

Date of submission: 13<sup>th</sup> July 2023

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

**Sub: Notice of 23<sup>rd</sup> Annual General Meeting and Annual Report for the FY 2022-23**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), we enclose herewith Notice of 23<sup>rd</sup> Annual General Meeting of the Members of the Company to be held on Friday, 4<sup>th</sup> August 2023, at 11:30 a.m. through Video Conferencing / Other Audio-Visual Means (VC/OAVM) and Annual Report of the Company for the FY 2022-23.

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 23<sup>rd</sup> 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 Monday, 31<sup>st</sup> July 2023, from 09:00 A.M.(IST) and will end on Thursday, 3<sup>rd</sup> August 2023, at 05:00 P.M. (IST). The cut-off date for determining the members who shall be eligible to vote is Friday, 28<sup>th</sup> July 2023.

The Notice of Annual General Meeting and Annual Report for the Financial Year 2022-23 has also 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/Registrar and Share Transfer Agent.

Kindly take the above information on record.

Thanking you

Yours faithfully  
For **NARAYANA HRUDAYALAYA LIMITED**

Sridhar S.  
Group Company Secretary, Legal and Compliance Officer

Encl: As above



## Narayana Hrudayalaya Limited

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

CIN: L85110KA2000PLC027497

Website: [www.narayanahealth.org](http://www.narayanahealth.org), E-mail: [investorrelations@narayanahealth.org](mailto:investorrelations@narayanahealth.org), Tel: +91 80 7122 2129

### NOTICE OF 23<sup>rd</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 23<sup>rd</sup> Annual General Meeting (AGM) of the Members of Narayana Hrudayalaya Limited will be held on Friday, the 4<sup>th</sup> August, 2023, 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

- To receive, consider and adopt the audited financial statements of the Company including the audited consolidated financial statements for the financial year ended 31<sup>st</sup> March 2023, together with the reports of the Board of Directors and the Auditors thereon**

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

**“RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2023 including the Audited Balance Sheet as at 31<sup>st</sup> March 2023 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 31<sup>st</sup> March 2023, 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”.

- To declare dividend of Rs. 2.50 per Equity Share for the financial year ended 31<sup>st</sup> March 2023**

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

**“RESOLVED THAT** a final dividend of Rs. 2.50 per share on the equity shares of Rs.10 each aggregating to Rs. 51,09,02,010 as recommended by the Board of Directors of the Company for the year ended 31<sup>st</sup> March 2023 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 on 7<sup>th</sup> July 2023”.

- To appoint a Director in place of Dr. Kiran Mazumdar Shaw (DIN: 00347229), who retires by rotation and being eligible, offers herself 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 Director 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. Kiran Mazumdar Shaw, whose office as a Director is liable to retire by rotation at the ensuing AGM and being eligible, seeks re-appointment.

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

**“RESOLVED THAT** Dr. Kiran Mazumdar Shaw (DIN: 00347229), who retires by rotation at this Annual General Meeting be and is hereby re-appointed as a Director of the Company 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, and that her 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”.

#### SPECIAL BUSINESS

- To ratify remuneration payable to the Cost Auditors for the financial year 2023-24**

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 Rs. 4,00,000/- (Rupees Four Lakhs 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 31<sup>st</sup> March 2024.

**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”.

**5. To approve revision in remuneration of Dr. Devi Prasad Shetty (DIN: 00252187) as Whole- time Director of the Company till the end of his current tenure, i.e. upto 28<sup>th</sup> August 2023**

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 Sections 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 (“the Listing Regulations”) (including any amendment/modification or enactment thereof for the time being in force), Articles 52, 64 to 67 and any other applicable Articles 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 1<sup>st</sup> April 2023 and valid for the remaining tenure of his appointment, i.e., upto 28<sup>th</sup> August 2023.

**Consolidated Salary:** Consolidated salary upto INR 15,19,00,000/- (Rupees Fifteen Crores Nineteen Lakhs only) per annum which includes performance-based pay, allowances and perquisites, with the authority to the Board 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 to 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 Listing Regulations.

**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 such sum as remuneration to the Whole-time Director upto the consolidated salary and other benefits as specified above, 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”.

**6. To approve revision in remuneration of Mr. Viren Prasad Shetty (DIN:02144586) as Whole-time Director, designated as Executive Vice Chairman of the Company till the end of his current tenure, i.e. upto 28<sup>th</sup> August 2023**

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 Sections 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 (“the Listing Regulations”) (including any amendment/modification or enactment thereof for the time being in force), Articles 52, 64 to 67 and any other applicable Articles 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 1<sup>st</sup> April 2023 and valid for the remaining tenure of his appointment i.e., upto 28<sup>th</sup> August 2023:

**Consolidated Salary:** Consolidated salary upto INR 3,46,00,000/- (Rupees Three Crores Forty Six Lakhs only) per annum which includes performance-based pay, allowances and perquisites, with the authority to the Board 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 to 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 Listing Regulations.

**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 such sum as remuneration to the Whole-time Director upto the consolidated salary and other benefits as specified above, 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 Dr. Emmanuel Rupert (DIN: 07010883), as Managing Director and Group CEO 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 Sections 196, 197, 198, 200, 203 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, Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) (including any amendment/ modification or enactment thereof for the time being in force), Articles 52, 64 to 67 and any other applicable Articles 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. Emmanuel Rupert (DIN: 07010883) as Managing Director and Group CEO of the Company on the terms and conditions as hereinafter mentioned effective from 1<sup>st</sup> April 2023 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:** Dr. Emmanuel Rupert shall be paid consolidated salary up to INR 7,57,00,000 (Rupees Seven Crores Fifty Seven Lakhs only) per annum which includes performance-based pay, allowances and perquisites, with the authority to the Board to fix the salary within the said maximum limit from time to time including the various components of such salary.

**Other Benefits:** 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, Gratuity in terms of applicable provisions of the relevant statutes.

**FURTHER RESOLVED THAT**, in the event the remuneration payable to the Managing Director and Group CEO 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 to sub-section (1) of Section 197 of the Companies Act, 2013, the aforesaid remuneration be paid to the Managing Director and Group CEO notwithstanding the limits prescribed under the said provisos.

**FURTHER RESOVED 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 Managing Director and Group CEO, the Board of Directors be and is hereby authorised to pay such sum as remuneration to the Managing Director and Group CEO upto the consolidated salary and other benefits as specified above, notwithstanding the limits prescribed under Schedule V of the Act.

**RESOLVED FURTHER THAT**, the Board of Directors of the Company, be and are 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 re-appointment of Dr. Devi Prasad Shetty (DIN:00252187) as Whole-time Director of the Company for a term of five years effective from 29<sup>th</sup> August 2023.**

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 Sections 196, 197, 198, 200, Schedule V read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), (including any amendment/modification thereof), Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) (including any amendment/modification thereof), Articles 52, 64 to 67 and any other applicable Articles 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 re-appoint Dr. Devi Prasad Shetty (DIN: 00252187) as Whole-time Director of the Company, liable to retire by rotation, for a period of 5 (five) years with effect from 29<sup>th</sup> August, 2023 on the terms and conditions as hereinafter mentioned and valid for the tenure of his reappointment or till such time the same is revised before the end of his tenure.

**Consolidated Salary:** Consolidated salary upto INR 15,19,00,000/- (Rupees Fifteen Crores Nineteen Lakhs only) per annum which includes performance-based pay, allowances and perquisites, with the authority to the Board 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 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 to 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 Listing Regulations.

**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 such sum as remuneration to the Whole-time Director upto the consolidated salary and other benefits as specified above, notwithstanding the limits prescribed under Schedule V of the Act.

**RESOLVED FURTHER THAT**, the Board of Directors of the Company, be and are 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”.

**9. To approve re-appointment of Mr. Viren Prasad Shetty (DIN:02144586), as Whole-time Director (designated as Executive Vice Chairman) of the Company for a term of five years effective from 29<sup>th</sup> August 2023**

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 Sections 196, 197, 198, 200, Schedule V read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), (including any amendment/



modification thereof), Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") (including any amendment/modification thereof), Articles 52, 64 to 67 and any other applicable Articles 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 re-appoint Mr. Viren Prasad Shetty (DIN: 02144586) as Whole-time Director of the Company, liable to retire by rotation, for a period of 5 (five) years with effect from 29<sup>th</sup> August, 2023 on the terms and conditions as hereinafter mentioned and valid for the tenure of his reappointment or till such time the same is revised before the end of his tenure.

**Consolidated Salary:** Consolidated salary upto INR 3,46,00,000/- (Rupees Three Crores Forty Six Lakhs only) per annum which includes performance-based pay, allowances and perquisites, with the authority to the Board 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 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 to 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 Listing Regulations.

**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 such sum as remuneration to the Whole-time Director upto the consolidated salary and other benefits as specified above, notwithstanding the limits prescribed under Schedule V of the Act.

**FURTHER RESOLVED THAT**, the Board of Directors of the Company, be and are 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".

#### **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 a **Special Resolution**:

**"RESOLVED THAT**, pursuant to the provisions of Sections 42 and 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 Rs. 300 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 3<sup>rd</sup> August, 2018 under Section 180(1)(c) of the Act, that is Rs. 1,500 crores (Rupees One Thousand Five Hundred Crores only).

