of under mentioned employees were given safety & skill up- gradation training in the last year?

   (a) Permanent Employees: 74.6% (8,556 of 11,465)

   (b) Permanent Women Employees: 77.2% (5,338 of 6,917)

   (c) Casual/Temporary/Contractual Employees: – As per the contract between NH & Vendor, this is to be managed by the vendor.

   (d) Employees with Disabilities: 46.7% (7 of 15)

Principle 4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the Company mapped its internal and external stakeholders?

   Yes, the Company has mapped its internal and external stakeholders

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders

   It has been the continued effort of NH as a Group and the vision and mission of its Promoters to provide affordable and compassionate healthcare to the masses and towards this end, the Company has been successful in attracting and treating patients from the underprivileged section of the society.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

   Affordable treatment to underprivileged

   The Company has been able to provide access to world class high quality treatment with stringent cost optimization to underprivileged population who cannot afford the total cost of treatment with concessions and contributions from philanthropists and charitable institutions.

   Free Covid Vaccination Drive

   During the year under review, the Company's CSR activities were focused on COVID treatment and pandemic work. The Company is committed to fight the COVID-19 pandemic and towards this end, apart from the efforts and steps taken by the Company in fighting the pandemic in the normal course of business as a hospital operator, the Company launched Free vaccination drives for the underprivileged communities and helped in inoculating the semi urban, slums and marginalized communities with help of Local NGOs to drive free vaccination program. The Company took precautionary measures in assembling large crowds with government permissions and further inoculating vaccinations in the marginalized communities. The Company inoculated about 6,700 underprivileged citizens with COVID vaccination free of cost.

   Udaan

   The Udaan scholarship program was started in December 2014 in Karnataka with an objective to nurture the potential of rural students from disadvantaged backgrounds and create a platform which they could leverage towards realizing medical education. Students from our Udaan program can be motivated to use their medical education in improving health care systems in their villages and small towns. It is hoped that these enabled students would fulfil their dreams of becoming able physicians, have a multiplier effect among students and practice ethical healthcare thereby serving the larger community.

   The program follows a very careful selection process to ensure we are reaching out to the brightest and most deserving students who have an aptitude and are committed towards taking up science as a subject after class 10 and choosing the medical profession as their careers. Social and economic background of the students is verified before they become part of our program. During the year, 43 students were supported under the program.

Principle 5 - Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

   Applies to Company and its Subsidiaries and it also extends to the employees/ workers hired from outsourced agencies.

2. How many stakeholder complaints have been received in the past Financial Year and what percent was satisfactorily resolved by the management?

   NIL

Principle 6 - Businesses should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others

   The Environment Social Governance (ESG) Policy of the Company covers the Company and all its subsidiaries.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

   Yes, as part of the strategy, Company has adopted environment initiatives like resource conservation audits, sourcing energy

from renewable sources and energy conservation projects to combat the effects of Climate Change, Global Warming, etc.

3. Does the Company identify and assess potential environmental risks? Y/N

   Yes.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

   The Company does not have any project related to Clean Development Mechanism.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

   The Company has achieved conservation of energy by replacement of older technology chiller, cooling tower, Pump & LED lights at various units and reduced energy consumption. The Company has implemented Online Cloud Based Energy Monitoring System at eight hospitals for better analysis of opportunities to improve energy efficiency and focus on sustainability development initiatives in future. Further, 26% of the energy requirement of NH Group is from green energy sources.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the Financial Year being reported?

   Yes.

7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of the Financial Year.

   Nil.

Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

   Yes, Narayana Hrudayalaya Limited is a Member of Association of Healthcare Providers (India) - ("AHPI")

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).

   Narayana Hrudayalaya Limited and its Promoter Dr. Devi Prasad Shetty have been regularly representing to bring changes in various aspects of healthcare including representations made through AHPI for the following initiatives:

   (i) Medical Education Reforms:

   a. Continued representation for generating opportunities to create more specialists;

   b. Representation for creation of a specialty cadre of nurses and nursing assistants to effectively vaccinate Indian population.

   c. Represented for creation of intermediate level health workforce that would enable doctors and nurses to focus on their specialized areas of work.

   (ii) Information Technology in Healthcare:

   a. Working with Govt of India and MCI towards creating guidelines for tele-consultations / online consultations / remote consultations and online prescriptions.

   (iii) Public Health Policy:

   a. Part of High-Level Group on Health Sector constituted by 15th Finance Commission, Government of India.

   b. Chaired Academics Committee of Health Sector Skills Council and have initiated work on creating courses for intermediate health workers to bridge the gaps in healthcare delivery.

   c. Ongoing – Meghalaya High Court nominated advisor to Government of Meghalaya for reforms in the state Public Health system.

   d. Advised Government of India and Government of Karnataka on pre-emptive measures to manage second wave of COVID in 2021 and as Chairman of Committee on managing COVID among children in Karnataka.

   e. Represented for extensive COVID vaccination as a primary measure to manage and minimize COVID casualties.

   f. Member of CAG nominated 10th Audit Advisory Board.

   g. Dr. Devi Prasad Shetty was a member of Supreme Court nominated advisory committee to manage COVID and make suggestions to reform healthcare sector for preparedness to handle any COVID- like pandemics in future.

   h. Dr. Devi Prasad Shetty is a member of the Rajasthan Chief Minister's Economic Transformation Advisory Committee and part of the sub-committees on Health Sector Reforms and Education Reforms.

Principle 8 - Businesses should support inclusive growth and equitable development.

1. Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle on inclusive growth and equitable development? If yes details there.

   Over the past decade, Company has rolled out several social initiatives whether in fields of healthcare or education. The healthcare initiatives are mainly taken up in rural/semi-rural areas or places where there is lack of availability of adequate healthcare services.

   Free Covid Vaccination Drive

   During the year under review, the Company's CSR activities were focused on COVID treatment and pandemic work. The Company is committed to fight the COVID-19 pandemic and towards this end, apart from the efforts and steps taken by the Company in fighting the pandemic in the normal course of business as a hospital operator. The Company launched Free vaccination drives for the underprivileged communities and helped in inoculating the semi urban, slums and marginalized communities with help of Local NGOs to drive free vaccination program. The Company took precautionary measures in assembling large crowds with government permissions and further inoculating vaccinations in the marginalized communities.

   Covid Awareness Sessions

   As pandemic bought lot of unprecedented challenges in social, financial and at personal level, the Company organized Awareness sessions via online and zoom links to make the population to get aware about the pandemic, the sessions helped in removing the stress and guided the population for do's and don'ts during the pandemic. These sessions were done with help of NGO, Gram panchayat and local semi urban governing bodies.

   Community Radio

   Your Company is knowledge partner for the community radio of Narayana Hrudayalaya Foundation. The broader objective of our community radio station is to serve as a consensus building platform wherein communication processes would help the communities around us to share common understanding and common goals. The community radio was named "Namma Nadi" with focus on health, education, environment, culture and civic issues within the primary and secondary zones of Health City. Various programs were aired on Namma Nadi with participation from multiple communities of interest.

   The community radio program, with internet radio software is an ideal medium to reach the local population with credible health-based information and this was evident in the context of COVID-19. Several programs were recorded and broadcast with relevance to COVID-19 symptoms, safety measures, helplines, nutrition, pregnant women and COVID, as well as pointers for those who have chronic diseases.

   UDAAN

   The Udaan scholarship program was started in December 2014 in Karnataka with an objective to nurture the potential of rural students from disadvantaged backgrounds and create a platform which they could leverage towards realizing medical education. Students from our Udaan program can be motivated to use their medical education in improving health care systems in their villages and small towns. It is hoped that these enabled students would fulfil their dreams of becoming able physicians, have a multiplier effect among students and practice ethical healthcare thereby serving the larger community.

   The program follows a very careful selection process to ensure we are reaching out to the brightest and most deserving students who have an aptitude and are committed towards taking up science as a subject after class 10 and choosing the medical profession as their careers. Social and economic background of the students is verified before they become part of our program.

   The Company intends to continue this program going forward and this year 43 Students were supported under Udaan Program.

Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

   131 cases are pending before consumer forums and civil courts pertaining to customers as on the end of financial year.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additionalinformation).

   Company is a healthcare service provider and hence this question is not applicable.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so

   NIL.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

   The Company collects patient feedback (OP, IP and health check-up patients) through physical feedback forms. Feedback is also collected through the website and reviewed by the Company.

ANNEXURE X

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended]

To,
The Members,
NARAYANA HRUDAYALAYA LIMITED
CIN: L85110KA2000PLC027497
No. 258/A, Bommasandra Industrial Area,
Anekal.T.Q., Bengaluru - 560099

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by "**NARAYANA HRUDAYALAYA LIMITED**" **(CIN: L85110KA2000PLC027497)** having its registered office at No.258/A, Bommasandra Industrial Area, Anekal.T.q., Bengaluru – 560099 (herein after referred to as "**Company**"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information, declaration of compliance provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes' books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

1. The Companies Act, 2013, (the Act) and the rules made thereunder.
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
   a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
   b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
   d) The Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2009;
   e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
6. Other laws specifically applicable to the Company;
   i. Clinical Establishments (Registration & Regulations) Act, 2010.
   ii. Karnataka Private Medical Establishments Act, 2007.
   iii. Drugs and Cosmetics Act, 1940 and Rules 1945.
   iv. Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002 (Ethics Regulations).

v. National Medical Commission Act, 2019

vi. Indian Medical Degree Act, 1916

vii. Indian Nursing Council Act, 1947

viii. Atomic Energy Act, 1962 and Rules thereunder.

ix. Narcotic Drugs and Psychotropic Substance Act, 1985.

x. Medical Termination of Pregnancy Act, 1971 and the rules and regulations thereunder.

xi. Pre-Natal Diagnostic Techniques (Regulations & Preventions of Misuse) Act, 1994.

xii. Transplantation of Human Organs Act, 1994.

xiii. Registration of Births and Deaths Act, 1969.

xiv. Water (Prevention and Control of Pollution) Act, 1974.

xv. Air (Prevention and Control of Pollution) Act, 1981.

xvi. Bio-medical Waste (Management and Handling) Rules, 1998.

xvii. Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008.

xviii. Pre-conception and Prenatal Diagnostic Techniques (Prohibition of Sex Selection) Rules, 1996.

xix. The Information Technology Act, 2000

xx. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

xxi. The Safety Code for Medical Diagnostic X-Ray Equipment and Installations, 2001 ("X-Ray Safety Code")

xxii. Indian Boilers Act, 1923 ("Boilers Act")

xxiii. Various State laws wherein the Company has its establishments.

We have relied on the representation made by the Company and its Officers for the systems and mechanism formed by the Company for compliances under other applicable Acts, Laws, Rules and Regulations to the Company.

We have also examined compliance with the applicable clauses of the following:

a) Secretarial Standards issued by The Institute of Company Secretaries of India notified as applicable to Companies pursuant to Section 118(10) of the Companies Act 2013.

b) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

c) Tripartite Agreements signed with National Securities Depositories Limited and Central Securities Depositories (India) Limited.

d) Various circulars, notifications, guidelines issued by the Ministry of Corporate Affairs, SEBI and various State Governments during the period of COVID -19 Pandemic.

During the period under review, based on the representation made, legal opinion furnished by the Company, the Company has largely complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that, the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by the statutory financial auditors, tax auditors, and other designated professionals.

WE FURTHER REPORT THAT:

i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women Director, Independent Directors and Independent Women Director.

ii. Adequate notice is given to all directors to schedule the Board and other Committee meetings. Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

iii. All decisions were taken with the approval of majority directors in each such meetings of the Board and committees of the Board and no dissenting views have been recorded.

We further report that, based on the review of the compliance mechanism adopted by the Company regarding compliance with the applicable laws and its adherence, there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has reported following events/activities having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc:

I. Change in Independent Women Directors:

i. Ms. Nivruti Rai (DIN: 01353079) Independent Women Director has resigned effective from 11/06/2021.

ii. Ms. Terri Smith Bresenham (DIN: 09111500), was appointed as an Additional and Independent Women Director of the Company on 05/08/2021 and the same

has been confirmed at Annual General Meeting held on 27/08/2021 for a period of 5 years effective from 05/08/2021.

II. Approval of members were taken at the Annual General Meeting held on 27th day of August, 2021 for:

i. Payment/ Revision in remuneration of:

a) Dr. Devi Prasad Shetty, Chairman and Whole-Time Director of the Company w.e.f. 01st April 2021 for the remaining tenure of his appointment or till such time his remuneration is further revised.

b) Dr. Emmanuel Rupert, Managing Director and Group CEO of the Company w.e.f. 01st April 2021 for the remaining tenure of his appointment or till such time his remuneration is further revised.

c) Mr. Viren Shetty, Whole-Time Director and Group COO of the Company w.e.f. 01st April 2021 for the remaining tenure of his appointment or till such time his remuneration is further revised.

d) Non-Executive Directors, including Independent Directors for a period of 5 years from 01st April 2021 to 31st March 2026, by way of commission to the extent of 1% of Net profits of the Company.

ii. Issue of Debt Securities:

a) Issue of debt securities, secured or unsecured, including redeemable Non-Convertible Debentures not exceeding INR 200 Crores during the period of one year from the date of Annual General Meeting in one or more series/ tranches, denominated in Indian Rupees or in any foreign currency on a private placement basis.

III. Change in Group Chief Financial officer/ Key Managerial personnel:

i. Mr. Kesavan Venugopalan, Group CFO and KMP of the Company has resigned effective from 12/11/2021.

ii. Ms. Sandhya J was appointed as Group CFO and KMP effective from 08/12/2021.

IV. Re-appointment and revision in remuneration of MD and Group CEO:

The Shareholders of the Company through Postal Ballot by way of remote e-voting process on March 24th, 2022, approved the Re-appointment of Dr. Emmanuel Rupert as Managing Director and Group CEO of the Company for a period of 3 years effective 11th February 2022 and revision in remuneration of the Managing Director and Group CEO effective 1st April 2022 and valid for remaining tenure of his appointment or till such time his remuneration is further revised.

V. Dissolution of Wholly-Owned Subsidiaries:

The Board of Directors in their meeting held on 04.02.2022, has approved initiation of voluntary liquidation of the wholly owned subsidiary viz. Narayana Institute for Advance Research Private Limited (NIARPL) under Section 59 of the Insolvency and Bankruptcy Code, 2016 and dissolution of the wholly owned subsidiary viz. Narayana Health Institutions Private Limited (NHIPL) under Section 248 of the Companies Act, 2013. The said wholly owned subsidiaries are neither carrying on any operations nor there is any intention to carry on any operations or business of the Company.

VI. Change in Designation of Director:

The Board of Directors at their meeting held on 29th March, 2022 elected Mr. Viren Prasad Shetty, Whole-time Director and Group Chief Operating Officer (Group COO) as the Vice Chairman of the Board w.e.f. 1st April, 2022 and designated him as the Executive Vice Chairman.

We further report that, during the audit period, there were no instances of:

a) Public / Rights / Preferential issue of shares / debentures / sweat equity.

b) Redemption/ buy back of securities

c) Foreign technical collaborations.

This report shall be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

For **GANAPATHI & MOHAN**
Company Secretaries

Sd/-
CS. G M GANAPATHI
Partner
FCS. 5659; C.P: 4520
(FRN: P2002KR057100)
UDIN: F005659D000352984

Place: Bengaluru
Date: 20th May, 2022

Annexure - A

To,
The Members,
NARAYANA HRUDAYALAYA LIMITED
CIN: L85110KA2000PLC027497
No. 258/A, Bommasandra Industrial Area,
Anekal, T. Q., Bengaluru - 560099

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

7. Due to prevailing advisory on COVID-19 pandemic, we could not able to have personal interaction with the heads of various departments. The audit was conducted based on the verification of the Company's books, papers, minutes books, forms and returns filed, documents and other records furnished by or obtained from the Company electronically.

8. We further report that the Compliance by the Company of applicable financial laws like Direct & Indirect tax laws, the correctness and appropriateness of financial records, cost records and books of accounts of the Company has not been reviewed in this audit, since the same has been subject to review by the statutory financial auditor and other designated professionals.

For **GANAPATHI & MOHAN**
Company Secretaries

Sd/-
CS. G M GANAPATHI
Partner
FCS. 5659; C.P: 4520
(FRN: P2002KR057100)

Place: Bengaluru
Date: 20th May, 2022

ANNEXURE XI

SECRETARIAL COMPLIANCE REPORT OF NARAYANA HRUDAYALAYA LIMITED (CIN: L85110KA2000PLC027497)

FOR THE YEAR ENDED 31st MARCH 2022

(Pursuant to Rule 3(b) of SEBI Circular CIR/CFD/CMD1/27/2019 dated February 08, 2019)

We have examined:

(a) all the documents and records made available to us and explanation provided by **NARAYANA HRUDAYALAYA LIMITED** ("the listed entity"),

(b) the filings/ submissions made by the listed entity to the stock exchanges,

(c) website of the listed entity,

(d) other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the financial year ended 31st March 2022 ("Review Period") in respect of compliance with the provisions of:

(a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

(b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made there under and the Regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(c) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(d) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,2015;

(e) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

(f) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

and circulars/ guidelines issued thereunder;

And based on the above examination, we hereby report that, during the Review Period:

(a) The listed entity has largely complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, wherever applicable.

(b) The listed entity has generally maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.

(c) As per the information provided to us, there are no actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder.

(d) The reporting of actions by the listed entity to comply with the observations made in previous reports does not arise during the Review Period.

(e) The Listed entity had complied with the provisions of SEBI circular CIR/CFD/CMD/114/2019 dated 18th October, 2019, in terms of para 6(A) and 6(B) of the said circular.

For **GANAPATHI & MOHAN**
Company Secretaries

Sd/-
CS. G M GANAPATHI
Partner
FCS. 5659; C.P: 4520
(FRN: P2002KR057100)
UDIN: F005659D000352918

Place: Bengaluru
Date: 20th May, 2022

ANNEXURE XII

DISCLOSURES BY THE BOARD OF DIRECTORS

[Pursuant to Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 read with Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014]

A. Details related to ESOP

(i) Summary of status of ESOP

(a)	Date of shareholders' approval	12th September 2015
(b)	Total number of options approved under ESOP	9,97,947
(c)	Vesting requirements	All vested options shall be respectively exercised in one or more tranches within a period of 4 (four) years from the date of first Vesting, failing which the Options shall lapse.
(d)	Exercise price or pricing formula	**Exercise Price:** ₹ 10 per option. **Pricing Formula:** The options are granted at face value of ₹ 10 per equity share. The number of options granted to each eligible employee are determined by his length of service and current responsibility handled and future potential contribution.
(e)	Maximum term of options granted	4 years
(f)	Source of shares (primary, secondary or combination)	Secondary Market
(g)	Variation in terms of options	Nil

(ii) Method used to account for ESOP - Fair Value. Refer to note 40 of Consolidated Financial Statements.

B. Option movement during the year (for each ESOP):

Particulars	Details
Number of options outstanding at the beginning of the period	1,60,667
Number of options granted during the year	Nil
Number of options forfeited / lapsed during the year	Nil
Number of options vested during the year	73,247
Number of options exercised during the year	16,750
Number of shares arising as a result of exercise of options	16,750
Money realized by exercise of options (INR), if scheme is implemented directly by the Company	1,67,500
Loan repaid by the Trust during the year from exercise price received	NA
Number of options outstanding at the end of the year	1,43,917
Number of options exercisable at the end of the year	1,43,917

C. Employee wise details (Name of employee, Designation, Number of options vested during the year, exercise price) of options vested with:

(a)	Senior Managerial personnel	1. Dr. Emmanuel Rupert, Managing Director & Group CEO • Options vested during the year – 73,247 • Options exercised during the year – 16,750 shares of 1st vesting. • Exercise price – ₹ 10
(b)	Any other employee who receives a grant of options in any one year of option amounting to 5% or more of options granted during that year	None
(c)	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	None

D. Description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

(a)	The weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;	Refer note no 40 of consolidated financial statements.
(b)	The method used, and the assumptions made to incorporate the effects of expected early exercise;	Method- Black Scholes Valuation option pricing model
(c)	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	Refer note no 40 of consolidated financial statements.
(d)	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	Not Applicable

E. Disclosures in respect of grants made in three years prior to IPO under each ESOP: Not Applicable

F. Disclosures in respect of transactions made by Trust under ESOP Scheme

(i) General information on the scheme

Sl. No.	Particulars	Details
1	Name of the Trust	Narayana Health Employees Benefit Trust
2	Details of the Trustee(s)	Mr. A Shankar and Mr. Nagarajan Anantharaman
3	Amount of loan disbursed by Company/any company in the group, during the year	NA
4	Amount of loan outstanding (repayable to Company/ any company in the group) as at the end of the year	NA
5	Amount of loan, if any, taken from any other source for which Company/any company in the group has provided any security or guarantee	NA
6	Any other contribution made to the Trust during the year	NA

(ii) Brief details of transactions in shares by the Trust

1.	Number of shares held at the beginning of the year;	14,44,086
2.	Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid-up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share;	0
3.	Number of shares transferred to the employees / sold along with the purpose thereof;	22,450* 16,750**
4.	Number of shares held at the end of the year.	14,04,886

* Although these shares were exercised in the year 2020-21 but could not be transferred by the Company in FY 2020-21 due to the COVID-19 pandemic and same were transferred in the Financial Year 2021-22.

** Signifies shares that were exercised and transferred during the Financial Year 2021-22

(iii) In case of secondary acquisition of shares by the Trust

Number of shares	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained
Held at the beginning of the year	Not applicable
Acquired during the year	
Sold during the year	
Transferred to the employees during the year	
Held at the end of the year	

Standalone Financial Statements

INDEPENDENT AUDITOR'S REPORT

To The Members of **Narayana Hrudayalaya Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Narayana Hrudayalaya 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, 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 standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 standalone 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 Standalone 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 standalone 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 standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	Auditor's Response
Impairment of Investment and loan Impairment evaluation carried out by the Management for investment made in one of the operating subsidiaries of the Company due to significant losses incurred in one of the Cash Generating Units (hereinafter referred to as "the CGU") of the said Subsidiary. The balance sheet includes Rs. 1,493.66 Mio of investment and Rs. 92 Mio of current unsecured loans relating to this Subsidiary. Impairment of investment and current unsecured loans has been identified as a key audit matter due to: • The significance of the carrying value of the assets being assessed; and	**Principal audit procedures performed:** a. Evaluated the design and implementation of the relevant controls and the operating effectiveness of such internal controls which *inter-alia* includes the completeness and accuracy of the input data considered, reasonableness of the assumptions considered in determining the present value of future cash flows. b. Obtained the business projections of the Subsidiary (prepared by the Management) and performed the following procedures: i. Conducted inquiries with the Company/Subsidiary personnel to identify if factors that, in our professional judgement, should be taken into account in the analysis were considered.

Key Audit Matter	Auditor's Response
• The assessment of the carrying value of the Investments involves assumptions and exercising significant judgements in estimating the recoverable value of the CGU, including taking into account the effect of the pandemic relating to COVID-19 Any adverse changes to these assumptions could result in lower recoverable value than the carrying amount.	ii. Compared the actual revenues and cash flows generated by the Subsidiary during the year with the plan and estimates considered in the previous year iii. Verified if the cash flow projections of the Subsidiary considered for the assessment of impairment were as per cash flow projections reviewed and approved by the Board of Directors of the Company and the Subsidiary. iv. Evaluated the Management's future cash flow projections, with regard to the appropriateness of key assumptions considered, including discount rate, growth rate, sensitivity analysis of the key assumptions etc. duly considering the impact of the COVID-19 pandemic and duly considering the historical accuracy of the Company's estimates in the prior periods, and comparison of the assumptions with observable market data wherever available. v. Involved our valuation specialists to review key assumptions considered in the future cash projections such as discount rate and growth rate.

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

- The Company's Board of Directors is responsible for the other information. Other information comprises the information included in the Annual Report, for example, Corporate Overview, Key Highlights, Directors' Report, Report on Corporate Governance, Management Discussion & Analysis Report, etc. but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

- Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 Standalone 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 standalone 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

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

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

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 remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements;

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 49(iii) to the standalone 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, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented to us that, to the best of it's knowledge and belief, as disclosed in the note 49 (iv) to the standalone financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that cause us to believe that the representation given by the Management 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 year. As stated in note 15 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with Section 123 of the Act, as applicable

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:- 22047840AJLGLR9213

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

ANNEXURE "A" to the Independent Auditor's Report

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

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

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

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal

financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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

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

Monisha Parikh
Partner
(Membership No. 47840)
UDIN:- 22047840AJLGLR9213

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

ANNEXURE "B" to the Independent Auditor's Report

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

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, 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 the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from lenders. In respect of immovable properties of land and buildings that have 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 31st March, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(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 the basis of security of current assets, and hence reporting under clause (ii)(b) of the Order is not applicable.

(iii) (a) The Company has made investments in, provided guarantee or security and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year, in respect of which:

(A) The Company has provided loans, stood guarantee during the year and details of which are given below:

(B) Amount in Million

Particulars	Loans	Guarantees
Aggregate amount granted / provided during the year :		
Subsidiaries	50	3737.76
Balance Outstanding as at the balance sheet date in respect of above cases		
Subsidiaries	92	7657.36

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

(iii) (c) The Company has granted loans or provided advances in the nature of loan are payable on demand. During the year the Company has not demanded such loan. Having regard to the fact that the repayment of principal or payment of interest has not been demanded by the Company, in our opinion the repayments of principal amounts and receipts of interest are regular.

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

(iii) (e) No 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) The Company has granted Loans or advances in the nature of loans which are repayable on demand details of which are given below:

Particulars	Related Parties (Rs. In Million)
Aggregate of loans/advances in nature of loans	
- Repayable on demand	50
Total	50
Percentage of loans to the total loans	100%

(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) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of Statute	Nature of Dues	Amount (Rs. In Million)	Period to which the Amount Relates	Forum where Dispute is Pending
Income tax Act, 1961	Income Tax	12.68	FY 2011-12	Commissioner of Income tax (Appeals)
		10.96	FY 2012-13	
		40.86	FY 2013-14	
		14.04 ^	FY 2015-16	
		30.67	FY 2016-17	
Customs Act, 1962	Customs Duty	1.74	FY 2012-13	Customs, Excise and Service Tax Appellate Tribunal

^ Net of Rs. 0.3 Mio paid under Protest.

(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 or associates.

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

(xiv) (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto December 2021 and the final of the internal audit report issued after the balance sheet date covering the period from January 2022 to March 2022 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) 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 (xvi)(a),(b), and (c) of the order is not applicable.

(xvi) The Group ("Companies in the Group" as defined in the Core Investment Companies (Reserve Bank) Directors) does not have any CIC (Core Investment Company) as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred any cash losses in the financial year covered by our audit and in 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:- 22047840AJLGLR9213

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

Standalone Balance Sheet

(₹ in million)

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	9,283.43	8,829.18
Capital work-in-progress	4	191.25	34.81
Right of use assets	5	1,447.99	1,629.40
Intangible assets	4	205.20	240.23
Intangible assets under development	4	42.14	16.50
Financial assets			
Investments	6	6,454.70	6,453.24
Loans	7	-	20.00
Other financial assets	8	479.50	527.27
Income tax assets (net)	9	497.47	297.03
Other non-current assets	10	241.61	77.80
Total non-current assets		**18,843.29**	**18,125.46**
Current assets			
Inventories	11	288.53	228.11
Financial assets			
Investments	6	160.01	-
Trade receivables	12	1,734.88	1,543.86
Cash and cash equivalents	13	1,104.47	502.95
Bank balances other than above	13	28.21	58.96
Loans	7	92.00	97.00
Other financial assets	8	301.10	243.98
Other current assets	10	264.28	206.19
Total current assets		**3,973.48**	**2,881.05**
TOTAL ASSETS		**22,816.77**	**21,006.51**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	2,043.61	2,043.61
Other equity	15	10,207.26	8,852.82
Total equity		**12,250.87**	**10,896.43**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	3,174.44	3,226.60
Trade payables			
Lease liabilities	17	1,240.08	1,416.75
Other financial liabilities	18	141.68	192.12
Provisions	19	268.52	226.67
Deferred tax liabilities (net)	38	478.78	111.91
Other non-current liabilities	20	160.10	172.11
Total non-current liabilities		**5,463.60**	**5,346.16**
Current liabilities			
Financial liabilities			
Borrowings	16	648.01	654.58
Lease liabilities	17	263.28	214.94
Trade payables	21		
Total outstanding dues of micro enterprises and small enterprises		221.48	139.77
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,953.16	2,957.85
Other financial liabilities	18	247.06	144.05
Provisions	19	301.81	235.15
Other current liabilities	20	467.50	417.58
Total current liabilities		**5,102.30**	**4,763.92**
TOTAL EQUITY AND LIABILITIES		**22,816.77**	**21,006.51**
Significant accounting policies	3		

The accompanying notes form an integral part of these standalone financial statements.
As per our report of even date attached

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

Monisha Parikh
Partner

Place: Bengaluru
Date: 20 May 2022

for and on behalf of the Board of Directors of
Narayana Hrudayalaya Limited

Dr. Emmanuel Rupert
Managing Director
DIN: 07010883

Viren Prasad Shetty
Whole-time Director
DIN: 02144586

Sandhya Jayaraman
Chief Financial Officer

Sridhar S
Company Secretary

Place: Bengaluru
Date: 20 May 2022

Place: Bengaluru
Date: 20 May 2022

Standalone Statement of Profit and Loss

(₹ in million)

Particulars	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
INCOME			
Revenue from operations	22	24,119.87	16,546.18
Other income	23	1,063.79	758.10
Total income (A)		**25,183.66**	**17,304.28**
EXPENSES			
Purchase of medical consumables, drugs and surgical instruments		6,612.65	4,666.46
Changes in inventories of medical consumables, drugs and surgical instruments - (Increase)/ Decrease	24	(60.42)	110.39
Employee benefits expense	25	5,041.58	4,029.50
Professional fees to doctors		5,207.57	4,063.17
Other expenses	26	4,752.71	3,980.97
Expenses before finance costs, depreciation and amortisation and exceptional items (B)		**21,554.09**	**16,850.49**
Earnings before finance costs,depreciation and amortisation,exceptional items and tax (A- B)		**3,629.57**	**453.79**
Finance costs (C)	27	386.57	434.66
Depreciation and amortisation expense (D)	28	1,188.01	1,228.99
Total expenses (E) = (B+C+D)		**23,128.67**	**18,514.14**
Profit/ (loss) before exceptional items and tax (F) = (A-E)		**2,054.99**	**(1,209.86)**
Exceptional items Gain/(loss) (G)		-	-
Profit/ (loss) before tax (H) = (F+G)		**2,054.99**	**(1,209.86)**
Tax expense:			
Current tax			
- Current year		360.58	-
Lees: : MAT credit entitlement		(8.43)	-
Deferred tax charge / (credit)		366.86	(423.13)
Total tax expense (I)		**719.01**	**(423.13)**
Net Profit/ (loss) for the year (J) = (H-I)		**1,335.98**	**(786.73)**
Other comprehensive income (OCI)			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement of defined benefit plans		(32.80)	(5.83)
Income tax effect		11.46	2.04
Items that will be reclassified subsequently to profit or loss			
Effective portion of gains/ (losses) in cash flow hedge		56.97	33.52
Income tax effect		(19.90)	(11.71)
Other comprehensive income/(loss) for the year, net of income tax (K)		**15.73**	**18.02**
Total comprehensive income/ (loss) for the year (J+K)		**1351.71**	**(768.71)**
Earnings/ (loss) per share	37		
Basic (₹)		6.58	(3.88)
Diluted (₹)		6.58	(3.88)

Significant accounting policies 3

The accompanying notes form an integral part of these standalone financial statements.
As per our report of even date attached

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

Monisha Parikh
Partner

Place: Bengaluru
Date: 20 May 2022

for and on behalf of the Board of Directors of
Narayana Hrudayalaya Limited

Dr. Emmanuel Rupert
Managing Director
DIN: 07010883

Viren Prasad Shetty
Whole-time Director
DIN: 02144586

Sandhya Jayaraman
Chief Financial Officer

Sridhar S
Company Secretary

Place: Bengaluru
Date: 20 May 2022

Place: Bengaluru
Date: 20 May 2022

Standalone Statement of Changes in Equity for the year ended 31 March 2022

(a) Equity share capital

(₹ in million except no. of shares)

Particulars	No. of Shares	Amount
Equity shares of ₹ 10 each issued, subscribed and fully paid up		
Balance as at 1 April 2020	**20,43,60,804**	**2,043.61**
Changes in equity share capital during 2020-21 (refer note 14)	-	-
Balance as at 31 March 2021	**20,43,60,804**	**2,043.61**
Changes in equity share capital during 2021-22 (refer note 14)	-	-
Balance as at 31 March 2022	**20,43,60,804**	**2,043.61**

(b) Other equity

(₹ in million)

Particulars	Reserves and Surplus						Items of OCI		Total other equity
	Capital Reserve	Securities Premium	Treasury Shares	Share options outstanding (refer note 39)	General Reserve	Retained earnings	Effective portion of Cash flow hedge reserve	Re-measurement of defined benefit plans	
Balance as at 1 April 2020	**1.54**	**5,023.18**	**(14.56)**	**32.28**	**250.00**	**4,398.19**	**(65.60)**	**(9.86)**	**9,615.17**
Profit/(Loss) for the year	-	-	-	-	-	(786.73)	-	-	(786.73)
Other comprehensive income (OCI) (net of tax)	-	-	-	-	-	-	21.81	(3.79)	18.02
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**(786.73)**	**21.81**	**(3.79)**	**(768.71)**
Transaction recorded directly in equity									
Exercise of share options	-	2.45	0.34	(2.45)	-	-	-	-	0.34
Share-based payment expenses	-	-	-	6.02	-	-	-	-	6.02
Balance as at 31 March 2021	**1.54**	**5,025.63**	**(14.22)**	**35.85**	**250.00**	**3,611.46**	**(43.79)**	**(13.65)**	**8,852.82**
Profit for the year	-	-	-	-	-	1,335.98	-	-	1,335.98
Other comprehensive income (OCI) (net of tax)	-	-	-	-	-	-	37.07	(21.34)	15.73
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**1,335.98**	**37.07**	**(21.34)**	**1,351.71**
Transaction recorded directly in equity									
Exercise of share options	-	8.22	0.17	(8.22)	-	-	-	-	0.17
Share-based payment expenses	-	-	-	2.56	-	-	-	-	2.56
Balance as at 31 March 2022	**1.54**	**5,033.85**	**(14.05)**	**30.19**	**250.00**	**4,947.44**	**(6.72)**	**(34.99)**	**10,207.26**

The accompanying notes form an integral part of these standalone financial statements.
As per our report of even date attached

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

Monisha Parikh
Partner

Place: Bengaluru
Date: 20 May 2022

for and on behalf of the Board of Directors of
Narayana Hrudayalaya Limited

Dr. Emmanuel Rupert
Managing Director
DIN: 07010883

Viren Prasad Shetty
Whole-time Director
DIN: 02144586

Sandhya Jayaraman
Chief Financial Officer

Sridhar S
Company Secretary

Place: Bengaluru
Date: 20 May 2022

Place: Bengaluru
Date: 20 May 2022

Standalone Statement of Cash flows

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flow from operating activities		
Profit / (loss) after tax	1335.98	(786.73)
Adjustments :		
Income tax charge /(credit)	719.01	(423.13)
Depreciation and amortisation	1,188.01	1,228.99
Provision for loss allowance	14.28	(32.43)
Bad receivables written off	71.31	30.00
Provisions no longer required written back	(84.96)	-
Interest income	(15.26)	(83.93)
Interest income from financial asset at amortised cost	(36.99)	(34.34)
Finance costs	386.57	434.66
Share based payment expenses	2.56	6.02
Guarantee commission income	(5.07)	(5.84)
Government grant income	(45.93)	(42.35)
Loss on disposal of assets	26.31	50.12
Dividend received from subsidiary	(760.53)	(455.22)
Profit on sale of investment	(0.27)	-
Unrealised foreign exchange (gain)/loss (net)	33.53	36.97
Operating cash flow before working capital changes	**2,828.55**	**(77.21)**
Changes in trade receivables	(276.23)	(71.96)
Changes in inventories	(60.42)	110.39
Changes in loans, other financial assets and other assets	(120.12)	175.29
Changes in trade payables, other financial liabilities and other liabilities	553.52	592.63
Changes in provision	87.17	6.88
Cash generated from operations	**3,012.47**	**736.02**
Income taxes (paid) / refund received (net)	(552.58)	498.21
Net cash generated from operating activities (A)	**2459.89**	**1,234.23**
Cash flow from investing activities		
Acquisition of Property, plant and equipment (including capital work-in-progress, Intangible assets and Intangible assets under development)	(1808.26)	(356.74)
Proceeds from sale of property, plant and equipment	3.81	3.05
Investment in equity shares of subsidiaries and others (Refer Note 33)	(5.45)	(259.95)
Loan given to subsidiaries	(50.00)	(274.50)
Loan repaid by subsidiaries	55.00	177.50
Purchase of mutual fund	(460.00)	-
Proceeds from sale of mutual fund	300.26	-
Investment in bank deposits	-	(4.64)
Proceeds from bank deposits	30.75	60.52
Dividend received from subsidiary	760.53	455.22
Interest received	2.93	81.43
Net cash (used in) investing activities (B)	**(1170.43)**	**(118.11)**

Standalone Statement of Cash flows (Contd.)