**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".

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

Place: Bengaluru  
Date: 19<sup>th</sup> May, 2023

**Sridhar S**  
Group Company Secretary, Legal & Compliance Officer

**Notes:**

1. Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Item Nos. 4 and 10 to be transacted at the Annual General Meeting as set out in the Notice, is annexed hereto.
2. Details as required in 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 Friday, 7<sup>th</sup> July 2023 as the 'Record Date' for determining entitlement of members to final dividend for the financial year ended 31<sup>st</sup> March 2023, 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 Friday, 7<sup>th</sup> July 2023.
- 5. General instructions for accessing and participating in the 23<sup>rd</sup> AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting:**
  - a. The Ministry of Corporate Affairs ('MCA') issued General Circular Nos. 14/2020 dated 8<sup>th</sup> April, 2020, 17/2020 dated 13<sup>th</sup> April, 2020, 20/2020 dated 5<sup>th</sup> May, 2020, 22/2020 dated 15<sup>th</sup> June, 2020, 33/2020 dated 28<sup>th</sup> September, 2020, 39/2020 dated 31<sup>st</sup> December, 2020, 02/2021 dated 13<sup>th</sup> January, 2021, 10/2021 dated 23<sup>rd</sup> June, 2021, 19/2021 and 20/2021 dated 8<sup>th</sup> December, 2021, 21/2021 dated 14<sup>th</sup> December, 2021, 02/2022 and 03/2022 dated 5<sup>th</sup> May, 2022 and 10/2022 dated 28<sup>th</sup> December, 2022 and circular No. SEBI/HO/CFD/PoD-2/P/ CIR/2023/4 dated 5<sup>th</sup> January, 2023, issued by Securities Exchange of India ("SEBI") allowed companies whose AGMs were due to be held in the year 2023 or become due in the year 2023, to conduct their AGMs upto 30<sup>th</sup> September, 2023, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 dated 5<sup>th</sup> 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 23<sup>rd</sup> 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 23<sup>rd</sup> 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](mailto:sudhindraksfcs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - f. In line with the MCA Circulars and SEBI Circular, the Notice of the 23<sup>rd</sup> AGM will be available on the website of the Company at <https://www.narayanahealth.org/>, on the website of National Stock Exchange of India Ltd at [www.nseindia.com](http://www.nseindia.com), BSE Limited at [www.bseindia.com](http://www.bseindia.com) and also on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - g. National Securities Depositories Limited ("NSDL") will be providing facility for voting through remote e-Voting, for participation in the 23<sup>rd</sup> AGM through VC/OAVM Facility and e-Voting during the 23<sup>rd</sup> AGM.
  - h. Members may join the 23<sup>rd</sup> 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 23<sup>rd</sup> AGM.
  - i. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure



mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (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. who are allowed to attend the AGM without restriction on account of first come first served basis.

- 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 23<sup>rd</sup> AGM and facility for those Members participating in the 23<sup>rd</sup> AGM to cast vote through e-Voting system during the 23<sup>rd</sup> AGM.

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

- a. The remote e-Voting period will commence on Monday, 31<sup>st</sup> July, 2023 (9.00 a.m. IST) and end on Thursday, 3<sup>rd</sup> August, 2023 (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 Friday, 28<sup>th</sup> July, 2023, 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 23<sup>rd</sup> AGM for information purpose only.
- c. The details of the process and manner for remote e-Voting are explained herein after.

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.	<ol style="list-style-type: none"> <li data-bbox="432 1265 1441 1549">Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” 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 &amp; voting during the meeting.</li> <li data-bbox="432 1549 1441 1653">If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li data-bbox="432 1653 1441 1960">Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> 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 &amp; voting during the meeting.</li> </ol>

Individual Shareholders holding securities in demat mode with NSDL.

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**



**Individual Shareholders holding securities in demat mode with CDSL**

- 1 Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website [www.cdslindia.com](http://www.cdslindia.com) and click on login icon & New System Myeasi Tab and then user your existing my easi username & password.
- 2 After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by Company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.
- 3 Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on [www.cdslindia.com](http://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 able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
- 4 Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on [www.cdslindia.com](http://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 able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting service providers.

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

Login type	Helpdesk details
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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**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](http://www.evoting.nsdl.com).
- b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto: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**

#### **How to 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 General 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**

1. 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](mailto:sudhindraksfcs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) and [investorrelations@narayanahealth.org](mailto:investorrelations@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.
  - i. 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](http://www.evoting.nsdl.com) to reset the password.

- ii. 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](http://www.evoting.nsdl.com) or call on toll free no.: 022 - 4886 7000 and 022 - 2499 7000 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**7. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for 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 23<sup>rd</sup> 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 along with enclosing scanned copy of share certificate, 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 [investorrelations@narayanahealth.org](mailto:investorrelations@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), enclosing client master or copy of Consolidated Account statement; (ii) self-attested scanned copy of client master or Consolidated Demat Account statement; and (iii) self-attested scanned copy of the PAN Card and AADHAR to the email address of the Company [investorrelations@narayanahealth.org](mailto:investorrelations@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](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by proving the details mentioned in Point 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 23<sup>rd</sup> AGM are as under:**

- a. Members may follow the same procedure for e-Voting during the 23<sup>rd</sup> AGM as mentioned above for remote e-Voting.
- b. Only those Members, who will be present in the 23<sup>rd</sup> 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 23<sup>rd</sup> AGM.
- c. The Members who have cast their vote by remote e-Voting prior to the 23<sup>rd</sup> AGM may also participate in the 23<sup>rd</sup> 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](mailto:evoting@nsdl.co.in) or call at toll free no.: 022 - 4886 7000 and 022 - 2499 7000.

**9. Instructions for Members for participating in the 23<sup>rd</sup> AGM through VC/OAVM are as under:**

- i. Member will be provided with a facility to attend the 23<sup>rd</sup> 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 General meeting" menu against Company name. You are requested to click on VC/OAVM link placed under Join General 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 23<sup>rd</sup> 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 [investorrelations@narayanahealth.org](mailto:investorrelations@narayanahealth.org) before 28<sup>th</sup> July 2023 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 23<sup>rd</sup> AGM with regard to the financial statements or any other matter to be placed at the 23<sup>rd</sup> 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 [investorrelations@narayanahealth.org](mailto:investorrelations@narayanahealth.org) by 28<sup>th</sup> July 2023 by 10:00 a.m. IST. Those Members who have registered themselves as a speaker shall be allowed to ask questions during the 23<sup>rd</sup> 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 23<sup>rd</sup> AGM through VC/OAVM Facility.
- c. Any person, who acquires shares of the Company and becomes Member of the Company after the Company sends the Notice of the 23<sup>rd</sup> AGM by email and holds shares as on the cut-off date i.e., Friday, 28<sup>th</sup> July, 2023, may obtain the User ID and password by sending a request to the Company's email address [investorrelations@narayanahealth.org](mailto:investorrelations@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](http://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 23<sup>rd</sup> AGM, the Chairman shall, formally propose to the Members participating through VC/OAVM Facility and who have not cast vote through remote e-voting before the AGM, to vote on the resolutions as set out in the Notice of the 23<sup>rd</sup> AGM and announce the start of the casting of vote through the e-Voting system. Members eligible and interested to cast votes can cast the vote anytime during the AGM after Chairman's announcement and will be active till 15 minutes after the end of the discussion on the resolutions.
  - g. The Scrutinizer shall after the conclusion of e-Voting at the 23<sup>rd</sup> 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 23<sup>rd</sup> 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](http://www.evoting.nsdl.com)

#### 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](http://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 cut-off date of Friday, 28<sup>th</sup> July, 2023.



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, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith) Notice of the AGM along with the Annual Report 2022-23 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 2022-23 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](http://www.bseindia.com) and [www.nseindia.com](http://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 (RTA/KFin) by sending an e-mail request at the email ID: [einward.ris@kfintech.com](mailto: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 23<sup>rd</sup> AGM. Members seeking to inspect such documents can send an email to [investorrelations@narayanahealth.org](mailto:investorrelations@narayanahealth.org)
- i. Certificate from the Secretarial Auditors relating to the Company's Stock options/Restricted Stock Units Plans under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
  - 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 August 30<sup>th</sup>, 2022 (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. Members are requested to note that the Board of Directors at its Meeting held on 19<sup>th</sup> May, 2023 has recommended dividend of Re 2.50/- per Equity Share of Rs.10/- each for the financial year ended 31<sup>st</sup> March,2023. This dividend will be paid within 30 days from the conclusion of the Annual General Meeting (AGM), subject to approval of the shareholders of the Company.

Pursuant to the Income-tax Act, 1961 (the IT Act), as amended by the Finance Act, 2020, dividends paid or distributed by a Company after April 1, 2020 shall be taxable in the hands of the Shareholders. Your Company shall therefore be required to deduct tax at source at the prescribed rates from the dividend paid to shareholders.

All Shareholders are requested to ensure that the details such as Permanent Account Number (PAN), residential status, category of Shareholder (e.g. Domestic company, foreign company, Individual, Firm, LLP, HUF, Foreign Portfolio Investor (FPI) Foreign Institutional Investor (FI), Government, Trust, Alternate Investment Fund - Category I, II or III, etc), bank account details, email id and postal address are updated, in their respective demat account/s maintained with the Depository Participants or in their respective folio by submitting Form ISR-1 to RTA.

**(i) For Resident Shareholders:** Tax will be deducted at source under Section 194 of the Act at the rate of 10% on the amount of dividend payable in cases where valid PAN of the Shareholder is registered. In case the shareholder have not registered their valid PAN details in their accounts/folios TDS at the rate of 20% shall be deducted as per section 206AA of the Act. No tax shall be deducted if;

- a. exempt under any provisions of the Act as may be applicable.
- b. in case of resident individual shareholders, TDS would not apply if the aggregate of total dividend distributed/paid to them by the Company during a financial year does not exceed Rs. 5,000/-.
- c. Tax will not be deducted at source in cases where a shareholder provides Form 15G (where applicable) / Form 15H (applicable to an individual above the age of 60 years), provided that the eligibility conditions are met.

[Click Here](#) to download Form 15G and [Click Here](#) to download Form 15H.

**(ii) For Non-resident Shareholders including Foreign Portfolio Investors (FPIs),** taxes are required to be withheld in accordance with the provisions of Section 195 or Section 196D of the IT Act. As per the relevant provisions of the Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of Dividend payable to them. However, as per Section 90 of the IT Act, the non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Treaty (DTAA) between India and the country of tax residence of the shareholder, if they are more beneficial to them.

In order to claim the benefit under DTAA, the Non-resident shareholders would be required to submit the following documents:

- Self-attested copy of Tax Residence Certificate (TRC) (of FY 2023-24 or calendar years 2023 and 2024, valid as on record date) obtained from the tax authorities of the country of which the shareholder is resident. In case, the TRC is furnished in a language other than English, the said TRC would have to be translated from such other language to English language and thereafter, duly notarized and apostilled copy of the TRC would have to be provided;
- Self-declaration in Form 10F ([Click Here to download Form 10F](#)).
- Self-attested true copy of the PAN Card if allotted by the Indian Income Tax authorities.
- Self-declaration to be provided under Rule 37BC(2) of the Income Tax Rules, 1962 ([Click Here to download the format](#))
- Self-declaration in the format prescribed by the Company ([Click Here to download the format](#)), certifying the following points:
  - i. Shareholder is and will continue to remain a tax resident of the country of its residence during the FY 2023-24;
  - ii. Shareholder is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;
  - iii. Shareholder has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
  - iv. Shareholder does not have a taxable presence or a Permanent Establishment ("PE") in India during the FY 2023-24. In any case, the amounts paid/payable to the Shareholder are not attributable or effectively connected to the PE or fixed base, if any, which may have got constituted otherwise;
  - v. Declaration under Rule 37BA of the Income Tax Rules - In case of Joint shareholders, Minor shareholders etc; ([Click Here to download the format](#))
  - vi. Shareholder is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company; and
  - vii. Self-declaration by the shareholder regarding the satisfaction of the place of effective management (POEM), principal purpose test, GAAR, Simplified Limitation of Benefit test (wherever applicable), as regards the eligibility to claim recourse to concerned Double Taxation Avoidance Agreements.

- In case of FPI/FII, copy of SEBI Registration certificate.

Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by non-resident shareholders and meeting requirement of the Act read with applicable DTAA. In absence of the same, the Company will not be obligated to apply the beneficial DTAA rate at the time of tax deduction on dividend.

It may be further noted that in case tax on dividend is deducted at a higher rate in the absence of receipt of any of the aforementioned details/ documents from the shareholders within the timeline mentioned above, the shareholders may consider filing their return of income and claiming an appropriate refund, as may be eligible. No claim shall lie against the Company for such taxes deducted. The Company shall arrange to email the soft copy of the TDS certificate to shareholders at the registered email ID within the prescribed time, post payment of the said dividend, if declared in the AGM. The tax credit can also be viewed in Form 26AS by logging in with your credentials (with valid PAN) at income tax website.

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Shareholder/s, such Shareholder/s will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any assessment/ appellate proceedings before the Tax/ Government authorities.

Accordingly, in order to enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide the documents as mentioned above should be uploaded on the weblink: <https://ris.kfintech.com/form15/forms.aspx?q=0> or sent from registered email address to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) as mentioned hereinabove on or before on or before 19<sup>th</sup> July 2023.

**(iii) Introduction of Section 206AB of the Act applicable to all shareholders (resident and non-resident) who have not filed their Return of Income for the previous two financial years**

Rate of TDS at the rate of 10% under section 194 of the IT Act is subject to provisions of section 206AB of the IT Act (effective from 1<sup>st</sup> July, 2021) which introduces special provisions for TDS in respect of non-filers of income-tax return.

As provided in section 206AB of the IT Act, tax is required to be deducted at the highest of following rates in case of payments to specified persons:

- at twice the rate specified in the relevant provision of the Act; or
- at twice the rate or rates in force; or
- at the rate of 5%.

Where sections 206AA and 206AB of the IT Act are applicable simultaneously i.e., the specified person has not submitted the PAN as well as not filed returns; the tax shall be deducted at the higher of the two rates prescribed in these two sections.

The term 'specified person' is defined in sub section (3) of section 206AB of the IT Act who satisfies the following conditions:

- A person who has not furnished the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit for furnishing the return of income under sub-section (1) of Section 139 has expired; and
- the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in the said previous year.

The non-resident who does not have the permanent establishment is excluded from the scope of a specified person.

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

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

### Item No. 4

#### To ratify remuneration payable to the Cost Auditors for the financial year 2023-24

The Board, on the recommendations of Audit, Risk and Compliance Committee, at their meeting held on 19<sup>th</sup> May 2023, has approved the re-appointment of M/s. PSV and Associates, Cost Accountants, Bengaluru, as Cost Auditors for the Financial Year ending 31<sup>st</sup> March 2024, at a remuneration of Rs. 4,00,000/- (Rupees Four Lakhs 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. 4 of the Notice of the AGM for ratification of remuneration payable to the Cost Auditors for the Financial Year ending 31<sup>st</sup> March 2024.

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. 4 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. 5

#### To approve revision in remuneration of Dr. Devi Prasad Shetty (DIN: 00252187) as Whole-time Director of the Company till the end of his current tenure, i.e., upto 28<sup>th</sup> August 2023

Dr. Devi Prasad Shetty was appointed as Whole-time Director effective from 29<sup>th</sup> August, 2018 by the Board of Directors and was

subsequently approved by the members at the 18<sup>th</sup> AGM held on 3<sup>rd</sup> August, 2018.

The members at the 22<sup>nd</sup> AGM held on 30<sup>th</sup> August, 2022 approved maximum remuneration of Rs. 12,66,00,000/- (Rupees Twelve Crores Sixty Six Lakhs Only) per annum 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 19<sup>th</sup> May 2023, 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. 5 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.

Accordingly, approval of the Members is sought pursuant to the provisions of Sections 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 Articles 52, 64 to 67 and any other applicable Articles of the Articles of Association of the Company.

The Board recommends the Special resolution as set out at Item No. 5 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 2022-23.

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

<b>I. General Information</b>																															
(1) 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	INR in Million																														
	<table border="1"> <thead> <tr> <th>Year</th> <th>2018-19</th> <th>2019-20</th> <th>2020-21</th> <th>2021-22</th> <th>2022-23</th> </tr> </thead> <tbody> <tr> <td><b>Turnover</b></td> <td>28,609.20</td> <td>31,278.09</td> <td>25,793.35</td> <td>37,013.17</td> <td>45,247.65</td> </tr> <tr> <td><b>EBIDTA</b></td> <td>3,044.83</td> <td>4,466.74</td> <td>2102.8</td> <td>6,880.83</td> <td>10,312.69</td> </tr> <tr> <td><b>PBT</b></td> <td>957.29</td> <td>1,647.35</td> <td>-492.3</td> <td>4,297.78</td> <td>7,515.77</td> </tr> <tr> <td><b>PAT</b></td> <td>616.11</td> <td>1,224.82</td> <td>-74.57</td> <td>3,421.20</td> <td>6,065.66</td> </tr> </tbody> </table>	Year	2018-19	2019-20	2020-21	2021-22	2022-23	<b>Turnover</b>	28,609.20	31,278.09	25,793.35	37,013.17	45,247.65	<b>EBIDTA</b>	3,044.83	4,466.74	2102.8	6,880.83	10,312.69	<b>PBT</b>	957.29	1,647.35	-492.3	4,297.78	7,515.77	<b>PAT</b>	616.11	1,224.82	-74.57	3,421.20	6,065.66
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(5) Foreign investments or collaborations, if any.	None																														
<b>II. Information about the appointee:</b>																															
(1) Background	Please refer to the Directors Profile section of the Annual Report 2022-23 of the Company, for detailed profile.																														
(2) Past Remuneration																															
(3) Recognition or awards																															
(4) Job profile and his suitability																															
(5) Remuneration proposed	<p>Consolidated salary upto INR 15,19,00,000/- (Rupees Fifteen Crores Nineteen Lakhs only) per annum which includes performance-based pay, allowances and perquisites.</p> <p>Other Benefits: Group Mediclaim Insurance Policy, Group Personal Accident Policy and Group Term Life Insurance Policy.</p> <p>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.</p>																														
(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)	<p>A market benchmarking exercise was commissioned with an independent external consultant, using the industry data for similarly placed positions and thereafter remuneration was calibrated considering the role, the remuneration of similarly placed positions in the industry, comparative mapping of similar sized roles and remit of impact, and also the performance of the Company.</p> <p>The proposed remuneration revision is after reviewing the said salary benchmarking study, and doing appropriate ageing analytics to ascertain the relative positioning of his compensation against market, taking into consideration the role of CMD and the roles played by Dr. Devi Prasad Shetty in strategic, business, clinical and administrative contributions towards building the business of the Company.</p> <p>Based on the above, the Nomination and Remuneration Committee and the Board recommended gross increment of 20% for Dr. Devi Prasad Shetty.</p>																														

<b>I. General Information</b>		
(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 11.66% 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, Whole-time Director and Executive Vice Chairman (son).
<b>III. Other information</b>		
1	Reasons of loss or inadequate profits	Not applicable
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. 6

**To approve revision in remuneration of Mr. Viren Prasad Shetty (DIN:02144586) as Whole-time Director, designated as Executive Vice Chairman of the Company till the end of his current tenure, i.e., upto 28<sup>th</sup> August 2023**

Mr. Viren Prasad Shetty was appointed as Whole-time Director and Group Chief Operating Officer effective from 29<sup>th</sup> August 2018 by the Board of Directors and was subsequently approved by the members at the 18<sup>th</sup> AGM held on 3<sup>rd</sup> August, 2018. He was elected by the Board of Directors as the Vice-Chairman and designated as Executive Vice Chairman effective from 1<sup>st</sup> April, 2022.