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flow from financing activities		
Proceeds from long-term borrowings	641.95	75.00
Repayment of long-term borrowings	(611.41)	(609.27)
Proceeds from exercise of share options	0.17	0.34
Interest and other borrowing costs	(229.30)	(278.06)
Payment of lease liabilities (Refer Note 36)	(367.51)	(330.58)
Net cash (used in) financing activities (C)	**(566.10)**	**(1142.57)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**723.36**	**(26.45)**
Cash and cash equivalents at the beginning of the year (refer note 13)*	381.11	407.56
Cash and cash equivalents at the end of the year (refer note 13)*	**1,104.47**	**381.11**

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

Significant accounting policies 3

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

(₹ in million)

Particulars	As at 1 April 2021	Proceeds	Repayment	Non cash changes		As at 31 March 2022
				Fair value/ other changes	Foreign exchange	
Long-term borrowings (including current maturities)	3,759.34	641.95	(611.41)	-	32.57	3,822.45
Lease liabilities	1,631.69	-	(367.51)	239.18	-	1,503.36
Total liabilities from financing activities	**5,391.03**	**641.95**	**(978.92)**	**239.18**	**32.57**	**5,325.81**

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

(₹ in million)

Particulars	As at 1 April 2020	Proceeds	Repayment	Non cash changes		As at 31 March 2021
				Fair value/ other changes	Foreign exchange	
Long-term borrowings (including current maturities)	4,257.76	75.00	(609.27)	-	35.85	3,759.34
Lease liabilities	1,817.13	-	(330.58)	145.14	-	1,631.69
Total liabilities from financing activities	**6,074.89**	**75.00**	**(939.85)**	**145.14**	**35.85**	**5,391.03**

The accompanying notes form an integral part of these standalone financial statements.
As per our report of even date attached

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

Monisha Parikh
Partner

Place: Bengaluru
Date: 20 May 2022

for and on behalf of the Board of Directors of
Narayana Hrudayalaya Limited

Dr. Emmanuel Rupert
Managing Director
DIN: 07010883

Viren Prasad Shetty
Whole-time Director
DIN: 02144586

Sandhya Jayaraman
Chief Financial Officer

Sridhar S
Company Secretary

Place: Bengaluru
Date: 20 May 2022

Place: Bengaluru
Date: 20 May 2022

Notes

to the standalone financial statements for the year ended 31st March 2022

1. Company overview

Narayana Hrudayalaya Limited ('the Company') was incorporated on 19 July 2000 under the Companies Act, 1956. The Company headquartered in Bengaluru is primarily engaged in the business of rendering medical and healthcare services. The Company was rebranded as 'Narayana Health' in 2013. It has a network of multispecialty and superspeciality hospitals spread across multiple locations. The Company owns and operates certain hospitals and also enters into management agreements with hospitals under which the Company acquires the operating control of the hospitals.

2. Basis of preparation of the financial statements

2.1. Statement of compliance

The financial statements have been prepared in accordance of 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 20th May, 2022.

Details of the accounting policies are included in Note 3.

2.2. Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts are presented in ₹ in million, except share data and per share data, unless otherwise stated.

2.3. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

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

2.4. Use of estimates and judgments

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

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

Judgments

Information about judgments 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 36 - Leases

Note 29 – Assessment of contingent liabilities and commitments

Note 42 - Financial instruments

Note 39 - Share based payments

Assumptions and estimation uncertainties

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

Note 38- recognition of deferred tax assets

Note 34 - measurement of defined benefit obligation; key actuarial assumptions

Note 29- recognition and measurement of contingencies; key assumptions about the likelihood and magnitude of outflow of resources.

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

Note 6 to 8, 12, 13 and 42 - recognition of impairment of financial 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:

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

– Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

– Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

– Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in the following notes:

Note 42 – financial instruments;

Note 39 – share based payment arrangement;

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;
- FVTPL

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

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

– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Financial assets: Business model assessment

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

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

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

Financial assets: Subsequent measurement and gains and losses

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

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.

Derivative financial instruments

Hedge accounting:

The Company uses derivative financial instruments to manage risks associated with interest rate fluctuations relating to foreign currency loan taken by the Company.

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in statement of profit and loss

Cash flow hedge:

The Company has designated derivative financial instruments taken for interest rate as 'cash flow' hedges relating to foreign currency loan taken by the Company.

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The use of derivative financial instruments is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such instruments consistent with the Company's risk management strategy.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cashflow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in statement of profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognised in profit & loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the statement of profit and loss.

Others:

Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges and the ineffective portion of cash flow hedges are recognized in the statement of profit and loss and reported within foreign exchange gains/ (losses).

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because the beneficiary fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contracts issued by the Company are measured at their applicable fair values.

c. Derecognition

Financial assets

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

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

Financial liabilities

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

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

d. Offsetting

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

3.2. Inventories

The inventories of medical consumables, drugs and surgical instruments are valued at lower of cost and net realizable value. In the absence of any further estimated costs of completion and estimated costs necessary to make the sale, the net realizable value is the selling price. The comparison of cost and net realizable value 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 Goods and Service Tax wherever applicable, applying the first in first out method.

3.3. Cash and cash equivalents

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

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to the standalone financial statements for the year ended 31st March 2022 (Contd.)

3.4. Treasury Shares

The Company has created an Employee Benefit Trust (EBT) for providing share based payment to its employees. The Company treats EBT as its extension and shares held by EBT are treated as treasury shares. Own equity instruments that are acquired (treasury shares) are recognized at cost and deducted from equity. When the treasury shares are issued to the employees by EBT, the amount received is recognized as an increase in other equity and the resultant is transferred to securities premium.

3.5. Cash flow statement

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

3.6. Revenue recognition

Revenue from operations

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

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized upon transfer of control of promised products or services to customers/ patients in an amount that reflects the consideration we expect to receive in exchange for those products or services. Sales and Service Income exclude Goods and Service Tax (GST) and are net of trade / volume discounts, where applicable.

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

Other healthcare services

Revenue is recognized on pro-rata basis on the completion of such services over the duration of the program.

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.

Dividend:

Dividend income is recognised when the Company's right to receive dividend is established.

3.7. Property, Plant and Equipment and intangible assets

(i) Property, Plant and Equipment

Recognition and measurement

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

Depreciation and amortization

The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are ready for intended use. Assets acquired under finance lease and leasehold improvements are amortized over the lower of

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

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	13 years
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.

(ii) Intangible assets

Intangible assets acquired separately

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

Amortisation

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

The estimated useful lives of intangibles are as follows:

Block of assets	Useful life
Computer software	3 years

Amortisation method

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

Internally generated intangible assets

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in statement of profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

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to the standalone financial statements for the year ended 31st March 2022 (Contd.)

Amortisation

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

The estimated useful lives of intangibles are as follows:

Block of assets	Useful life
Computer software	10 years

3.8. Business combination and Goodwill

Business combination

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

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

Goodwill

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

In case of a bargain purchase, before recognising a gain in respect thereof, the Company determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Company reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Company then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Company recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Company recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

3.9. Investment in subsidiaries

Investment in subsidiaries is measured at cost.

3.10. Government grants

Grants from the Government are recognised when there is reasonable assurance that:

(i) the Company will comply with the conditions attached to them; and

(ii) the grant will be received

Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense.

Government grants related to assets, including non-monetary grants at fair value, shall be presented in the balance sheet by setting up the grant as deferred income.

The grant set up as deferred income is recognised in profit or loss on a systematic basis over the useful life of the asset

3.11. Employee benefits

Short term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

of profit and loss during the period in which the employee renders the related service.

Defined benefit plans

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

The gratuity scheme is administered by a third party. Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are 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 recognized in the statement of profit and loss. The Company recognizes gains and losses in the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

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

Compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on any leave accumulated in excess of 45 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.

Employee Stock Option Plan (ESOP)

The grant date fair value of equity settled share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as expense is based on the estimate of the number of awards for which the related service are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service conditions at the vesting date.

3.12. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

3.13. 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.

3.14. Earnings per share

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

Diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

3.15. Income tax

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

Current income tax

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

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

Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences.

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

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

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

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

Minimum Alternative tax

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.

3.16. Foreign exchange transactions and translations

Transactions in foreign currencies are recorded at prevailing rate at the dates of the transactions.

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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.

3.17. Impairment

a. Impairment of financial instruments

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost;

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at fair value through other comprehensive income (FVTOCI) 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, 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

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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, inventories and deferred tax assets, 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.

3.18. 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.

3.19. Non-current assets or disposal groups held for sale

Non-current assets or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification held for sale and subsequent gain and losses on re- measurement are recognized in the statement of profit and loss.

Once classified as held-for-sale, intangible assets, property, plant and equipment and investment properties are no longer amortized or depreciated.

3.20. 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.

3.21. Share issue expenses

Share issue expenses are adjusted against the securities premium account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the securities premium account.

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to the standalone financial statements for the year ended 31st March 2022 (Contd.)

3.22. Dividend and dividend distribution tax

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. The Company declares and pays dividends in Indian rupees and are subject to applicable taxes.

3.23. 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.

3.24. On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013, applicable for financial periods commencing from April 1, 2021. Pursuant to such amendments below changes have been made in the financial results

(a) non-current security deposits of Rs 522.65 million and current security deposits of Rs 33.67 million as at March 31, 2021 have been reclassified from 'Loans' to 'Other financial assets'.

(b) current maturities of long term borrowings of Rs, 532.74 million as at March 31, 2021 have been reclassified from 'other financial liabilities' to 'short term borrowings'.

3.25. 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

Notes

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

(₹ in million)

Particulars	Gross block				Accumulated depreciation / amortisation				Net block	
	As at 1 April 2021	Additions	Deletions	As at 31 March 2022	As at 1 April 2021	Depreciation	Deletions	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Tangible assets										
(i) Owned										
Freehold land (i) (ii) (iii) (iv)	570.96	216.47	-	787.43	-	-	-	-	787.43	570.96
Building (ii)	394.71	-	-	394.71	161.33	6.59	-	167.92	226.79	233.38
Building	2,595.64	241.59	-	2,837.23	238.61	47.08	-	285.69	2,551.54	2,357.03
Electrical installation	811.57	27.63	5.91	833.29	632.66	46.23	5.45	673.44	159.85	178.91
Medical equipments	6,642.26	620.46	192.80	7,069.92	3,387.88	492.61	155.63	3,724.86	3,345.06	3,254.38
Office equipments	224.83	22.88	34.76	212.95	173.91	23.49	34.44	162.96	49.99	50.92
Other equipment including air conditioners	1,586.34	107.50	11.86	1,681.98	761.79	101.83	7.61	856.01	825.97	824.55
Furniture and fixtures	899.22	45.47	11.89	932.80	620.09	65.73	9.11	676.71	256.09	279.13
Computers	329.69	80.54	21.51	388.72	296.68	34.59	21.36	309.91	78.81	33.01
Vehicles	30.41	0.65	2.05	29.01	21.81	3.04	2.05	22.80	6.21	8.60
(ii) Leasehold										
Leasehold improvements	347.70	17.75	18.66	346.79	136.34	17.25	16.08	137.51	209.28	211.36
Building (v)	1,188.07	0.02	15.07	1,173.02	361.12	33.75	8.26	386.61	786.41	826.95
Total tangible assets (A)	**15,621.40**	**1,380.96**	**314.51**	**16,687.85**	**6,792.22**	**872.19**	**259.99**	**7,404.42**	**9,283.43**	**8,829.18**
Capital work-in-progress (B)	**34.81**	**787.36**	**630.92**	**191.25**	**-**	**-**	**-**	**-**	**191.25**	**34.81**
Intangible assets										
(i) Acquired										
Computer software	303.83	4.45	12.65	295.63	284.28	13.08	11.88	285.48	10.15	19.55
(ii) Internally generated										
Computer software	256.19	-	-	256.19	35.51	25.63	-	61.14	195.05	220.68
Total intangible assets (C)	**560.02**	**4.45**	**12.65**	**551.82**	**319.79**	**38.71**	**11.88**	**346.62**	**205.20**	**240.23**
Intangible assets under development (D)	**16.50**	**25.64**	**-**	**42.14**	**-**	**-**	**-**	**-**	**42.14**	**16.50**
Grand total (A+B+C+D)	**16,232.73**	**2,198.41**	**958.08**	**17,473.06**	**7,112.01**	**910.90**	**271.87**	**7,751.04**	**9,722.02**	**9,120.72**
Previous year	**15,988.35**	**579.14**	**334.76**	**16,232.73**	**6,283.59**	**945.24**	**116.82**	**7,112.01**	**9,120.72**	**9,704.76**

Note no 4(ii) (iii) to be referred here

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

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

(₹ in million)

Particulars	Gross block				Accumulated depreciation / amortisation				Net block	
	As at 1 April 2020	Additions	Deletions	As at 31 March 2021	As at 1 April 2020	Depreciation/ Amortisation	Deletions	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Tangible assets										
(i) Owned										
Freehold land (i) (ii) (iii)	570.96	-	-	570.96	-	-	-	-	570.96	570.96
Building (ii)	396.83	-	2.12	394.71	155.39	6.63	0.69	161.33	233.38	241.44
Building	2,553.68	43.90	1.94	2,595.64	194.82	43.98	0.19	238.61	2,357.03	2,358.86
Electrical installation	817.48	2.56	8.47	811.57	582.79	57.69	7.82	632.66	178.91	234.69
Medical equipments	6,499.70	238.14	95.58	6,642.26	2,941.03	486.12	39.27	3,387.88	3,254.38	3,558.67
Office equipments	247.39	6.17	28.73	224.83	176.03	26.26	28.38	173.91	50.92	71.36
Other equipment including air conditioners	1,561.76	44.92	20.34	1,586.34	671.22	100.01	9.44	761.79	824.55	890.54
Furniture and fixtures	909.17	13.22	23.17	899.22	568.26	69.55	17.72	620.09	279.13	340.91
Computers	315.73	18.23	4.27	329.69	262.09	38.19	3.60	296.68	33.01	53.64
Vehicles	28.91	3.32	1.82	30.41	20.80	2.83	1.82	21.81	8.60	8.11
(ii) Leasehold										
Leasehold improvements	333.45	21.63	7.38	347.70	122.02	21.58	7.26	136.34	211.36	211.43
Building (v)	1,191.90	-	3.83	1,188.07	324.84	36.85	0.57	361.12	826.95	867.06
Total tangible assets (A)	**15,426.96**	**392.09**	**197.65**	**15,621.40**	**6,019.29**	**889.69**	**116.76**	**6,792.22**	**8,829.18**	**9,407.67**
Capital work-in-progress (B)	**26.45**	**123.41**	**115.05**	**34.81**	**-**	**-**	**-**	**-**	**34.81**	**26.45**
Intangible assets										
(i) Acquired										
Computer software	300.75	3.14	0.06	303.83	252.65	31.69	0.06	284.28	19.55	48.10
(ii) Internally generated										
Computer software	234.19	22.00	-	256.19	11.65	23.86	-	35.51	220.68	222.55
Total intangible assets (C)	**534.94**	**25.14**	**0.06**	**560.02**	**264.30**	**55.55**	**0.06**	**319.79**	**240.23**	**270.65**
Intangible assets under development (D)	**-**	**38.50**	**22.00**	**16.50**	**-**	**-**	**-**	**-**	**16.50**	**-**
Grand total (A+B+C+D)	**15,988.35**	**579.14**	**334.76**	**16,232.73**	**6,283.59**	**945.24**	**116.82**	**7,112.01**	**9,120.72**	**9,704.76**
Previous year	**15,305.68**	**1,794.84**	**1,112.17**	**15,988.35**	**5,434.46**	**969.44**	**120.31**	**6,283.59**	**9,704.76**	**10,048.17**

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

4 (ii) Capital work in Progress(CWIP) and Intangible assets under development (IAUD) ageing schedule

(₹ in million)

Particulars	Amount in CWIP and IAUD 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	214.11	17.61	0.73	0.94	233.39
As at March 31, 2021	25.91	17.53	6.93	0.94	51.31

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

4 (iii) Notes

(i) includes land in possession and occupation of the Company to the extent of 9 acre 25 guntas out of total 17 acres 44 guntas in Bangalore allotted by Karnataka Industrial Areas Development Board ('KIADB') to the Company on lease cum sale basis for which the Company is yet to execute the sale deed as at 31 March 2022.

(ii) pursuant to clause 7.7 of the Investment Agreement and Clause 3.1(d) of the Shareholders' Agreement (together, 'agreements') signed in January 2008 between the Company, Promoters and Investors, a Promoter of the Company had the right but not the obligation to require the Company to transfer the land and building ('NH land') at no consideration to him. On exercise of the right, the promoter was obligated to lease the asset to the Company for an initial term of 15 years with an extension of 10 years in accordance with the terms of the aforesaid agreements at no consideration. The said land and building was being amortized over a period of 25 years based on the Management's estimate of the lease term for the above arrangement.

As per the letter dated 26 November 2015 by the Promoter, the above right was waived off by him and accordingly he will not be entitled to exercise the right stated in Clause 3.1(d) of the said Shareholders' Agreement. The waiver was subject to the completion of the public offering within a period of one year from the date of receipt of the final observation letter from the Securities and Exchange Board of India on the Draft Red Herring Prospectus filed by the Company. The waiver was to be effective from the date of listing of the Company's shares on the stock exchanges. To this effect, the said Shareholders' Agreement was amended and duly executed by all Shareholders of the Company. On the Company's shares being listed on the Bombay Stock Exchange and the National Stock Exchange on 6 January 2016, the Promoter's right to NH Land ceases to exist thereof.

(iii) includes land in possession and occupation of the Company to the extent of 8088 Sq. Meters known as Plot No.257 B of Bommasandra III Phase Industrial Area situated in Sy. No's 237, 238 and 239 of Bommasandra Village, Attibele Hobli, Bangalore purchased from Kalapaka Transport Company Private Limited for which the Company executed the sale deed as at 9 October 2019.

(iv) During the year 2021-22,the Company has purchased a land to the extent of 14 khatha 22 chatak 47 sq ft land including building structure at South 24-Parganas, Thana: Purba Jadabpur, Corporation: Kolkata municipal corporation, Mukundapur, Road Zone : (E.M. Bye pass -- R.N. Tagore Hospital) Premises No: 1491 and 1563, Ward No: 109 from three individuals namely Mr.uttam kundu,Mr.Manoj Kumar Jaiswal and Mr. Suji Kumar Jaiswal for which the Company executed the sale deed on 31 October 2021.

(v) Represents the cost of construction of building on land obtained on lease at Kolkata, Ahmedabad, Jaipur and Jamshedpur.

(vi) As at 31 March 2022, property, plant and equipments with a carrying amount of ₹ 5,263.94 million (previous year: ₹ 5,996.82 million) are subject to first charge to secure bank loans.

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

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

5 (i) Right of use assets

(₹ in million)

Category of ROU asset	Gross block				Accumulated depreciation				Net block	
	As at 1 April 2021	Additions	Deletions	As at 31 March 2022	As at 1 April 2021	Depreciation	Deletions/ Adjustment	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Land	198.77	-	-	198.77	20.67	2.10	-	22.77	176.00	178.10
Building	1,302.67	103.02	18.13	1,387.56	284.86	134.14	10.81	408.19	979.37	1,017.81
Equipment	660.33	-	-	660.33	266.62	132.91	-	399.53	260.80	393.71
Furniture	55.68	-	-	55.68	15.90	7.96	-	23.86	31.82	39.78
Grand total	**2,217.45**	**103.02**	**18.13**	**2,302.34**	**588.05**	**277.11**	**10.81**	**854.35**	**1,447.99**	**1,629.40**

(₹ in million)

Category of ROU asset	Gross block				Accumulated depreciation				Net block	
	As at 1 April 2020*	Additions	Deletions	As at 31 March 2021	As at 1 April 2020	Depreciation	Deletions/ Adjustment	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Land	198.77	-	-	198.77	22.49	2.11	3.93	20.67	178.10	176.28
Building	1,308.78	-	6.11	1,302.67	148.86	139.42	3.42	284.86	1,017.81	1,159.92
Equipment	660.33	-	-	660.33	132.35	134.27	-	266.62	393.71	527.98
Furniture	55.68	-	-	55.68	7.95	7.95	-	15.90	39.78	47.73
Grand total	**2,223.56**	**-**	**6.11**	**2,217.45**	**311.65**	**283.75**	**7.35**	**588.05**	**1,629.40**	**1,911.91**

*Reclassified on account of adoption of Ind AS 116.

Refer note 36 for disclosures related to ROU assets and liabilities.

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

6 a) Non-current investments

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Unquoted equity instruments		
Investment in equity shares		
In subsidiary companies:		
Narayana Institute for Advanced Research Private Limited	57.60	57.60
[1,038,382 (previous year : 1,038,382) equity shares of ₹ 10 each fully paid up along with a premium of ₹ 45.47 per equity share]		
Narayana Hrudayalaya Surgical Hospital Private Limited	1,493.66	1,493.66
[24,425,900 (previous year : 24,425,900) equity shares of ₹ 10 each fully paid up along with a premium of ₹ 145.00 on 1,677,100 shares in current year (₹420.56 per equity share on 702,704 equity shares, ₹ 116.99 on 1,182,296 equity shares, ₹ 95.94 on 999,500 equity shares, ₹101.79 on 1,705,900 equity shares, ₹ 164.62 on 625,000 shares, ₹ 164.62 on 386,000 shares, ₹152.00 on 897,400, and 16,250,000 shares at par in earlier years]		
Narayana Hospitals Private Limited	532.61	532.61
[53,261,437 (previous year : 53,261,437) equity shares of ₹ 10 each fully paid up]		
Narayana Health Institutions Private Limited		
[1,104,035 (previous year : 1,104,035) equity shares of ₹ 10 each fully paid up] {Net of provision for other than temporary diminution ₹ 11.04 million (previous year : ₹ 11.04 million)}	-	-
Health City Cayman Islands Limited (erstwhile Narayana Cayman Holdings Ltd) (refer note 44)	3,193.18	3,193.18
[50,996.084 (previous year: 50,996.084) equity shares of USD 0.01 each fully paid up with a premium of USD 999.99 per share]*		
Meridian Medical Research & Hospital Limited	1,137.50	1,137.50
[29,024,467 (previous year 29,024,467) equity shares of ₹ 10 each fully paid up with a premium. Premium of ₹ 28.75 per share on 16,717,070 equity shares, ₹ 28 per shares on 9,188,577 equity shares, ₹ 28.51 per share on 1,835,000 shares, ₹ 34.19 per share on 1,026,300 and ₹ 87.08 per share on 257,520 equity shares)]		
Narayana Vaishno Devi Specialty Hospitals Private Limited	-	-
[999,795 (previous year : 999,795) equity shares of ₹ 10 each fully paid up]		
{Net of provision for other than temporary diminution ₹ 10 million (previous year : ₹ 10 million)		
Others		
Deemed investment on account of employee stock options issued to employees of subsidiaries		
- Health City Cayman Islands Ltd	0.47	0.47
- Meridian Medical Research & Hospital Limited	1.42	1.42
Redkenko Health Tech Pvt Ltd [39 Series A CCCPS ₹ 5.08 million (previous year: nil)]	5.08	-
Narayana Health North America LLC-[Capital contribution of USD 5000 (previous year-nil)]	0.37	-
In associate:		
TriMedx India Private Limited	-	-
[121,947 (previous year : 121,947) equity shares of ₹ 100 each fully paid up with a premium of ₹ 499.26 per share on 4770 equity shares] {Net of impairment of ₹ 14.58 million (previous year : ₹ 14.58 million)}		
Atria Wind Power (Chitradurga) Pvt Ltd	0.03	0.03
[100 (previous year : 100) equity shares of ₹ 100 each fully paid up with a premium of ₹ 151 per share on 100 equity shares]		
Fair Value of guarantee in subsidiaries (refer note 33)	32.78	36.77
	6,454.70	**6,453.24**
Aggregate value of unquoted investments	6,490.32	6,488.86
Aggregate amount of impairment in value of investments	35.62	35.62
Net investments	**6,454.70**	**6,453.24**

* Transfer/ sale of shares is subject to approval of Exim Bank, as loan is obtained to make investment in this subsidiary.

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

6 b) Current investments

Investments in Mutual Funds (quoted)

(₹ in million)

Name of the Fund	As at 31 March 2022		As at 31 March 2021	
	No of units	Amount	No of units	Amount
Sundaram Overnight Fund Direct Growth (ONDG)	1,41,619.24	160.01	-	-
	1,41,619.24	**160.01**	**-**	**-**

7 Loans

(Unsecured, considered good unless otherwise stated)

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Non-current		
To related parties (refer note 31)		
Unsecured loan	-	20.00
	-	**20.00**
(b) Current		
To related parties (refer note 31)		
Unsecured loan	92.00	97.00
	92.00	**97.00**

8 Other financial assets

(Unsecured, considered good unless otherwise stated

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Non-current		
With parties other than related parties		
Security deposits	200.29	161.59
Bank deposits (due to mature after 12 months from the reporting date)	3.12	4.08
Interest accrued on bank deposits	0.14	0.54
To related parties (refer note 31)		
Security deposits	275.95	361.06
	479.50	**527.27**
(b) Current		
With parties other than related parties		
Security deposits	36.07	80.96
Less:Provision for Doubtful advances-Security deposit	-	(47.29)
Security deposits (net)	36.07	33.67
Interest accrued on bank deposits	2.71	3.19
Interest accrued on security deposits	5.61	5.73
Unbilled revenue	191.40	120.14
With related parties (refer note 31)		
Interest accrued on unsecured loans	9.48	12.81
Due for reimbursement of expenses	55.83	68.44
	301.10	**243.98**

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

9 Income tax assets (net)

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance income tax and tax deducted at source (net of provisions)	485.11	284.67
Income-tax paid under protest	12.36	12.36
	497.47	**297.03**

10 Other assets

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Non-current		
With parties other than related parties		
(Unsecured, considered good unless otherwise stated)		
Capital advances	43.15	16.11
Prepaid rent	55.31	11.63
Prepaid expenses	33.12	33.51
(Unsecured, considered doubtful)		
Prepaid rent	19.24	19.24
Less: provision for prepaid rent	(19.24)	(19.24)
Prepaid rent (net)	-	-
With related parties (refer note 31)		
Prepaid rent and expenses	110.03	16.55
	241.61	**77.80**
(b) Current		
With parties other than related parties		
(Unsecured, considered good unless otherwise stated)		
Security deposits	26.43	48.95
Less:Provision for Doubtful advances-Security deposit	-	(20.89)
Security deposits (net)	26.43	28.06
Advance to vendors	42.50	12.75
Other loans and advances	3.78	11.58
Prepaid rent	7.00	1.76
Prepaid expenses	159.43	125.78
Other assets	1.10	0.66
(Unsecured, considered doubtful)		
Prepaid rent	0.24	0.24
Less: provision for prepaid rent	(0.24)	(0.24)
Prepaid rent (net)	-	-
With related parties (refer note 31)		
Prepaid rent and expenses	24.04	25.60
	264.28	**206.19**

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

11 Inventories

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
(Valued at lower of cost and net realisable value)		
Medical consumables, drugs and surgical instruments	317.03	249.09
Less: Provision for write-down to net realisable value	(28.50)	(20.98)
	288.53	**228.11**

12 Trade receivables

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good	2,032.80	1,857.14
Less: Allowance for expected credit losses	(297.92)	(313.28)
Net trade receivables	**1,734.88**	**1,543.86**
Of the above, trade receivables from related parties are as below:		
Trade receivable (refer note 31)	118.64	140.33
Expected credit loss allowance	(11.17)	(12.99)
Net trade receivables from related parties	**107.47**	**127.34**

Trade receivables ageing schedule

(₹ in million)

Particulars	Outstanding for the following period from due date of payments						Total
	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - Considered Good							
As at March 31, 2022	1,523.73	231.14	128.61	28.62	11.07	109.63	2,032.80
As at March 31, 2021	1,369.37	82.76	137.16	80.31	105.43	82.11	1,857.14

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.

For the year ended March 31, 2022

Category	Ageing		
	Within due date	Due date to 1 year	More than 1 year
ESI/CGHS/SCHEMES	3.87%	20.99%	62.77%
Others	0.99%	14.97%	53.07%

For the year ended March 31, 2021

Category	Ageing		
	Within due date	Due date to 1 year	More than 1 year
ESI/CGHS/SCHEMES	2.98%	16.20%	67.61%
Others	1.36%	15.78%	43.47%

The Company's exposure to credit risk and currency risks, and loss allowances are disclosed in note 42.

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

13 Cash and bank balances

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Cash and cash equivalents		
Cash on hand	32.41	28.96
Balance with banks		
- In current accounts	312.06	473.99
- In deposit accounts (due to mature within 3 months of the reporting date)	760.00	-
	1,104.47	**502.95**
(b) Bank balances other than above		
- In deposit accounts (due to mature within 12 months of the reporting date) *	28.21	58.96
	28.21	**58.96**

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

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

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Cash on hand	32.41	28.96
Balance with banks		
- In current accounts	312.06	473.99
- In deposit accounts (due to mature within 3 months of the reporting date)	760.00	-
	1,104.47	**502.95**
Less: Bank overdraft used for cash management purposes	-	(121.84)
Cash and cash equivalents in the statement of cash flows	**1,104.47**	**381.11**

14 Equity share capital

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised		
309,000,000 (previous year : 309,000,000) equity shares of ₹ 10 each	3,090.00	3,090.00
71,000,000 (previous year : 71,000,000) preference shares of ₹ 10 each	710.00	710.00
Issued, subscribed and paid up		
204,360,804 (previous year : 204,360,804) equity shares of ₹ 10 each, fully paid up	2,043.61	2,043.61
	2,043.61	**2,043.61**

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

(₹ in million)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	20,43,60,804	2,043.61	20,43,60,804	2,043.61
Issued during the year	-	-	-	-
At the end of the year	**20,43,60,804**	**2,043.61**	**20,43,60,804**	**2,043.61**

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

14 Equity share capital (Contd.)

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

The Company has equity shares having a nominal value of ₹ 10 each. Accordingly, all equity shares rank equally with regard to dividend and share in the Company's residual assets. Each holder of equity shares is entitled to one vote per share. The equity shares are entitled to receive dividend as declared from time to time. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

The Company has authorized preference shares having a nominal value of ₹ 10 each. Preference shares are non-convertible, non-cumulative, non-participating and carry preferential right vis-à-vis equity shares of the Company with respect to payment of dividend and repayment in case of winding up or repayment of capital and shall carry voting rights as per the provisions of Section 47(2) of the Companies Act, 2013.

(iii) Equity shareholder holding more than 5 percent of equity shares along with the number of equity shares held at the beginning and at the end of the year are as given below:

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of shares	% holding	Number of shares	% holding
Dr Devi Prasad Shetty	5,65,26,139	27.66%	5,65,26,139	27.66%
Mrs. Shakuntala Shetty	6,20,83,095	30.38%	6,20,83,095	30.38%
	118,609,234	**58.04%**	**118,609,234**	**58.04%**

(iv) Shareholding of promoters:

Promoter Name	As at 31 March 2022		% Change during the year
	Number of shares	% of total shares	
Mrs.Shakuntala Shetty	6,20,83,095	30.38%	-
Dr. Devi Prasad Shetty	5,65,26,139	27.66%	-
Mr.Viren Shetty	20,43,608	1.00%	-
Dr.Varun Shetty	20,43,608	1.00%	-
Dr. Anesh Shetty	20,43,608	1.00%	-
Ms.Ameya Shetty	20,43,608	1.00%	-
Narayana Health Academy Pvt Ltd	37,02,064	1.81%	-
	13,04,85,730	**63.85%**	

15 Other equity

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
(i) Reserves and Surplus		
Securities premium		
At the commencement of the year	5,025.63	5,023.18
Movement during the year	8.22	2.45
At the end of the year	5,033.85	5,025.63
Capital reserve	1.54	1.54

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

15 Other equity (Contd.)

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Treasury Shares		
At the commencement of the year	(14.22)	(14.56)
Movement during the year	0.17	0.34
At the end of the year	(14.05)	(14.22)
General reserve	250.00	250.00
Share options outstanding		
At the commencement of the year	35.85	32.28
Add: Amounts recorded on grants during the year	2.56	6.02
Less: Exercised during the year	(8.22)	(2.45)
At the end of the year	30.19	35.85
Retained earnings		
At the commencement of the year	3,611.46	4,398.19
Add: Net profit/(loss) after tax transferred from statement of profit and loss	1335.98	(786.73)
At the end of the year	4,947.44	3,611.46
(ii) Other Comprehensive Income		
Effective portion of Cash flow hedge reserve		
At the commencement of the year	(43.79)	(65.60)
Movement during the year	37.07	21.81
At the end of the year	(6.72)	(43.79)
Re-measurement of defined benefit plans		
At the commencement of the year	(13.65)	(9.86)
Movement during the year	(21.34)	(3.79)
At the end of the year	(34.99)	(13.65)
	10,207.26	**8,852.82**

Capital reserve

Capital reserve was created at the time of acquisition of hospital in Barasat.