The members at the 22<sup>nd</sup> AGM held on 30<sup>th</sup> August, 2022 approved maximum remuneration of Rs. 2,88,00,000/- (Rupees Two Crores Eighty Eight Lakhs Only) per annum payable to Mr. Viren Prasad Shetty in his capacity as Executive Vice Chairman.

The Board of Directors on recommendations of the Nomination and Remuneration Committee, at their meeting held on 19<sup>th</sup> May, 2023 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. 6 of the Notice, and hereby recommend it for your approval.

Approval of the members is sought pursuant to the provisions of Sections 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 Articles 52, 64 to 67 and any other applicable Articles of the Articles of Association of the Company.

The proposed remuneration is based on Industry Standards and the role and responsibilities of Mr. Viren Prasad Shetty as Whole-time Director.

Accordingly, the Board recommends the Special resolution as set out at Item No. 6 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 2022-23.

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

<b>I. General Information</b>		
(1)	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



<b>I. General Information</b>		
(4)	Financial performance based on given indicators	INR in Million
	<b>Year</b>	<b>2018-19</b> <b>2019-20</b> <b>2020-21</b> <b>2021-22</b> <b>2022-23</b>
	<b>Turnover</b>	28,609.20    31,278.09    25793.35    37,013.17    45,247.65
	<b>EBIDTA</b>	3,044.83    4,466.74    2102.8    6,880.83    10,312.69
	<b>PBT</b>	957.29    1,647.35    -492.3    4,297.78    7,515.77
	<b>PAT</b>	616.11    1,224.82    -74.57    3,421.20    6,065.66
(5)	Foreign investments or collaborations, if any.	None
<b>II. Information about the appointee:</b>		
(1)	Background	Please refer to the Directors Profile section of the Annual Report 2022-23 of the Company, for detailed profile.
(2)	Past Remuneration	
(3)	Recognition or awards	
(4)	Job profile and his suitability	
(5)	Remuneration proposed	
(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)	<p>Consolidated salary upto INR 3,46,00,000/- (Rupees Three Crores Forty Six Lakhs only) per annum which includes performance-based pay, allowances and perquisites,</p> <p>Other Benefits: Group Mediciclaim Insurance Policy, Group Personal Accident Policy, Group Term Life Insurance Policy and Group Term Life – Future Service Guarantee.</p> <p>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.</p> <p>As Executive Vice-Chairman, Mr. Viren Prasad Shetty continues to provide leadership direction and strategic guidance to NH including the current operations, new business opportunities, international business, and software development initiatives of the Company.</p> <p>A market benchmarking exercise was carried out using the industry data for similarly placed positions and thereafter remuneration was calibrated considering the role, the remuneration of similarly placed positions in the industry, comparative mapping of similar sized roles and remit of impact, and also the performance of the Company for the financial year. Accordingly, the Nomination and Remuneration Committee and the Board has recommended merit increment of 20% for Mr. Viren Prasad Shetty.</p>
(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 5% 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).
<b>III. Other information</b>		
1	Reasons of loss or inadequate profits	Not Applicable
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. 7****To approve revision in remuneration of Dr. Emmanuel Rupert (DIN: 07010883), as Managing Director and Group CEO of the Company**

The Board be informed that, Dr. Emmanuel Rupert (DIN: 07010883) was appointed as Managing Director and Group CEO of the Company, effective from 11<sup>th</sup> February, 2022, for a term of 3 (Three) years at the Postal Ballot Meeting held on 24<sup>th</sup> March, 2022 and currently paid a remuneration of INR 6,58,73,472 (Rupees Six Crore Fifty Eight Lakh Seventy Three Thousand Four Hundred and Seventy Two only) per annum which was approved at the above said Postal Ballot Meeting.

The Board of Directors on recommendations of the Nomination and Remuneration Committee, at their meeting held on 19<sup>th</sup> May, 2023 have passed a resolution for increasing the remuneration payable to Dr. Emmanuel Rupert, Managing Director and Group CEO 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 Sections 196, 197, 198, 200, 203 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, 64 to 67 of the Articles of Association of the Company.

The proposed remuneration is based on Industry Standards and the role and responsibilities of Dr. Emmanuel Rupert, Managing Director and Group CEO.

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

Except Dr. Emmanuel Rupert, 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. Emmanuel Rupert has been provided in the Annual Report for Financial Year 2022-23.

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**

(1)	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	INR in Million					
		<b>Year</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
		<b>Turnover</b>	28,609.20	31,278.09	25793.35	37,013.17	45,247.65
		<b>EBIDTA</b>	3,044.83	4,466.74	2102.8	6,880.83	10,312.69
		<b>PBT</b>	957.29	1,647.35	-492.3	4,297.78	7,515.77
		<b>PAT</b>	616.11	1,224.82	-74.57	3,421.20	6,065.66
(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 2022-23 of the Company, for detailed profile.
(2)	Past Remuneration	
(3)	Recognition or awards	
(4)	Job profile and his suitability	
(5)	Remuneration proposed	<p>Consolidated salary upto INR 7,57,00,000 (Rupees Seven Crores Fifty Seven Lakhs only) per annum which includes performance-based pay, allowances and perquisites.</p> <p>Other Benefits: Group Mediclaim Insurance Policy, Group Personal Accident Policy, Group Term Life Insurance Policy and Group Term Life – Future Service Guarantee.</p> <p>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.</p>
(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)	A market benchmarking exercise was carried out using the industry data for similarly placed positions and thereafter remuneration was calibrated considering the role, the remuneration of similarly placed positions in the industry, comparative mapping of similar sized roles and remit of impact, and also the performance of the Company for the financial year. Accordingly, a 15% merit increase has been recommended by the Nomination and Remuneration Committee and the Board of Directors.
(7)	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or other Director, if any.	Except for drawing remuneration in his capacity as Managing Director and Group Chief Executive Officer and grant of 1,83,117 (One Lakh Eighty Three Thousand One Hundred and Seventeen) Options under the Narayana Hrudayalaya Employees Stock Option Plan, 2015 (NH ESOP Plan 2015) approved by the members, there is no other pecuniary relationship with the Company. He is not related with any managerial personnel and Director of the Company.

## III. Other information

1	Reasons of loss or inadequate profits	Not Applicable
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 re-appointment of Dr. Devi Prasad Shetty (DIN:00252187) as Whole-time Director of the Company for a term of five years effective from 29<sup>th</sup> August 2023

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

The Board of Directors on the recommendation of the Nomination and Remuneration Committee, at their meeting held on 19<sup>th</sup> May 2023, approved the reappointment of Dr. Devi Prasad Shetty, as Whole-time Director of the Company as proposed in the resolution in Item No. 8 of the Notice, and hereby recommend it for your approval, at a remuneration as stated in the above said resolution.

Dr. Devi Prasad Shetty has attained the age of 70 years. In terms of Section 196 of the Companies Act, 2013, appointment of a person as a Whole-time Director who has attained the age of 70 years can be made by passing a special resolution. The Company seeks consent of the members by way of special resolution for his term of reappointment pursuant to provisions of Section 196 (3) (a) of the Companies Act, 2013.

Dr. Devi Prasad Shetty is the Founder of your Company. He is a cardiac surgeon with over 40 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 2009. He established Narayana Hrudayalaya Ltd. in the year 2000. He 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. He 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.

His foresight, leadership, strategic direction and entrepreneurial acumen has catapulted your Company into one of the leading hospital chain in India. His well-known clinical expertise combined with his strategic direction and advice on business aspects of the company has contributed to the steady growth of your Company since its inception. He has been continuously and tirelessly charting the growth trajectory of your Company and continues to provide his clinical expertise and strategic direction for the future growth of your Company.

Accordingly, looking at his expertise and long experience in the healthcare sector, the Board of Directors recommends the Special resolution set out at Item No.8 of the Notice for the approval of

the Members. The Board is of the view that the Reappointment of Dr. Devi Prasad Shetty would benefit the Company, given the knowledge, experience and performance of Dr. Devi Prasad Shetty. In the opinion of the Board, Dr. Devi Prasad Shetty fulfills the conditions specified in the Act, the Rules thereunder and the Listing Regulations for reappointment as a Whole-time Director of the Company.

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 2022-23.