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

Treasury Shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from other equity.

Share options outstanding

The Company has established share based payment for eligible employees of the Company, its subsidiaries or an associate. Also refer note 39 for further details on these plans

General reserve

General reserve is used from time to time to transfer profits from retained earnings for appropriate purposes.

Cash flow hedge reserve

Company has entered into a interest rate swap agreement, This cash flow hedge reserve reflects the fluctuations of the fair value of such swap.

Proposed Dividend

The Board of Directors have recommended a dividend of Re .1 (Rupee One) per share, for the year ended 31st March, 2022, for approval of shareholders of the Company at the ensuing Annual General Meeting (AGM).

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

16 Borrowings

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Non-current		
(i) Secured		
Term loans		
From banks (refer note I)	3,137.23	3,185.16
(ii) Unsecured		
From others (refer note II)	37.21	41.44
Total non-current borrowings	**3,174.44**	**3,226.60**
(b) Current		
(i) Secured		
Loans repayable on demand		
Bank overdrafts (refer note III)		
Working capital Loan	-	121.84
Current maturities of long-term borrowings with banks	648.01	532.74
Total current borrowings	**648.01**	**654.58**

I Term loans from banks :

Sl No.	Details of repayment terms, interest and maturity	Nature of security
(i)	Term loan from HSBC Bank : ₹ 135.00 million (previous year : ₹ 189.00 million). It is repayable in 10 (previous year 14 quarterly instalments) quarterly instalments from reporting date after moratorium period of 18 months from date of 1st disbursement. Date of 1st disbursement is 12 March 2018. Interest is charged at 6.80% p.a. (previous year: 7.30% p.a)	Movable Fixed Assets acquired out of the loan and equitable mortgage over land which is owned by Narayana Hospitals Private Limited and building of the Jaipur hospital.
(ii)	Term loan from HSBC Bank : ₹ 228.00 million (previous year : ₹ 304.00 million). It is repayable in 12 (previous year 16 quarterly instalments) quarterly instalments from June 2020. Interest is charged at 6.80% p.a. (previous year: 7.00% p.a.)	
(iii)	Term loan from Standard Chartered Bank: ₹ 82.50 million (previous year : ₹ 75 million). Payable in 9 (previous year 12) monthly equal instalments starting from 14th January 2022). Interest is charged at 4.94% p.a., (previous year: 4.81% p.a.)	The loan is unsecured
(iv)	Term loan from EXIM Bank: ₹ 606.95 million (previous year : Nil) Payable in 20 (previous year nil) Quarterly equal instalments starting from 01 Dec 2024). Interest is charged at 5.00% p.a., (previous year: Nil p.a.)	Exclusive charge on the Company's immovable properties being land, buildings and structures attached or permanently fastened thereon at the location having S.No: 2/4,2/5,2/7,2/8,3, 23/1C,23/1D,26,27,28,29 with an aggregate extent of 7 Acres 1.85 Guntas situate at Kittiganahalli village, Attibele hobli, Anekal Taluk, Bangalore, Karnataka and Moveable Fixed Assets.
(v)	Foreign currency loan taken from EXIM Bank : ₹ 947.59 million ($ 12.49 million) (previous year: ₹ 1,181.33 million ($ 16.07 million)). Repayable in 14 quarterly instalments from the reporting date (previous year: 18 quarterly instalments from 31st Dec 2018). Interest is linked to the Libor (6 month) + 175 basis points. (previous year: Libor (6 month) + 175 basis points).	Exclusive charge on the Company's immovable properties being land, buildings and structures attached or permanently fastened thereon at the location having S.No: 2/4,2/5,2/7,2/8,3, 23/1C,23/1D,26,27,28,29 with an aggregate extent of 7 Acres 1.85 Guntas situate at Kittiganahalli village, Attibele hobli, Anekal Taluk, Bangalore, Karnataka.

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

16 Borrowings (Contd.)

Sl No.	Details of repayment terms, interest and maturity	Nature of security
(vi)	*Term loan from SBI: ₹ 403.18 million (previous year: ₹ 475.66 million). Repayable in 60 monthly instalments from the reporting date (previous year 72 monthly instalments from 31st March 2019) Interest is charged at 7.15% p.a.(previous year: 7.15% p.a.)	
(vii)	*Term loan from SBI: ₹ 306.26 million (previous year: ₹ 336.88 million). Repayable in 78 monthly instalments from 31st October 20 (previous year : 90 monthly instalments) Interest is charged at 7.15% p.a.(previous year: 7.15% p.a.)	Movable Fixed Assets and exclusively charge on land and building located #78, Jessor Road, Mouzahariharpur, Ward #5 Barassat Kolkata. Land measuring 2.474acre title deed # 2760/2014
(viii)	*Term loan from SBI: ₹ 1,075.77 million (previous year: ₹ 1,156.03 million). Repayable in 21 (previous year 25 quarterly instalments) from the reporting date after 2 years Moratorium from date October 2017. Interest is charged at 7.15% p.a.(previous year: 7.15% p.a.)	

*Promotors % of holding should not be reduce below 51% during the tenure of loan.

II Term loans from Others :

(i) Interest free term loan from Cisco Systems Capital (India) Private Limited has been obtained. Based on the applicable effective interest rate, the present value of loan as at 31 March 2022 amounting to ₹ 1.11 million (previous year: ₹ 5.34 million) has been recognised in the books of accounts.The loan is unsecured

(ii) Term loan from CDC group PLC: ₹ 36.10 million (previous year : ₹ 36.10 million) carry a interest of 6.5% p.a Repayable in one instalment after 5 years from the utilisation date i.e 26 February 2019. The loan is unsecured

III Overdraft and Cash Credit facilities

Over Draft from HSBC : Nil (previous year: ₹ 121.84 Million) repayable On Demand. It is secured by subservient charge on specific movable fixed assets

17 Lease liabilities

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Non-current		
Opening Lease liability	1,631.69	1,817.13
Additions/(Reversal) during the period	100.40	(5.75)
Finance cost accrued during the period	138.78	150.89
Lease payment	(367.51)	(330.58)
Closing Lease liability	1,503.36	1,631.69
Less: Current lease liability	(263.28)	(214.94)
	1,240.08	**1,416.75**
(b) Current		
Lease liability	263.28	214.94
	263.28	**214.94**

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

18 Other financial liabilities

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Non-current		
Payable towards share purchased for ESOP Trust	14.05	14.44
Liability towards asset replacement cost	101.02	79.27
Liability for financial guarantee	4.85	8.83
Creditors for capital goods	4.72	13.73
Derivatives designated and effective as hedging instruments carried at fair value		
Interest rate swap	17.04	75.85
	141.68	**192.12**
(b) Current		
To parties other than related parties		
Interest accrued and not due on borrowings	11.25	0.37
Creditors for capital goods	160.22	66.34
Other financial liabilities	13.68	14.34
Liability for financial guarantee	3.87	4.96
To related parties (refer note 31)		
Creditors for capital goods	58.04	58.04
	247.06	**144.05**

*The Company's exposure to liquidity risk and currency risk are disclosed in note 42.

19 Provisions (refer note 34)

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Non-current		
Provision for employee benefits		
Gratuity	268.52	226.67
	268.52	**226.67**
(b) Current		
Provision for employee benefits		
Gratuity	98.21	66.60
Compensated absences	203.60	168.55
	301.81	**235.15**

20 Other liabilities

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Non-current		
Unearned revenue	12.72	14.00
Deferred government grant*	81.68	95.60
Deferred government grant for EPCG Licence **	31.57	60.00
Deferred grant-others***	31.62	-
Others	2.51	2.51
	160.10	**172.11**

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

20 Other liabilities (Contd.)

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
(b) Current		
To parties other than related parties		
Contract Liabilities	171.78	163.51
Unearned revenue	1.28	1.27
Deferred government grant*	13.93	13.93
Deferred government grant for EPCG Licence **	28.42	28.42
Deferred grant-others***	3.28	-
Balances due to statutory/ government authorities	162.13	127.34
Others	6.54	12.11
To related parties (refer note 31)		
Other payables	80.14	71.00
	467.50	**417.58**

Summary of the government grant received by the Company :-

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Opening Balance	197.95	240.30
Add: Grants during the year	38.48	-
Less: Released to profit and loss	45.93	42.35
Closing Balance	**190.50**	**197.95**
Non Current	144.87	155.60
Current	45.63	42.35

*During the financial year 2013-14, the Company had received capital grant from the Assam Government amounting to ₹ 220.00 million for purchase of fixed assets for operating the hospital in Assam. The Company has recognized this grant as deferred income at fair value which is being amortised over the useful life of the fixed assets in proportion in which the related depreciation is recognized.

**During the financial year 2017-18 & 2018-19 the Company had received capital grant in the form of EPCG licence from Government of India amounting to ₹ 6.10 & ₹ 89.65 million respectively, for import of capital goods subject to fulfilment of export obligation in next 6 years. The Company has recognized this grant as deferred government liability for EPCG licence at fair value. The Company will recognize deferred grant income in the statement of profit and loss as per Ind AS.

*** During the financial year 2021-22, the Company has received capital grants from various corporates amounting to ₹ 38.48 million for purchase of medical equipment's as agreed. The Company has recognized this grant as deferred income at fair value which is being amortised over the useful life of the Property,plant and equipment in proportion in which the related depreciation is recognized.

21 Trade payables

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Total outstanding dues of micro enterprises and small enterprises (refer note 35)	221.48	139.77
Total outstanding dues of creditors other than micro and small enterprises	2,953.16	2,957.85
	3,174.64	**3,097.62**

*Payables to related parties (refer note 31)

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 42.

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

21 Trade payables (Contd.)
Trade Payables aging schedule

(₹ in million)

Particulars	Outstanding for the following period from due date of payments					Total
	Not due*	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2022						
a) Undisputed-MSME	7.32	211.65	1.04	0.57	0.90	221.48
b) Undisputed -Others	1,113.40	1,675.32	96.27	11.26	56.91	2,953.16
c) Disputed- MSME	-	-	-	-	-	-
d) Disputed -others	-	-	-	-	-	-
Total	**1,120.72**	**1,886.97**	**97.31**	**11.83**	**57.81**	**3,174.64**
As at March 31, 2021						
a) Undisputed-MSME	16.55	121.48	0.68	0.27	0.80	139.78
b) Undisputed -Others	1,018.29	1,688.16	63.11	43.39	144.89	2,957.84
c) Disputed- MSME	-	-	-	-	-	-
d) Disputed -others	-	-	-	-	-	-
Total	**1,034.84**	**1,809.64**	**63.79**	**43.66**	**145.69**	**3,097.62**

* Includes provision for expenses

22 Revenue from operations

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Income from medical and healthcare services	23,043.56	15,799.34
Sale of medical consumables and drugs	941.31	659.46
Other operating revenue:		
Teleradiology income	31.42	24.75
Income from patient amenities	38.41	28.45
Other healthcare services	65.17	34.18
	24,119.87	**16,546.18**

Refer notes below

(₹ in million)

(i) Category of Customer	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash*	15,606.38	10,682.56
Credit	8,513.49	5,863.62
	24,119.87	**16,546.18**

*Includes receipts thorugh digital/electronic mode

(₹ in million)

(ii) Nature of treatment	For the year ended 31 March 2022	For the year ended 31 March 2021
In-patient	18,642.78	12,939.98
Out-patient	4,400.78	2,866.25
Sale of medical consumables and drugs	941.31	659.46
Others	135.00	80.49
	24,119.87	**16,546.18**

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

22 Revenue from operations (Contd.)

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

(iv) Transaction price allocated to the remaining performance obligations

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Contract Liabilities	171.78	163.51
	171.78	**163.51**

(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.

23 Other income

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Dividend received	760.53	455.22
Export incentive	-	8.87
Interest income on		
- Bank deposits	5.55	9.33
- Unsecured loan	9.71	8.43
- Others	-	66.17
Interest income from financial asset at amortised cost	36.99	34.34
Grant income	45.93	42.35
Guarantee commission	5.07	5.84
Foreign exchange gain, (net)	-	39.77
Profit on sale of investment	0.27	-
Provisions no longer required written back	84.96	-
Miscellaneous income	114.78	87.78
	1,063.79	**758.10**

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

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventory at the beginning of the year	228.11	338.50
Inventory at the end of the year	288.53	228.11
	(60.42)	**110.39**

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

25 Employee benefits expense

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus	4,595.26	3,661.67
Contribution to provident and other funds (refer note 34)	327.50	268.78
Share based payment to employees (refer note 39)	2.56	6.02
Staff welfare expenses	116.26	93.03
	5,041.58	**4,029.50**

During the financial year 2021-22, project salary cost amounting to ₹ 25.64 million (previous year : ₹ 38.50 million) has been capitalised through intangible assets under development.

26 Other expenses

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Hospital operating expenses		
Rent	292.15	204.69
Patient welfare expenses	241.06	225.36
Power and fuel	516.99	465.41
Hospital general expenses	197.42	168.13
House keeping expenses	713.78	577.38
Medical gas charges	109.25	86.04
Biomedical wastage expenses	23.77	23.55
Repairs and maintenance		
- Hospital equipments	360.28	382.29
- Buildings	102.45	96.03
- Others	516.53	387.06
Total (A)	**3,073.68**	**2,615.94**
Administrative expenses		
Travel and conveyance	117.49	77.72
Security charges	192.46	171.71
Printing and stationery	128.85	90.10
Rent	106.76	143.43
Advertisement and publicity	264.32	208.47
Legal and professional fees (refer note (i) below)	114.65	73.86
Business promotion	337.90	235.28
Telephone and communication	67.04	63.63
Bank charges	65.55	43.10
Insurance	43.99	42.66
Corporate social responsibility (refer note (ii) below)	6.87	21.30
Rates and taxes	56.44	61.07
Books and periodicals	19.69	16.39
Provision for loss allowance & Doubtful advances	14.86	24.46
Bad receivables written off	71.31	30.00
Provision for Remeasurement of financial liability	14.51	-
Donations paid	-	1.75
Loss on disposal of assets	26.31	50.12
Foreign exchange loss (net)	24.14	-
Miscellaneous expenses	5.89	9.98
Total (B)	**1,679.03**	**1,365.03**
Total (A+B)	**4,752.71**	**3,980.97**

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

26 Other expenses (Contd.)

(i) Payment to auditors*

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
As an auditor		
(i) Audit fee	4.50	4.50
(ii) Limited review	1.20	1.20
(iii) Other attest services	0.30	0.30
In other capacity:		
(iv) Reimbursement of expenses	0.14	0.14
	6.14	**6.14**

*excluding GST

(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 million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
a) Amount required to be spent by the Company during the year	6.56	21.24
b) Amount of expenditure incurred on purpose other than construction/ acquisition of any asset	6.87	21.30
c) Excess spend of prior years set off during the year	-	-
d) Shortfall/(Excess) at the end of the year [(d)=(a)-(b)-(c)]	(0.31)	(0.06)
e) Total of previous years shortfall	-	-
f) Reason for shortfall	NA	NA

27 Finance costs

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest expense on financial liabilities measured at amortised cost		
- term loans from banks	230.71	273.24
- bank overdraft	4.48	2.39
- others	5.36	2.31
Interest expense on lease liabilities	138.78	150.89
Unwinding of asset replacement cost	7.24	5.83
	386.57	**434.66**

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

28 Depreciation and amortisation expense

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation of property, plant and equipment (refer note 4)	872.19	889.69
Depreciation of Right of use Assets (refer note 5)	277.11	283.75
Amortisation of intangible assets (refer note 4)	38.71	55.55
	1,188.01	**1,228.99**

29 Contingent liabilities

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Claims against the Company not acknowledged as debts in respect of:-		
a) Customs Duty (refer note A below)	1.74	1.74
b) Entry tax (refer note B below)	-	10.00
c) Income tax (refer note C below)	64.31	64.31
Guarantees:		

The Company has issued corporate guarantee to its subsidiaries amounting to ₹ 7,657.36 million (previous year ₹ 3,910.10 million) (refer note 44) and total loan outstanding as on 31 March 2022 is ₹ 1,693.15 million (previous year : ₹ 2,296.73 million). Within the overall limits of the Corporate guarantee, the Company has also committed towards making additional capital contribution in certain subsidiaries, as applicable under the relevant loan agreements.

Note:

A. For financial year 2012-13, the Company has received a notice proposing levy of customs duty on import of 'Surgical Microscopes' along with accessories classifying it under CTH 9018 9000 of Customs Tariff Act 1975.Against the demand of ₹ 1.74 million , the Company has deposited ₹ 1.33 million with the department and filed an appeal before the Commissioner of Customs (Appeals).

B. For financial year 2010-11, 2011-12, 2012-13, 2013-14 the Company has received a notice proposing levy of entry tax from Commercial Tax Officer under Entry of Goods into Local Area Act 1999 on account of goods brought in local areas from outside the state of Rajasthan without payment of Entry tax as per the provisions.Based on the Company's submission, the department has issued an order with a demand of ₹ 10 million along with interest. Against this demand, the Company has deposited ₹ 1.55 million with the department and filed an appeal before the Office of Appellate Authority -II, Commercial Tax.During the year the Company has opted Amnesty scheme to settle the entire demand by depositing ₹ 0.9 million.

C. Income Tax

a) For assessment year 2012-13 the Company had received an assessment order under section 143 (3) of the Income Tax Act, 1961 on 31st March 2015. The Company may have an additional liability of ₹ 12.59 million on account of differential tax provision. The Company has filed an appeal against order issued by the department with the Commissioner of Income tax (Appeals) (CIT (A)). CIT(A) had issued an order in favour of the Company. The department then filed an appeal with the Income Tax Appellate Tribunal (ITAT) against the order of CIT(A).

b) For assessment year 2013-14 the Company had received an assessment order under section 143 (3) of the Income Tax Act, 1961 on 25 March 2016. The Company may have an additional liability of ₹ 6.69 million on account of differential tax provision. The Company has filed an appeal against order issued by the department with the Commissioner of Income tax (Appeals) (CIT (A)).

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

29 Contingent liabilities (Contd.)

c) For assessment year 2016-17 the Company had received a notice 142(1) of the Income tax act, 1961 on 28 Mar 2018 asking Company to submit certain documents on 6 April 2018. Company has replied on 6 April 2018, 24 July 2018, 29 August 2018, 7 December 2018. The department has issued a assessment order u/s 143(3) on 29 December 2018 demanding a sum of ₹ 1.06 million. Against this demand, the Company had paid ₹ 0.3 million under protest on 11 February 2019 and filed an appeal with the Commissioner of Income Tax (Appeals) (CIT(A)).

d) For assessment year 2017-18 the Company has received an assessment order under section 143 (3) of the Income Tax Act, 1961 on 27 December 2019. The Company may have an additional liability of ₹ 20.93 million on account of differential tax provision. The Company has filed an appeal against order issued by the department with the Commissioner of Income tax (Appeals) (CIT (A)), which is pending as at 31 March 2022.

e) For assessment year 2018-19 the Company has received an assessment order under section 143 (3) of the Income Tax Act, 1961 on 24 May 2021. The Company may have an additional liability of ₹ 19.39 million on account of differential tax provision. The Company has filed an appeal against order issued by the department with the Commissioner of Income tax (Appeals) (CIT (A)), which is pending as at 31 March 2022.

f) For assessment year 2019-20, the Company has recognised additional contingent liability to the extent of ₹ 4.71 million duly taking into consideration the requirements under Appendix C to Ind AS 12, including the Management's assessment of the probability of acceptance of the Company's tax positions by the taxation / appellate authorities.

D. Based on the advise of its legal counsel, the Company believes that other disputes, lawsuits and claims, including commercial matters, which arise from time to time in the ordinary course of business and are outstanding as at 31 March 2022 will not have any material adverse effect on its financial statements for the year ended 31 March 2022.

E. The Company has given letter of support to its subsidiary company, namely Narayana Vaishno Devi Specialty Hospitals Private Limited. Under the letter of support, the Company is committed to provide operational and financial assistance as is necessary for the subsidiary companies to enable them to operate as going concern for a period of at least one year from the balance sheet date (31 March 2022).

30 Commitments

Estimated amounts of contracts remaining to be executed on capital account (net of advances) and other commitments and not provided for, amounts to ₹ 1015.07 million (previous year: ₹ 91.50 million).

31 Related party disclosures

(a) Details of related parties

Nature of relationship	Name of related parties
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)
	"Meridian Medical Research & Hospital Limited (MMRHL)
	Narayana Vaishno Devi Specialty Hospitals Private Limited (NVDSHPL)
	Narayana Holdings Private Limited (NHDPL)
	Narayana Health North America LLC (NHNA)
	Health City Cayman Islands Ltd (HCCI) (from April 01,2021)
	NH Health Bangladesh Private Limited (Subsidiary of NHDPL) (NHHBPL)

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

31 Related party disclosures (Contd.)

(a) Details of related parties

Nature of relationship	Name of related parties
Key Management Personnel (KMP)	Dr. Devi Prasad Shetty- Chairman
	Dr. Emmanuel Rupert - Managing Director
	Viren Prasad Shetty - Whole-time Director
	Sandhya Jayaraman - Chief Financial Officer (effective from 08-12-2021)
	Kesavan Venugopalan - Chief Financial Officer (till 12-11-2021)
	Sridhar S -Company Secretary
Relatives of KMP	Dr. Varun Shetty
	Dr. Anesh Shetty
	Dr.Vivek Shetty
	Ms.Ameya Shetty
	Mrs.Shakuntala Shetty
Associate	TriMedx India Private Limited (TriMedx)
Associate of subsidiaries	Reya Health Inc (formerly known as Cura Technology Inc.)
	ISO Healthcare
Enterprises under control or joint control of KMP 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)
Enterprises where control of Company exists	Narayana Hrudayalaya Private Limited Employees Group Gratuity Trust

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

31 Related party disclosures (Contd.)

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

(₹ in million)

Transactions	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Associate of Subsidiary/ Associate	Enterprises under control or joint control of KMP and their relatives	Total
Unsecured loan given						
NHSHPL	50.00	-	-	-	-	50.00
	(274.50)	(-)	(-)	(-)	(-)	(274.50)
Repayment of unsecured loan given by NHL						
NHSHPL	55.00	-	-	-	-	55.00
	(255.98)	(-)	(-)	(-)	(-)	(255.98)
Interest income on security deposit						
NHPL	24.41	-	-	-	-	24.41
	(22.41)	(-)	(-)	(-)	(-)	(22.41)
Charmakki Infrastructures	-	-	-	-	10.10	10.10
	(-)	(-)	(-)	(-)	(9.21)	(9.21)
TOTAL	**24.41**	**-**	**-**	**-**	**10.10**	**34.51**
	(22.41)	**(-)**	**(-)**	**(-)**	**(9.21)**	**(31.63)**
Dividend Received from Subsidiaries						
HCCI	760.53	-	-	-	-	760.53
	(-)	(-)	(-)	(-)	(-)	(-)
NCHL	-	-	-	-	-	-
	(455.22)	(-)	(-)	(-)	(-)	(455.22)
Sale of medical consumables and drugs and Services						
HCCI	275.23	-	-	-	-	275.23
	(174.67)	(-)	(-)	(-)	(-)	(174.67)
MMRHL	7.28	-	-	-	-	7.28
	(8.65)	(-)	(-)	(-)	(-)	(8.65)
NHSHPL	7.96	-	-	-	-	7.96
	(7.53)	(-)	(-)	(-)	(-)	(7.53)
NVDSHPL	0.52	-	-	-	-	0.52
	(0.90)	(-)	(-)	(-)	(-)	(0.90)
TOTAL	**290.99**	**-**	**-**	**-**	**-**	**290.99**
	(191.75)	**(-)**	**(-)**	**-**	**(-)**	**(191.75)**

Figures in brackets are for the previous year

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

31 Related party disclosures (Contd.)

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

(₹ in million)

Transactions	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Associate of Subsidiary/ Associate	Enterprises under control or joint control of KMP and their relatives	Total
Call Centre Income						
NHSHPL	7.83	-	-	-	-	7.83
	(3.23)	(-)	(-)	(-)	(-)	(3.23)
Lab outsourcing expense						
NHSHPL	10.25	-	-	-	-	10.25
	(6.27)	(-)	(-)	(-)	(-)	(6.27)
MSMF	-	-	-	-	2.61	2.61
	(-)	(-)	(-)	(-)	(1.34)	(1.34)
Rent expenses						
NHPL	29.58	-	-	-	-	29.58
	(28.84)	(-)	(-)	(-)	(-)	(28.84)
Charmakki Infrastructures	-	-	-	-	7.10	7.10
	(-)	(-)	(-)	(-)	(6.97)	(6.97)
AHF	-	-	-	-	9.16	9.16
	(-)	(-)	(-)	(-)	(10.13)	(10.13)
MSMF	-	-	-	-	29.50	29.50
	(-)	(-)	(-)	(-)	(29.50)	(29.50)
NHF	-	-	-	-	3.16	3.16
	(-)	(-)	(-)	(-)	(1.05)	(1.05)
TOTAL	**29.58**	**-**	**-**	**-**	**48.92**	**78.50**
	(28.84)	**(-)**	**(-)**	**(-)**	**(47.65)**	**(76.49)**
Advances Written Off						
NIARPL	1.77	-	-	-	-	1.77
	(-)	(-)	(-)	(-)	(-)	(-)
NHIPL	0.92	-	-	-	-	0.92
	(-)	(-)	(-)	(-)	(-)	(-)
NHBPL	7.80	-	-	-	-	7.80
	(-)	(-)	(-)	(-)	(-)	(-)
TOTAL	**10.49**	**-**	**-**	**-**	**-**	**10.49**
	(-)	**(-)**	**(-)**	**(-)**	**(-)**	**(-)**

Figures in brackets are for the previous year

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

31 Related party disclosures (Contd.)

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

(₹ in million)

Transactions	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Associate of Subsidiary/ Associate	Enterprises under control or joint control of KMP and their relatives	Total
Reimbursement of expenses						
NHPL	5.39	-	-	-	-	5.39
	(5.68)	(-)	(-)	(-)	(-)	(5.68)
NVDSHPL	1.35	-	-	-	-	1.35
	(3.70)	(-)	(-)	(-)	(-)	(3.70)
HCCI	22.48	-	-	-	-	22.48
	(16.17)	(-)	(-)	(-)	(-)	(16.17)
AHF	-	-	-	-	0.01	0.01
	(-)	(-)	(-)	(-)	(0.07)	(0.07)
NHHBPL	0.84	-	-	-	-	0.84
	(1.94)	(-)	(-)	(-)	(-)	(1.94)
NHSHPL	2.34	-	-	-	-	2.34
	(0.75)	(-)	(-)	(-)	(-)	(0.75)
Hrudayalaya Pharmacy	-	-	-	-	0.16	0.16
	(-)	(-)	(-)	(-)	(0.02)	(0.02)
NHF	-	-	-	-	0.57	0.57
	(-)	(-)	(-)	(-)	(0.05)	(0.05)
MMRHL	0.55	-	-	-	-	0.55
	(0.90)	(-)	(-)	(-)	(-)	(0.90)
Others	0.64	-	-	-	0.00	0.64
	(0.29)	(-)	(-)	(-)	(0.00)	(0.29)
TOTAL	**33.59**	**-**	**-**	**-**	**0.74**	**34.33**
	(29.43)	**(-)**	**(-)**	**(-)**	**(0.14)**	**(29.57)**
Revenue from healthcare services						
NHF	-	-	-	-	2.10	2.10
	(-)	(-)	(-)	(-)	(-)	-
MMRHL	27.92	-	-	-	-	27.92
	(21.21)	(-)	(-)	(-)	(-)	(21.21)
TOTAL	**27.92**	**-**	**-**	**-**	**2.10**	**30.02**
	(21.21)	**(-)**	**(-)**	**(-)**	**(-)**	**(21.21)**

Figures in brackets are for the previous year

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

31 Related party disclosures (Contd.)

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

(₹ in million)

Transactions	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Associate of Subsidiary/ Associate	Enterprises under control or joint control of KMP and their relatives	Total
Advance on Account of Discount Entitlement						
NHF	-	-	-	-	1.32	1.32
	(-)	(-)	(-)	(-)	(1.33)	(1.33)
AHF	-	-	-	-	3.04	3.04
	(-)	(-)	(-)	(-)	(3.60)	(3.60)
Advance given for payment to employees						
HCCI	1.92	-	-	-	-	1.92
	(0.70)	(-)	(-)	(-)	(-)	(0.70)
Rental income net of tax						
NHSHPL	4.96	-	-	-	-	4.96
	(4.64)	(-)	(-)	(-)	(-)	(4.64)
Interest income						
NHPL	2.12	-	-	-	-	2.12
	(2.12)	(-)	(-)	(-)	(-)	(2.12)
NHSHPL	7.61	-	-	-	-	7.61
	(6.31)	(-)	(-)	(-)	(-)	(6.31)
TOTAL	**9.73**	**-**	**-**	**-**	**-**	**9.73**
	(8.43)	**(-)**	**(-)**	**(-)**	**(-)**	**(8.43)**
Investment in equity instruments						
NHSHPL	-	-	-	-	-	-
	(259.95)	(-)	(-)	(-)	(-)	(259.95)
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**
	(259.95)	**(-)**	**(-)**	**(-)**	**(-)**	**(259.95)**
Purchase of Property, plant and equipment						
MMRHL	-	-	-	-	-	-
	(0.29)	(-)	(-)	(-)	(-)	(0.29)
NHSHPL	-	-	-	-	-	-
	(0.02)	(-)	(-)	(-)	(-)	(0.02)

Figures in brackets are for the previous year

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

31 Related party disclosures (Contd.)

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

(₹ in million)

Transactions	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Associate of Subsidiary/ Associate	Enterprises under control or joint control of KMP and their relatives	Total
Sale of Property, plant and equipment						
MMRHL	0.48	-	-	-	-	0.48
	(0.44)	(-)	(-)	(-)	(-)	(0.44)
NHSHPL	0.01	-	-	-	-	0.01
	(6.41)	(-)	(-)	(-)	(-)	(6.41)
HCCI	1.09	-	-	-	-	1.09
	(1.03)	(-)	(-)	(-)	(-)	(1.03)
TOTAL	**1.58**	**-**	**-**	**-**	**-**	**1.58**
	(7.88)	**(-)**	**(-)**	**(-)**	**(-)**	**(7.88)**
Guarantee commission						
HCCI	3.99	-	-	-	-	3.99
	(4.35)	(-)	(-)	(-)	(-)	(4.35)
MMRHL	0.65	-	-	-	-	0.65
	(0.83)	(-)	(-)	(-)	(-)	(0.83)
NHSHPL	0.44	-	-	-	-	0.44
	(0.65)	(-)	(-)	(-)	(-)	(0.65)
TOTAL	**5.08**	**-**	**-**	**-**	**-**	**5.08**
	(5.83)	**(-)**	**(-)**	**(-)**	**(-)**	**(5.83)**
Software license fees						
HCCI	10.71	-	-	-	-	10.71
	(10.60)	(-)	(-)	(-)	(-)	(10.60)
Purchase of medical stores and Consumables						
Hrudayalaya Pharmacy	-	-	-	-	0.25	0.25
	(-)	(-)	(-)	(-)	(0.28)	(0.28)
Amaryllis Healthcare Private Limited	-	-	-	-	155.63	155.63
	(-)	(-)	(-)	(-)	(233.25)	(233.25)
MMRHL	2.05	-	-	-	-	2.05
	(0.97)	(-)	(-)	(-)	-	(0.97)
NHSHPL	3.96	-	-	-	-	3.96
	(1.11)	(-)	(-)	(-)	(-)	(1.11)
NVDSHPL	0.53	-	-	-	-	0.53
	(0.59)	(-)	(-)	(-)	(-)	(0.59)
TOTAL	**6.54**	**-**	**-**	**-**	**155.88**	**162.42**

Figures in brackets are for the previous year

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

31 Related party disclosures (Contd.)

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

(₹ in million)

Transactions	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Associate of Subsidiary/ Associate	Enterprises under control or joint control of KMP and their relatives	Total
	(2.67)	**(-)**	**(-)**	**(-)**	**(233.53)**	**(236.20)**
Healthcare Services availed from Subsidiaries						
MMRHL	1.87	-	-	-	-	1.87
	(0.08)	(-)	(-)	(-)	(-)	(0.08)
Hospital General Expenses						
Amaryllis Healthcare Private Limited	-	-	-	-	30.11	30.11
	(-)	(-)	(-)	(-)	(22.80)	(22.80)
Guarantees given						
NHSHPL	100.00	-	-	-	-	100.00
	(-)	(-)	(-)	(-)	(-)	(-)
HCCI	3,637.76	-	-	-	-	3,637.76
	(-)	(-)	(-)	(-)	(-)	-
MMRHL	-	-	-	-	-	-
	(140.00)	(-)	(-)	(-)	(-)	(140.00)
TOTAL	**3,737.76**	**-**	**-**	**-**	**-**	**3,737.76**
	(140.00)	**(-)**	**(-)**	**(-)**	**(-)**	**(140.00)**
Release of guarantee given						
NVDSHPL	-	-	-	-	-	-
	(25.00)	(-)	(-)	(-)	(-)	(25.00)
Release of security given						
NHSHPL	-	-	-	-	-	-
	(6.40)	(-)	(-)	(-)	(-)	(6.40)
IT Cost & FTE Manpower						
NVD	3.62	-	-	-	-	3.62
	(9.32)	(-)	(-)	(-)	(-)	(9.32)
HCCI	57.19	-	-	-	-	57.19
	(4.82)	(-)	(-)	(-)	(-)	(4.82)
NHNA	11.85	-	-	-	-	11.85
	(-)	(-)	(-)	(-)	(-)	(-)

Figures in brackets are for the previous year

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

31 Related party disclosures (Contd.)

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

(₹ in million)

Transactions	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Associate of Subsidiary/ Associate	Enterprises under control or joint control of KMP and their relatives	Total
Short-term employee benefits*						
Dr. Devi Prasad Shetty	-	90.35	-	-	-	90.35
	(-)	(61.53)	(-)	(-)	(-)	(61.53)
Dr. Emmanuel Rupert	-	42.00				42.00
	(-)	(48.46)	(-)	(-)	(-)	(48.46)
Viren Shetty	-	20.93	-	-	-	20.93
	(-)	(12.66)	(-)	(-)	(-)	(12.66)
Kesavan Venugopalan	-	22.27	-	-	-	22.27
	(-)	(26.53)	(-)	(-)	(-)	(26.53)
Sandhya Jayaraman	-	8.00	-	-	-	8.00
	(-)	(-)	(-)	(-)	(-)	-
Sridhar S	-	6.66	-	-	-	6.66
	(-)	(4.65)	(-)	(-)	(-)	(4.65)
Dr. Varun Shetty	-	-	7.94	-	-	7.94
	(-)	(-)	(5.50)	(-)	(-)	(5.50)
Dr. Vivek Shetty	-	-	6.54	-	-	6.54
	(-)	(-)	(4.33)	(-)	(-)	(4.33)
TOTAL	**-**	**190.21**	**14.48**	**-**	**-**	**204.69**
	-	**(153.83)**	**(9.83)**	**-**	**-**	**(163.66)**
Other Professional Fees						
Dr. Varun Shetty	-	-	3.06	-	-	3.06
	(-)	(-)	(-)	(-)	(-)	(-)
Dr. Vivek Shetty	-	-	0.85	-	-	0.85
	(-)	(-)	(-)	(-)	(-)	(-)
Share based payments						
Dr. Emmanuel Rupert	-	9.20	-	-	-	9.20
	(-)	(7.99)	(-)	(-)	(-)	(7.99)

Figures in brackets are for the previous year.

Note:

Compensation to KMP is bifurcated into short-term employee benefits, long-term benefits and share based payments. The remuneration to KMP does not include the provisions made for gratuity and compensated absences, as they are obtained on an actuarial basis for the Company as a whole.

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

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

31 Related party disclosures (Contd.)

c) The balances receivable from and payable to related parties

(₹ in million)

Balances	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Associate of Subsidiary/ Associate	Enterprises under control or joint control of KMP and their relatives	Total
Other financial assets (Current)- Due for reimbursement of expense						
NHIPL	(0.00)	-	-	-	-	(0.00)
	(1.24)	(-)	(-)	(-)	(-)	(1.24)
NVDSHPL	4.45	-	-	-	-	4.45
	(3.93)	(-)	(-)	(-)	(-)	(3.93)
NIARPL	3.55	-	-	-	-	3.55
	(1.42)	(-)	(-)	(-)	(-)	(1.42)
HCCI	3.86	-	-	-	-	3.86
	(13.34)	(-)	(-)	(-)	(-)	(13.34)
NHF	-	-	-	-	1.29	1.29
	(-)	(-)	(-)	(-)	(1.31)	(1.31)
NHHBPL	0.00	-	-	-	-	0.00
	(7.01)	(-)	(-)	(-)	(-)	(7.01)
NHSHPL	44.82	-	-	-	-	44.82
	(41.16)	(-)	(-)	(-)	(-)	(41.16)
MMRHL	0.96	-	-	-	-	0.96
	(-)	(-)	(-)	(-)	(-)	(-)
Hrudayalaya Pharmacy	-	-	-	-	0.02	0.02
	(-)	(-)	(-)	(-)	(0.02)	(0.02)
NHAPL	-	-	-	-	0.00	0.00
	(-)	(-)	(-)	(-)	(0.00)	(0.00)
TOTAL	**57.64**	**-**	**-**	**-**	**1.31**	**58.95**
	(68.10)	**-**	**-**	**-**	**(1.33)**	**(69.43)**
Other Current assets- Due for reimbursement of expense						
AHF	-	-	-	-	0.38	0.38
	(-)	(-)	(-)	(-)	(1.06)	(1.06)
Financial assets- loans (Non current)- Unsecured Loan						
NHPL	-	-	-	-	-	-
	(20.00)	(-)	(-)	(-)	(-)	(20.00)

Figures in brackets are for the previous year

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

31 Related party disclosures (Contd.)

c) The balances receivable from and payable to related parties

(₹ in million)

Balances	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Associate of Subsidiary/ Associate	Enterprises under control or joint control of KMP and their relatives	Total
Financial assets- loans (Current)- Unsecured Loan						
NHSHPL	92.00	-	-	-	-	92.00
	(97.00)	-	-	-	-	(97.00)
Other financial liabilities - (Current) Creditors for capital goods						
NIARPL	58.03	-	-	-	-	58.03
	(58.04)	(-)	(-)	(-)	(-)	(58.04)
Other non-current assets - Prepaid rent						
NHPL	102.19	-	-	-	-	102.19
	(-)	(-)	(-)	(-)	(-)	-
Charmakki Infrastructures	-	-	-	-	7.83	7.83
	(-)	(-)	(-)	(-)	(16.55)	(16.55)
TOTAL	**102.19**	**-**	**-**	**-**	**7.83**	**110.02**
	(-)	**(-)**	**(-)**	**(-)**	**(16.55)**	**(16.55)**
Other current assets - Prepaid rent						
NHPL	17.07	-	-	-	-	17.07
	(18.63)	(-)	(-)	(-)	(-)	(18.63)
Charmakki Infrastructures	-	-	-	-	6.97	6.97
	(-)	(-)	(-)	(-)	(6.97)	(6.97)
TOTAL	**17.07**	**-**	**-**	**-**	**6.97**	**24.04**
	(18.63)	**(-)**	**(-)**	**(-)**	**(6.97)**	**(25.60)**
Financial assets- loans (non current)- Security deposit						
NHPL	160.66	-	-	-	-	160.66
	(255.87)	(-)	(-)	(-)	(-)	(255.87)
Charmakki Infrastructures	-	-	-	-	115.29	115.29
	(-)	(-)	(-)	(-)	(105.19)	(105.19)
TOTAL	**160.66**	**-**	**-**	**-**	**115.29**	**275.95**
	(255.87)	**(-)**	**(-)**	**(-)**	**(105.19)**	**(361.06)**

Figures in brackets are for the previous year

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

31 Related party disclosures (Contd.)

c) The balances receivable from and payable to related parties

(₹ in million)

Balances	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Associate of Subsidiary/ Associate	Enterprises under control or joint control of KMP and their relatives	Total
Trade payables						
NHPL	9.24	-	-	-	-	9.24
	(37.68)	(-)	(-)	(-)	(-)	(37.68)
Amaryllis Healthcare Private Limited	-	-	-	-	12	12
	(-)	(-)	(-)	(-)	(12.02)	(12.02)
Charmakki Infrastructures	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(0.53)	(0.53)
MSMF	-	-	-	-	0.04	0.04
	(-)	(-)	(-)	(-)	(-)	-
MMRHL	1.53	-	-	-	-	1.53
	(3.06)	(-)	(-)	(-)	(-)	(3.06)
Hrudayalaya Pharmacy	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(0.01)	(-)
NHSHPL	7.78	-	-	-	-	7.78
	(6.19)	(-)	(-)	(-)	(-)	(6.19)
NVDSHPL	1.63	-	-	-	-	1.63
	(1.46)	(-)	(-)	(-)	(-)	(1.46)
TOTAL	**20.18**	**-**	**-**	**-**	**12.04**	**32.22**
	(48.39)	**(-)**	**(-)**	**(-)**	**(12.56)**	**(60.94)**
Trade receivables						
HCCI	85.22	-	-	-	-	85.22
	(112.49)	(-)	(-)	(-)	(-)	(112.49)
NHF	-	-	-	-	0.09	0.09
	(-)	(-)	(-)	(-)	(0.03)	(0.03)
NHSHPL	19.89	-	-	-	-	19.89
	(24.29)	(-)	(-)	(-)	(-)	(24.29)
MMRHL	0.14	-	-	-	-	0.14
	(3.06)	(-)	(-)	(-)	(-)	(3.06)
NVDSHPL	0.59	-	-	-	-	0.59
	(0.46)	(-)	(-)	(-)	(-)	(0.46)
NHNA	11.85	-	-	-	-	11.85
	(-)	(-)	(-)	(-)	(-)	-
TOTAL	**117.69**	**(-)**	**(-)**	**(-)**	**0.09**	**117.78**
	(140.30)	**(-)**	**(-)**	**(-)**	**(0.03)**	**(140.33)**

Figures in brackets are for the previous year

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

31 Related party disclosures (Contd.)

c) The balances receivable from and payable to related parties

(₹ in million)

Balances	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Associate of Subsidiary/ Associate	Enterprises under control or joint control of KMP and their relatives	Total
Other liabilities (current) - Other payables						
AHF	-	-	-	-	80.14	80.14
	(-)	(-)	(-)	(-)	(71.00)	(71.00)
Other financial assets (current) - Interest accrued on unsecured loan						
NHSHPL	9.06	-	-	-	-	9.06
	(1.34)	(-)	(-)	(-)	(-)	(1.34)
NHPL	0.42	-	-	-	-	0.42
	(11.48)	(-)	(-)	(-)	(-)	(11.48)
TOTAL	**9.48**	**-**	**-**	**-**	**-**	**9.48**
	(12.82)	**(-)**	**(-)**	**(-)**	**(-)**	**(12.82)**
Share based payments						
Dr. Emmanuel Rupert	-	9.20	-	-	-	9.20
	(-)	(7.99)	(-)	(-)	(-)	(7.99)
Guarantees outstanding						
MMRHL	820.70	-	-	-	-	820.70
	(820.70)	(-)	(-)	(-)	(-)	(820.70)
NHSHPL	810.00	-	-	-	-	810.00
	(710.00)	(-)	(-)	(-)	(-)	(710.00)
HCCI	6,026.66	-	-	-	-	6,026.66
	(2,388.90)	(-)	(-)	-	(-)	(2,388.90)
TOTAL	**7,657.36**	**-**	**-**	**-**	**-**	**7,657.36**
	(3,919.60)	**(-)**	**(-)**	**(-)**	**(-)**	**(3,919.60)**
Security Received						
NHPL	322.65	(-)	(-)	(-)	(-)	322.65
	(327.91)	(-)	(-)	(-)	(-)	(327.91)

Figures in brackets are for the previous year

Note:

(a) Related party relationships have been identified by the Management and relied upon by the auditors

(b) 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.

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

32 Segment information

Operating segments

Ind AS 108 "Operating Segment" 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 disclosures to be provided under Ind AS 108, other than those already provided in the financial statements.

Entity wide disclosures -Information about geographical areas

Geographical information analyses the Company's revenue and non current assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of the customers and segment assets which have been based on the geographical location of the assets.

(i) Revenue from operations

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
India	23,846.52	16,363.86
Rest of the world	273.35	182.32
	24,119.87	**16,546.18**

(ii) Non current assets *

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
India	11,411.62	10,827.92
	11,411.62	**10,827.92**

*Non-current assets exclude financial instruments and tax assets

33 Investments, loans, guarantees and security

(a) The Company has made investment in the following Companies:

(₹ in million)

Entity	As at 31 March 2021 (net of impairment)	Allotment / Purchases during the year	Sold during the year	Impairment / write off	For the year ended 31 March 2022
Investment in equity instruments					
Narayana Institute for Advanced Research Private Limited	57.60	-	-	-	57.60
Narayana Hrudayalaya Surgical Hospital Private Limited	1,493.66	-	-	-	1,493.66
Narayana Hospitals Private Limited	532.61	-	-	-	532.61
Narayana Cayman Holdings Ltd	3,193.18	-	-	-	3,193.18
Meridian Medical Research & Hospital Limited	1,137.50	-	-	-	1,137.50

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

33 Investments, loans, guarantees and security (Contd.)

(a) The Company has made investment in the following Companies:

(₹ in million)

Entity	As at 31 March 2021 (net of impairment)	Allotment / Purchases during the year	Sold during the year	Impairment / write off	For the year ended 31 March 2022
Narayana Vaishno Devi Specialty Hospitals Private Limited	-	-	-	-	-
Narayana Health Institutions Private Limited	-	-	-	-	-
Atria Wind Power (Chitradurga) Pvt Ltd	0.03	-	-	-	0.03
TriMedx India Private Limited	-	-	-	-	-
Others					
Fair Value of guarantee in subsidiaries*	36.77	-	-	(3.99)	32.78
Redkenko Health Tech Pvt Ltd	-	5.08	-	-	5.08
Narayana Health North America LLC	-	0.37	-	-	0.37
Deemed Investment	1.89	-	-	-	1.89
	6,453.24	**5.45**	**-**	**(3.99)**	**6,454.70**

"*Pertains to guarantees provided by Company to its subsidiaries which has been eliminated on consolidation. This transaction has been recorded in accordance with the applicable accounting standard and has no implication under any statute.

(b) The Company has given unsecured loans to the following entities:

(₹ in million)

Entity	As at 31 March 2021	Movement	As at 31 March 2022	Purpose of loans
Subsidiaries				
Narayana Hospitals Private Limited	20.00	(20.00)	-	Financial assistance
Narayana Hrudayalaya Surgical Hospital Private Limited	97.00	(5.00)	92.00	Financial assistance
	117.00	**(25.00)**	**92.00**	

(c) The Company has provided guarantees to the following entities:

(₹ in million)

Entity	As at 31 March 2021	Movement	As at 31 March 2022	Purpose of guarantees
Health City Cayman Islands Ltd *	2,388.90	3,637.76	6,026.66	Corporate guarantee given to First Caribbean International Bank to give term loan to Health City Cayman Islands Limited. (refer note 44)
Narayana Hrudayalaya Surgical Hospital Private Limited	360.00	100.00	460.00	Corporate guarantee given to Yes Bank for giving term loan/working capital loan to Narayana Hrudayalaya Surgical Hospital Private Limited.

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

33 Investments, loans, guarantees and security (Contd.)

(c) The Company has provided guarantees to the following entities:

(₹ in million)

Entity	As at 31 March 2021	Movement	As at 31 March 2022	Purpose of guarantees
Narayana Hrudayalaya Surgical Hospital Private Limited	350.00	-	350.00	Corporate guarantee given to The Hongkong and Shanghai Banking Corporation Ltd to give term loan to Narayana Hrudayalaya Surgical Hospital Private Limited.
Meridian Medical Research & Hospital Limited	680.70	-	680.70	Corporate guarantee given to State Bank of India for giving term loan/working capital loan to Meridian Medical Research & Hospital Limited.
Meridian Medical Research & Hospital Limited	140.00	-	140.00	Corporate guarantee given to Axis Bank of India for giving term loan/working capital loan to Meridian Medical Research & Hospital Limited.
	3,919.60	**3,737.76**	**7,657.36**	

* During the year the Company has given guarantee amounting to $47 million(₹3562.93 millions) to First Caribbean International Bank to give term loan and the said loan has not been disbursed as on 31 March 2022

34 Employee benefits

Defined contribution plan

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

The amount recognised as an expense towards contribution to Provident Fund and Employee State Insurance for the year aggregated to ₹ 264.08 million (previous year: ₹ 215.05 million)

Defined benefit plan

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

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

34 Employee benefits (Contd.)

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 Standalone financial statements as at balance sheet date:

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Defined benefit obligations liability	378.58	317.53
Plan assets	(11.85)	(24.26)
Net defined benefit liability	366.73	293.27
Liability for compensated absences	203.60	168.55
Total employee benefit liability	**570.33**	**461.82**
Non-current	268.52	226.67
Current	301.81	235.15

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

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

i) Reconciliation of present values of defined benefit obligation

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Defined benefit obligation as at 1 April	317.53	277.56
Benefits paid		
- by the Fund	(35.83)	(21.02)
- by the Company	-	-
Current service cost	50.59	41.89
Interest cost	14.09	12.27
Actuarial (gains)/ losses recognised in other comprehensive income		
- changes in demographic assumptions	(1.88)	4.90
- changes in financial assumptions	(3.95)	25.26
- experience adjustments	38.03	(23.33)
Defined benefit obligations as at 31 March	**378.58**	**317.53**

ii) Reconciliation of fair values of plan assets

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Plan assets at beginning of the year	**24.26**	**8.02**
Contributions paid into the plan	22.77	35.91
Interest income	1.26	0.43
Benefits of prior years	-	-
Benefits paid	(35.83)	(21.02)
Actuarial (gains)/ losses recognised in other comprehensive income	(0.61)	0.92
Plan assets at the end of the year	**11.85**	**24.26**
Net defined benefit liability	**366.73**	**293.27**

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

34 Employee benefits (Contd.)

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

(₹ in million)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current service cost	50.59	41.89
Interest cost	14.09	12.27
Interest income	(1.26)	(0.43)
	63.42	**53.73**

ii) Remeasurements recognised in other comprehensive income

(₹ in million)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Actuarial (gain)/ loss on defined benefit obligation	32.20	6.83
Return on plan assets excluding interest income	0.61	(0.92)
	32.81	**5.91**

D. Plan Assets

Plan assets comprises of the following:

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Government securities & debt instruments	11.85	24.26

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

E. Defined benefit obligation

i) Actuarial assumptions

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

(₹ in million)

Principal actuarial assumptions	As at 31 March 2022	As at 31 March 2021
Attrition rate	Up to Level 6 = 37%, Level 7and above = 19%	Up to Level 6 = 36%, Level 7and above = 16%
Discount rate	5.54%	5.18%
Expected rate of return on plan assets	0.07	0.07
Mortality table	IALM 2012-2014	IALM 2012-2014
Future salary increases	First year 7.90%, thereafter 6%	First year 7.91%, thereafter 6%

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

As of 31 March 2022, the plan assets have been invested in insurer managed funds and the expected contributions to the fund during the year ending 31 March 2023, is approximately ₹ 68.08 million (31 March 2021: ₹ 55.00 million).

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

34 Employee benefits (Contd.)

Maturity profile of defined benefit obligation

(₹ in million)

Particulars	Amount
1st following year	110.05
2nd following year	84.20
3rd following year	63.98
4th following year	47.03
5th following year	37.32
Year 6 to 10	80.25
Above 10 years	29.33

At 31 March 2022, the average past service was 4.38 years (previous year: 4.26 years) and average expected future working life was 2.81 years (previous year 2.92 years).

ii) Sensitivity analysis

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

(₹ in million)

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(5.13)	5.41	(4.08)	4.57
Future salary increases (0.5% movement)	4.13	(3.88)	3.44	(2.78)
Attrition rate (0.5% movement)	(0.27)	0.36	0.70	(0.43)
Mortality rate (10% movement)	(0.00)	0.08	0.00	0.28

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.

35 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 million)

Particulars	As at 31 March 2022	As at 31 March 2021
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	218.22	139.03
- Interest	3.26	0.74
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	3.26	0.74
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	-	-

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

36 Leases

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

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

In adopting Ind AS 116, the Company has applied the below practical expedients:

The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics

The Company has treated the leases with remaining lease term of less than 12 months as if they were "short term leases"

The Company has not applied the requirements of Ind AS 116 for leases of low value assets

The Company has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease

(i) The following is the break-up of current and non-current lease liabilities

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Current lease liabilities	263.28	214.94
Non-current lease liabilities	1,240.08	1,416.75
	1,503.36	**1,631.69**

(ii) The following is the movement in the lease liabilities

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Opening Balance	1,631.69	1,817.13
Additions	100.40	(5.75)
Finance cost accrued during the year	138.78	150.89
Payment of lease liabilities	(367.51)	(330.58)
	1,503.36	**1,631.69**

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

(₹ in million)

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Contractual rental payments	383.70	349.69	516.65	1,123.01	2,373.05
	383.70	**349.69**	**516.65**	**1,123.01**	**2,373.05**

Rental expense recorded for short-term leases was ₹ 398.91 million(previous year ₹ 348.12) for the year ended March 31, 2022.

The table below provides details regarding the contractual maturities of rental payments as of 31 March 2021

(₹ in million)

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Contractual rental payments	348.13	350.27	656.93	1,304.35	2,659.68
	348.13	**350.27**	**656.93**	**1,304.35**	**2,659.68**

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

37 Earnings/ (loss) per share (EPS)

Basic earnings per share

The calculation of basic earnings per share for the year ended 31 March 2022 was based on profit/(loss) attributable to equity shareholders of ₹1335.98 million (previous year: (₹ 786.73) million) and weighted average number of equity shares outstanding 202,955,918 (previous year: 202,916,718).

Diluted earnings per share

The calculation of diluted earnings per share for the year ended 31 March 2022 was based on profit/(loss) attributable to equity shareholders of ₹1335.98 million (previous year: (₹ 786.73) million) and weighted average number of equity shares outstanding after adjustment for effects of all the dilutive potential equity shares.

(₹ in million)

Earnings	As at 31 March 2022	As at 31 March 2021
Profit/ (loss) after tax	1,335.98	(786.73)

Weighted average number of equity shares (basic)

Shares	As at 31 March 2022	As at 31 March 2021
Total no of shares outstanding	20,43,60,804	20,43,60,804
Effect of Treasury shares	(14,04,886)	(14,44,086)
Weighted average number of equity shares for the year	**20,29,55,918**	**20,29,16,718**

Weighted average number of equity shares (diluted)

Shares	As at 31 March 2022	As at 31 March 2021
Weighted average number of equity shares(basic)	20,29,55,918	20,29,16,718
Weighted average number of equity shares from assumed exercise of share options	1,41,262	1,73,288
Weighted average number of equity shares (diluted for the year)	**20,30,97,180**	**20,30,90,006**
Basic earnings/ (loss) per share (₹)	6.58	(3.88)
Diluted earnings/ (loss) per share(₹) *	6.58	(3.88)
(Nominal value per share ₹ 10)		

*Impact of potential dilutive equity shares for FY 21 is not considered as they are anti-dilutive in nature

38 Income tax

(a) Amount recognised in statement of profit and loss

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax		
- Current year*	360.58	-
- Prior years	-	-
Mat credit entitlement**	(8.43)	-
Deferred tax charge/ (credit), net		
Origination and reversal of temporary differences	366.86	(423.13)
Tax expense for the year	**719.01**	**(423.13)**

*Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. The provision for tax for the year ended 31 March 2022 & 31 March 2021 have been made duly taking into consideration the requirements under Appendix C to Ind AS 12, including the Management's assessment of the probability of acceptance of the Company's tax positions by the taxation / appellate authorities.

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

38 Income tax (Contd.)

(b) Amount recognised in other comprehensive income

(₹ in million)

Particulars	For the year ended 31 March 2022			For the year ended 31 March 2021		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified subsequently to profit or loss						
Re-measurement on defined benefit plans	(32.80)	11.46	(21.34)	(5.83)	2.04	(3.79)
Items that will be reclassified subsequently to profit or loss						
The effective portion of gains /(loss) on hedging instruments in a cash flow hedge	56.97	(19.90)	37.07	33.52	(11.71)	21.81
	24.17	**(8.44)**	**15.73**	**27.69**	**(9.67)**	**18.02**

(c) Reconciliation of effective tax rate

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit before tax	2,054.99	(1,209.86)
Tax using the Company's domestic tax rate (Current year 34.94% and Previous Year 34.94%)	718.01	(422.73)
Tax effect of:		
Non-deductible tax expenses	1.00	(0.40)
	719.01	**(423.13)**

(d) Recognised deferred tax assets and liabilities

(i) Deferred tax assets and liabilities are attributable to the followings:

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax asset		
Provision for doubtful receivables	93.75	113.74
Provision for gratuity	129.94	104.26
Provision for compensated absences	71.15	58.90
Provision for slow and non moving inventory	9.96	7.33
Impact on account of adoption of Ind AS 116	201.27	184.36
On land indexation of freehold land	18.91	18.91
On unabsorbed business loss	-	315.54
Others	13.70	22.72
Total deferred tax asset	**538.68**	**825.76**
Deferred tax liability		
Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act.	(1,226.34)	(1,158.02)
Others	(19.90)	-
Total deferred tax liability	**(1,246.24)**	**(1,158.02)**
Minimum alternative tax assets**	**228.78**	**220.35**
Deferred tax liability (net)	**(478.78)**	**(111.91)**

**In the current year, the Company is liable to pay tax as per Minimum Alternate Tax (MAT) under section 115 JB of Income Tax Act, 1961, as the MAT tax is higher than tax as per normal provisions of Income tax Act 1961. The excess of MAT tax and tax under normal provisions has been accounted as MAT asset. As per Section 115 JAA of Income Tax Act,1961, MAT assets can be carried forward to 15 years from Assessment year 2019-20, subject to earlier utilization by the Company.

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

38 Income tax (Contd.)

(ii) Movement in temporary differences

(₹ in million)

Particulars	Balances as at 1 April 2021	Adjustment to retained earnings	Recognised in Profit and loss during 2021-22 & MAT credit utilisation	Recognise in OCI during 2021-22	Balances as at 31 March 2022
Provision for doubtful receivables	113.74	-	(19.99)	-	93.75
Provision for gratuity	104.26	-	14.22	11.46	129.94
Provision for compensated absences	58.90	-	12.25	-	71.15
Provision for slow and non moving inventory	7.33	-	2.63	-	9.96
Impact on account of adoption of Ind AS 116	184.36	-	16.91	-	201.27
On land indexation of freehold land	18.91	-	-	-	18.91
On unabsorbed business loss	315.54	-	(315.54)	-	-
Others	22.72	-	(9.02)	(19.90)	(6.20)
Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act.	(1,158.02)	-	(68.32)	-	(1,226.34)
Mat Credit Entitlement	220.35	-	8.43	-	228.78
	(111.91)	**-**	**(358.43)**	**(8.44)**	**(478.78)**

39 Share based payments

During the year ended 31 March 2016, the Company introduced the NH ESOP 2015 ("NH ESOP") for the benefit of the employees of the Company, its subsidiaries and associates, as approved by the Board of Directors in its meeting held on 12 September 2015. NH ESOP 2015 provides for the creation and issue of 2,040,000 share options that would eventually convert into equity shares of ₹ 10 each in the hands of the employees of the Company, its subsidiaries and associate. The options are to be granted to the eligible employees as per the eligibility criteria as determined by the Nomination and Remuneration Committee at its sole discretion. In case of plan one, the share options vest in a graded manner over a period of four years and are exercisable in one or more tranches within a period of four years from the date of first vesting, failing which the options shall lapse. In case of plan two, the share options vest in a graded manner over a period of two and half years and are exercisable in one or more tranches within a period of Three years from the date of first vesting, failing which the options shall lapse.

Pursuant to NH ESOP, the Company granted 988,787 share options till 31 March 2022 (previous year: 988,787). The Stock compensation cost is computed under the Fair value method. For the year ended 31 March 2022, the Company has recorded stock compensation expenses of ₹ 2.56 million (previous year: ₹ 6.02 million) and liability as on 31 March 2022 is ₹ 30.19 million (previous year: ₹ 35.85 million).

The activity in this stock option plan is summarized below:

Particulars	As at 31 March 2022	As at 31 March 2021
Outstanding as at the beginning of the year (Nos.)	1,83,117	1,94,837
Option granted during the year (Nos.)	-	-
Forfeited during the year(Nos.)	-	-
Exercised during the year(Nos.)	(39,200)	(11,720)
Expired during the year(Nos.)	-	-
Outstanding at the end of the year(Nos.)	143,917	183,117
Weighted average share price at the date of exercise (₹)	232.59	232.59

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

39 Share based payments (Contd.)

Plan-1:- The weighted average remaining contractual life for the stock options outstanding as at 31 March 2022 is nil years (previous year: nil years). The exercise price for the stock options outstanding as at 31 March 2022 is ₹ 10 (previous year : ₹ 10).

Plan-2:- The weighted average remaining contractual life for the stock options outstanding as at 31 March 2022 is 0.5 years (previous year: 1.5 years). The exercise price for the stock options outstanding as at 31 March 2022 is ₹ 10 (previous year : ₹ 10).

Fair value presentation

Options have been valued based on fair value method as described under IND AS 102 Share Based Payments using Black Scholes valuation options-pricing model, using the fair value of the Company's shares as on the grant date.

Particulars	As at 31 March 2022	As at 31 March 2021
No. of options granted (Nos.)	Plan - 1 - 805670 Plan - 2 -183117	Plan - 1 - 805670 Plan - 2 -183117
Date of grant	1 October 2015 - 805670 25 March 2019 - 183117	1 October 2015 - 805670 25 March 2019 - 183117
Vesting period (years)	for 805,670 options - 4 years for 183,117 options- 2.52 years	for 805,670 options - 4 years for 183,117 options- 2.52 years
Expected life of option (years)	for 805,670 options - 5 years for 183,117 options- 3.52 years	for 805,670 options - 5 years for 183,117 options- 3.52 years
Expected volatility	for 805,670 options - 35% for 183,117 options - 24.70%	for 805,670 options - 35% for 183,117 options - 24.70%
Risk free rate	for 805,670 options - 7.63% for 183,117 options - 6.90%	for 805,670 options - 7.63% for 183,117 options - 6.90%
Expected dividends expressed as a dividend yield	for 805,670 options - 0% for 183,117 options - 0%	for 805,670 options - 0% for 183,117 options - 0%
Weighted-average fair values of options per share (₹)	for 805,670 options - 208.73 for 183,117 options - 209.81	for 805,670 options - 208.73 for 183,117 options - 209.81

40 Service Concessionaire Arrangement

The Company had entered into an agreement with National Rural Health Mission, Assam (NRHM) on 16 August 2012 ("effective date") to set up a super specialty hospital in Guwahati and to operate and manage such hospital for a period of 30 years. As per the agreement, NRHM will provide ₹ 220.00 million in three instalments over a period of 1 year during execution of the project besides the existing hospital building on as is where is basis. The Company has received ₹ 220.00 million as it met all the conditions relating to the grants. As per the terms of the agreement, the Company has entered into lease agreement with NRHM for existing building and land for a lease period of 30 years.

Also, as per the agreement not less than 50% of the hospitals beds shall be charged at 1.85% below the National Accreditation Board for Hospitals and Healthcare Providers (NABH) accredited hospital rates applicable. All the surgical, observational and other procedures for which super speciality rates are available in Central Government Health Scheme (CGHS) schedule, such rates quoted in CGHS schedule shall apply and for which it is not available, NABH accredited hospital rates shall apply.

The Company has established a super-speciality hospital providing all the necessary services and for that it has to bear all the expenses in setting up the facilities mentioned in the agreement and thereafter run the hospitals on a day to day basis.

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

40 Service Concessionaire Arrangement. (Contd.)

The term of the agreement is to commence on the effective date and will continue until the expiration of 30 years on 15th August 2042. Thereafter, this agreement shall be renewed for such additional periods and on such terms and conditions as may be mutually agreed to by the parties to the agreement. The agreement can be terminated by the both the parties by mutual written agreement or if the other party breach or fail to perform any of its covenants or agreement or if any representation or warranty of the other party under this agreement shall have become untrue.

41 Capital management

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

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

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

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Total equity attributable to the equity shareholders of the Company	12,250.87	10,896.43
As a percentage of total capital	76%	74%
Long-term borrowings	3,174.44	3,226.60
Short-term borrowings	648.01	654.58
Total borrowings	**3,822.45**	**3,881.18**
As a percentage of total capital	24%	26%
Total capital (Equity and Borrowings)	**16,073.32**	**14,777.61**

42 Financial instruments: Fair value and risk management

A. Accounting classification and fair values

(₹ in million)

As at 31 March 2022	Total	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets					
Amortised cost					
Trade receivables	1,734.88	-	-	-	-
Cash and cash equivalents	1,104.47	-	-	-	-
Bank balances other than above	28.21	-	-	-	-
Loans	92.00	-	-	-	-
Other financial assets	780.60	-	-	-	-
Fair value through profit and loss (FVTPL)					
Guarantees in subsidiaries (investments)	32.78	-	32.78	-	32.78
	3,772.94	**-**	**32.78**	**-**	**32.78**
Financial liabilities					
Amortised cost					
Borrowings (short term and long term)	3,822.45	-	-	-	-
Lease liabilities	1,503.36	-	-	-	-
Trade payables	3,174.64	-	-	-	-
Other financial liabilities	371.70	-	-	-	-
Fair value through OCI (FVOCI)					
Interest rate swap (other financial liabilities)	17.04	-	17.04	-	17.04
	8,889.19	**-**	**17.04**	**-**	**17.04**

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

42 Financial instruments: Fair value and risk management (Contd.)

A. Accounting classification and fair values

(₹ in million)

As at 31 March 2021	Total	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets					
Amortised cost					
Trade receivables	1,543.86	-	-	-	-
Cash and cash equivalents	502.95	-	-	-	-
Bank balances other than above	58.96	-	-	-	-
Loans	117.00	-	-	-	-
Other financial assets	771.25	-	-	-	-
Fair value through profit and loss (FVTPL)					
Guarantees in subsidiaries (investments)	36.77	-	36.77	-	36.77
	3,030.79	**-**	**36.77**	**-**	**36.77**
Financial liabilities					
Amortised cost					
Borrowings (short term and long term)	3,881.18	-	-	-	-
Lease liabilities	1,631.69				
Trade payables	3,097.62	-	-	-	-
Other financial liabilities	260.32	-	-	-	-
Fair value through OCI (FVOCI)					
Interest rate swap (other financial liabilities)	75.85	-	75.85	-	75.85
	8,946.66	**-**	**75.85**	**-**	**75.85**

Measurement of fair values

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

B. Financial risk management

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

(i) Risk management framework

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

(ii) Credit risk

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

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

The Company establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trend. The maximum exposure to credit risk as at reporting date is primarily from trade receivables amounting to ₹ 2,032.80 million (previous year: ₹ 1,857.14 million). The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows:

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

42 Financial instruments: Fair value and risk management (Contd.)

(ii) Credit risk

(₹ in million)

Allowance for credit loss	As at 31 March 2022	As at 31 March 2021
Opening balance	313.28	357.92
Expected credit loss recognised/(reversed)	(15.36)	(44.64)
Closing balance	**297.92**	**313.28**

No single customer accounted for more than 10% of the revenue as of 31 March 2022 and 31 March 2021. There is no significant concentration of credit risk.

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. In addition, the Company maintains line of credit as stated in Note 16.

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

(₹ in million)

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Borrowings	713.02	2,000.12	648.18	461.14	3,822.45
Lease liabilities	263.28	251.93	304.18	683.97	1,503.36
Trade payables	3,174.64	-	-	-	3,174.64
Other financial liabilities	247.06	4.72	4.85	132.11	388.74
Total	**4,398.00**	**2,256.77**	**957.21**	**1,277.22**	**8,889.19**

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

(₹ in million)

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Borrowings	654.58	681.39	2,518.95	26.26	3,881.18
Lease liabilities	214.94	236.53	929.19	251.03	1,631.69
Trade payables	3,097.62	-	-	-	3,097.62
Other financial liabilities	144.05	17.74	4.75	169.63	336.17
Total	**4,111.19**	**935.66**	**3,452.89**	**446.92**	**8,946.66**

(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, interest rates and equity prices.

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

42 Financial instruments: Fair value and risk management (Contd.)

(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 summary quantitative data about the Company's exposure to currency risk (based on notional amounts) as reported to the management is as follows.

As at 31 March 2022	(USD in million)
Financial assets	
Trade receivables	0.75
Cash and cash equivalents	0.76
Other financial assets	0.07
Financial liabilities	
Borrowings	12.50
Trade payables	0.01
Other financial liabilities	-
Net assets / (liabilities)	**(10.93)**

As at 31 March 2021	(USD in million)
Financial assets	
Trade receivables	1.55
Cash and cash equivalents	0.53
Other financial assets	0.19
Financial liabilities	
Borrowings	16.07
Trade payables	0.08
Other financial liabilities	-
Net assets / (liabilities)	**(13.88)**

(b) Sensitivity analysis

The sensitivity of profit or loss to changes in exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ in million)

Particulars	Impact on profit or (loss) before tax	
	As at 31 March 2022	As at 31 March 2021
USD Sensitivity		
₹/USD - Increase by 1%	(8.29)	(10.20)
₹/USD - Decrease by 1%	8.29	10.20

(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.