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

(1)	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	INR in Million					
		<b>Year</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
		<b>Turnover</b>	28,609.20	31,278.09	25,793.35	37,013.17	45,247.65
		<b>EBIDTA</b>	3,044.83	4,466.74	2102.8	6,880.83	10,312.69
		<b>PBT</b>	957.29	1,647.35	-492.3	4,297.78	7,515.77
		<b>PAT</b>	616.11	1,224.82	-74.57	3,421.20	6,065.66
(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 2022-23 of the Company, for detailed profile.	
(2) Past Remuneration		
(3) Recognition or awards		
(4) Job profile and his suitability		
(5) Remuneration proposed	<p>Consolidated salary upto INR 15,19,00,000/- (Rupees Fifteen Crores Nineteen Lakhs only) per annum which includes performance-based pay, allowances and perquisites.</p> <p>Other Benefits: Group Medclaim Insurance Policy, Group Personal Accident Policy and Group Term Life Insurance Policy.</p> <p>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.</p>	
(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)	<p>A market benchmarking exercise was commissioned with an independent external consultant, using the industry data for similarly placed positions and thereafter remuneration was calibrated considering the role, the remuneration of similarly placed positions in the industry, comparative mapping of similar sized roles and remit of impact, and also the performance of the company..</p> <p>The proposed remuneration revision is after reviewing the said salary benchmarking study, and doing appropriate ageing analytics to ascertain the relative positioning of his compensation against market, taking into consideration the role of CMD and the roles played by Dr. Devi Prasad Shetty in strategic, business, clinical and administrative contributions towards building the business of the company.</p> <p>Based on the above, the Nomination and Remuneration Committee and the Board recommended gross increment of 20% for Dr. Devi Prasad Shetty.</p>	
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other Director, if any.	<p>Dr. Devi Prasad Shetty holds 11.66% 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, Whole-time Director and Executive Vice Chairman (son).</p>	
III. Other information		
Reasons of loss or inadequate profits	Not Applicable	
Steps taken or proposed to be taken for improvement	Not Applicable	
Expected increase in productivity and profits in measurable terms	Not Applicable	

## Item No. 9

### **To approve re-appointment of Mr. Viren Prasad Shetty (DIN:02144586), as Whole-time Director (designated as Executive Vice Chairman) of the Company for a term of five years effective from 29<sup>th</sup> August 2023**

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

The Board of Directors in their meeting held on 29<sup>th</sup> March, 2022 elected Mr. Viren Prasad Shetty as Vice Chairman of the Company, with effect from 1<sup>st</sup> 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 19<sup>th</sup> May, 2023 approved the reappointment of Mr. Viren Prasad Shetty, Whole-time Director (designated as Executive Vice Chairman) of the Company as proposed in the resolution in Item No. 9 of the Notice, and hereby recommend it for your approval, at such remuneration as stated in the above said resolution.

Approval of the members is sought pursuant to the provisions of Sections 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 Articles 52, 64 to 67 and any other applicable Articles of the Articles of Association of the Company.

Accordingly, the Board recommends the Special resolution as set out at Item No. 9 of this Notice, for the approval of the Members.

Profile of Mr. Viren Prasad Shetty has been provided in the Annual Report for Financial Year 2022-23.

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.

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

(1)	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	INR in Million					
		<b>Year</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
		Turnover	28,609.20	31,278.09	25793.35	37,013.17	45,247.65
		EBIDTA	3,044.83	4,466.74	2102.8	6,880.83	10,312.69
		PBT	957.29	1,647.35	-492.3	4,297.78	7,515.77
		PAT	616.11	1,224.82	-74.57	3,421.20	6,065.66
(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 2022-23 of the Company, for detailed profile.
(2)	Past Remuneration	
(3)	Recognition or awards	
(4)	Job profile and his suitability	
(5)	Remuneration proposed	<p>Consolidated salary upto INR 3,46,00,000/- (Rupees Three Crores Forty Six Lakhs only) per annum which includes performance-based pay, allowances and perquisites.</p> <p>Other Benefits: Group Mediciam Insurance Policy, Group Personal Accident Policy, Group Term Life Insurance Policy and Group Term Life – Future Service Guarantee.</p> <p>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.</p>
(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)	<p>As Executive Vice-Chairman, Mr. Viren Prasad Shetty continues to provide leadership direction and strategic guidance to NH including the current operations, new business opportunities, international business, and software development initiatives of the company.</p> <p>A market benchmarking exercise was carried out using the industry data for similarly placed positions and thereafter remuneration was calibrated considering the role, the remuneration of similarly placed positions in the industry, comparative mapping of similar sized roles and remit of impact, and also the performance of the company for the financial year. Accordingly, the Nomination and Remuneration Committee and the Board has recommended merit increment of 20% for Mr. Viren Prasad Shetty.</p>



**I. General Information**

(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 5% 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).
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**III. Other information**

1	Reasons of loss or inadequate profits	Not Applicable
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. 10**
**To approve issue of Debt Securities on Private Placement Basis**

In terms of the Circular issued by SEBI on 26<sup>th</sup> November, 2018, all Large Corporates (i.e., listed entities with borrowing of Rs.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. The Company meets the criteria of Large Corporate as the borrowings is in excess of Rs.100 crores and the latest ICRA rating for the long term borrowings is AA (Stable). Consequently, the Company has to raise not less than 25% of the incremental borrowings by way of issuance of debt securities. Incremental borrowings means any borrowing done during a particular financial year, of original maturity of more than 1 year, irrespective of whether such borrowing is for refinancing/repayment of existing debt or otherwise and shall exclude external commercial borrowings and inter-corporate borrowings between a parent and subsidiary(ies). With the objective of ensuring compliance with this requirement your Company is proposing the resolution for the approval of the Members as set out in Item No. 10.

As per the provisions of Section 42 of 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 26<sup>th</sup> 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.

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

**Sridhar S**

Group Company Secretary, Legal & Compliance Officer

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

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

Particulars	Dr. Devi Prasad Shetty	Mr. Viren Prasad Shetty	Dr. Kiran Mazumdar Shaw
Director Identification Number (DIN)	<b>00252187</b>	<b>02144586</b>	00347229
Date of Birth / Age	8 <sup>th</sup> May 1953 (70 years)	18 <sup>th</sup> May 1984 (38 years)	23 <sup>rd</sup> March 1953 (70 Years)
Date of first appointment on the Board	19 <sup>th</sup> July 2000	10 <sup>th</sup> April 2008	6 <sup>th</sup> February 2008
Educational Qualification	MBBS, Master's Degree in Surgery	Masters` in Business Administration, BE in Civil Engineering	BSc (Zoology Honours), Masters' degree in Malting and Brewing from Ballarat College, Melbourne University, Australia.
Experience (including expertise in specific functional areas) /Brief Resume	He is renowned Cardiac Surgeon and Healthcare Entrepreneur.  Please refer to the Directors Profile section in this Annual Report for detailed profile	He has wide experience in the hospital industry. Please refer to the Directors Profile section in this Annual Report for detailed profile	She is the Executive Chairperson of Biocon Limited, an innovation led Biopharmaceutical Company, which is India's largest publicly listed biotech enterprise.  Please refer to the Directors Profile section in this Annual Report for detailed profile
Directorships held in other companies and entities (excluding foreign companies and Section 8 companies)	7 (Seven)	9 (Nine)	9 (Nine)
Memberships/ Chairmanships of Committees across in other listed companies and entities*	Nil	1	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, Whole-time Director, designated as Executive Vice Chairman	Mr. Viren Prasad Shetty, Executive Vice Chairman is the son of Dr. Devi Prasad Shetty, Whole-time Director and Chairman of the Company	Nil
No. of shares held in the Company either by self or on a beneficial basis for any other person	2,38,28,411 equity shares of Rs.10 each	1,02,18,040 equity shares of Rs.10 each.	47,05,671 equity shares of Rs.10 each

\*Chairmanships / Memberships of Board Committees includes only Audit Committee and Stakeholders' Relationship Committee.

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 2022-23.



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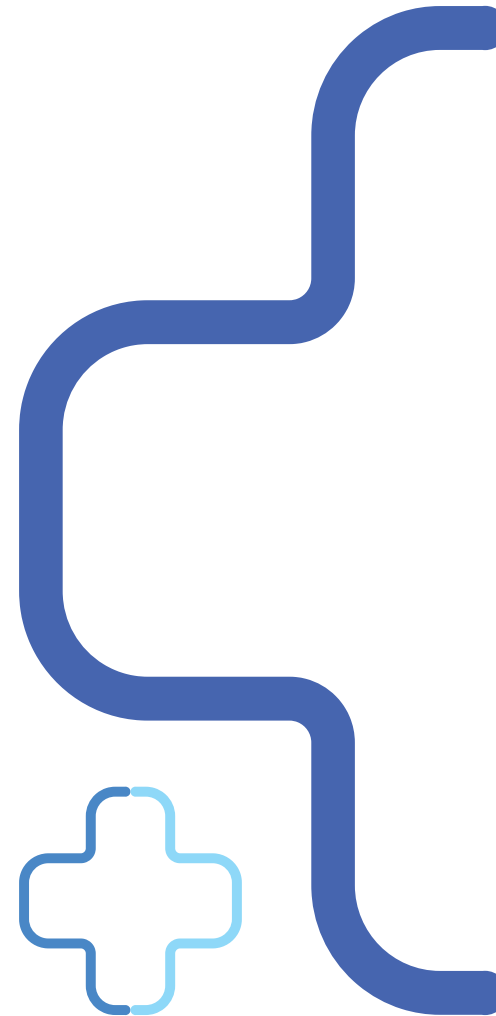
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### Forward looking statement

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.

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To see the report online please log on to [www.narayanahealth.org](http://www.narayanahealth.org)



Scan the QR Code for additional information





Rabindranath Tagore  
International Institute of Cardiac Sciences



# Chairman's Message



**As a senior doctor, I believe that technology will make healthcare safer, more affordable and restore the joy of taking care of patients.**

to share information, rapidly innovate, and build software that is so intuitive, even children can download an app the first time they pick up a phone.