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

42 Financial instruments: Fair value and risk management (Contd.)

(i) Interest rate risk exposure

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regard to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Type of Derivative	No. of Contracts	As at 31 March 2022		As at 31 March 2021	
		Amount Hedged (in USD million)	Fair Value (INR million)	Amount Hedged (in USD million)	Fair Value (INR million)
Interest Rate Swap	1	25.00	(17.04)	25.00	(75.85)

The Company has entered into derivative financial instruments with a counter-party (bank) with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps. The most frequently applied valuation techniques include swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, interest rate curves and forward rate curves of the underlying. As at March 31, 2022, the changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognized at fair value.

Exposure to Interest Rate

Company's Interest rate rise arises from borrowings. The Following table demonstrates the sensitivity on the Company's profit before tax to a reasonably possible change in interest rates on that position of loans and borrowings affected, with other variables held constant.

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Borrowings	2,874.86	2,699.85
Total borrowings	**2,874.86**	**2,699.85**

(ii) Sensitivity

(₹ in million)

Particulars	Impact on profit or(loss) before tax	
	As at 31 March 2022	As at 31 March 2021
Sensitivity		
1% increase in MCLR rate	28.75	27.00
1% decrease in MCLR rate	(28.75)	(27.00)

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

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

43 Financial ratios

Ratio/Measure	Methodology	As at 31 March 2022	As at 31 March 2021	Variance (%)
a) Current Ratio [1]	Current assets over current liabilities	0.78	0.60	28.77%
b) Debt-Equity Ratio	Debt over total shareholders equity	0.31	0.36	-12.40%
c) Debt Service Coverage Ratio [2]	Earning available for debt service over debt service	0.70	0.21	224.84%
d) Return on Equity Ratio [3]	PAT over total average equity	11.54%	-6.98%	18.52%
e) Inventory turnover ratio [4]	COGS over average Inventory	25.36	16.86	50.43%
f) Trade Receivables turnover ratio [5]	Credit revenue from operations over average trade receivables	4.38	6.97	-37.24%
g) Trade payables turnover ratio [6]	Total purchases over average trade payables	2.11	3.01	-30.02%
h) Net capital turnover ratio [7]	Revenue from operations over working capital	(21.37)	(8.79)	143.15%
i) Net profit ratio [7]	Net Profit over revenue from operations	5.54%	-4.75%	10.29%
j) Return on Capital employed [7]	EBIT over capital employed	19.59%	0.13%	19.46%
k) Return on investment	Income generated from investments over average quoted investment	0.00	-	0%

Notes

EBIT - Earnings before interest and taxes

PAT - Profit after taxes

Debt includes current and non-current debt

Capital employed refers to total shareholders' equity, deferred tax liability and debt

Investments includes current quoted investment

Earning available for debt service refers to addition of PAT,depreciation,interest

Explanation for variances exceeding 25%:

[1]Current ratio in current year due to increase in bank balance as at year end when compared to previous year.

[2]Debt Service Coverage ratio improved due to improvement in EBIT compared to previous year

[3]Return on equity ratio improved due to improvement in PAT when compared to previous year

[4]Inventory turnover ratio improved due to improvement in purchases when compared to previous year

[5]Trade Receivables turnover ratio is reduced due to increase in average trade receivables when compared to previous year

[6]Trade payables turnover ratio is reduced due to increase in average trade payables and purchases when compared to previous year

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

44 During the year ended 31 March 2018, the Company had provided guarantee amounting to USD 32.5 Million for the loan obtained by Health City Cayman Islands (HCCI) from First Caribbean International Bank (FCIB) and signed Loan Agreement and Capital Contribution Agreement. In the event of HCCI defaulting for the third time in the repayment of loan/interest or any dues to FCIB, FCIB would have a right to release the Corporate Guarantee of USD 32.5 Million given by the Company from the Escrow Agent (refer note 31(c) & 33(c)). In such event, the liability of the Company towards the Corporate Guarantee would be for the entire value of USD 32.5 Million. As of the date of this balance sheet, HCCI has paid all its dues and has not defaulted in the repayment of any dues and the outstanding loan amount as of 31st March 2022 is USD 17.32 million (previous year USD 22.92 Million).

Notes

to the standalone financial statements for the year ended 31st March 2022 (Contd.)

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

46 The Code on Social Security, 2020 ("the Code") which would impact the contributions by the Company towards Provident Fund and Gratuity has received Presidential assent in September 2020. However, the date from which the Code will come into effect has not been notified. The Ministry of Labour and Employment (Ministry) has released draft rules for the Code on November 13, 2020 and has invited suggestions from stake holders which are under active consideration by the Ministry. The Company will complete its evaluation and will give appropriate impact in its standalone financial statements in the period in which the Code becomes effective and the related rules are published.

47 Pursuant to the approval of the Board of Directors of the Company in their meeting held on February 4, 2022, the Company has initiated voluntary liquidation of the wholly owned subsidiary viz. Narayana Institute for Advance Research Private Limited (NIARPL) under Section 59 of the Insolvency and Bankruptcy Code, 2016 and dissolution of the wholly owned subsidiary viz. Narayana Health Institutions Private Limited (NHIPL) under Section 248 of the Companies Act, 2013. The said wholly owned subsidiaries are neither carrying on any operations nor there is any intention to carry on any operations or business of the Company.

48 The Board of Directors, in their meeting on February 5, 2021, had approved the merger of its wholly owned subsidiary Narayana Cayman Holdings Limited, Cayman Islands with its wholly owned stepdown subsidiary Health City Cayman Islands Limited, Cayman Islands with the effective date being April 1, 2021. The said merger has been approved by the Registrar of Companies, Cayman Islands.

49 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.

for and on behalf of the Board of Directors of
Narayana Hrudayalaya Limited

Dr. Emmanuel Rupert
Managing Director
DIN: 07010883

Viren Prasad Shetty
Whole-time Director
DIN: 02144586

Sandhya Jayaraman
Chief Financial Officer

Sridhar S
Company Secretary

Place: Bengaluru
Date: 20 May 2022

Place: Bengaluru
Date: 20 May 2022

Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

To The Members of **Narayana Hrudayalaya Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Narayana Hrudayalaya Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), which includes Group's share of loss in its associates, which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash flows and the Consolidated 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 consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial information of the subsidiaries and associates referred to in the Other Matters section below, the aforesaid consolidated 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 consolidated state of affairs of the Group as at March 31, 2022, their consolidated profit, their consolidated total comprehensive profit, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated 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 Consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on these consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters as reported	Auditor Response
Impairment of Assets of Cash Generating Unit Impairment evaluation carried out by the Management for tangible, intangible assets and goodwill (hereinafter collectively referred to as "Assets") relating to one of the Cash Generating Units (hereinafter referred to as "the CGU") of one of the Subsidiaries of the Parent because of its continued losses. The Consolidated Balance Sheet includes Rs. 723 million of Assets relating to the CGU. (refer note 4 to the consolidated financial statements). Impairment of the Assets of the CGU has been identified as a key audit matter due to: • The significance of the carrying value of the Assets being assessed; and	**Principal audit procedures performed:** a. Evaluated the design and implementation of the relevant controls and the operating effectiveness of such internal controls which *inter-alia* includes the completeness and accuracy of the input data considered, reasonableness of the assumptions considered in determining the present value of future cash flows. b. Obtained the business projections of the CGU (prepared by the Management) and performed the following procedures: i. Conducted inquiries with the Parent/ Subsidiary personnel to identify if factors that, in our professional judgement, should be taken into account in the analysis were considered.

Key Audit Matters as reported	Auditor Response
• The assessment of the carrying value of the Assets involves assumptions and exercising significant judgements in estimating the recoverable value of the CGU, including taking into account the effect of the pandemic relating to COVID-19. Any adverse changes to these assumptions could result in lower recoverable value than the carrying amount.	ii. Compared the actual revenues and cash flows generated by the CGU during the year with the plan and estimates considered in the previous year. iii. Verified if the cash flow projections of the CGU considered for the assessment of impairment were as per cash flow projections reviewed and approved by the Board of Directors of the Parent and the Subsidiary. iv. Evaluated the Management's future cash flow projections, with regard to the appropriateness of key assumptions considered, including discount rate, growth rate, sensitivity analysis of the key assumptions etc. duly considering the impact of the COVID-19 pandemic and also considering the historical accuracy of the Parent's estimates in the prior periods, and comparison of the assumptions with observable market data wherever available. v. Involved our valuation specialists to review key assumptions considered in the future cash projections such as discount rate and growth rate.

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, Corporate Overview, Key Highlights, Directors' Report, Report on Corporate Governance, Management Discussion & Analysis Report, etc. but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

- Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.

- 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 Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associates in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

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

The respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Parent 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse

consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of Rs. 40.65 Million as at March 31, 2022, total revenues of Rs. 61.76 Million and net cash inflows amounting to Rs. 10.68 Million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include Group's share of net loss of Rs. 85.26 Million for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of two associates, whose financial statements have not been audited by us.

These financial information have been audited by other auditors and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries and associates, referred to in the Other Matters section above we report, to the extent applicable 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 of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated 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 of the Parent Company as on March 31, 2022 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Parent and its subsidiary companies incorporated in India 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.

   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 remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

   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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate;

      ii) The Group and its associates 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 Parent and its subsidiary companies incorporated in India.

      iv) (a) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the note

51 (iii) to the consolidated 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 Parent or any of such subsidiaries to or in any other person(s) or entity(ies), 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 Parent or any of such subsidiaries, associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the note 51 (iv) to the consolidated financial statements, no funds have been received by the Parent or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries 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 performed by us on the Parent and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us or the other auditors 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 mis-statement.

v) The Parent Company has not declared or paid any dividend during the year. As stated in note 14(b) to the consolidated financial statements, the Board of Directors of the Parent Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

No dividend has been proposed, declared or paid by any of the subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

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

Monisha Parikh
Partner
(Membership No. 47840)
UDIN:- 22047840AJLGPS2535

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")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of Narayana Hrudayalaya Limited (hereinafter referred to as "Parent") and its subsidiary companies, which are Companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary companies which are incorporated India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies 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 ("the ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Parent and its subsidiary companies which are incorporated in India, 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 internal financial controls system over financial reporting on the Parent and its subsidiary companies, which are incorporated in India.

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 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 Parent and its subsidiary companies, which are companies incorporated in India, have, 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 internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Monisha Parikh
Partner
(Membership No. 47840)
UDIN:- 22047840AJLGPS2535

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

Consolidated Balance Sheet

(₹ in million)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	17,066.42	16,438.04
Capital work-in-progress	4	627.16	182.63
Right of use assets	5	1,688.69	2,002.18
Goodwill	4	581.47	581.47
Intangible assets	4	462.22	587.60
Intangible assets under development	4	42.14	16.50
Investment in associates	6	6.47	25.94
Financial assets			
(i) Investments	7 (a)	5.11	77.34
(ii) Other financial assets	8 (a)	438.37	378.82
Income tax assets (net)	9	640.96	443.55
Deferred tax assets (net)	47	13.77	18.14
Other non-current assets	10 (a)	634.36	296.70
Total non-current assets		**22,207.14**	**21,048.91**
Current assets			
Inventories	11	593.76	478.39
Financial assets			
(i) Investments	7 (b)	1,312.26	1,100.09
(ii) Trade receivables	12	4,368.65	2,785.19
(iii) Cash and cash equivalents	13 (a)	1,574.95	1,107.32
(iv) Bank balances other than (iii) above	13 (b)	146.72	213.20
(v) Other financial assets	8 (b)	619.48	518.23
Other current assets	10 (b)	474.17	448.85
Total current assets		**9,089.99**	**6,651.27**
TOTAL ASSETS		**31,297.13**	**27,700.18**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14 (a)	2,043.61	2,043.61
Other Equity	14 (b)	12,842.76	9,159.17
Equity attributable to owners of the Company		**14,886.37**	**11,202.78**
Non-controlling interests	15	7.31	5.44
Total equity		**14,893.68**	**11,208.22**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	16 (a)	4,321.11	5,041.11
(ii) Lease liabilities	17 (a)	1,349.63	1,693.58
(iii) Other financial liabilities	18 (a)	902.94	1,110.00
Provisions	19 (a)	299.19	246.53
Deferred tax liabilities (net)	47	509.52	130.30
Other non-current liabilities	20 (a)	1,226.86	1,238.07
Total non-current liabilities		**8,609.25**	**9,459.59**
Current liabilities			
Financial liabilities			
(i) Borrowings	16 (b)	1,127.49	1,136.81
(ii) Lease liabilities	17 (b)	436.01	384.93
(iii) Trade payables	21		
(A) Total outstanding dues of micro enterprises and small enterprises		279.89	175.70
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		4,210.41	3,927.37
(iv) Other financial liabilities	18 (b)	368.41	277.88
Provisions	19 (b)	387.22	304.65
Current Tax Liabilities (Net)	47	22.71	-
Other current liabilities	20 (b)	962.06	825.03
Total current liabilities		**7,794.20**	**7,032.37**
TOTAL EQUITY AND LIABILITIES		**31,297.13**	**27,700.18**
Significant accounting policies	3		

The accompanying notes form an integral part of the consolidated financial statements
As per our report of even date attached

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

Monisha Parikh
Partner

Place: Bengaluru
Date: May 20, 2022

for and on behalf of the Board of Directors of
Narayana Hrudayalaya Limited

Dr. Emmanuel Rupert
Managing Director
DIN: 07010883

Viren Prasad Shetty
Whole-time Director
DIN: 02144586

Sandhya Jayaraman
Chief Financial Officer

Sridhar S
Company Secretary

Place: Bengaluru
Date: May 20, 2022

Place: Bengaluru
Date: May 20, 2022

Consolidated Statement of Profit and Loss

(₹ in million)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
INCOME			
Revenue from operations	22	37,013.17	25,830.35
Other income	23	345.59	274.87
Total income (A)		**37,358.76**	**26,105.22**
EXPENSES			
Purchase of medical consumables, drugs and surgical instruments		9,207.24	6,654.48
Changes in inventories of medical consumables, drugs and surgical instruments - (increase) / decrease	24	(115.37)	124.02
Employee benefits expense	25	7,684.71	6,271.92
Professional fees to doctors		6,602.49	5,128.35
Other expenses	26	7,098.86	5,823.65
Expenses before finance costs, depreciation and amortisation and exceptional items (B)		**30,477.93**	**24,002.42**
Earnings before finance cost, depreciation and amortisation, exceptional items and tax (A-B)		**6,880.83**	**2,102.80**
Finance costs (C)	27	662.95	759.80
Depreciation and amortisation expense (D)	28	1,834.84	1,835.30
Total expense (E) = (B+C+D)		**32,975.72**	**26,597.52**
Profit / (loss) before exceptional items and tax (F) = (A-E)		**4,383.04**	**(492.30)**
Exceptional item (G)		-	-
Profit / (loss) before share of loss of equity accounted investees and income tax (H) = (F+G)		4,383.04	(492.30)
Share of loss of equity accounted investees (I)		(85.26)	(68.37)
Profit / (loss) before tax (J) = (H+I)		**4,297.78**	**(560.67)**
Tax expense:			
Current Tax	46		
Current year		500.41	3.46
MAT credit entitlement		(13.30)	(2.72)
Deferred tax charge / (credit)		389.47	(418.47)
Total tax expense (K)		**876.58**	**(417.73)**
Net Profit / (loss) for the year (L) = (J-K)		**3,421.20**	**(142.94)**
Other comprehensive income (OCI)			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement of defined benefit plans		(41.28)	(8.51)
Income tax effect		12.48	2.09
Items that will be reclassified subsequently to profit or loss			
Effective portion of gains or (losses) in cash flow hedge		136.95	83.50
Effective portion of gains/ (losses) of net investment hedge in a foreign operations		(32.57)	35.85
Exchange differences in translating the financial statements of a foreign operations		205.84	(121.39)
Income tax relating to above items		(19.90)	(11.71)
Other comprehensive income / (loss) for the year, net of tax (M)		**261.52**	**(20.17)**
Total comprehensive income for the year (N) = (L+M)		**3,682.72**	**(163.11)**
Profit / (loss) attributable to:			
Owners of the Company		3,419.31	(143.04)
Non-controlling interests		1.89	0.10
Net profit / (loss) for the year		**3,421.20**	**(142.94)**
Other comprehensive income attributable to:			
Owners of the Company		261.54	(20.17)
Non-controlling interests		(0.02)	-
Other comprehensive income for the year		**261.52**	**(20.17)**
Total comprehensive income / (loss) attributable to:			
Owners of the Company		3,680.85	(163.21)
Non-controlling interests		1.87	0.10
Total comprehensive income for the year		**3,682.72**	**(163.11)**
Earnings / (loss) per share	41		
Basic (₹)		16.85	(0.70)
Diluted (₹)		16.84	(0.70)
Significant accounting policies	3		

The accompanying notes form an integral part of the consolidated financial statements
As per our report of even date attached

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

Monisha Parikh
Partner

Place: Bengaluru
Date: May 20, 2022

for and on behalf of the Board of Directors of
Narayana Hrudayalaya Limited

Dr. Emmanuel Rupert
Managing Director
DIN: 07010883

Viren Prasad Shetty
Whole-time Director
DIN: 02144586

Sandhya Jayaraman
Chief Financial Officer

Sridhar S
Company Secretary

Place: Bengaluru
Date: May 20, 2022

Place: Bengaluru
Date: May 20, 2022

Consolidated Statement of Changes in Equity for the year ended March 31, 2022

(a) Equity share capital

(₹ in million except no. of shares)

Particulars	No. of Shares	Amount
Equity shares of ₹ 10 each issued, subscribed and fully paid up		
Balance as at April 1, 2020	204,360,804	2,043.61
Changes in equity share capital during 2020-21 (refer note 14 (a))	-	-
Balance as at March 31, 2021	**204,360,804**	**2,043.61**
Changes in equity share capital during 2021-22 (refer note 14 (a))	-	-
Balance as at March 31, 2022	**204,360,804**	**2,043.61**

(b) Other equity

(₹ in million)

Particulars	Reserves and Surplus						Items of OCI			Total	Non-controlling interests	Total other equity
	Capital reserve	Securities premium	Treasury shares	Share options outstanding (refer note 40)	General reserve	Retained earnings	Foreign currency translation reserve	Remeasurement of net defined benefit plans	Effective portion of cash flow hedge reserve			
Balance as at April 1, 2020	**16.62**	**5,023.18**	**(14.56)**	**33.82**	**250.00**	**3,853.94**	**607.44**	**(21.03)**	**(433.38)**	**9,316.03**	**5.34**	**9,321.37**
Profit / (Loss) for the year	-	-	-	-	-	(143.04)	-	-	-	(143.04)	0.10	(142.94)
Other comprehensive income, net of tax	-	-	-	-	-	-	(121.39)	(6.42)	107.64	(20.17)	-	(20.17)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**(143.04)**	**(121.39)**	**(6.42)**	**107.64**	**(163.21)**	**0.10**	**(163.11)**
Transactions recorded directly in equity												
Exercise of share options	-	2.45	0.34	(2.45)	-	-	-	-	-	0.34	-	0.34
Share-based payment expense	-	-	-	6.01	-	-	-	-	-	6.01	-	6.01
Balance as at March 31, 2021	**16.62**	**5,025.63**	**(14.22)**	**37.38**	**250.00**	**3,710.90**	**486.05**	**(27.45)**	**(325.74)**	**9,159.17**	**5.44**	**9,164.61**
Profit for the year	-	-	-	-	-	3,419.31	-	-	-	3,419.31	1.89	3,421.20
Other comprehensive income, net of tax	-	-	-	-	-	-	205.84	(28.78)	84.48	261.54	(0.02)	261.52
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**3,419.31**	**205.84**	**(28.78)**	**84.48**	**3,680.85**	**1.87**	**3,682.72**
Transactions recorded directly in equity												
Exercise of share options	-	8.22	0.17	(8.22)	-	-	-	-	-	0.17	-	0.17
Share-based payment expense	-	-	-	2.57	-	-	-	-	-	2.57	-	2.57
Balance as at March 31, 2022	**16.62**	**5,033.85**	**(14.05)**	**31.73**	**250.00**	**7,130.21**	**691.89**	**(56.23)**	**(241.26)**	**12,842.76**	**7.31**	**12,850.07**

The accompanying notes form an integral part of the consolidated financial statements
As per our report of even date attached

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

Monisha Parikh
Partner

Place: Bengaluru
Date: May 20, 2022

for and on behalf of the Board of Directors of
Narayana Hrudayalaya Limited

Dr. Emmanuel Rupert
Managing Director
DIN: 07010883

Viren Prasad Shetty
Whole-time Director
DIN: 02144586

Sandhya Jayaraman
Chief Financial Officer

Sridhar S
Company Secretary

Place: Bengaluru
Date: May 20, 2022

Place: Bengaluru
Date: May 20, 2022

Consolidated Statement of Cash flows

(₹ in million)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flow from operating activities		
Profit / (loss) after tax	3,421.20	(142.94)
Adjustments :		
Income tax expense	876.58	(417.73)
Depreciation and amortisation expense	1,834.84	1,835.30
Interest income	(20.45)	(95.32)
Interest income from financial asset at amortised cost	(58.25)	(35.42)
Liabilities provision no longer required written back	(90.82)	-
Provision for loss allowance	112.32	(46.42)
Bad receivables written off	68.29	32.33
Net loss from financial asset at amortized cost	57.73	13.09
Property usage right	10.43	16.41
Finance costs	662.95	759.80
Share based payment to employees (refer note 40)	2.57	6.01
Grant income	(69.52)	(63.66)
Loss on sale/disposal of Property, plant and equipment	30.79	50.60
Profit on sale of investment	(0.27)	-
Unrealised foreign exchange loss, net	111.87	(36.73)
Share of loss of equity accounted investees	85.26	68.37
Operating cash flow before working capital changes	**7,035.52**	**1,943.69**
Changes in trade receivables	(1,764.07)	(148.63)
Changes in inventories	(115.37)	124.02
Changes in loans, other financial assets and other assets	(194.35)	(30.31)
Changes in trade payables, other financial liabilities and other liabilities	449.70	602.02
Changes in provision	106.43	16.13
Cash generated from operations	**5,517.86**	**2,506.92**
Income taxes (paid) / refund received (net)	(667.69)	535.74
Net cash generated from operating activities (A)	**4,850.17**	**3,042.66**
Cash flow from investing activities		
Acquisition of Property, plant and equipment (including capital work-in-progress, Intangible assets and Intangible assets under development)	(2,506.83)	(701.01)
Proceeds from sale of property, plant and equipment	4.94	3.53
Purchase of Investments	(5.08)	-
Purchase of mutual fund	(569.89)	(419.98)
Proceeds from sale of mutual fund	300.26	-
Buy-back of Equity Shares of associate	31.54	-
Investment in bank deposit	(123.60)	(157.50)
Proceeds from bank deposits	186.73	64.12
Interest received	12.79	80.98
Net cash used in investing activities (B)	**(2,669.14)**	**(1,129.86)**
Cash flow from financing activities		
Proceeds from long-term borrowings	666.95	115.54
Repayment of long-term borrowings	(1,346.15)	(1,136.19)
Proceeds from exercise of share options	0.17	0.34
Interest and other borrowing costs	(361.81)	(433.88)
Payment of lease liabilities (refer note 30)	(548.64)	(482.25)
Net cash used in financing activities (C)	**(1,589.48)**	**(1,936.44)**

Consolidated Statement of Cash flows (Contd.)

(₹ in million)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**591.55**	**(23.64)**
Cash and cash equivalents at the beginning of the year (refer note 13)*	**895.07**	**918.44**
Effects of exchange gain on restatement of foreign currency cash and cash equivalents	(1.34)	0.27
Cash and cash equivalents at the end of the year (refer note 13)	**1,485.28**	**895.07**
Significant accounting policies 3		

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

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

(₹ in million)

Particulars	As at April 1, 2021	Proceeds	Repayment	Non cash changes		As at March 31, 2022
				Fair value/ other changes	Foreign exchange	
Long-term borrowings (including current maturities)	5,965.67	666.95	(1346.15)	-	72.46	5,358.93
Lease liabilities	2,078.51	-	(548.64)	255.77	-	1,785.64
Total liabilities from financing activities	**8,044.18**	**666.95**	**(1894.79)**	**255.77**	**72.46**	**7,144.57**

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

(₹ in million)

Particulars	As at April 1, 2020	Proceeds	Repayment	Non cash changes		As at March 31, 2021
				Fair value/ other changes	Foreign exchange	
Long-term borrowings (including current maturities)	7,070.04	115.54	(1,136.19)	-	(83.72)	5,965.67
Lease liabilities	2,343.55	-	(482.25)	217.21	-	2,078.51
Total liabilities from financing activities	**9413.59**	**115.54**	**(1618.44)**	**217.21**	**(83.72)**	**8044.18**

The accompanying notes form an integral part of the consolidated financial statements
As per our report of even date attached

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

Monisha Parikh
Partner

Place: Bengaluru
Date: May 20, 2022

for and on behalf of the Board of Directors of
Narayana Hrudayalaya Limited

Dr. Emmanuel Rupert
Managing Director
DIN: 07010883

Viren Prasad Shetty
Whole-time Director
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Sandhya Jayaraman
Chief Financial Officer

Sridhar S
Company Secretary

Place: Bengaluru
Date: May 20, 2022

Place: Bengaluru
Date: May 20, 2022

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022

1. Group overview

Narayana Hrudayalaya Limited ('the Company' or 'the Holding company') together with its subsidiaries and associates (collectively referred to as 'Narayana Hrudayalaya Group' or 'the Group') is primarily engaged in business of rendering medical and healthcare services. Narayana Hrudayalaya Limited, the flagship company of the Group, was incorporated on 19 July 2000 under the Companies Act, 1956 with its registered office in Bengaluru. The Group was rebranded as 'Narayana Health' in 2013. It has a network of multispeciality, and super speciality hospitals spread across multiple locations. The Group owns and operates certain hospitals and enters into management agreements with hospitals under which the Group acquires the operating control of the hospitals.

2. Basis of preparation of the consolidated financial statements

2.1. Statement of compliance

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

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

2.2. Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts are presented in ₹ in million, except share data and per share data, unless otherwise stated.

2.3. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities (including derivative instruments)	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 consolidated 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 consolidated financial statements is included in the following notes:

- Note 29 – Assessment of contingent liabilities and commitments;
- Note 30 – leases and lease classification;
- Note 34 – consolidation: whether the Group has control over an investee;
- Note 46 – Provision for taxes;
- Note 48 – financial instruments and
- Note 40 – share based payments

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 March 31, 2022, is included in the following notes:

- Note 47 – recognition of deferred tax assets
- Note 31 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 29 – recognition and measurement of contingencies; key assumptions about the likelihood and magnitude of an outflow of resources; and
- Note 4 - useful life of property, plant and equipment and intangible assets

2.5. Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022

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 Group 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 Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 48 – financial instruments
- Note 40 – share-based payments

3. Significant accounting polices

3.1. Basis of consolidation

a. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

b. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

c. Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognized in the statement of profit or loss.

d. Equity accounted investees

The Group's interests in equity accounted investees comprise interests in associates.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognized at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and Other Comprehensive Income (OCI) of equity- accounted investees until the date on which significant influence ceases.

e. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

3.2. Financial instruments

a. Recognition and initial measurement

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group 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.

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022

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 Group 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 Group 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 Group 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 Group'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 Group 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 Group 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 Group's claim to cash flows from specified assets (e.g., non- recourse features).

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to the Consolidated Financial Statements for the year ended 31st March 2022

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

Financial assets: Subsequent measurement and gains and losses

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

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.

Derivative financial instruments

Hedge accounting

The Group uses derivative financial instruments to manage risks associated with interest rate fluctuations relating to foreign currency loan taken by the group.

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in statement of profit and loss.

Cash flow hedge:

The Group has designated derivative financial instruments taken for interest rate as 'cash flow' hedges relating to foreign currency loan taken by the group.

The use of derivative financial instruments is governed by the Group's policies approved by the Board of Directors, which provide written principles on the use of such instruments consistent with the Group's risk management strategy.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cashflow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognized immediately in statement of profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in the statement of profit and loss.

Others:

Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges and the ineffective portion of cash flow hedges are recognized in the statement of profit and loss and reported within foreign exchange gains/ (losses).

c. Derecognition

Financial assets

The Group 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 group

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022

neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group 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 Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

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

d. Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the balance sheet when, and only when, the Group 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.

3.3. Inventories

The inventories of medical consumables, drugs and surgical instruments are valued at lower of cost or net realizable value. In the absence of any further estimated costs of completion and estimated costs necessary to make the sale, the net realizable value is the selling price. The comparison of cost and net realizable value 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 goods and service tax wherever applicable, applying the first in first out method.

3.4. 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.

3.5. Treasury Shares

The Company has created an Employee Benefit Trust (EBT) for providing share-based payment to its employees. The Company treats EBT as its extension and shares held by EBT are treated as treasury shares.

Own equity instruments that are acquired (treasury shares) are recognized at cost and deducted from equity. When the treasury shares are issued to the employees by EBT, the amount received is recognized as an increase in equity and the resultant gain / (loss) is transferred to / from securities premium.

3.6. Cash flow statement

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

3.7. Revenue recognition

Revenue from operations

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

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized upon transfer of control of promised products or services to customers/ patients in an amount that reflects the consideration we expect to receive in exchange for those products or services. Sales and Service Income exclude Goods and Service Tax (GST) and are net of trade / volume discounts, where applicable.

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

Other healthcare services

Revenue is recognized on pro-rata basis on the completion of such services over the duration of the program.

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022

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.

Dividend

Dividend income is recognised when the Group's right to receive dividend is established.

3.8. Property, Plant and Equipment

Recognition and measurement

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

Depreciation and amortization

The Group depreciates property, plant, and equipment over the estimated useful life on a straight-line basis from the date the assets are ready for intended use. Assets acquired under finance lease and 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	40-60 years
Electrical installation	10 years
Medical equipment	13 years
Office equipment	5 years
Other equipment including air conditioners	15 years
Furniture and fixtures	10 years
Computers	3 years
Vehicles	5 years

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

The Group believes that the useful life as given above best represent the useful lives 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 for building at Grand Cayman and vehicles.

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

3.9. Business combination, goodwill, and other intangible assets

Business combination

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

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to the Consolidated Financial Statements for the year ended 31st March 2022

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

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
Third party contracts and Electronic medical records	5 years
Customer relationship	10 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.

Internally generated intangible assets

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognized, development expenditure is recognized in statement of profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Amortization

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

The estimated useful lives of intangibles are as follows:

Block of assets	Useful life
Computer software	10 years

Goodwill

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

In case of a bargain purchase, before recognizing a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognizes any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognizes it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022

to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognizes the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

3.10. Government grants

Grants from the Government are recognized when there is reasonable assurance that:

(i) the Group will comply with the conditions attached to them; and

(ii) the grant will be received.

Government grants related to revenue are recognized on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense.

Government grants related to assets, including non-monetary grants at fair value, shall be presented in the balance sheet by setting up the grant as deferred income.

The grant set up as deferred income is recognized in profit or loss on a systematic basis over the useful life of the asset.

3.11. Employee benefits

Short term employee benefits

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

Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to separate entity and has no obligation to pay any further amounts. The Group 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 Group's contributions are recognized as an expense in the consolidated statement of profit and loss during the period in which the employee renders the related service.

Defined benefit plans

The Group's gratuity benefit scheme is a defined benefit plan. The Group'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 Group's obligation under the plan is performed periodically by an independent qualified actuary using the projected unit credit method.

The gratuity scheme is managed by a 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 recognized immediately in other comprehensive income (OCI). The Group determines the net interest expense (income) on the net defined liability (assets) for the period by applying the discount rate used to measure the net defined obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes as a result of contribution and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in the consolidated 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 recognized immediately in the consolidated 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

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Group 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.

Employee Stock Option Plan (ESOP)

The grant date fair value of equity settled share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as expense is based on the estimate of the number of awards for which the related service is expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service conditions at the vesting date.

3.12. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

3.13. 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.

3.14. Earnings per share

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

Diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

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to the Consolidated Financial Statements for the year ended 31st March 2022

3.15. Income tax

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

Current income tax

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

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

Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences.

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

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

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

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

Minimum Alternative tax

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 years 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.

3.16. Foreign exchange transactions and translations

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the Consolidated Statement of Profit and loss and reported within foreign exchange gains/ (losses).

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

For the purposes of presenting the consolidated financial statements, assets, and liabilities of Group's foreign operations with functional currency different from the Company are translated into Company's functional currency i.e., INR using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising if any are recognized in other comprehensive income and accumulated in equity.

On the disposal of foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to the Consolidated Statement of Profit and Loss.

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If the Group disposes off part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to OCI. When the Group disposes off only part of an associate while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

3.17. Impairment

a. Impairment of financial instruments

The Group recognizes loss allowances for expected credit losses on:

- financial assets measured at amortized cost;

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

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

- significant financial difficulty of the borrower or issuer;
- the restructuring of a loan or advance by the Group on terms that the Group 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 Group 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 Group 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 Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative, qualitative information and analysis, based on the Group'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 Group in accordance with the contract and the cash flows that the Group 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

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to the Consolidated Financial Statements for the year ended 31st March 2022

realistic prospect of recovery. This is generally the case when the Group determines that the trade receivables does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

b. Impairment of non-financial assets

The Group's non-financial assets, inventories, and deferred tax assets 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. Goodwill is tested annually for impairment.

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.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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

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

3.18. 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.

3.19. Non-current assets or disposal group held for sale

Non-current assets or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets or disposal groups are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification of assets held for sale and subsequent gain and losses on remeasurement are recognized in the consolidated statement of profit and loss.

Once classified as held-for-sale, intangible assets, property, plant and equipment and investment properties are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

3.20. Provisions and contingencies

Provisions are recognized when the Group 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.

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Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group 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.

3.21. Share issue expenses

Share and debenture issue expenses are adjusted against the securities premium account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the securities premium account.

3.22. Dividend

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. The Company declares and pays dividends in Indian rupees and are subject to applicable taxes.

3.23. 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.

3.24 On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013, applicable for financial periods commencing from April 1, 2021. Pursuant to such amendments below changes have been made in the consolidated financial statements

(a) non-current security deposits of ₹ 262.98 million and current security deposits of ₹ 36.29 million as at March 31, 2021 have been reclassified from 'Loans' to 'Other financial assets'.

(b) current maturities of long term borrowings of ₹ 924.56 million as at March 31, 2021 have been reclassified from 'other financial liabilities' to 'short term borrowings'.

3.25 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 group's financial statements.