Unfortunately, the healthcare industry does not benefit from a platform that allows multiple programs to interact with one another. We are rigidly isolated from progress made in the consumer technology industry due to the complexity of the existing systems. Contrary to popular perception, hospitals are not the safest places for patients. Despite having world class hospitals and intense regulation, it's estimated that if 200 patients spend just one night in an American Hospital, 1 of them will die due to medical error. Medical error is widely acknowledged to be the 3rd commonest cause of death in hospitals, after heart disease and cancer. According to the Joint Commission of the USA, medical error usually happens due to a "communication failure". The foundation of patient care is built on the ability of doctors, nurses and paramedics to communicate with each other in real time and take critical decisions. However, existing electronic medical record systems don't do a good job of addressing the communication gap in healthcare. Despite costing tens of millions of dollars, the dominant EMR systems in the west don't have happy end users and is cited as one of the most common reasons for the physician burnout in the US. There needs to be a new platform that allows multiple sources of information, and multiple methods of communicating patient data among doctors, nurses, and technicians.

As a senior doctor, I believe that technology will make healthcare safer, more affordable and restore the joy of taking care of patients. However, I also believe that if a technology company builds software far away from the patient's

## Dear Shareholders,

In 2011, Marc Andreessen the co-founder of Netscape, famously stated that "software is eating the world".

In 2011, Marc Andreessen the co-founder of Netscape, famously stated that "software is eating the world". His prediction was proven correct as companies like Amazon, Google and Facebook changed the way we live our lives. However, not many people are aware that these companies were able to change the world because they are standing on the shoulders of giant platform ecosystems like Windows, Android, iOS, and AWS. Being built on a stable platform allowed these companies



bedside, it won't be acceptable to the doctors. This inspired us to start our digital journey which eventually gave birth to the ATHMA platform for healthcare delivery and MEDHA platform for healthcare analytics and AI. Today ATHMA includes AADI app for inpatient care, Namah app for nursing care, ATHMA LIS for managing laboratories, ATHMA RIS for radiology and reporting and the NHCare app for patients. True to our mission, we can seamlessly integrate with third-party applications to unlock the full potential of our data.

ATHMA enables mobile first, seamless communication between all our doctors, nurses, paramedics, administrators, patients, and medical equipment. About 1.5 million messages flow everyday between all our stakeholders. This has dramatically improved the quality of patient care across our hospitals. Here's an example of how our doctors have vastly improved our patient care routine because of the new tools available to us. Before I go to bed at 11 pm, I conduct my ICU rounds sitting in the comfort of my home. I'm able to do this through the AADI app on my iPhone, which shows all the relevant patient information from ATHMA. My day begins at 4:30 in the morning with a fresh cup of coffee and checking up on all my patients virtually. Today, I can be anywhere in the world, and still see my ICU patients, interact with my colleagues, see the cardiac monitor of a particular patient, check the latest X ray, change the medication, or even speak to the patient's family from my phone. For the first time in my professional life as a heart surgeon, I can see everything about my patients from anywhere I choose and at any time I want to see it. We are among the few hospitals in the world that can remotely treat critically ill patients with all the medical reports at our fingertips. For someone like me who used to spend

many nights in the hospital as a young surgeon, this is nothing short of magical.

Young students join the medical profession because they are inspired to heal the sick and reduce suffering in this world. But modern healthcare systems have a lot of mindless and rote tasks that kills that spark. We designed Athma to restore the joy of patient care by eliminating pointless tasks while improving clinical outcomes and administrative efficiency. Our study on nurses' routine revealed that over 50% of their time is spent simply copying information from machines and entering it into another system or writing on paper. After deploying Namah nursing app, we were able to reduce the time spent on this kind of monotonous work to less than 5%. This means that nurses are now able to spend more time performing their clinical tasks and caring for their patients with empathy. These innovations dramatically enhance patient satisfaction and improves the quality of care.

Our MEDHA Analytics team has gathered mountains of clinical data to build the Normal Heart Score - a risk scoring algorithm which can predict an adverse cardiac event in post operative patients. In a recently published peer reviewed study, the NH Score outperformed both the existing benchmarks: STS and Euroscore II for all outcomes in an Indian population. The MEDHA team is currently working on predicting cardiac function from a simple ECG with better accuracy than the existing models.

Building ATHMA and our technology platform is the most complex project we have ever undertaken. It is my belief that world class software for our industry can only be built by brilliant engineers coding at the patient's bedside, interacting with doctors in the halls of the ICU, and

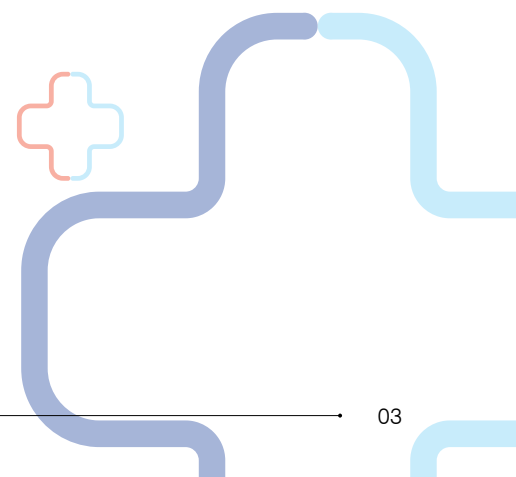
experiencing the joys of healing patients and relieving suffering. We are truly blessed to have the opportunity to run an institution that attracts both talented clinicians and world class software engineers with magic in their fingers. The end result is truly special.

I would like to thank the Ministry of Health, Government of India for encouraging hospitals and diagnostic centres to adopt electronic medical records and bring about EMR as the next UPI moment for India. In a world where a vast majority of hospitals don't use an EMR or modern software, there is an immense opportunity to improve the quality and affordability of healthcare through digital tools. We want Athma to be embraced by hospitals around the world at a price they can afford. This will save millions of lives and will be a fitting tribute to the brilliant software developers who worked tirelessly for years to create a masterpiece.

We are extremely grateful for your trust in us and for giving us an opportunity to make the world a better place.

Thank you so much.

**Dr. Devi Prasad Shetty**  
Chairman



# CEO's Insight



**Our team is currently focused on developing novel healthcare concepts with the potential to significantly enhance patient outcomes.**

## Dear Shareholders,

I am delighted to have this opportunity to share with you the achievements and how the Company has grown during the fiscal year 2023.

First and foremost, I would like to express sincere gratitude to our clinical and non-clinical staff members who have worked tirelessly to ensure the success of the Company. Their dedication and commitment were instrumental in attaining our objectives and aims. While we are pleased with our achievements, we also remain aware of the challenges we faced throughout the year.

## Government Role in Healthcare

The Indian government's unparalleled vaccination campaign, which administered over 2 billion vaccine doses and saved countless lives, exemplifies the robust healthcare expertise of the Indian healthcare system and contributed to the normalisation of economic activities. The Pandemic has highlighted the need to improve the healthcare infrastructure, and as a result, the government has increased the budget allocation for healthcare by over 13% and announced the establishment of multiple medical and nursing colleges. The Budget increased access to ICMR laboratories for the manufacturing and corporate sectors, which is a positive development for medtech entrepreneurs. In addition, a proposal to implement holistic courses in the medical device segment was unveiled. These initiatives are intended to foster innovation and cultivate the talent pool required to meet the nation's expanding medical requirements. We are confident that the government will continue to support the healthcare ecosystem with additional initiatives in accordance with developing trends.

## Robust Financial Performance

The fiscal year 2023 exhibited robust financial performance which is normalized performance compared with the fiscal year 2022. The performance in the current fiscal strides the improvement quarter on quarter except for the marginal dip in the third quarter due to seasonality across the healthcare industry. We are pleased to report the highest-ever revenue and profitability in the fourth quarter, as well as for the financial year, which is attributed to increased patient footfalls along with improvements in speciality and payor mix.

We have reported the highest consolidated revenue of INR 45,248 Million reflecting YoY growth of 22.2% over the last fiscal year 2022. We are delighted to report the highest profitability of INR 10,313 Million in the current fiscal year translating into an EBITDA margin of 22.8% and PAT of INR 6,066 Million reflecting PAT margin of 13.4%. The performance improvement is supported by the growth in business across our flagship units, other hospitals, and newer hospitals, in addition to the increased contribution of international patients.

Our Cayman business demonstrated continued growth post relaxation of COVID restrictions and strict quarantine rules placed by the authorities for most of the first quarter of the fiscal year 2023. Despite the holiday seasonality nature of the third quarter, the Cayman unit generated revenue of USD 109 Million reflecting growth of 18.9% compared to the previous fiscal year. To complement our overseas expansion sphere, we acquired the ENT clinic and closed the deal in Q4 FY23. Also, our green field expansion of the radiotherapy block and hospital unit are moving forward as planned; these additional investments will strengthen our overseas brand presence and augment our future growth trajectory. We remain optimistic about the robust growth prospects of overseas business in the Cayman as we continue to explore investments in surrounding islands on an opportunity basis.

Our return ratios improved due to robust business performance and RoE stood at 30% at the Group level. Also, strength of our overall balance sheet and liquidity profile remains strong with Group cash and liquid investments of over INR 6.3 Billion against gross borrowings of INR 7.6 Billion (Net debt of INR 1.3 Billion) as of 31<sup>st</sup> March 2023. Our debt-to-

equity ratio has further improved to 0.06 against 0.16 in FY22, with low leverage and strong cash flows giving us sufficient room to fund our expansion through our mix of borrowings and internal accruals. We believe our recent acquisition of Orthopaedic Hospital of Sparsh situated in Hosur Road, apart from our inorganic growth strategy, will help us to take rapid strides in Orthopaedic specialty care and increase the spectrum of our multispecialty program run by our flagship unit, Mazumdar Shaw Medical Centre in Health City campus, Bengaluru, helping us to consolidate our position in the Health City campus, Bengaluru to create a strong regional network that brings synergies.

### Strategic Initiatives

In pursuance of our mission to provide comprehensive healthcare to wide sections of society, we have piloted a subscription program in Bengaluru to cover individuals and their family members. We have recently surpassed a landmark milestone of 1,000 subscription plans in the first four months of launch and we continue to gain traction. These results are encouraging and gives us the confidence to implement a comprehensive, personalized, and seamless healthcare service at the doorstep through digitally integrated patient touchpoints. To further amplify and strengthen our focus on retail healthcare, we have incorporated a wholly owned subsidiary NH Integrated Care Private Limited and undertaken the slump sale of clinics. We are optimistic on providing a gamut of comprehensive quality healthcare services to the larger section of society at an affordable cost.

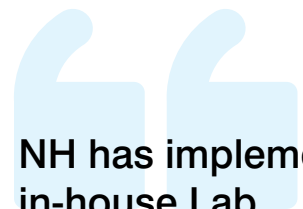
We undertake and cultivate strategic initiatives and relationships with startup partners as a result of our adaptability

and dynamism with respect to current and rapidly developing healthcare trends. Our doctors at Mazumdar Shaw Medical Centre, in partnership with our local start-up and research partner, Immunnel, are conducting a groundbreaking trial involving chimeric antigen receptor (CAR) T therapy. This therapy is being offered to patients with certain blood cancers that have not responded to other treatments or have recurred despite standard therapy. Upon receiving regulatory approvals for clinical use, our patients will greatly benefit from this treatment.

### Leveraging Technology

With our commitment to technology orientation, we continued to invest in in-house technology across clinical, operational, and digital channels. We are also delighted to announce the soft launch of ATHMA's SaaS version for small healthcare facilities such as diagnostic laboratories, nursing homes, and stand-alone hospitals, which leverages our technology investments and in-house expertise. ATHMA SaaS provides a streamlined, integrated solution for a segment of the market that is underserved in Tier II and Tier III cities. The team is enrolling foundational consumers in order to collect valuable usage data and feedback to further improve and refine the platform.

Besides, we have other technological initiatives aimed at enhancing the clinical and operational excellence and digital infrastructure. NH has been an early adopter of cloud technology for healthcare services in India, and we remain committed to cloud-first technology strategy. By centralising our workloads and moving away from on-premises servers, we have achieved a single instance that powers all our Group facilities. This has enabled



**NH has implemented in-house Lab Information System (LIS) across its network hospitals. Additionally, Lab Automation and the use of digital time stamps have enabled us to monitor and improve our turnaround times more effectively.**

us to exchange patient data seamlessly and implement standardised processes across all our facilities. Moreover, the enterprise cloud provides us with superior availability and security, which are crucial for providing high-quality healthcare services. Also, staff members can access the data from any location in India as well as from remote locations.

NH has implemented in-house Lab Information System (LIS) across its network hospitals. Additionally, Lab Automation and the use of digital time stamps have enabled us to monitor and improve our turnaround times more effectively. Currently, 70% of our lab results are made available within 2 hours and we continue to strive towards improving this further. We are excited to announce the introduction of our most recent digital innovation, DISHA, which provides a seamless and

contactless discharge process. With DISHA, regular updates will be provided from the moment a discharge decision is made until the discharge process is complete. In addition, the discharge formalities can be completed digitally, making the process quicker and more efficient and significantly improving the discharge experience for all our patients.

Our emphasis on technology extends beyond merely enhancing patient experience and efficacy. In order to collect patient feedback, we have also implemented a faceless, digital system, which enables patients to express themselves more candidly and without feeling compelled to satisfy the interviewer. This has resulted in a more precise measurement of patient satisfaction and a substantial optimisation of resource utilisation.

Significant progress has been made in the applicability and utilisation of our in-house ATHMA Hospital Information System as we continue to adopt new technologies and innovative methods. Our ATHMA Application for Doctor Insights (AADI) provides physicians with real-time information, facilitating the transmission of information in a seamless and instantaneous manner and minimising delays in the care we provide to our patients. Our ultimate objective is to implement a paperless system, which will eliminate the need for paper-based medical records and further streamline operations. Automation will play a crucial role in enhancing patient care by decreasing the time and effort required to perform administrative duties, thereby allowing our clinical staff to focus more on patients.

Our organisation has placed a significant emphasis on improving healthcare through the application of sophisticated technologies, such as artificial intelligence

and machine learning algorithms. We have effectively developed a risk prediction model capable of accurately predicting risk in patients undergoing bypass surgery by implementing machine learning techniques. The model was trained particularly on our patient population, resulting in greater accuracy compared to existing prediction systems that are primarily based on data from the European or American population. Notably, this study has been accepted for publication in a prestigious journal, demonstrating the scientific rigour and clinical significance of our research.


Our team is currently focused on developing novel healthcare concepts with the potential to significantly enhance patient outcomes. One of these projects entails the development of a real-time risk prediction model for intensive care unit patients. By identifying patients at high risk of developing complications early on, we expect to reduce their length of stay and improve their overall care. In addition, we are investigating the use of ECG to predict cardiac function, which could have significant implications for the early detection and management of cardiac disorders. We are dedicated to enhancing patient care using cutting-edge technology, and our ongoing research efforts reflect this commitment.

### **Mastering Complexity: An Overview of Our Comprehensive and Specialized Healthcare**

We are proud to announce that our Paediatric Cardiac Program is the largest in India and one of the largest and the most comprehensive cardiac programs in the world. Last year, as a Group, we performed over 10,000 adult cardiac operations and over 5500 congenital operations. We also performed nearly 60,000+ diagnostic and interventional cardiology procedures

in the adult and paediatric segment which includes about 4000 cases in the advanced electrophysiology segment. We also carried out highly specialized and complex cardiac surgical procedures in the year which includes 400+ Aortic Surgery, 150+ Transcatheter Aortic Valve Implantation (TAVI), 25 Heart Transplants and Ventricular Assist Devices, and 50+ Pulmonary Endarterectomies. Despite the increasing complexity of cases, we have continued to improve our clinical outcomes, with one of our outstanding achievements being performing bypass surgery with a success rate higher than 99%. This compares favourably with the outcome reported by the most authoritative report from the Society of Thoracic Surgeons Adult Cardiac Surgery Database which reports a success rate lower than 98%.

Our clinical accomplishments were not restricted to cardiac sciences alone. We are expanding our Robotic Surgical Program, which currently involves 4 of our centres which have performed over 2000 robotic procedures. Eleven of our centres currently provide Interventional Neurology services and have performed



**Our Paediatric Cardiac Program is the largest in India and one of the largest and the most comprehensive cardiac programs in the world.**



over 6500 procedures to date. We are also the first center to perform Mechanical Thrombectomy and Temporary endovascular bypass / stent retriever for stroke and to use AI in stroke imaging (RAPID system) in India. Interventional Radiology services are currently offered in 13 of our centres which have performed over 13500 procedures. We also provide cryoablation of kidney and breast tumours, treatment for prostatic enlargement, and treatment for uterine fibroids, among other niche treatment options.

We have made significant advances in the discipline of Oncology. Since its inception in 2004, our Haemato-Oncology Programme has performed over 2,000 Bone Marrow Transplants, making it one of the largest in the country. We are also at the forefront of the development of the novel chimeric antigen receptor (CAR) T cell therapy, which has the potential to be a revolutionary treatment for certain types of cancer. In Surgical Oncology, we have invested in the finest resources and personnel and now aim to keep pushing the boundaries further by concentrating on the treatment of cancers with minimally invasive robotic techniques and Hyperthermic Intraperitoneal Chemotherapy (HIPEC) wherever applicable.

We have crossed an annual volume of 45,000 gastrointestinal endoscopy procedures in FY23 and still growing. With over 5000 neurosurgical procedures performed annually, we now desire to concentrate on functional neurosurgery in addition to cranial and spinal surgery. Over 2500 joint replacements are performed in the field of orthopaedics, and we intend to concentrate on providing specialised trauma care.

### **Our Promise to Patients: Service Excellence and Quality Assurance**

Our pursuit of becoming a Centre of Excellence has greatly benefited from our commitment to service excellence. We have placed a significant emphasis on providing exceptional customer service by ensuring that patients and their families feel welcome and appreciated, are treated with respect and dignity, and are involved in decision-making. Patients now have access to cutting-edge technologies and remedies as a result of substantial investments in resources and expertise to resolve a variety of increasingly complex clinical work. To ensure that we provide our patients with safe, effective, and efficient care, we have increased our emphasis on clinical governance and quality assurance programmes. We have established policies and procedures for monitoring and enhancing the quality of care, and we conduct routine performance reviews to identify areas of improvement. In addition, we have begun the process of being accredited by the Joint Commission International (Enterprise) in order to establish the highest quality standards possible.

### **Advancing Healthcare through Cutting-Edge Clinical Research and Academic Excellence**

Engagement in clinical research is essential for achieving and maintaining clinical excellence, and it has remained a top priority for our organization. We have achieved a new record of 235 publications last year, demonstrating our unwavering commitment to advancing medical

knowledge. To foster a supportive research environment, we have implemented various measures such as clinical symposia, webinars, and other educational activities, providing access to reputable journals, supporting data management and analysis, facilitating opportunities for doctors to present their work at national and international forums, and rewarding authors for outstanding publications. Our commitment to ongoing education and training for healthcare professionals is unwavering, as we continue to train and supervise nearly 1000 medical graduates through our 100+ accredited academic programs. By doing so, we are creating the future generation of doctors who will continue to uphold our high values and ideals wherever they go.