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to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

4 (i) Property, plant and equipment and capital work-in-progress, Intangible assets and Intangible assets under development

(₹ in million)

Particulars	Gross block					Accumulated depreciation / amortisation				Net block	
	As at April 1, 2021	Additions	Translation adjustments	Deletions	As at March 31, 2022	As at April 1, 2021	Depreciation/ Amortisation	Deletions	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Tangible assets (owned)											
Freehold land (i) (ii) (iii) (iv)	743.74	216.47	5.18	-	965.39	-	-	-	-	965.39	743.74
Building (ii)	390.00	-	-	-	390.00	161.33	6.59	-	167.92	222.08	228.67
Building	2,885.89	-	83.35	-	2,969.24	189.89	61.72	-	251.61	2,717.63	2,696.00
Electrical installation	1,034.09	29.48	2.83	6.15	1,060.25	726.94	66.87	5.65	788.16	272.09	307.15
Medical equipments	8,784.08	911.64	19.06	216.16	9,498.62	4,137.84	670.68	173.19	4,635.33	4,863.29	4,646.24
Office equipments	323.40	31.86	1.56	34.86	321.96	214.00	35.37	34.54	214.83	107.13	109.40
Other equipment including air conditioners	2,133.64	119.66	5.15	12.59	2,245.86	949.04	141.69	7.97	1,082.76	1,163.10	1,184.60
Furniture and fixtures	1,091.18	54.87	2.12	13.53	1,134.64	707.43	85.01	9.90	782.54	352.10	383.75
Computers	442.30	144.39	0.12	22.01	564.80	383.51	61.70	21.57	423.64	141.16	58.79
Vehicles	44.22	4.54	0.05	2.05	46.76	32.53	5.51	2.05	35.99	10.77	11.69
Tangible assets (others):											
Leasehold improvements	280.59	90.94	0.71	18.66	353.58	136.55	26.95	16.08	147.42	206.16	144.04
Leasehold land for perpetuity (vi)	1,721.92	-	-	-	1,721.92	1.35	-	-	1.35	1,720.57	1,720.57
Building (v)	2,973.59	241.59	-	-	3,215.18	284.98	47.08	-	332.06	2,883.12	2,688.61
Building (v)	831.82	0.02	-	15.07	816.77	309.64	39.01	8.26	340.39	476.38	522.18
Building (v)	346.82	11.19	-	0.12	357.89	90.90	13.30	0.00	104.20	253.69	255.92
Building (v)	1,016.81	0.51	-	-	1,017.32	280.12	25.44	-	305.56	711.76	736.69
Total tangible assets (A)	**25,044.09**	**1,857.16**	**120.13**	**341.20**	**26,680.18**	**8,606.05**	**1,286.92**	**279.21**	**9,613.76**	**17,066.42**	**16,438.04**
Capital work- in- progress (B)	**182.63**	**1,256.67**	**1.51**	**813.65**	**627.16**	**-**	**-**	**-**	**-**	**627.16**	**182.63**
Goodwill (C)	**660.47**	**-**	**-**	**-**	**660.47**	**79.00**	**-**	**-**	**79.00**	**581.47**	**581.47**
Intangible assets											
Computer software - Acquired	323.82	5.47	0.02	12.65	316.66	303.21	14.34	11.86	305.69	10.97	20.61
Computer software - Internally generated	256.19	-	-	-	256.19	35.51	25.63	-	61.14	195.05	220.68
Third party contracts	207.54	-	1.57	-	209.11	133.40	42.99	-	176.39	32.72	74.14
Electronic medical records	23.75	-	0.18	-	23.93	15.25	4.92	-	20.17	3.76	8.50
Customer relationship	463.70	-	-	-	463.70	200.03	43.95	-	243.98	219.72	263.67
Total intangible assets (D)	**1,275.00**	**5.47**	**1.77**	**12.65**	**1,269.59**	**687.40**	**131.83**	**11.86**	**807.37**	**462.22**	**587.60**
Intangible assets under development (E)	**16.50**	**25.64**	**-**	**-**	**42.14**	**-**	**-**	**-**	**-**	**42.14**	**16.50**
Grand total (A+B+C+D+E)	**27,178.69**	**3,144.94**	**123.41**	**1,167.50**	**29,279.54**	**9,372.45**	**1,418.75**	**291.07**	**10,500.13**	**18,779.41**	**17,806.24**

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4 (i) Property, plant and equipment and capital work-in-progress, Intangible assets and Intangible assets under development

(₹ in million)

Particulars	Gross block					Accumulated depreciation / amortisation				Net block	
	As at April 1, 2020	Additions	Translation adjustments	Deletions	As at March 31, 2021	As at April 1, 2020	Depreciation/ Amortisation	Deletions	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Tangible assets (owned)											
Freehold land (i) (ii) (iii)	748.43	-	(4.69)	-	743.74	-	-	-	-	743.74	748.43
Building (ii)	392.12	-	-	2.12	390.00	155.39	6.63	0.69	161.33	228.67	236.73
Building	2,963.50	-	(77.61)	-	2,885.89	128.42	61.47	-	189.89	2,696.00	2,835.08
Electrical installation	1,040.83	5.09	(3.06)	8.77	1,034.09	655.39	79.48	7.93	726.94	307.15	385.44
Medical equipments	8,455.43	442.88	(18.43)	95.80	8,784.08	3,534.08	643.24	39.48	4,137.84	4,646.24	4,921.35
Office equipments	342.45	12.29	(1.51)	29.83	323.40	205.99	37.58	29.57	214.00	109.40	136.46
Other equipment including air conditioners	2,081.80	76.68	(4.50)	20.34	2,133.64	820.10	138.38	9.44	949.04	1,184.60	1,261.70
Furniture and fixtures	1,105.21	17.41	(2.28)	29.16	1,091.18	643.54	87.11	23.22	707.43	383.75	461.67
Computers	415.82	31.06	(0.31)	4.27	442.30	324.10	63.01	3.60	383.51	58.79	91.72
Vehicles	43.46	3.32	(0.10)	2.46	44.22	29.95	4.94	2.36	32.53	11.69	13.51
Tangible assets (others):											
Leasehold improvements	266.34	21.63	-	7.38	280.59	122.23	21.58	7.26	136.55	144.04	144.11
Leasehold land for perpetuity (vi)	1,721.92	-	-	-	1,721.92	1.35	-	-	1.35	1,720.57	1,720.57
Building (v)	2,931.63	43.90	-	1.94	2,973.59	241.19	43.98	0.19	284.98	2,688.61	2,690.44
Building (v)	835.65	-	-	3.83	831.82	268.11	42.10	0.57	309.64	522.18	567.54
Building (v)	346.20	0.62	-	-	346.82	77.91	12.99	-	90.90	255.92	268.29
Building (v)	1,016.68	0.13	-	-	1,016.81	254.70	25.42	-	280.12	736.69	761.98
Total tangible assets (A)	**24,707.47**	**655.01**	**(112.49)**	**205.90**	**25,044.09**	**7,462.45**	**1,267.91**	**124.31**	**8,606.05**	**16,438.04**	**17,245.02**
Capital work- in- progress (B)	**117.84**	**270.80**	**(0.31)**	**205.70**	**182.63**	**-**	**-**	**-**	**-**	**182.63**	**117.84**
Goodwill (C)	**660.47**	**-**	**-**	**-**	**660.47**	**79.00**	**-**	**-**	**79.00**	**581.47**	**581.47**
Intangible assets											
Computer software - Acquired	320.86	3.14	(0.12)	0.06	323.82	266.82	36.45	0.06	303.21	20.61	54.04
Computer software - Internally generated	234.19	22.00	-	-	256.19	11.65	23.86	-	35.51	220.68	222.54
Third party contracts	210.44	-	(2.90)	-	207.54	90.59	42.81	-	133.40	74.14	119.85
Electronic medical records	24.06	-	(0.31)	-	23.75	10.36	4.89	-	15.25	8.50	13.70
Customer relationship	463.70	-	-	-	463.70	156.08	43.95	-	200.03	263.67	307.62
Total intangible assets (D)	**1,253.25**	**25.14**	**(3.33)**	**0.06**	**1,275.00**	**535.50**	**151.96**	**0.06**	**687.40**	**587.60**	**717.75**
Intangible assets under development (E)	**-**	**38.50**	**-**	**22.00**	**16.50**	**-**	**-**	**-**	**-**	**16.50**	**-**
Grand total (A+B+C+D+E)	**26,739.03**	**989.45**	**(116.13)**	**433.66**	**27,178.69**	**8,076.95**	**1,419.87**	**124.37**	**9,372.45**	**17,806.24**	**18,662.08**

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to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

4 (ii) Capital work in Progress(CWIP) and Intangible assets under development (IAUD) ageing schedule

(₹ in million)

Particulars	Amount in CWIP and IAUD 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	643.12	21.63	1.55	3.00	669.30
As at March 31, 2021	163.79	25.41	8.99	0.94	199.13

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

4 (iii) Notes

(i) includes land in possession and occupation of the Company to the extent of 9 acre 25 guntas out of total 17 acres 44 guntas in Bangalore allotted by Karnataka Industrial Areas Development Board ('KIADB') to the Company on lease cum sale basis for which the Company is yet to execute the sale deed as at March 31, 2022.

(ii) pursuant to clause 7.7 of the Investment Agreement and Clause 3.1(d) of the Shareholders' Agreement (together, 'agreements') signed in January 2008 between the Company, Promoters and Investors, a Promoter of the Company had the right but not the obligation to require the Company to transfer the land and building ('NH land') at no consideration to him. On exercise of the right, the promoter was obligated to lease the asset to the Company for an initial term of 15 years with an extension of 10 years in accordance with the terms of the aforesaid agreements at no consideration. The said land and building was being amortized over a period of 25 years based on the Management's estimate of the lease term for the above arrangement.

As per the letter dated November 26, 2015 by the Promoter, the above right was waived off by him and accordingly he will not be entitled to exercise the right stated in Clause 3.1(d) of the said Shareholders' Agreement. The waiver was subject to the completion of the public offering within a period of one year from the date of receipt of the final observation letter from the Securities and Exchange Board of India on the Draft Red Herring Prospectus filed by the Company. The waiver was to be effective from the date of listing of the Company's shares on the stock exchanges. To this effect, the said Shareholders' Agreement was amended and duly executed by all Shareholders of the Company. On the Company's shares being listed on the Bombay Stock Exchange and the National Stock Exchange on January 6, 2016, the Promoter's right to NH Land ceases to exist thereof.

(iii) includes land in possession and occupation of the Company to the extent of 8088 Sq. Meters known as Plot No.257 B of Bommasandra III Phase Industrial Area situated in Sy. No's 237, 238 and 239 of Bommasandra Village, Attibele Hobli, Bangalore purchased from Kalapaka Transport Company Private Limited for which the Company executed the sale deed as at October 9, 2019.

(iv) During the year 2021-22,the Company has purchased a land to the extent of 14 khatha 22 chatak 47 sq ft land including building structure at South 24-Parganas, Thana: Purba Jadabpur, Corporation: Kolkata municipal corporation, Mukundapur, Road Zone : (E.M. Bye pass -- R.N. Tagore Hospital) Premises No: 1491 and 1563, Ward No: 109 from three individuals namely Mr.uttam kundu,Mr.Manoj Kumar Jaiswal and Mr. Suji Kumar Jaiswal for which the Company executed the sale deed on October 31, 2021.

(v) Represents the cost of construction of building on land obtained on lease at Kolkata, Ahmedabad, Jaipur and Jamshedpur.

(vi) Leasehold land represents land allotted by various government authorities/ agencies in the states of Gujarat and Rajasthan. There are certain conditions including setting up of hospitals with certain capacity within certain timelines as specified in the terms of the allotment.

(vii) As at March 31, 2022, property, plant and equipments with a carrying amount of ₹ 5,263.94 million (previous year: ₹ 5,996.82 million) are subject to first charge to secure bank loans.

(viii) The Group does not have any Benami property, where any proceeding has been initiated or pending against the group for holding any Benami property.

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

5 Right of use assets

(₹ in million)

Category of ROU asset	Gross Block				Accumulated depreciation				Net block	
	As at April 1, 2021	Additions / Adjustments*	Deletions	As at March 31, 2022	As at April 1, 2021	Depreciation	Deletions/ Adjustment	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Land	236.64	-	-	236.64	24.81	4.18	-	28.99	207.65	211.83
Building	1,799.92	109.91	18.13	1,891.70	496.97	251.58	10.82	737.73	1,153.97	1,302.95
Equipment	753.15	-	-	753.15	305.53	152.37	-	457.90	295.25	447.62
Furniture	55.68	-	-	55.68	15.90	7.96	-	23.86	31.82	39.78
Grand total	**2,845.39**	**109.91**	**18.13**	**2,937.17**	**843.21**	**416.09**	**10.82**	**1,248.48**	**1,688.69**	**2,002.18**

(₹ in million)

Category of ROU asset	Gross Block				Accumulated depreciation				Net block	
	As at April 1, 2020	Additions / Adjustments*	Deletions	As at March 31, 2021	As at April 1, 2020	Depreciation	Deletions/ Adjustment	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Land	236.64	-	-	236.64	24.56	4.18	3.93	24.81	211.83	212.08
Building	1,764.15	41.88	6.11	1,799.92	250.82	249.57	3.42	496.97	1,302.95	1,513.33
Equipment	753.15	-	-	753.15	151.80	153.73	-	305.53	447.62	601.35
Furniture	55.68	-	-	55.68	7.95	7.95	-	15.90	39.78	47.73
Grand total	**2,809.62**	**41.88**	**6.11**	**2,845.39**	**435.13**	**415.43**	**7.35**	**843.21**	**2,002.18**	**2,374.49**

* Adjustment of ₹ 6.89 million (previous year: ₹ (8.72) million) on account of Exchange rate difference

Refer note 30 for disclosures related to ROU assets and liabilities

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

6 Investment in associates

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2021
Unquoted equity instruments		
Others - Trade investment		
ISO Healthcare	12.80	38.47
[662 equity shares (previous year: 1,287 equity shares) of $ 1 each fully paid up along with a share premium of $ 999 per share]		
Share of loss of equity accounted investees	(6.33)	(12.53)
	6.47	**25.94**
Reya Health Inc (formerly known as Cura Technologies Inc)	10.06	10.06
[3,90,00,000 equity shares (previous year: 3,90,00,000 equity shares) of $ 0.01 each fully paid up]		
Share of loss of equity accounted investees	(10.06)	(10.06)
	-	-
	6.47	**25.94**

7 Investments

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Non-current		
Atria Wind Power Chitradurga Pvt Ltd	0.03	0.03
[100 (previous year : 100) equity shares of ₹ 100 each fully paid up with a premium of ₹ 151 per share on 100 equity shares]		
Redkenko Health Tech Private Limited	5.08	-
39 Series A CCCPS ₹ 5.08 million (previous year: nil)		
Unquoted debt instruments		
Investment in promissory note - amortised cost		
Reya Health Inc (formerly known as Cura Technologies Inc)	235.87	228.71
Add : Accrued interest on the promissory note	36.48	29.49
Gross investment	**272.35**	**258.20**
Less: Share of loss of equity accounted investees	(272.35)	(180.89)
Total Investment in Reya Health Inc (formerly known as Cura Technologies Inc)	-	77.31
	5.11	**77.34**

Particulars	Qty / No. of units	Market Rate		
(b) Current				
Short term investment				
- In US Treasury Bills (Previous Year : 16,00,000)	-	-	-	118.00
- In US Govt Bonds (Previous Year : 50,000)	700,000	0.99	52.35	3.68
- In Municipal Bonds (Previous Year : 2,25,000)	375,000	1.00	28.46	17.21
- In Corporate Bonds (Previous Year : 1,08,00,000)	12,125,000	1.00	921.58	811.64
In Mutual Funds				
- LORD ABBETT ULTRA SHORT BOND FUND (CLASS Z (USD)(acc)) (Previous Year : 1,90,872)	186,681	10.59	149.87	149.56
- Sundaram Overnight Fund Direct Growth (ONDG) (Previous Year : Nil)	1,41,619	-	160.00	-
			1,312.26	**1,100.09**

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

8 Other financial assets

(Unsecured and considered good, unless otherwise stated)

(₹ in million)

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)	13.04	9.69
Interest accrued but not due on fixed deposits	0.83	0.96
Security deposits	309.21	262.98
To related parties		
Security deposits	115.29	105.19
	438.37	**378.82**
(b) Current		
To parties other than related parties		
Interest accrued on fixed deposits but not due	9.40	8.48
Interest accrued on security deposit	5.61	5.73
Unbilled revenue	438.88	286.50
Security deposits	41.07	36.29
Others	122.52	179.90
To related parties (refer note 33 (C))		
Due for reimbursement of expenses	2.00	1.33
	619.48	**518.23**

9 Income tax assets (net)

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance income tax and tax deducted at source, net	628.60	431.19
Income-tax paid under protest	12.36	12.36
	640.96	**443.55**

10 Other assets

(Unsecured and considered good, unless otherwise stated)

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Non-current		
To parties other than related parties		
Prepaid rent	79.51	41.88
Considered doubtful	19.24	19.24
Less: provision for prepaid rent	(19.24)	(19.24)
Net Prepaid rent	79.51	41.88
Capital advances	398.44	120.85
Prepaid expenses	106.03	64.45
Property usage right	42.55	52.97
To related parties (refer note 33 (C))		
Prepaid rent and expense	7.83	16.55
	634.36	**296.70**

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

10 Other assets (Contd.)

(Unsecured and considered good, unless otherwise stated)

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2021
(b) Current		
To parties other than related parties		
Prepaid rent	13.04	7.81
Considered doubtful	0.24	0.24
Less: provision for doubtful	(0.24)	(0.24)
Net Prepaid rent	13.04	7.81
Security deposits	26.43	50.99
Less: Provision for doubtful advances	-	(20.89)
Security deposits (Net)	26.43	30.10
Prepaid expenses	259.11	284.26
Advance to vendors	149.45	93.60
Property usage right	10.60	10.60
Balances with statutory/ government authorities	-	0.19
Other loans and advances	7.47	14.66
Others	1.10	0.66
To related parties (refer note 33 (C))		
Prepaid rent and expense	6.97	6.97
	474.17	**448.85**

11 Inventories

(Valued at lower of cost and net realisable value)

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2021
Medical consumables, drugs and surgical instruments	691.71	531.29
Goods in Transit	43.77	54.42
Less: Provision for write down to net realisable value	(141.72)	(107.32)
	593.76	**478.39**

12 Trade receivables

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good	4,958.09	3,287.52
Less: Allowance for expected credit losses	(589.44)	(502.33)
Net trade receivables	**4,368.65**	**2,785.19**
Of the above, trade receivables from related parties are as follows:		
Trade receivables (refer note 33 (C))	0.09	0.03
Expected credit loss allowance	-	-
Net trade receivable from related parties	**0.09**	**0.03**

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

12 Trade receivables (Contd.)

Trade receivables ageing schedule

(₹ in million)

Particulars	Outstanding for the following period from due date of payments						Total
	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - Considered Good							
As at March 31, 2022	**2,043.36**	**2,190.85**	**387.21**	**149.94**	**45.15**	**141.58**	**4,958.09**
As at March 31, 2021	**2,115.70**	**444.55**	**222.30**	**196.39**	**151.25**	**157.33**	**3,287.52**

The Group 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.

For the year ended March 31, 2022

India	Ageing		
Category	**Within due date**	**Due date to 1 year**	**More than 1 year**
ESI/CGHS/SCHEMES	1.15% - 10.25%	10.95%-38.02%	38.02%-82.38%
Others	0.32%-7.96%	5.86%-47.74%	30.06%-74.98%

Rest of the world - Cayman Islands

Category	Ageing			
	Within due date	**Due date to 1 year**	**Due date to 3 years**	**More than 3 years**
Government organisation	10.25%	38.02%	38.02%	38.02%
Others	0.32%	5.86%	30.06%	50.50%

For the year ended March 31, 2021

India	Ageing		
Category	**Within due date**	**Due date to 1 year**	**More than 1 year**
ESI/CGHS/SCHEMES	2.54% - 3.81%	9.52%-19.68%	27.98%-67.61%
Others	0.47%-7.63%	7.11%-27.20%	28.52%-56.10%

Rest of the world - Cayman Islands

Category	Ageing			
	Within due date	**Due date to 1 year**	**Due date to 3 years**	**More than 3 years**
Government organisation	1.19%	7.65%	7.65%	7.65%
Others	3.38%	7.54%	23.80%	37.63%

The Company's exposure to credit risk, currency risks and loss allowances are disclosed in note 48

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

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

13 Cash and bank balances

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Cash and cash equivalents		
Cash on hand	36.76	32.69
Balance with banks		
In current accounts	778.19	1,074.63
In deposit accounts (with original maturity of 3 months or less)	760.00	-
	1,574.95	**1,107.32**
(b) Bank balances other than above		
- In deposit accounts (due to mature within 12 months of the reporting date)*	146.72	213.20
	146.72	**213.20**

* The above deposits are restrictive as they pertain to bank guarantee and to maintain the DSRA deposit against Loan with FCIB Bank.

For the purpose of the Statement of cash flow, cash and cash equivalents comprise the following:

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	36.76	32.69
Balance with banks		
- In current accounts	778.19	1,074.63
- In deposit accounts (due to mature within 3 months of the reporting date)	760.00	-
	1,574.95	**1,107.32**
Less: Bank overdraft used for cash management purpose	(89.67)	(212.25)
Cash and cash equivalents in the statement of cash flow	**1,485.28**	**895.07**

14 (a) Equity share capital

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised		
30,90,00,000 equity shares (previous year: 30,90,00,000 equity shares) of ₹ 10 each	3,090.00	3,090.00
7,10,00,000 Preference shares (previous year : 7,10,00,000) of ₹ 10 each	710.00	710.00
Issued, subscribed and paid up		
20,43,60,804 equity shares (previous year: 20,43,60,804 equity shares) of ₹ 10 each, fully paid up	2,043.61	2,043.61
	2,043.61	**2,043.61**

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

(₹ in million except for number of shares)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Shares outstanding at the beginning of the year	204,360,804	2,043.61	204,360,804	2,043.61
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	**204,360,804**	**2,043.61**	**204,360,804**	**2,043.61**

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

14 (a) Equity share capital (Contd.)

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

The Company has equity shares having a nominal value of ₹ 10 each. Accordingly, all equity shares rank equally with regard to dividend and share in the Company's residual assets. Each holder of equity shares is entitled to one vote per share. The equity shares are entitled to receive dividend as declared from time to time. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

The Company has authorized preference shares having a nominal value of ₹ 10 each. Preference shares are non-convertible, non-cumulative, non-participating and carry preferential right vis-à-vis equity shares of the Company with respect to payment of dividend and repayment in case of winding up or repayment of capital and shall carry voting rights as per the provisions of Section 47(2) of the Companies Act, 2013.

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	% holding	Number of shares	% holding
Dr Devi Prasad Shetty	56,526,139	27.66%	56,526,139	27.66%
Shakuntala Shetty	62,083,095	30.38%	62,083,095	30.38%
	118,609,234	**58.04%**	**118,609,234**	**58.04%**

(iv) Shareholding of promoters:

Promoter Name	As at March 31, 2022		% Change during the year
	Number of shares	% of total shares	
Shakuntala Shetty	62,083,095	30.38%	0.00%
Dr Devi Prasad Shetty	56,526,139	27.66%	0.00%
Viren Prasad Shetty	2,043,608	1.00%	0.00%
Dr.Varun Shetty	2,043,608	1.00%	0.00%
Dr. Anesh Shetty	2,043,608	1.00%	0.00%
Ameya Shetty	2,043,608	1.00%	0.00%
Narayana Health Academy Private Limited	3,702,064	1.81%	0.00%
	130,485,730	**63.85%**	

14 (b) Other Equity

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Reserves and surplus		
Securities premium		
At the commencement of the year	5,025.63	5,023.18
Movement during the year	8.22	2.45
At the end of the year	5,033.85	5,025.63
Capital reserve	16.62	16.62
Treasury shares		
At the commencement of the year	(14.22)	(14.56)
Movement during the year	0.17	0.34
At the end of the year	(14.05)	(14.22)

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

14 (b) Other Equity (Contd.)

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2021
General reserve	250.00	250.00
Share options outstanding		
At the commencement of the year	37.38	33.82
Add: Amounts recorded on grants during the year	2.57	6.01
Less: Shares forfeited during the year	-	-
Less: Exercised during the year	(8.22)	(2.45)
At the end of the year	31.73	37.38
Retained earnings		
At the commencement of the year	3,710.90	3,853.94
Add: Net (loss) / profit after tax transferred from statement of profit and loss	3,421.20	(142.94)
Less: Share of non controlling interest	(1.89)	(0.10)
At the end of the year	7,130.21	3,710.90
(ii) Other Comprehensive Income		
Effective portion of cash flow hedge reserve		
At the commencement of the year	(325.74)	(433.38)
Movement during the year	84.48	107.64
At the end of the year	(241.26)	(325.74)
Foreign currency translation reserve		
At the commencement of the year	486.05	607.44
Movement during the year	205.84	(121.39)
At the end of the year	691.89	486.05
Re-measurement of defined benefit plans		
At the commencement of the year	(27.45)	(21.03)
Movement during the year	(28.80)	(6.42)
Less: Share of non controlling interest	0.02	-
At the end of the year	(56.23)	(27.45)
	12,842.76	**9,159.17**

Capital reserve

Capital reserve was created at the time of acquisition of hospital in Barasat and acquisition of the subsidiary Health City Cayman Islands Limited

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.

Treasury Shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from other equity.

Share options outstanding

The Group has established a share based payment for eligible employees of the Company, its subsidiaries or an associate. Also refer note 40 for further details on these plans.

General reserve

General reserve is used from time to time to transfer profits from retained earnings for appropriate purposes.

Foreign currency translation reserve

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

Cash flow hedge reserve

The Group has entered into a interest rate swap agreement, This cash flow hedge reserve reflects the fluctuations of the fair value of such swap.

Proposed Dividend

The Board of Directors have recommended a dividend of ₹ 1 (Rupee One) per share, for the year ended March 31, 2022, for approval of shareholders of the Company at the ensuing Annual General Meeting (AGM).

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

15 Non controlling interests

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	5.44	5.34
Share of profit for the year	1.87	0.10
Balance at the end of the year	**7.31**	**5.44**

16 Borrowings

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Non-current		
(i) Secured		
Term loans		
From banks (refer note I)	4,283.90	4,999.67
(ii) Unsecured		
From Others (refer note II)	37.21	41.44
	4,321.11	**5,041.11**
(b) Current		
Secured		
Bank overdrafts (refer note III)	89.67	212.25
Current maturities of long-term borrowings with banks (refer note I)	1,012.82	924.56
Unsecured loan	25.00	-
	1,127.49	**1,136.81**

* The Group's exposure to currency and liquidity risks related to other financial liabilities are disclosed in note no 48

I Term loans from banks :

Sl No.	Details of repayment terms, interest and maturity	Nature of security
(i)	Term loan from HSBC Bank : ₹ 135.00 million (previous year : ₹ 189.00 million). It is repayable in 10 (previous year 14 quarterly instalments) quarterly instalments from reporting date after moratorium period of 18 months from date of 1st disbursement. Date of 1st disbursement is March 12, 2018. Interest is charged at 6.80% p.a. (previous year: 7.30% p.a)	Movable Fixed Assets acquired out of the loan and equitable mortgage over land which is owned by Narayana Hospitals Private Limited and building of the Jaipur hospital.
(ii)	Term loan from HSBC Bank : ₹ 228.00 million (previous year : ₹ 304.00 million). It is repayable in 12 (previous year 16 quarterly instalments) quarterly instalments from June 2020. Interest is charged at 6.80 % p.a. (previous year: 7.00%)	
(iii)	Term loan from Standard Chartered Bank: ₹ 82.50 million (previous year : ₹ 75.00) payable in 9 (previous year 12) monthly equal instalments starting from January 14, 2022). Interest is charged at 4.94% p.a. (previous year: 4.81% p.a.)	The loan is Unsecured
(iv)	Foreign currency loan taken from EXIM Bank : ₹ 947.59 million ($ 12.49 million) (previous year: ₹ 1,181.33 million ($ 16.07 million)). Repayable in 14 quarterly instalments from the reporting date (previous year: 18 quarterly instalments from December 31, 2018). Interest is linked to the Libor (6 month) + 175 basis points. (previous year: Libor (6 month) + 175 basis points).	Exclusive charge on the Company's immovable properties being land, buildings and structures attached or permanently fastened thereon at the location having S.No: 2/4,2/5,2/7,2/8,3, 23/1C,23/1D,26,27,28,29 with an aggregate extent of 7 Acres 1.85 Guntas situate at Kittiganahalli village, Attibele hobli, Anekal Taluk, Bangalore, Karnataka.

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

16 Borrowings (Contd.)

Sl No.	Details of repayment terms, interest and maturity	Nature of security
(v)	Term loan from EXIM Bank: ₹ 606.95 million (previous year : Nil million). Payable in 20 (previous year nil) Quarterly equal instalments starting from December 1, 2024). Interest is charged at 5.00% p.a., (previous year: Nil p.a.)	Exclusive charge on the Company's immovable properties being land, buildings and structures attached or permanently fastened thereon at the location having S.No: 2/4,2/5,2/7,2/8,3, 23/1C,23/1D,26,27,28,29 with an aggregate extent of 7 Acres 1.85 Guntas situate at Kittiganahalli village, Attibele hobli, Anekal Taluk, Bangalore, Karnataka and Moveable Fixed Assets.
(vi)	*Term loan from SBI: ₹ 403.18 million (previous year: ₹ 475.66 million). Repayable in 60 monthly instalments from the reporting date (previous year 72 monthly instalments from March 31, 2019) Interest is charged at 7.15% p.a.(previous year: 7.15% p.a.)	Movable Fixed Assets and exclusively charge on land and building located # 78, Jessore Road, Mouzahariharpur, ward # 5, Barassat Kolkatta, Land measuring 2.47 acre title deed # 2760/2014
(vii)	*Term loan from SBI: ₹ 306.26 million (previous year: ₹ 336.88 million). Repayable in 78 monthly instalments from October 31, 2020 (previous year : 84 monthly instalments). Interest is charged at 7.15% p.a. (previous year: 7.15% p.a.)	
(viii)	*Term loan from SBI: ₹ 1075.76 million (previous year: ₹ 1,156.03 million). Repayable in 21 quarterly instalments (previous year 25 quarterly instalments) from the reporting date after 2 years Moratorium from date October 2017. Interest is charged at 7.15% p.a.(previous year: 7.15% p.a).	
(ix)	Term loan from Yes Bank : ₹ 24.44 million (previous year: ₹ 25.29 million) repayable in 25 quarterly instalments. Interest is charged @ 8.60% pa (previous year : 8.50% p.a).	Exclusive charge on Movable Fixed assets (present and future) and current assets of the borrower (present and future) excluding those charged to any other lender/ vendor and those charged to Yes Bank LC facilities, corporate guarantee from Narayana Hrudayalaya Limited.
(x)	Term loan from Yes Bank : ₹ 22.16 million (previous year: ₹ 22.92 million) repayable in 25 quarterly instalments. Interest is charged @ 8.60% pa (previous year : 8.50% p.a).	
(xi)	Term loan from Yes Bank : ₹ 8.65 million (previous year: ₹ 8.95 million) repayable in 25 quarterly instalments. Interest is charged @ 8.60% pa (previous year : 8.50%)	
(xii)	Term loan from Yes Bank : ₹ 6.52 million (previous year: ₹ 6.75 million) repayable in 25 quarterly instalments. Interest is charged @ 8.60% pa (previous year : 8.50% p.a).	
(xiii)	Term loan from Yes Bank : ₹ 5.25 million (previous year: ₹ 5.42 million) repayable in 25 quarterly instalments. Interest is charged @ 8.60% pa (previous year : 8.50% p.a).	
(xiv)	Term Loan from HSBC : ₹ 119.00 million (previous year : ₹ 170.00 million) repayable in 7 quarterly instalments from reporting date. Interest is charged @ 6.80% p.a (previous year 7.00%)	Secured via mortgage of title deeds on the immovable property of Narayana Hospitals Private Limited.
(xv)	Term loan from State Bank Of India: Nil (previous year: ₹ 154.68 million). 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.)	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.
(xvi)	Term loan from State Bank Of India: Nil (previous year: ₹ 46.93 million) 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.)	
(xvii)	Term loan from State Bank Of India: Nil (previous year: ₹ 61.64 million) 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.)	

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

16 Borrowings (Contd.)

Sl No.	Details of repayment terms, interest and maturity	Nature of security
(xviii)	Term loan from FCIB: ₹ 1,313.49 million (previous year : ₹ 1687.28 million) It is repayable in quarterly instalments from August 2018. Interest is linked to the Libor (3 month) + 175 basis points. (previous year: Libor 3month + 175 basis points).	The loan is secured by corporate guarantee from Narayana Hrudayalaya Limited
(xix)	Term loan from Axis Bank Ltd: ₹ 11.97 million (previous year : ₹ 16.47 million) 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 1.25 times and corporate guarantee of Narayana Hrudayalaya Limited.

* Promotors % of holding should not be reduced below 51% during the tenure of loan.

II Term loans from Others :

(i) Interest free term loan from Cisco Systems Capital (India) Private Limited has been obtained during the financial year 2018-19. Based on the applicable effective interest rate, the present value of loan as at March 31, 2022 amounting to ₹ 1.11 million (previous year: ₹ 5.34 million) has been recognised in the books of accounts. The Loan is unsecured.

(ii) Term loan from CDC group PLC : ₹ 36.10 million (previous year : ₹ 36.10) carry a interest of 6.5%. Repayable in one instalment after 5 years from the utilisation date i.e. February 26, 2019. The Loan is unsecured.

III Overdraft and Cash Credit facilities:

Sl No.	Details of repayment terms, interest and maturity	Nature of security *
(i)	Overdraft facility from Yes Bank Limited ₹ 89.67 million (previous year: ₹ 90.41 million) carry interest rate of 0.30% above the 3 months MCLR (previous year :0.30% above the base rate), to be paid on monthly basis.	It is secured by current assets (both present and future), subservient charge on movable fixed assets and corporate guarantee of Narayana Hrudayalaya Limited.
(ii)	Overdraft from HSBC : Nil (previous year: ₹ 121.84 Million) repayable On Demand.	It is secured by charge on specific movable fixed assets.

* Statements of current assets filed by the Company with its bankers are in agreement with books of accounts.

17 Lease liabilities

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Non-current		
Opening Lease liability	2,078.51	2,343.55
Additions during the period	100.40	44.87
Finance cost accrued during the period	155.37	172.34
Lease payment	(548.64)	(482.25)
Closing Lease liability	1,785.64	2,078.51
Less: Current lease liability	(436.01)	(384.93)
	1,349.63	**1,693.58**
(b) Current		
Lease liability	436.01	384.93
	436.01	**384.93**

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

18 Other financial liabilities

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Non-current		
Payable towards share purchased for Employee Stock Option Plan (ESOP) Trust	14.05	14.44
Creditors for capital goods	9.28	20.05
Liability towards business acquisition	750.90	831.16
Liability towards assets replacement cost	101.02	79.27
Derivatives designated and effective as hedging instruments carried at fair value	-	-
Interest rate swap	27.69	165.08
	902.94	**1,110.00**
(b) Current		
To parties other than related parties		
Liability towards business acquisition	80.26	80.26
Interest accrued but not due on borrowings	12.51	0.97
Creditors for capital goods	258.52	179.74
Other financial liabilities	17.12	16.91
	368.41	**277.88**

19 Provisions

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Non-current		
Provision for employee benefits (refer note 31)		
Gratuity	299.19	246.53
	299.19	**246.53**
(b) Current		
Provision for employee benefits (refer note 31)		
Gratuity	104.50	70.71
Compensated absences	282.72	233.94
	387.22	**304.65**

20 Other liabilities

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Non-Current		
To parties other than related parties		
Unearned revenue	12.72	14.00
Deferred liability for assets funding	2.45	2.83
Others	2.51	2.51
Deferred grant - Others ***	54.11	-
Deferred government liability for EPCG Licence**	31.57	60.00
Deferred government grant*	1,123.50	1,158.73
	1,226.86	**1,238.07**

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

20 Other liabilities (Contd.)

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2021
(b) Current		
To parties other than related parties		
Deferred liability for assets funding	0.38	0.38
Contract liabilities	588.95	329.46
Unearned revenue	12.60	185.33
Deferred government grant*	35.23	35.23
Deferred government liability for EPCG Licence **	28.42	28.42
Deferred grant - Others ***	5.48	-
Advance Received	9.88	8.33
Balances due to statutory/ government authorities	193.14	153.65
Other liabilities	7.84	12.87
To related parties		
Other payables	80.14	71.36
	962.06	**825.03**

Summary of the government grant received by the Group

(₹ in million)

Nature	As at March 31, 2022	As at March 31, 2021
Opening Balance	1,282.38	1,346.04
Add: Grants during the year	65.45	-
Less: Released to profit and loss	(69.52)	(63.66)
Closing Balance	**1,278.31**	**1,282.38**
Non Current	1,209.18	1,218.73
Current	69.13	63.65

*During the financial year 2013-14, the Company had received capital grant from the Assam Government amounting to ₹ 220.00 million for purchase of fixed assets for operating the hospital in Assam. The Company has recognized this grant as deferred income at fair value which is being amortised over the useful life of the fixed assets in proportion in which the related depreciation is recognized.

**During the financial year 2017-18 & 2018-19 the Company had received capital grant in the form of EPCG licence from Government of India amounting to ₹ 6.10 million & ₹ 89.65 million respectively, for import of capital goods subject to fulfilment of export obligation in next 6 years. The Company has recognized this grant as deferred government liability for EPCG licence at fair value. The Company will recognize deferred grant income in the statement of profit and loss as per Ind AS.

*** During the financial year 2021-22, the Group has received capital grants from various corporates amounting to ₹ 65.45 million for purchase of property, plant & equipment as agreed. The Group has recognized this grant as deferred income at fair value which is being amortised over the useful life of the property, plant & equipment in proportion in which the related depreciation is recognized.

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

21 Trade payables

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises (refer note 37)	279.89	175.70
Total outstanding dues of creditors other than micro enterprises and small enterprises*	4,210.41	3,927.37
	4,490.30	**4,103.07**

*includes payables to related parties (refer note 33)

The Group's exposure to currency and liquidity risks related to trade payable is disclosed in note 48

Trade payables ageing schedule

(₹ in million)

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, 2022						
(a) Undisputed-MSME	35.16	241.91	1.13	0.62	1.07	279.89
(b) Undisputed -Others	1,500.22	2,460.27	132.52	17.74	99.66	4,210.41
(c) Disputed dues - MSME	-	-	-	-	-	-
(d) Disputed dues - Others	-	-	-	-	-	-
Total	**1,535.38**	**2,702.18**	**133.65**	**18.36**	**100.73**	**4,490.30**
As at March 31, 2021						
(a) Undisputed-MSME	30.32	143.36	0.75	0.28	0.99	175.70
(b) Undisputed -Others	1,095.03	2,490.50	101.49	67.81	172.54	3,927.37
(c) Disputed dues - MSME	-	-	-	-	-	-
(d) Disputed dues - Others	-	-	-	-	-	-
Total	**1,125.35**	**2,633.86**	**102.24**	**68.09**	**173.53**	**4,103.07**

*Includes provision for expenses.

22 Revenue from operations

(₹ in million)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Income from medical and healthcare services	34,751.05	24,418.36
Sale of medical consumables and drugs	1,693.48	1,207.50
Other operating revenue:		
Other healthcare services (refer note 52)	495.17	34.98
Teleradiology income	31.42	24.75
Revenue from nursing school	3.64	13.79
Income from patients amenities	38.41	28.45
Income from arrangement with trust (refer note 43 (b))	-	102.52
	37,013.17	**25,830.35**

Refer notes below

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

22 Revenue from operations (Contd.)

(₹ in million)

(i) Category of Customer	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash*	19,094.45	13,295.61
Credit	17,918.72	12,534.74
	37,013.17	**25,830.35**

* Includes receipts through digital/electronic mode

(₹ in million)

(ii) Nature of treatment	For the year ended March 31, 2022	For the year ended March 31, 2021
In-patient	27,568.52	18,968.31
Out-patient	7,182.53	5,450.05
Sale of medical consumables and drugs	1,693.48	1,207.50
Others	568.64	204.49
	37,013.17	**25,830.35**

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

(iv) Transaction price allocated to the remaining performance obligations

(₹ in million)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Contract Liabilities	588.95	329.46
	588.95	**329.46**

23 Other income

(₹ in million)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income on		
- Bank deposits	7.21	10.48
- Others	13.24	84.84
Interest income from financial asset at amortised cost	58.25	35.42
Liabilities / provision no longer required written back	90.82	-
Export incentive	-	8.87
Grant income	69.52	63.66
Profit on sale of Property, plant and equipment	-	0.34
Profit on sale of investment	0.27	-
Foreign exchange gain	37.75	3.91
Miscellaneous income	68.53	67.35
	345.59	**274.87**

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

24 Changes in inventories of medical consumables, drugs and surgical instruments (increase)/ decrease

(₹ in million)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventory at the beginning of the year	478.39	602.41
Inventory at the end of the year	593.76	478.39
	(115.37)	**124.02**

25 Employee benefits expense

(₹ in million)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	7,155.35	5,826.15
Contribution to provident and other funds (refer note 31)	381.35	316.72
Share based payment to employees (refer note 40)	2.57	6.01
Staff welfare expenses	145.44	123.04
	7,684.71	**6,271.92**

During the financial year 2021-22, project salary cost amounting to ₹ 25.64 million (previous year : ₹ 38.50 million) has been capitalised through intangible assets under development.

26 Other expenses

(₹ in million)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Hospital operating expenses		
Power and fuel	836.33	735.23
Hospital general expenses	384.17	297.41
House keeping expenses	918.01	748.83
Patient welfare expenses	394.93	340.71
Rent	322.82	234.88
Medical gas charges	136.76	107.46
Biomedical wastage expenses	28.92	28.03
Repairs and maintenance		
- Hospital equipments	591.89	580.53
- Buildings	226.70	143.64
- Others	681.33	512.56
Total (A)	**4,521.86**	**3,729.28**
Administrative expenses		
Travel and conveyance	160.00	99.29
Security charges	245.71	214.17
Printing and stationery	165.24	122.84
Rent	164.41	197.43
Advertisement and publicity	494.93	420.78
Legal and professional fees	154.31	244.31
Payment to auditors (refer note (i) below)	9.62	9.58
Business promotion	336.20	237.88
Telephone and communication	110.49	99.44
Bank charges	97.97	63.68
Insurance	138.82	132.23
Corporate social responsibility (refer note (ii) below)	9.15	23.91

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

26 Other expenses (Contd.)

(₹ in million)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rates and taxes	84.82	81.53
Books and periodicals	23.10	19.00
Provision for loss allowance and doubtful advances	167.34	10.47
Bad receivables written off	68.29	32.33
Donations paid	-	1.75
Provision for remeasurement of financial liability	14.51	-
Loss on sale/disposal of Property, plant and equipment	31.06	50.60
Foreign exchange loss	23.03	3.46
Net loss from financial asset at amortized cost	57.73	13.09
Miscellaneous expenses	20.27	16.60
Total (B)	**2,577.00**	**2,094.37**
Total (A+B)	**7,098.86**	**5,823.65**

(i) Payment to auditors*

(₹ in million)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
As an auditor		
(i) Audit fee	7.35	7.34
(ii) Limited review	1.20	1.20
(iii) Other attest services	0.90	0.90
(iv) Reimbursement of expenses	0.17	0.14
Total	**9.62**	**9.58**

*excluding GST

(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 Group'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.

a) Gross amount required to be spent by the Group during the year is ₹ 8.84 million (previous year: ₹ 23.57 million)

b) Amount spent during the year ended March 31, 2022 on corporate social responsibility activities:

(₹ in million)

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	8.84	23.57
b) Amount of expenditure incurred on purpose other than construction/ acquisition of any asset	9.15	23.91
c) Excess spend of prior years set off during the year	-	-
d) Shortfall / (excess) at the end of the year [(d)=(a)-(b)-(c)]	(0.31)	(0.34)
e) Total of previous years shortfall	-	-
f) Reason for shortfall	NA	NA

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

27 Finance costs

(₹ in million)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense		
- term loans from banks	334.86	408.88
- bank overdraft	9.31	12.16
- others	17.64	12.84
Interest expense on lease liabilities	155.37	172.34
Interest expense on business acquisition	138.53	147.75
Unwinding of asset replacement cost	7.24	5.83
	662.95	**759.80**

28 Depreciation and amortisation expense

(₹ in million)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of property, plant and equipment (refer note 4)	1,286.92	1,267.91
Depreciation of Right of use Assets (refer note 5)	416.09	415.43
Amortisation of intangible assets (refer note 4)	131.83	151.96
	1,834.84	**1,835.30**

29 Contingent liabilities and commitments

(i) Contingent liabilities:

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2021
Claims against the Group not acknowledged as debts in respect of:		
a) Customs Duty (refer note A below)	1.74	1.74
b) Entry tax (refer note B below)	-	10.00
c) Income tax (refer note C below)	64.31	64.31

Notes:

A. For financial year 2012-13, the Company has received a notice proposing levy of customs duty on import of 'Surgical Microscopes' along with accessories classifying it under CTH 9018 9000 of Customs Tariff Act 1975.Against the demand of ₹ 1.74 million , the Company has deposited ₹ 1.33 million with the department and filed an appeal before the Commissioner of Customs (Appeals).

B. For financial year 2010-11, 2011-12, 2012-13, 2013-14 the Company has received a notice proposing levy of entry tax from Commercial Tax Officer under Entry of Goods into Local Area Act 1999 on account of goods brought in local areas from outside the state of Rajasthan without payment of Entry tax as per the provisions. Based on the Company's submission, the department has issued an order with a demand of ₹ 10 million along with interest. Against this demand, the Company has deposited ₹ 1.55 million with the department and filed an appeal before the Office of Appellate Authority -II, Commercial Tax . During the year, the Company has opted Amnesty scheme to settle the entire the demand by depositing ₹ 0.9 million.

C. Income Tax

a) For assessment year 2012-13 the Company had received an assessment order under section 143 (3) of the Income Tax Act, 1961 on March 31, 2015. The Company may have an additional liability of ₹ 12.59 million on account of differential tax provision. The Company has filed an appeal against order issued by the department with the Commissioner of Income tax (Appeals) (CIT (A)).

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

29 Contingent liabilities and commitments (Contd.)

b) For assessment year 2013-14 the Company had received an assessment order under section 143 (3) of the Income Tax Act, 1961 on March 25, 2016. The Company may have an additional liability of ₹ 6.69 million on account of differential tax provision. The Company has filed an appeal against order issued by the department with the Commissioner of Income tax (Appeals) (CIT (A)).

c) For assessment year 2016-17 the Company had received a notice 142(1) of the Income tax act, 1961 on March 28, 2018 asking Company to submit certain documents on April 6, 2018. Company has replied on April 6, 2018, July 24, 2018, August 29, 2018, December 7, 2018. The department has issued a assessment order u/s 143(3) on December 29, 2018 demanding a sum of ₹ 1.06 million. Against this demand, the Company had paid ₹ 0.3 million under protest on February 11, 2019 and filed an appeal with the Commissioner of Income Tax (Appeals) (CIT(A)).

d) For assessment year 2017-18 the Company has received an assessment order under section 143 (3) of the Income Tax Act, 1961 on December 27, 2019. The Company may have an additional liability of ₹ 20.93 million on account of differential tax provision. The Company has filed an appeal against order issued by the department with the Commissioner of Income tax (Appeals) (CIT (A)), which is pending as at March 31, 2022.

e) For assessment year 2018-19 the Company has received an assessment order under section 143 (3) of the Income Tax Act, 1961 on May 24, 2021. The Company may have an additional liability of ₹ 19.39 million on account of differential tax provision. The Company has filed an appeal against order issued by the department with the Commissioner of Income tax (Appeals) (CIT (A)), which is pending as at March 31, 2022.

f) For assessment year 2019-20, the Company has recognised additional contingent liability to the extent of ₹ 4.71 million duly taking into consideration the requirements under Appendix C to Ind AS 12, including the Management's assessment of the probability of acceptance of the Company's tax positions by the taxation / appellate authorities.

D. Based on the advise of its legal counsel, the Company believes that other disputes, lawsuits and claims, including commercial matters, which arise from time to time in the ordinary course of business and are outstanding as at March 31, 2022 will not have any material adverse effect on its financial statements for the year ended March 31, 2022.

(ii) Commitments:

Estimated amounts of contracts remaining to be executed on capital account (net of advances) and other commitments not provided for, amounts to ₹ 1543.82 million (previous year: ₹ 150.64 million).

30 Leases

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

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

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

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

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

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

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

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

30 Leases (Contd.)

(i) The following is the break-up of current and non-current lease liabilities as at March 31, 2022 and March 31, 2021

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2021
Current lease liabilities	436.01	384.93
Non-current lease liabilities	1,349.63	1,693.58
	1,785.64	**2,078.51**

(ii) The following is the movement in the lease liabilities during the year ended March 31, 2022 and March 31, 2021

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening lease liability	2,078.51	2,343.55
Additions	100.40	44.87
Finance cost accrued during the year	155.37	172.34
Deletions	-	-
Payment of lease liabilities	(548.64)	(482.25)
	1,785.64	**2,078.51**

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

(₹ in million)

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Contractual rental payments	564.92	425.23	557.20	1,419.41	2,966.76
	564.92	**425.23**	**557.20**	**1,419.41**	**2,966.76**

The table below provides details regarding the undiscounted contractual maturities of rental payments as of March 31, 2021

(₹ in million)

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Contractual rental payments	509.20	536.34	731.33	1,360.20	3,137.07
	509.20	**536.34**	**731.33**	**1,360.20**	**3,137.07**

Rental expense recorded for short-term leases for the year ended March 31, 2022 was ₹ 487.23 Million (previous year: ₹ 432.31 Million).

31 Employee benefits

A. Defined contribution plan

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

The amount recognised as an expense towards contribution to Provident Fund and Employee State Insurance for the year aggregated to ₹ 309.06 million (previous year: ₹ 255.17 million)

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

31 Employee benefits (Contd.)

B. Defined benefit plan

The Group operates post-employment defined benefit plan that provide gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/ exit. During the previous year, scheme was partly funded through the gratuity fund administered by a trust formed for this purpose and managed by Kotak Life Insurance and Life Insurance Corporation of India directly. The Group'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 Group recognizes actuarial gains and losses immediately in the consolidated statement of profit and loss.

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 Group's consolidated financial statements as at balance sheet date:

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2021
Defined benefit obligations liability	442.70	369.56
Plan assets	39.01	52.32
Net defined benefit liability	**403.69**	**317.24**
Liability for compensated absences	282.72	233.94
Total employee benefit liability	**686.41**	**551.18**
Non-current	299.19	246.53
Current	387.22	304.65

C. Reconciliation of net defined benefit (assets) / liability

i) Reconciliation of present values of defined benefit obligation

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) / liability and its components:

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2021
Defined benefit obligation as at 1 April	369.56	322.11
Benefits paid		
- by the Fund	(38.67)	(21.32)
- by the Group	(2.90)	(2.90)
Current service cost	57.73	48.02
Interest cost	16.05	14.23
Actuarial (gains) / losses recognised in other comprehensive income		
- changes in demographic assumptions	(1.38)	5.53
- changes in financial assumptions	(5.26)	29.86
- experience adjustments	47.57	(25.97)
Defined benefit obligations as at 31 March	**442.70**	**369.56**

ii) Reconciliation of the present values of plan assets

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2021
Plan assets at beginning of the year	52.32	31.89
Adjustments	1.02	1.01
Contributions paid into the plan	23.20	39.13
Interest income	1.49	0.70
Benefits paid	(38.67)	(21.32)
Return on plan assets recognised in other comprehensive income	(0.35)	0.91
Plan assets at the end of the year	**39.01**	**52.32**
Net defined benefit liability	**403.69**	**317.24**

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

31 Employee benefits (Contd.)

D. i) Expense recognised in consolidated statement of profit and loss

(₹ in million)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current service cost	57.73	48.02
Interest cost	16.05	14.23
Interest income	(1.49)	(0.70)
	72.29	**61.55**

ii) Remeasurements recognised in other comprehensive income

(₹ in million)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Actuarial (gain) either or loss on defined benefit obligation	40.93	9.42
Return on plan assets excluding interest income	0.35	(0.91)
	41.28	**8.51**

E. Plan Assets

Plan assets comprises of the following:

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2021
Government securities & debt instruments	39.01	52.32
	39.01	**52.32**

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

F. Defined benefit obligation

i) Actuarial assumptions

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

Principal actuarial assumptions	As at March 31, 2022	As at March 31, 2021
Attrition rate	19.00%-57.00%	20.00%-44.00%
Discount rate	5.41%-5.54%	3.86%-5.34%
Expected return on plan assets	6.8%	6.8%
Mortality table	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Future salary increases	First year 7.90% Thereafter 6%	First year 7.90% Thereafter 6%

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

As of March 31, 2022, the plan assets have been invested in insurer managed funds and the expected contributions to the fund during the year ending March 31, 2023, will be approximately ₹ 76.22 million (previous year: ₹ 67.85 million).

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

31 Employee benefits (Contd.)

Maturity profile of defined benefit obligation

The following payments are expected contributions to the defined benefit plan in future years:

(₹ in million)

Particulars	Amount
1st following year	129.95
2nd following year	97.88
3rd following year	73.51
4th following year	53.80
5th following year	42.06
Year 6 to 10	88.25
More than 10 years	30.81

As at March 31, 2022, Average expected future working life was 2.13 years (previous year: 2.35 years)

As at March 31, 2022, Average past service was 3.12 years (previous year: 4.47 years)

ii) Sensitivity analysis

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

(₹ in million)

Particulars	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(11.16)	0.66	(4.75)	5.29
Future salary increase (0.5% movement)	(0.67)	(9.83)	3.80	(3.67)
Attrition rate (0.5% movement)	(5.79)	(4.92)	0.27	(0.58)
Mortality rate (0.10% movement)	(5.39)	(5.32)	(0.28)	(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.

32 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 Group's performance and allocates resources on overall basis. The Group's sole operating segment is therefore 'Medical and Healthcare Services'. Accordingly, there are no additional disclosures to be provided under Ind AS 108, other than those already provided in the financial statements.

Entity wide disclosures - Geographical information

Geographical information analyses the Group's revenue and non-current assets by the Group's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of the customers and segment assets which have been based on the geographical location of the assets.

(i) Revenue from operations

(₹ in million)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
India	29,665.87	20,530.61
Rest of the world - Cayman Islands & St Lucia	7,347.30	5,299.74
	37,013.17	**25,830.35**

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

32 Segment information (Contd.)

(ii) Non current assets *

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2021
India	16,790.05	16,172.17
Rest of the world - Cayman Islands	4,953.37	4,376.50
	21,743.42	**20,548.67**

*Non-current assets exclude financial instruments, deferred tax assets and equity accounted investees

(iii) Investment in associates accounted for by the equity method

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2021
Mauritius	6.47	25.94
	6.47	**25.94**

33 Related party disclosures

(a) Details of related parties

Nature of relationship	Name of related parties
Key Management Personnel (KMP)	Dr. Devi Prasad Shetty - Chairman
	Dr. Emmanuel Rupert -Managing Director
	Viren Prasad Shetty - Whole-time Director
	Kesavan Venugopalan - Chief Financial Officer (till November 12, 2021)
	Sandhya Jayaraman - Chief Financial Officer w.e.f. December 8, 2021)
	Sridhar S -Company Secretary
Relatives of KMP	Dr. Varun Shetty
	Dr. Anesh Shetty
	Ameya Shetty
	Dr. Vivek Shetty
	Shakuntala Shetty
Associate	TriMedx India Private Limited (TriMedx)
Associates of subsidiary	Reya Health Inc. (formerly known as Cura Technologies Inc)
	ISO Healthcare
Enterprises under control or joint control of KMP and their relatives	Narayana Health Academy Private Limited (NHAPL)
	Hrudayalaya Pharmacy
	Charmakki Infrastructures
	Narayana Hrudayalaya Foundation (NHF)
	Mazumdar Shaw Medical Foundation (MSMF)
	Amaryllis Healthcare Private Limited (AHPL)
	Asia Heart Foundation (AHF)
	Thrombosis Research Institute(TRI)
Enterprises where control of the Company exists	Narayana Hrudayalaya Private Limited Employees Group Gratuity Trust

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

33 Related party disclosures (Contd.)

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

(₹ in million)

Transactions	Key Management Personnel	Relative of KMP	Associate/ Associates of subsidiary	Entity under control/ joint control of KMP and their relatives	Total
Rent expense					
NHF	-	-	-	26.06	26.06
	(-)	(-)	(-)	(23.76)	(23.76)
AHF	-	-	-	9.16	9.16
	(-)	(-)	(-)	(10.13)	(10.13)
Charmakki Infrastructures	-	-	-	7.10	7.10
	(-)	(-)	(-)	(6.97)	(6.97)
MSMF	-	-	-	29.50	29.50
	(-)	(-)	(-)	(29.50)	(29.50)
TOTAL	**-**	**-**	**-**	**71.82**	**71.82**
	(-)	**(-)**	**(-)**	**(70.36)**	**(70.36)**
Interest income on security deposit					
Charmakki Infrastructures	-	-	-	10.10	10.10
	(-)	(-)	(-)	(9.21)	(9.21)
Reimbursement of expenses					
AHF	-	-	-	0.01	0.01
	(-)	(-)	(-)	(0.07)	(0.07)
NHF	-	-	-	0.57	0.57
	(-)	(-)	(-)	(0.05)	(0.05)
Hrudayalaya Pharmacy	-	-	-	0.16	0.16
	(-)	(-)	(-)	(0.02)	(0.02)
TOTAL	**-**	**-**	**-**	**0.74**	**0.74**
	(-)	**(-)**	**(-)**	**(0.14)**	**(0.14)**
Revenue from healthcare services					
NHF	-	-	-	2.10	2.10
	(-)	**(-)**	**(-)**	**(-)**	**(-)**
Advance on account of discount entitlement					
NHF	-	-	-	7.32	7.32
	(-)	(-)	(-)	(7.33)	(7.33)

Figures in brackets are for the previous year

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

33 Related party disclosures (Contd.)

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

(₹ in million)

Transactions	Key Management Personnel	Relative of KMP	Associate/ Associates of subsidiary	Entity under control/ joint control of KMP and their relatives	Total
AHF	-	-	-	3.04	3.04
	(-)	(-)	(-)	(3.60)	(3.60)
TOTAL	**-**	**-**	**-**	**10.36**	**10.36**
	(-)	**(-)**	**(-)**	**(10.93)**	**(10.93)**
Interest income on promissory note					
Reya Health Inc. known as (formerly Cura Technologies Inc)	-	-	6.99	-	6.99
	(-)	(-)	(9.23)	(-)	(9.23)
Purchase of medical stores and Consumables					
Hrudayalaya Pharmacy	-	-	-	0.25	0.25
	(-)	(-)	(-)	(0.28)	(0.28)
AHPL	-	-	-	175.68	175.68
	(-)	(-)	(-)	(261.81)	(261.81)
TOTAL	**-**	**-**	**-**	**175.93**	**175.93**
	(-)	**(-)**	**(-)**	**(262.09)**	**(262.09)**
Hospital General Expenses					
AHPL	-	-	-	30.11	30.11
	(-)	(-)	(-)	(22.80)	(22.80)
Lab outsourcing expenses					
MSMF	-	-	-	2.61	2.61
	(-)	(-)	(-)	(1.34)	(1.34)
Short term employee benefit*					
Dr. Devi Prasad Shetty	90.35	-	-	-	90.35
	(61.53)	(-)	(-)	(-)	(61.53)
Dr. Emmanuel Rupert	42.00	-	-	-	42.00
	(48.46)	(-)	(-)	(-)	(48.46)
Viren Prasad Shetty	20.93	-	-	-	20.93
	(12.66)	(-)	(-)	(-)	(12.66)

Figures in brackets are for the previous year

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

33 Related party disclosures (Contd.)

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

(₹ in million)

Transactions	Key Management Personnel	Relative of KMP	Associate/ Associates of subsidiary	Entity under control/ joint control of KMP and their relatives	Total
Kesavan Venugopalan	22.27	-	-	-	22.27
	(26.53)	(-)	(-)	(-)	(26.53)
Sandhya Jayaraman	8.00	-	-	-	8.00
	(-)	(-)	(-)	(-)	(-)
Sridhar S	6.66	-	-	-	6.66
	(4.65)	(-)	(-)	(-)	(4.65)
Dr. Vivek Shetty	-	6.54	-	-	6.54
	(-)	(4.33)	(-)	(-)	(4.33)
Dr. Varun Shetty	-	7.94	-	-	7.94
	(-)	(5.50)	(-)	(-)	(5.50)
TOTAL	**190.21**	**14.48**	**-**	**-**	**204.69**
	(153.83)	**(9.83)**	**(-)**	**(-)**	**(163.66)**
Other Professional Fees					
Dr. Vivek Shetty	-	0.85	-	-	0.85
	(-)	(-)	(-)	(-)	(-)
Dr. Varun Shetty	-	3.06	-	-	3.06
	(-)	(-)	(-)	(-)	(-)
TOTAL	**-**	**(3.91)**	**-**	**-**	**3.91**
	(-)	**(-)**	**(-)**	**(-)**	**(-)**
Share based payments					
Dr. Emmanuel Rupert	9.20	-	-	-	9.20
	(7.99)	(-)	(-)	(-)	(7.99)

Figures in brackets are for previous year.

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

Note:

Compensation to KMP is bifurcated into short-term employee benefits, long-term benefits and share based payments. 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.

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

33 Related party disclosures (Contd.)

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

(₹ in million)

Balances	Key Management Personnel	Associate/ Associates of subsidiary	Entity under control/ joint control of KMP and their relatives	Total
Trade payables				
AHPL	-	-	13.00	13.00
	(-)	(-)	(11.88)	(11.88)
Charmakki Infrastructures	-	-	-	-
	(-)	(-)	(0.53)	(0.53)
MSMF	-	-	0.04	0.04
	(-)	(-)	(-)	(-)
AHF	-	-	-	-
	(-)	(-)	(1.86)	(1.86)
NHF	-	-	-	-
	(-)	(-)	(0.53)	(0.53)
Hrudayalaya Pharmacy	-	-	-	-
	(-)	(-)	(0.01)	(0.01)
TOTAL	**-**	**-**	**13.04**	**13.04**
	(-)	**(-)**	**(14.81)**	**(14.81)**
NHF	-	-	1.29	1.29
	(-)	(-)	(1.31)	(1.31)
Narayana Hrudayalaya Pharmacy	-	-	0.02	0.02
	(-)	(-)	(0.02)	(0.02)
TOTAL	**-**	**-**	**1.31**	**1.31**
	(-)	**(-)**	**(1.33)**	**(1.33)**
Other Current assets- Due for reimbursement of expense				
AHF	-	-	0.38	0.38
	(-)	(-)	(1.06)	(1.06)
Financial assets-loans non-current - Security deposit				
Charmakki Infrastructures	-	-	115.29	115.29
	(-)	(-)	(105.19)	(105.19)

Figures in brackets are for the previous year

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

33 Related party disclosures (Contd.)

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

(₹ in million)

Balances	Key Management Personnel	Associate/ Associates of subsidiary	Entity under control/ joint control of KMP and their relatives	Total
Other non-current assets - Prepaid rent				
Charmakki Infrastructures	-	-	7.83	7.83
	(-)	(-)	(16.55)	(16.55)
Other current assets - Prepaid rent				
Charmakki Infrastructures	-	-	6.97	6.97
	(-)	(-)	(6.97)	(6.97)
Trade receivables				
NHF	-	-	0.09	0.09
	(-)	(-)	(0.03)	(0.03)
Other liabilities (current) - Other payables				
AHF	-	-	80.14	80.14
	(-)	(-)	(71.36)	(71.36)
Investment in promissory note (net)				
Reya Health Inc. (formerly known as Cura Technologies Inc)	-	-	-	-
	(-)	(47.82)	(-)	(47.82)
Interest accrued on promissory note				
Reya Health Inc. (formerly known as Cura Technologies Inc)	-	-	-	-
	(-)	(29.49)	(-)	(29.49)
Share based payments				
Dr. Emmanuel Rupert	9.20	-	-	9.20
	(7.99)	(-)	(-)	(7.99)

Figures in brackets are for the previous year.

Note:

(a) Related party relationships have been identified by the Management and relied upon by the auditors.

(b) 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.

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

34 Group Information

Information about subsidiaries and associates

(a) Subsidiaries

The consolidated financial statements of the group include the following subsidiaries:

Name	Principal Activities	Country of incorporation/ Principal place of business	Ownership interest held by Group	
			March 31, 2022	March 31, 2021
Narayana Institute for Advanced Research Private Limited (NIARPL)	Medical and Healthcare services	India	100.00%	100.00%
Narayana Hrudayalaya Surgical Hospital Private Limited (NHSHPL)	Medical and Healthcare services	India	100.00%	100.00%
Narayana Hospitals Private Limited (NHPL)	Medical and Healthcare services	India	100.00%	100.00%
Narayana Health Institutions Private Limited (NHIPL)	Medical and Healthcare services	India	100.00%	100.00%
Meridian Medical Research & Hospital Limited (MMRHL)	Medical and Healthcare services	India	99.13%	99.13%
Narayana Vaishno Devi Specialty Hospitals Private Limited (NVDSHPL)	Medical and Healthcare services	India	100.00%	100.00%
Narayana Cayman Holdings Ltd (NCHL) (refer note (c) below)	Investment Company	Cayman Islands	0.00%	100.00%
Health City Cayman Islands Ltd. (HCCI) (refer note (c) below)	Medical and Healthcare services	Cayman Islands	100.00%	100.00%
Narayana Holdings Private Limited (NHPL, Mauritius) (refer note (d) below)	Investment Company	Mauritius	100.00%	100.00%
NH Health Bangladesh Private Limited. (NHDPL) (refer note (e) below)	Medical and Healthcare services	Bangladesh	100.00%	100.00%
Narayana Health North America LLC	Medical and Healthcare services	United States of America	100.00%	100.00%

(b) Associates

The consolidated financial statements of the group include the following associates:

Name	Principal Activities	Country of incorporation/ Principal place of business	% equity interest	
			March 31, 2022	March 31, 2021
ISO Healthcare	Medical and Healthcare services	Mauritius	8.72%	18.52%
Reya Health Inc (formerly known as Cura Technologies Inc)	IT Services related to Healthcare	United States of America	43.58%	43.80%
TriMedx India Private Limited (TriMedx)	Healthcare equipment management service	India	10.00%	10.00%

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

34 Group Information (Contd.)

(c) Health City Cayman Islands Limited (HCCI), in its meeting of its shareholders held on February 9, 2021 approved the merger of the Company with its erstwhile Holding Company, Narayana Cayman Holdings Limited (NCHL), w.e.f. April 1, 2021, wherein HCCI will be the surviving entity. The said merger had also been approved by the Registrar of Companies Cayman Islands on March 2, 2021.

(d) Narayana Holdings Private Limited (NHPL, Mauritius) 100 % stake has been transferred to Narayana Cayman Holding Limited from Narayana Hrudayalaya Limited as on June 6, 2018.

(e) Narayana Holdings Private Limited (NHPL, Mauritius) has incorporated a Company in Bangladesh -"NH Health Bangladesh Private Limited" on July 22, 2018 by investing an amount of USD 2,40,750/- in 19,99,900 shares of BDT 10 each fully paid up. During the current financial year, NHPL Mauritius had invested an amount of USD 9,01,000 (previous year USD 3,39,000) in 35,40,990 shares (previous year: 28,40,500 shares) of BDT 10 each fully paid up.

35 Investment in associates

The Group has interest in the following companies. This has been accounted for using the equity method in the consolidated financial statements. The Group has significant influence either by virtue of shareholding being more than 20%, provision of essential technical service, participation in policy making processes or Board representation. However the Group does not have control or joint control over any of them.

Name	Principal Activities	Country of incorporation/ Principal place of business	% equity interest	
			March 31, 2022	March 31, 2021
ISO Healthcare	Medical and Healthcare services	Mauritius	8.72%	18.52%
Reya Health Inc (formerly known as Cura Technologies Inc)	IT Services related to Healthcare	United States of America	43.58%	43.80%
TriMedx India Private Limited (TriMedx)	Healthcare equipment management service	India	10.00%	10.00%

36 Investments, loans and guarantees

(a) The Group has made investment in the following entities:

(₹ in million)

Entity	Initial Investment	Carrying value as at March 31, 2021	Allotment / (buyback) during the year	Share of gain / (loss) of equity accounted investees	Exchange fluctuation	Carrying value as at March 31, 2022
Reya Health Inc (formerly known as Cura Technologies Inc)	9.27	-	-	-	-	-
ISO Healthcare	44.62	25.94	(31.54)	6.20	5.87	6.47
	53.89	**25.94**	**(31.54)**	**6.20**	**5.87**	**6.47**

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

36 Investments, loans and guarantees (Contd.)

(b) The Group has given loans to the following entity:

(₹ in million)

Entity	Purpose of Loan	Initial Investment	Carrying value as at March 31, 2021	Accrued interest	Share of loss of equity accounted investees	Exchange fluctuation	Carrying value as at March 31, 2022
Reya Health Inc (formerly known as Cura Technologies Inc)	Financial assistance	187.25	77.31	6.99	(91.46)	7.16	-
		187.25	**77.31**	**6.99**	**(91.46)**	**7.16**	**-**

37 Due to Micro, Small and Medium Enterprises

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

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	276.33	174.94
- Interest	3.56	0.76
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	3.56	0.76
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	-	-

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

38 Leasehold land includes 36 acres of land acquired by Narayana Hospitals Private Limited ("NHPL") in the year 2008 under perpetual lease from Government of Gujarat amounting to ₹ 1,652.38 million. The aforesaid land has been granted to NHPL by Government of Gujarat at a concessional rate under Gujarat Health Project for construction of heart hospital with certain conditions including but not limited to the following:

- 1,000 bed hospital for cardiac surgery should be built and be operational within 18 months from the date of completing legal formalities/ handing over with clear title and after obtaining all necessary permissions from all concerned departments. Self dependent 100 seat medical college under Medical Council of India ('MCI') Rules should be built and be operational within 36 months. Total project including 5,000 bed super-specialty hospital should be completed within 6 years;
- Self dependent medical college, to be established by NHPL, should be set up with total adherence to rules governed by MCI and Government of India;
- 5% surgery in the proposed health city should be done free. Only medicines and disposables should be charged;
- 20% cardiac surgeries should be performed at the subsidised rate of ₹ 0.07 million only, which includes every expense;
- Beneficiaries of the above said 5% and 20% surgeries will be referred by the Government of Gujarat;
- 15% out-patients should be given free consultation. Diagnostics fees will be charged at 50%;
- After achieving, 5,000 surgeries annually, 1,000 surgeries should be performed under concessional rate of ₹ 0.07 million and 250 surgeries should be performed free and
- Number of student intake and fees for the proposed medical college should be according to the prevailing government rules.

NHPL was unable to start the project on the specified date and received a show cause notice from the Government of Gujarat on December 22, 2010. Subsequent to the show cause notice, NHPL replied on January 19, 2011 assuring the Government of Gujarat that the entire project will be completed by June 2016.

As per the letter dated January 19, 2011, the timelines committed by NHPL are as follows:

Commissioning timelines	
a) 500 bed multispecialty hospital	June-2012
b) 1000 bed multispecialty hospital (expansion)	June-2012
c) 100 seat Medical College	June-2013
d) 5000 bed Health City	June-2016

The Company commenced operations in its Ahmedabad unit on May 3, 2012. As of March 31, 2022, the Group is yet to achieve the above timelines. The Group based on its past projects with government and other authorities believes that the terms/ conditions of grant of leasehold land at concessional rate would be renegotiated and no liability or adjustment to recorded assets is required as at March 31, 2022.

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

39 In the year 2008-09, NHPL was allotted 35 acres of land by Jaipur Development Authority ('JDA') for establishing a medical college at Bagrana Grama, Jaipur (""Bagrana""). Subsequently, NHPL has surrendered 25 acres of land to JDA and retained 10 acres of land. However, in the year 2013-14 JDA intimated NHPL that 6,000 sq. meters of land out of the 10 acres land retained will be utilised for the completion of ring road project. Subsequently, JDA gave another proposal of land allotment at Govind Pura Ropada, in lieu of 10 acres at Bagrana, NHPL gave its consent on the same through letter dated April 24, 2015.

Since this land is given in lieu of land allotted at Bagrana, NHPL has requested JDA that the land at Govind Pura Ropada to be valued the same as it was during the time of allotment of land in Bagrana in March 2008.

As at March 31, 2022, NHPL has paid ₹ 54.44 million (March 31, 2021 : ₹ 54.44 million) to JDA and accrued the balance payable of ₹ 53.39 million (31 March 2021 : ₹ 47.45 million). NHPL would capitalize this amount along with any other payment once NHPL gets the land registered in its name. As at March 31, 2022, NHPL has assessed the status of the advance paid and on grounds of prudence has recorded a provision for the above advance amounting to ₹ 54.44 million. The Company continues to engage with JDA for resolution of the above.

40 Share based payment expense

During the year ended March 31, 2016, the Company introduced the NH ESOP 2015 ("NH ESOP") for the benefit of the employees of the Company, its subsidiaries and associates, as approved by the Board of Directors in its meeting held on September 12, 2015. NH ESOP 2015 provides for the creation and issue of 20,40,000 share options that would eventually convert into equity shares of ₹ 10 each in the hands of the employees of the Company, its subsidiaries and associate. The options are to be granted to the eligible employees as per the eligibility criteria as determined by the Nomination and Remuneration Committee at its sole discretion. In case of plan one, The share options vest in a graded manner over a period of four years and are exercisable in one or more tranches within a period of four years from the date of first vesting, failing which the options shall lapse. In case of plan two, the share options vest in a graded manner over a period of two and half years and are exercisable in one or more tranches within a period of Three years from the date of first vesting, failing which the options shall lapse.

Pursuant to NH ESOP, the Company granted 9,88,787 share options till March 31, 2022 (previous year: 988,787). The Stock compensation cost is computed under the Fair value method. For the year ended March 31, 2022, the Company has recorded stock compensation expenses of ₹ 2.57 million (previous year: ₹ 6.01 million) and liability as on March 31, 2022 is ₹ 31.73 million (previous year: ₹ 37.38 million).

The activity in this stock option plan is summarized below:

Particulars	As at March 31, 2022	As at March 31, 2021
Outstanding as at the beginning of the year (Nos.)	183,117	194,837
Option granted during the year (Nos.)	-	-
Forfeited during the year(Nos.)	-	-
Exercised during the year(Nos.)	(39,200)	(11,720)
Expired during the year(Nos.)	-	-
Outstanding at the end of the year(Nos.)	143,917	183,117
Weighted average share price at the date of exercise (₹)	232.59	232.59

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to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

40 Share based payment expense (Contd.)

Plan-1:- The weighted average remaining contractual life for the stock options outstanding as at March 31, 2022 is Nil years (previous year: 0.50 years). The exercise price for the stock options outstanding as at March 31, 2022 is ₹ 10 (previous year : ₹ 10)

Plan-2:- The weighted average remaining contractual life for the stock options outstanding as at March 31, 2022 is 0.50 years (previous year: 1.50 years). The exercise price for the stock options outstanding as at March 31, 2022 is ₹ 10 (previous year : ₹ 10)

Fair value presentation

The fair value of share options have been valued based on fair value method as described under Ind AS- 102, Shared-based Payment using Black Scholes valuation options-pricing model, using the fair value of the Company's shares as on the grant date.

Particulars	As at March 31, 2022	As at March 31, 2021
No. of options granted (Nos.)	Plan - 1 - 805670 Plan - 2 -183117	Plan - 1 - 805670 Plan - 2 -183117
Date of grant	1 October 2015 - 805670 25 March 2019 - 183117	1 October 2015 - 805670 25 March 2019 - 183117
Vesting period (years)	for 805,670 options - 4 years for 183,117 options- 2.52 years	for 805,670 options - 4 years for 183,117 options- 2.52 years
Expected life of option (years)	for 805,670 options - 5 years for 183,117 options- 3.52 years	for 805,670 options - 5 years for 183,117 options- 3.52 years
Expected volatility	for 805,670 options - 35% for 183,117 options - 24.70%	for 805,670 options - 35% for 183,117 options - 24.70%
Risk free rate	for 805,670 options - 7.63% for 183,117 options - 6.90%	for 805,670 options - 7.63% for 183,117 options - 6.90%
Expected dividends expressed as a dividend yield	for 805,670 options - 0% for 183,117 options - 0%	for 805,670 options - 0% for 183,117 options - 0%
Weighted-average fair values of options per share (₹)	for 805,670 options - 208.73 for 183,117 options - 209.81	for 805,670 options - 208.73 for 183,117 options - 209.81

41 Earnings / (loss) per share (EPS)

Basic earnings per share

The calculation of basic earnings per share for the year ended on March 31, 2022 was based on profit / (loss) attributable to equity shareholders of ₹ 3419.31 million (previous year: ₹ (143.04) million) and weighted average number of equity shares outstanding 20,29,55,918 (previous year: 20,29,16,718).

Diluted earnings per share

The calculation of diluted earnings per share for the year ended March 31, 2022 was based on profit / (loss) attributable to equity shareholders of ₹ 3419.31 million (previous year: ₹ (143.04) million) and weighted average number of equity shares outstanding after adjustment for effects of all the dilutive potential equity shares.

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

41 Earnings / (loss) per share (EPS) (Contd.)

(₹ in million)

Earnings	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit / (loss) after tax	3,419.31	(143.04)

Weighted average number of equity shares (basic)

Shares	For the year ended March 31, 2022	For the year ended March 31, 2021
Total no. of shares outstanding	204,360,804	204,360,804
Effect of Treasury shares	(1,404,886)	(1,444,086)
Weighted average number of equity shares (basic) for the year	**202,955,918**	**202,916,718**

Weighted average number of equity shares (diluted)

Shares	For the year ended March 31, 2022	For the year ended March 31, 2021
Weighted average number of equity shares for the year (basic)	202,955,918	202,916,718
Weighted average number of equity shares from assumed exercise of stock options	141,262	173,288
Weighted average number of equity shares (diluted) for the year	**203,097,180**	**203,090,006**
Basic earnings per share (₹)	16.85	(0.70)
Diluted earnings per share (₹)*	16.84	(0.70)

*Impact of potential dilutive equity shares is not considered as they are anti-dilutive in nature

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

On March 31, 2017, the Company's wholly owned subsidiary Narayana Hrudayalaya Surgical Hospital Private Limited ('NHSHPL') entered into Healthcare Services Agreement ("Agreement") with Dharamshila Cancer Foundation and Research Centre ("Society"). Accordingly, NHSHPL has a control over the operations of Dharamshila Hospital and Research Centre ("Hospital") and provide healthcare services using the assets which are owned by the society. The arrangement of NHSHPL with the Society attracts the application of business combination as per IndAS103. NHSHPL commenced the provision of healthcare services at the Hospital on 1st April 2017 ("Commencement Date"). The term of the Agreement is 25 years, which the Parties may extend for a further period on such terms as may be mutually agreed. Neither Party shall have the right to terminate the Agreement before 10 years of the Commencement Date. The Hospital is renamed as "Dharamshila Narayana Superspeciality Hospital, A Unit of Dharamshila Cancer Foundation And Research Centre" as per the Agreement.

In terms of the Agreement, the Society is entitled to retain an annual revenue amount of ₹ 180 million per annum with an annual escalation of 5% during the term NHSHPL is in control of the operations of the Hospital. The fair value, applying the Discounted Cash Flow approach based on discount rate of 15.23% is determined by discounting the estimated annual amounts of revenue which the Society is entitled to retain from the Commencement Date. The excess amount of such fair value over the fair value of net assets of the Hospital, which NHSHPL uses in exercise control over the operations of the Hospital, has been attributed towards goodwill.

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

42 Healthcare Service Agreement with Dharamshila Cancer Foundation and Research Centre (DCFRC) (Contd.)

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

(₹ in million)

Component	Acquisition date fair value
Property, plant and equipment	357.68
Property usage right	163.94
Intangible assets	463.70
Total	**985.32**
Goodwill	79.00
Total purchase price	**1,064.32**

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

The goodwill amounting to ₹ 79 million comprises value of benefits of expected synergies, future revenue, future market developments, assembled workforce, etc.

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

NHSHPL has paid an interest-free refundable security deposit amounting to ₹ 100 million to the Society as per the Agreement. Security deposit was discounted and the differential was treated as prepaid rent and amortised over the term of the Agreement.

43 Service Concession Arrangement.

(a) National Rural Health Mission, Assam (NRHM)

The Company had entered into an agreement with National Rural Health Mission, Assam (NRHM) on 16 August 2012 ("effective date") to set up a super specialty hospital at Guwahati and to operate and manage such hospital for a period of 30 years. As per the agreement, NRHM will provide ₹ 220 million in three instalments over a period of 1 year during execution of the project besides the existing hospital building on as is where is basis. The Company has received ₹ 220 million as it met all the conditions related to the grants. As per the terms of the agreement, the Company has entered into lease agreement with NRHM for existing building and land for a lease period of 30 years.

Also, as per the agreement not less than 50% of the hospitals beds shall be charged at 1.85% below the National Accreditation Board of Hospitals and Healthcare Providers (NABH) accredited hospital rate applicable. All the surgical, observational and other procedures for which super speciality rates are available in Central Government Health Scheme ("CGHS") schedule, such rates quoted in CGHS schedule shall apply and for which it is not available, NABH accredited hospital rates shall be applicable.

The Company has established a super-speciality hospital providing all the necessary services and for that it has to bear all the expenses in setting up the facilities mentioned in the agreement and thereafter run the hospitals on a day to day basis.

The term of the agreement is to commence on the effective date and will continue until the expiration of 30 years on 15 August 2042. Thereafter, this agreement shall be renewed for such additional periods and on such terms and conditions as may be mutually agreed to by the parties to the agreement. The agreement can be terminated by both the parties by mutual written agreement or if the other party breaches or fails to perform any of the covenants of the agreement or if any representation or warranty of the other party under this agreement shall have become untrue.

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

43 Service Concession Arrangement (Contd.)

(b) Narayana Vaishno Devi Specialty Hospitals Private Limited ("NVDSHPL")

NVDSHPL entered into a Concession Agreement with Shri Mata Vaishno Devi Shrine Board ("the trust") to operate, maintain and manage a 230 bed multi specialty hospital on public private partnership model. NVDSHPL is required to pay concession fees to trust as mutually agreed, during the period of agreement. The trust has invested and incurred capital costs to set up/ establish 230 bed multi specialty hospital and has reimbursed costs incurred by NVDSHPL for providing technical assistance during the refurbishment and commissioning period to the extent of ₹ 5 million. The period of agreement is 21 Years from the Commercial Operation Date (COD) which is April 2016 .

Effective from the Commercial operations date (COD), the Authority shall provide Viability Gap Funding ("VGF"), in the form of financial assistance to cover expected expenditure and losses , to the Company for a maximum period of 5 years from the COD on actual basis subject to a cumulative maximum amount of ₹ 450 million. During the financial year 2020-21, the Authority had further approved and increased the above mentioned cumulative maximum to ₹ 517.00 million. During the financial year 2021-22, Shrine Board has expressed their in-principal agreement to release the additional amounts in the due course of time as per the concession agreement and based on the hospital's actual requirement and the Board's cash-flows. In the current year, the Company has earned a surplus of ₹ 59.49 million from its operations. The Company has proposed to Shrine Board to retain this surplus earned within the Company and utilize it for purposes as stated and governed by the Shrine Board and Governing Body.

The Viability Gap Funding accounted so far is as below:

Component	Financial Year	(₹ in million)
Other Operating revenue under Revenue from Operations	16-17	144.18
Other Operating revenue under Revenue from Operations	17-18	111.61
Other Operating revenue under Revenue from Operations	18-19	118.20
Other Operating revenue under Revenue from Operations	19-20	76.73
Other Operating revenue under Revenue from Operations	20-21	102.52

Notes

to the Consolidated Financial Statements for the year ended 31 March 2022 (Contd.)

44 Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- 'General instructions for the preparation of consolidated financial statements

March 31, 2022

(₹ in million)

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated total comprehensive income	Amount
1	2	3	4	5	6	7	8	9
Parent								
Narayana Hrudayalaya Limited	39.73	5,916.65	5.18	177.33	(6.43)	(16.82)	4.36	160.51
Subsidiaries								
Indian subsidiaries								
Narayana Hospitals Private Limited	6.17	918.96	(1.21)	(41.47)	-	-	(1.13)	(41.47)
Narayana Institute for Advanced Research Private Limited	-	-	(0.01)	(0.21)	-	-	(0.01)	(0.21)
Narayana Health Institutions Private Limited	-	0.03	-	(0.13)	-	-	-	(0.13)
Narayana Hrudayalaya Surgical Hospital Private Limited	2.17	322.80	6.72	229.80	(1.51)	(3.95)	6.13	225.85
Narayana Vaishno Devi Specialty Hospitals Private Limited	0.25	36.90	1.58	53.93	(0.30)	(0.78)	1.44	53.15
Meridian Medical Research & Hospital Limited	5.75	856.62	7.30	249.74	(1.01)	(2.65)	6.71	247.09
Foreign subsidiaries								
Health City Cayman Islands Limited	45.75	6813.93	83.77	2866.45	109.35	285.98	85.60	3152.43
Narayana Holdings Private Limited	0.29	43.88	0.13	4.61	-	-	0.13	4.61
NH Health Bangladesh Private Limited	(0.20)	(29.86)	(1.46)	(50.11)	(0.10)	(0.26)	(1.37)	(50.37)
Narayana Health North America LLC	0.09	13.77	0.43	14.63	0.01	0.02	0.40	14.65
Associates (Investment as per the equity method)								
Foreign associates								
ISO Healthcare	-	-	0.18	6.20	-	-	0.17	6.20
Reya Health Inc. (formerly known as Cura Technologies Inc)	-	-	(2.67)	(91.46)	-	-	(2.48)	(91.46)
Non-controlling interests in Indian subsidiary								
Meridian Medical Research & Hospital Limited	-	-	0.06	1.89	(0.01)	(0.02)	0.05	1.87
	100.00	**14,893.68**	**100.00**	**3,421.20**	**100.00**	**261.52**	**100.00**	**3,682.72**

Notes

to the Consolidated Financial Statements for the year ended 31 March 2022 (Contd.)

44 Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- 'General instructions for the preparation of consolidated financial statements (Contd.)

March 31, 2021

(₹ in million)

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated total comprehensive income	Amount
1	2	3	4	5	6	7	8	9
Parent								
Narayana Hrudayalaya Limited	43.08	4,828.73	1,077.07	(1,539.56)	(266.98)	53.85	910.86	(1,485.71)
Subsidiaries								
Indian subsidiaries								
Narayana Hospitals Private Limited	6.03	676.10	(7.64)	10.92	(0.10)	0.02	(6.71)	10.94
Narayana Institute for Advanced Research Private Limited	-	(0.13)	0.11	(0.16)	-	-	0.10	(0.16)
Narayana Health Institutions Private Limited	-	0.48	0.09	(0.13)	-	-	0.08	(0.13)
Narayana Hrudayalaya Surgical Hospital Private Limited	0.87	97.92	178.70	(255.44)	1.24	(0.25)	156.76	(255.69)
Narayana Vaishno Devi Specialty Hospitals Private Limited	(0.02)	(2.74)	(10.26)	14.67	11.11	(2.24)	(7.62)	12.43
Meridian Medical Research & Hospital Limited	5.74	643.00	(28.76)	41.11	0.69	(0.14)	(25.12)	40.97
Foreign subsidiaries								
Narayana Cayman Holdings Limited	0.95	106.86	(7.51)	10.73	600.35	(121.09)	67.66	(110.36)
Health City Cayman Islands Limited	43.14	4,835.12	(1,169.20)	1,671.26	(247.79)	49.98	(1,055.26)	1,721.24
Narayana Holdings Private Limited	0.23	26.08	0.81	(1.16)	-	-	0.71	(1.16)
NH Health Bangladesh Private Limited	(0.02)	(3.20)	18.83	(26.91)	1.48	(0.30)	16.69	(27.21)
Associates (Investment as per the equity method)								
Foreign associates								
ISO Healthcare	-	-	0.64	(0.92)	-	-	0.56	(0.92)
Reya Health Inc. (formerly known as Cura Technologies Inc)	-	-	47.19	(67.45)	-	-	41.35	(67.45)
Non-controlling interests in Indian subsidiary								
Meridian Medical Research & Hospital Limited			(0.07)	0.10	-	-	(0.06)	0.10
	100.00	**11,208.22**	**100.00**	**(142.94)**	**100.00**	**(20.17)**	**100.00**	**(163.11)**

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

45 Capital management

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

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

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

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2021
Total equity attributable to owners of Company	14,886.37	11,202.79
As a percentage of total capital	73%	64%
Long-term borrowings	4,321.11	5,041.11
Short-term borrowings	1,127.49	1,136.81
Total borrowings	**5,448.60**	**6,177.92**
As a percentage of total capital	27%	36%
Total capital (Equity and Borrowings)	**20,334.97**	**17,380.70**

46 Income tax

(a) Amounts recognised in profit and loss

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2021
Current tax		
- Current year*	500.41	3.46
- Prior year	-	-
MAT credit entitlement**	(13.30)	(2.72)
Deferred tax charge/ (credit), net	-	-
Origination and reversal of temporary differences	389.47	(418.47)
Tax expense for the year	**876.58**	**(417.73)**

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

(b) Amounts recognised in other comprehensive income

(₹ in million)

Particulars	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
Items that will not be reclassified subsequently to profit or loss						
Re-measurement of defined benefit plans	(41.28)	12.48	(28.80)	(8.51)	2.09	(6.42)
Items that will be reclassified subsequently to profit or loss						
The effective portion of gains /(loss) on hedging instruments in a cash flow hedge	136.95	(19.90)	117.05	83.50	(11.71)	71.79
The effective portion of gains /(loss) on hedging instruments in a foreign operation	(32.57)	-	(32.57)	35.85	-	35.85
	63.10	**(7.42)**	**55.68**	**110.84**	**(9.62)**	**101.22**

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46 Income tax (Contd.)

(c) Reconciliation of effective tax rate

(₹ in million)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit / (Loss) before tax	4,297.78	(560.67)
Tax using the Company's domestic tax rate (current year 34.94% and previous year 34.94%)	1,501.64	(196.09)
Tax effect of:		
Non-deductible tax expenses	4.34	0.03
Tax-exempt income	(860.75)	(511.36)
Others	144.47	178.23
Current year losses of subsidiaries for which no deferred tax asset is recognised	57.09	87.55
Share of loss of equity accounted investees on which no deferred tax was recognised	29.79	23.91
	876.58	**(417.73)**

47 Recognised deferred tax assets and liabilities

(a) Narayana Hrudayalaya Limited :-

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

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax asset		
Provision for doubtful receivables	93.75	113.74
Provision for gratuity	129.94	104.26
Provision for compensated absences	71.15	58.90
Provision for slow and non moving inventory	9.96	7.33
Impact on account of adoption of Ind AS 116	201.27	184.36
On land indexation of freehold land	18.91	18.91
On unabsorbed business loss	-	315.54
Others	(6.20)	4.32
Total deferred tax asset	**518.78**	**807.36**
Deferred tax liability		
Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act.	(1,226.34)	(1,158.01)
Total deferred tax liability	**(1,226.34)**	**(1,158.01)**
Minimum alternative tax assets**	**228.78**	**220.35**
Deferred tax liability (net)	**(478.78)**	**(130.30)**

** In the current year, the Company is liable to pay tax as per Minimum Alternate Tax (MAT) under section 115 JB of Income Tax Act, 1961, as the MAT tax is higher than tax as per normal provisions of Income tax Act 1961. The excess of MAT tax and tax under normal provisions has been accounted as MAT asset. As per Section 115 JAA of Income Tax Act,1961, MAT assets can be carried forward to 15 years from Assessment year 2019-20, subject to earlier utilization by the Company.

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

47 Recognised deferred tax assets and liabilities (Contd.)

(ii) Movement in temporary differences

(₹ in million)

Particulars	Balances 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	Balances as at March 31, 2022
Provision for doubtful receivables	113.74	-	(19.99)	-	93.75
Provision for gratuity	104.26	-	14.22	11.46	129.94
Provision for compensated absences	58.90	-	12.25	-	71.15
Provision for slow and non moving inventory	7.33	-	2.63	-	9.96
Impact on account of adoption of Ind AS 116	184.36	-	16.91	-	201.27
On land indexation of freehold land	18.91	-	-	-	18.91
On unabsorbed business loss	315.54	-	(315.54)	-	-
Others	4.32	-	9.38	(19.90)	(6.20)
Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act.	(1,158.01)	-	(68.33)	-	(1,226.34)
MAT Credit Entitlement	220.35	-	8.43	-	228.78
Deferred tax liability (net)	**(130.30)**	**-**	**(340.04)**	**(8.44)**	**(478.78)**

(b) Meridian Medical Research & Hospital Limited :-

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

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax asset		
Provision for doubtful receivables	12.39	6.99
Provision for gratuity	3.52	0.72
Provision for compensated absences	3.60	3.04
On brought forward loss	-	38.67
Impact on account of adoption of Ind AS 116	-	1.98
Provision for slow moving and non moving inventory	0.82	0.69
Others	8.65	6.70
Total deferred tax asset	**28.98**	**58.79**
Deferred tax liability		
Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act.	(90.13)	(84.57)
Total deferred tax liability	**(90.13)**	**(84.57)**
Minimum alternative tax assets	**48.80**	**43.92**
Deferred tax asset / (liability) (net)	**(12.35)**	**18.14**

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

47 Recognised deferred tax assets and liabilities (Contd.)

(b) Meridian Medical Research & Hospital Limited :-

(ii) Movement in temporary differences

(₹ in million)

Particulars	Balances 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	Balances as at March 31, 2022
Provision for doubtful receivables	6.99	-	5.40	-	12.39
Provision for gratuity	0.72	-	1.78	1.02	3.52
Provision for compensated absences	3.04	-	0.56	-	3.60
On brought forward loss	38.67	-	(38.67)	-	-
Provision for slow moving and non moving inventory	0.69	-	0.13	-	0.82
Others	6.70	-	(0.03)	-	6.67
Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act.	(84.57)	-	(5.56)	-	(90.13)
Minimum alternative tax assets	43.92	-	4.88	-	48.80
Impact on account of adoption of Ind AS 116	1.98	-	-	-	1.98
Deferred tax asset / (liability) (net)	**18.14**	**-**	**(31.51)**	**1.02**	**(12.35)**

(c) Narayana Hrudayalaya Surgical Hospital Private Limited and others:-

(i) Minimum Alternate Tax Credit

During the FY 2021-22, the company has lower tax as per normal provisions of Income Tax Act, 1961 and so it was liable to pay tax as per Minimum Alternative tax (MAT) under section 115 JB of Income Tax Act, 1961. Hence, the company has recognized ₹ 13.77 million as MAT credit entitlement which forms part of Deferred tax assets as per Ind AS 12. As per Section 115 JAA of Income Tax Act,1961, MAT assets can be carried forward to 15 years, subject to earlier utilization by the company.

(ii) Current Tax Liabilities (Net)

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	-	-
Add: Current tax payable of the year	61.68	-
Less: Taxes paid	(38.97)	-
	22.71	**-**

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

48 Financial instruments: Fair value and risk managements

A. Accounting classification and fair values

(₹ in million)

As at March 31, 2022	FVOCI	FVTPL	Amortised cost	Total	Fair Value			Total
					Level 1	Level 2	Level 3	
Financial assets								
Investments	-	1,312.26	5.11	1,317.37	1,312.26	-	-	1,312.26
Trade receivables	-	-	4,368.65	4,368.65	-	-	-	-
Cash and cash equivalents	-	-	1,574.95	1,574.95	-	-	-	-
Bank balances other than above	-	-	146.72	146.72	-	-	-	-
Other financial assets	-	-	1,057.85	1,057.85	-	-	-	-
	-	**1,312.26**	**7,153.28**	**8,465.54**	**1,312.26**	**-**	**-**	**1,312.26**
Financial liabilities								
Borrowings	-	-	5,448.60	5,448.60	-	-	-	-
Lease liabilities	-	-	1,785.64	1,785.64	-	-	-	-
Trade payables	-	-	4,490.30	4,490.30	-	-	-	-
Other financial liabilities	-	-	1,243.66	1,243.66	-	-	-	-
Interest rate swap	27.69	-	-	27.69	-	27.69	-	27.69
	27.69	**-**	**12,968.20**	**12,995.89**	**-**	**27.69**	**-**	**27.69**

(₹ in million)

As at March 31, 2021	FVOCI	FVTPL	Amortised cost	Total	Fair Value			Total
					Level 1	Level 2	Level 3	
Financial assets								
Financial assets								
Investments	-	1,100.09	77.34	1,177.43	1,100.09	-	-	1,100.09
Trade receivables	-	-	2,785.19	2,785.19	-	-	-	-
Cash and cash equivalents	-	-	1,107.32	1,107.32	-	-	-	-
Bank balances other than above	-	-	213.20	213.20	-	-	-	-
Other financial assets	-	-	897.05	897.05	-	-	-	-
	-	**1,100.09**	**5,080.10**	**6,180.19**	**1,100.09**	**-**	**-**	**1,100.09**
Financial liabilities								
Borrowings	-	-	6,177.92	6,177.92	-	-	-	-
Lease liabilities	-	-	2,078.51	2,078.51	-	-	-	-
Trade payables	-	-	4,103.07	4,103.07	-	-	-	-
Other financial liabilities	-	-	1,222.80	1,222.80	-	-	-	-
Interest rate swap	165.08	-	-	165.08	-	165.08	-	165.08
	165.08	**-**	**13,582.30**	**13,747.38**	**-**	**165.08**	**-**	**165.08**

Measurement of fair values

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

B. Financial risk management

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

(i) Risk management framework

The Group'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.

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

48 Financial instruments: Fair value and risk managements (Contd.)

(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 Group 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 amounting to ₹ 4,958.09 million (previous year: ₹ 3,287.52 million). The movement in allowance for impairment in respect of trade and other receivables during the year was as follows:

(₹ in million)

Allowance for credit loss	As at March 31, 2022	As at March 31, 2021
Opening balance	502.33	564.33
Foreign currency translation	(25.21)	(15.58)
Credit loss recognised /(reversed)	112.32	(46.42)
Closing balance	**589.44**	**502.33**

No single customer accounted for more than 10% of the revenue as of March 31, 2022, March 31, 2021. There is no significant concentration of credit risk.

Credit risk on cash and cash equivalents is limited as the Group 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 Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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 Group's reputation. In addition, the Group maintains line of credit as stated in Note 16.

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

(₹ in million)

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Borrowings	1,284.50	2,272.86	1,414.86	476.38	5,448.60
Lease liabilities	440.64	322.14	330.87	691.99	1,785.64
Trade payables	4,490.30	-	-	-	4,490.30
Other financial liabilities	393.36	299.40	448.08	130.51	1,271.35
Total	**6,608.80**	**2,894.40**	**2,193.81**	**1,298.88**	**12,995.89**

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

48 Financial instruments: Fair value and risk managements (Contd.)

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

(₹ in million)

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Borrowings	1,136.81	1,104.09	3,881.44	55.58	6,177.92
Lease liabilities	384.93	422.59	973.01	297.98	2,078.51
Trade payables	4,103.07	-	-	-	4,103.07
Other financial liabilities	400.60	155.02	817.55	14.71	1,387.88
Total	**6,025.41**	**1,681.70**	**5,672.00**	**368.27**	**13,747.38**

(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.

Foreign currency risk

The Group operates internationally and a major portion of the business is transacted in several currencies and consequently, the Group is exposed to foreign exchange risk through operating and borrowing activities in foreign currency.

The currency profile of financial assets and financial liabilities as at March 31, 2022 and March 31, 2021 are as follows:

Particulars	(₹ in million) As at March 31, 2022 (USD in million)	(₹ in million) As at March 31, 2021 (USD in million)
Financial assets		
Trade receivables	26.23	13.00
Cash and cash equivalents	5.80	7.44
Other financial assets (current)	2.99	2.20
Other current assets	5.62	2.78
Financial liabilities		
Borrowings	29.83	35.53
Trade payables	6.27	6.05
Other financial liabilities	0.14	4.81
Net assets / (liabilities)	**4.40**	**(20.97)**

Sensitivity analysis

The sensitivity of profit or loss to changes in exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign exchange forward/option contracts designated as cash flow hedges.

(₹ in million)

Particulars	Impact on profit or loss	
	As at 31 March 2022	As at 31 March 2021
USD Sensitivity		
INR/USD - Increase by 1%	3.34	(15.41)
INR/USD - Decrease by 1%	(3.34)	15.41

Cash flow and fair value interest rate risk

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

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

48 Financial instruments: Fair value and risk managements (Contd.)

(a) Interest rate risk exposure

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Group's position with regard to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Type of Derivative	No. of Contracts	As at March 31, 2022		As at March 31, 2021	
		Amount Hedged (in USD million)	Fair Value (D million)	Amount Hedged (in USD million)	Fair Value (₹ million)
Interest rate swap	3	47.95	(27.69)	47.95	(165.08)

The Group has entered into derivative financial instruments with a counter-party (bank) with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps. The most frequently applied valuation techniques include swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, interest rate curves and forward rate curves of the underlying. As at March 31, 2022, the changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognized at fair value.

The exposure of the Group'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 million)

Particulars	As at March 31, 2022	As at March 31, 2021
Variable rate long term borrowings including current maturities	2,886.83	2,979.57
Total borrowings	**2,886.83**	**2,979.57**

(b) Sensitivity

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

(₹ in million)

Particulars	Impact on profit or loss	
	As at March 31, 2022	As at March 31, 2021
Sensitivity		
1% increase in interest rate	(28.87)	(29.80)
1% decrease in interest rate	28.87	29.80

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

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

49 Code on Social Security 2020

The Code on Social Security, 2020 ("the Code) which would impact the contributions by the Group towards Provident Fund and Gratuity has received Presidential assent in September 2020. However, the date from which the Code will come into effect has not been notified. The Ministry of Labour and Employment (Ministry) has released draft rules for the Code on November 13, 2020 and has invited suggestions from stake holders which are under active consideration by the Ministry. The Group will complete its evaluation and will give appropriate impact in its consolidated financial statements in the period in which the Code becomes effective and the related rules are published.

50 The Board of Directors, in their meeting on February 5, 2021, had approved the merger of its wholly owned subsidiary Narayana Cayman Holdings Limited, Cayman Islands with its wholly owned stepdown subsidiary Health City Cayman Islands Limited, Cayman Islands with the effective date being April 1, 2021. The said merger has been approved by the Registrar of Companies Cayman Islands.

51 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 Group 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 and its subsidiaries incorporated in India 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 and its subsidiaries incorporated in India 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 group 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 group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

Notes

to the Consolidated Financial Statements for the year ended 31st March 2022 (Contd.)

52 The Company's wholly owned subsidiary Narayana Hrudayalaya Surgical Hospital Private Limited ('NHSHPL') has entered a Consultancy contract with The Government of St. Lucia (GOSL) on October 7, 2020 for a period of 2 years to co-ordinate and share expertise on transition of Victoria Hospital to Owen king European Union Hospital (OKEUH) and provide advisory and consultancy services for management of operations of OKEUH with a view to ensuring that global best practices are adhered to.

53 Pursuant to the approval of the Board of Directors of the Company in their meeting held on February 4, 2022, the Company has initiated voluntary liquidation of the wholly owned subsidiary viz. Narayana Institute for Advance Research Private Limited (NIARPL) under Section 59 of the Insolvency and Bankruptcy Code, 2016 and dissolution of the wholly owned subsidiary viz. Narayana Health Institutions Private Limited (NHIPL) under Section 248 of the Companies Act, 2013. The said wholly owned subsidiaries are neither carrying on any operations nor there is any intention to carry on any operations or business of the Company.

54 The Group 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 Group as of the reporting date does not expect any long term adverse impact of COVID-19 on its ability to recover the carrying value of its current assets and non-current assets including trade receivables, property, plant and equipment and intangible assets and meeting its financial obligations.

for and on behalf of the Board of Directors of
Narayana Hrudayalaya Limited

Dr. Emmanuel Rupert
Managing Director
DIN: 07010883

Viren Prasad Shetty
Whole-time Director
DIN: 02144586

Sandhya Jayaraman
Chief Financial Officer

Sridhar S
Company Secretary

Place: Bengaluru
Date: May 20, 2022

Place: Bengaluru
Date: May 20, 2022

Notes

Notes

Narayana Health

Health for all. All for health.

Narayana Hrudayalaya Limited

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