### **Commitment to Environmental Sustainability**

As we move forward with our mission to make quality healthcare accessible to all, we hope to do so in a manner that yields shared value for all our stakeholders, advances environmental and societal progress, and forges a greener energy future. Sustainability permeates our entire business strategy. We are aware that healthcare as a whole is an energy and water intensive industry; therefore, it is imperative that we make efficient use of energy and water to reduce our environmental footprint and make significant strides in reducing emissions and transitioning to a low-carbon economy. We intend to continue focusing on and investing in the expansion of our renewable energy mix. We have effectively met 27% of our energy needs through

the use of renewable energy in all of our hospitals and have made additional efforts towards the adoption of alternative energy sources in all of our hospitals. To increase our positive impact on the environment, we have also taken concrete steps to ensure the proper disposal of waste. We have implemented an Environment Management System (EMS) across all our hospitals to ensure that refuse is processed, segregated, and disposed of in accordance with applicable regulations.

Continuous and concerted efforts are being made to ensure the health and well-being of people of all ages. To further our vision of 'All for Health and Health for All,' we have adopted new, improved, and innovative ways to engage with larger communities and raise awareness about the significance of good health, healthy lifestyles, and the right to quality healthcare services, particularly for the most vulnerable segments of the population. We are creating a safe, fair, equitable, and inclusive working environment within our network so that our staff members can reinforce our commitment to making affordable healthcare a reality.

At the core of everything we do at Narayana Health is providing the safest clinical care by upholding responsible business practices, which is supported by our clinical service excellence. To maintain the confidence of our patients, we have implemented a clinical governance structure that holds hospitals accountable for continuously enhancing the quality of their services and maintaining high standards of care in an environment that fosters clinical care excellence.

Our position and responsibilities regarding Environmental Conservation, Community, and Occupational Health & Safety (OHS) practices are articulated in our ESG Policy. At the corporate and unit levels, we have ESG Committees to ensure the comprehensive implementation of ESG-focused initiatives across Narayana Health.

### Navigating the Future

We are confident about the prospects of the global healthcare landscape and are taking steps to transform our business to offer comprehensive healthcare services by becoming more patient-centric, digitally native, and operationally efficient through a number of strategic initiatives that will drive our vision of providing a spectrum of integrated, high-quality healthcare services to people across geographies at a reasonable price. While continuing to consolidate our operations, we would pursue growth opportunities in India and abroad in order to draw synergies from our robust current operations and maximise value for all of our stakeholders. The ultimate goal is to become a global leader in healthcare by continuously enhancing performance and integrating technology to meet patients' evolving needs.

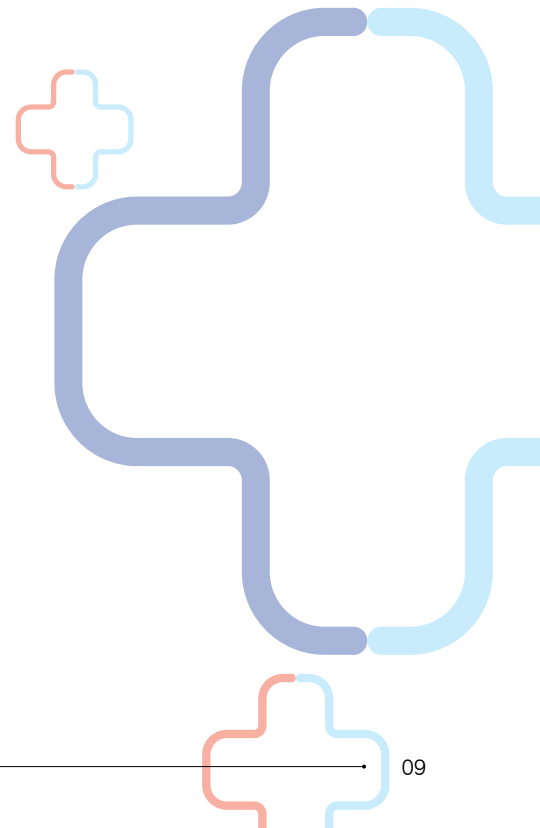
We are pleased with the achievements of the past year, which would not have been possible without the unwavering support of our clinical and administrative workforce. I wanted to take this opportunity to express my sincere appreciation for their support to the Company. Their dedication to our vision and mission has been crucial to our success and expansion. As the company's Chief Executive Officer, I would

like to extend our sincere appreciation to all the investors who continue to believe in our company's growth potential. We look forward to achieving our long-term goals and enhancing NH Group's performance.

Best Regards,

**Dr. Emmanuel Rupert**

Managing Director and Group CEO





# Directors Profile



**Dr. Devi Prasad Shetty**  
Chairman & Whole Time Director



**Mr. Viren Prasad Shetty**  
Executive Vice Chairman



**Dr. Kiran Mazumdar Shaw**  
Non-Executive Director



**Mr. Dinesh Krishnaswamy**  
Independent Director



**Mr. Muthuraman Balasubramanian**  
Independent Director



**Ms. Terri Smith Bresenham**  
Independent Director



**Dr. Emmanuel Rupert**  
Managing Director and Group CEO



**Mr. B N Subramanya**  
Independent Director



**Mr. Arun Seth**  
Independent Director



**Mr. Shankar Arunachalam**  
Independent Director



**Dr. Nachiket Mor**  
Independent Director



**Mr. Naveen Tewari**  
Independent Director

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### 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 40 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 2009. 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, Bengaluru. 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 11th Audit Advisory Committee. Dr. Shetty is the Chairman of Healthcare Sector Skills Council. He is one of the members of Health Insurance Consultative Committee constituted by IRDAI. 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.

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### 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, Bengaluru.

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. 1<sup>st</sup> April 2022 and designated him as Executive Vice-Chairman. As Executive Vice Chairman, Mr. Viren Prasad Shetty provides leadership and strategic guidance to NH while overseeing the development of a new generation of leaders to fulfil company's mission of making healthcare accessible to everyone.

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### 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

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**Mr. Dinesh Krishnaswamy**

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. She 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.

Dr. Kiran Mazumdar Shaw holds key positions in various industry, educational, government and professional bodies globally. She has been appointed as the Vice Chair of the Global Board of Directors of U.S.-India Business Council (USIBC) and serves as Honorary Member of Indio American Chamber of Commerce. She serves on the Board of Pure-Tech Health, USA, and Memorial Sloan Kettering Cancer Centre, USA. She has been elected as the Fellow of the Royal Society of Edinburgh (RSE), Scotland's National Academy for the advancement of learning and useful knowledge. She served as the Lead Independent Member of the Board of Infosys Ltd., India, from 2018 to 2023.

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.

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**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, Kolkata for his significant contribution to the metallurgical industries particularly to iron and steel industry.

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**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 cofounder 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 Bengaluru, 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.

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### Dr. Emmanuel Rupert

Dr. Emmanuel Rupert serves as the Company's Managing Director and Group Chief Executive Officer from 2019. His contributions to making affordable,

high-quality healthcare accessible to millions of Indians are widely recognized. Dr. Rupert guided the organisation through the COVID-19 pandemic and led the company's swift turnaround and healthy business growth over the past four years by significantly enhancing clinical capability, continuing strong cost management programmes and establishing a solid foundation of clinical operations excellence.

Dr. Rupert collaborates closely with the organization's 4000+ clinicians to implement innovative protocols that continuously enhance clinical outcomes. A clinician at heart, he has facilitated multiple initiatives to achieve the highest levels of patient satisfaction through quality improvement. Under his leadership, Narayana Health is the first large organization in the Asia-Pacific region to undergo JCI Enterprise-level accreditation to ensure the highest quality of care across the entire network of healthcare facilities. His emphasis on academics and research was instrumental in making Narayana Health one of the most sought-after employers for physicians, nurses, paramedics and scientists. With over 900 postgraduate medical students and more than 250 research papers annually, Narayana Health runs one of the largest academic programs in the private sector.

Dr. Rupert has overseen many greenfield and brownfield expansions during the course of his extensive career. He has guided the projects towards growth and profitability through his close involvement, perseverance, and determination. He is a staunch believer in the endless possibilities of leveraging technology holistically, is focused on establishing benchmarks in futuristic health care initiatives enabling Data Analytics, AI, and IOT. He is overseeing efforts to transform Narayana Health into an end-to-end digitally enabled organization, with the objective of ensuring the company's future preparedness.

Dr. Rupert, an alumnus of the esteemed Banaras Hindu University, joined Narayana Health in 2000 as Chief Consultant - Anaesthesia and Director of Academic Services. Over the next 19 years, in various roles as a medical administrator, including Group Medical Director, he was instrumental in establishing and enhancing the clinical operations across the Group's various divisions.

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### 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).

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### 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 Lifeskills Foundation and HelpAge India – leading NGO's.

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### Mr. Shankar Arunachalam

Mr. Shankar Arunachalam is a Designated Senior Advocate. He is academically Chartered Accountant and Law graduate. He completed his Chartered Accountancy in 1985 and Degree in Law in 1986. He practiced as a Chartered Accountant till 2002 and since 2002 he is practicing as an advocate and has been advising various reputed domestic and multi-national companies on taxation, finance and other matters. He was designated as a Senior Advocate in 2018. He has rich experience in accounting, auditing, taxation and legal field.

He has been a speaker in various National Conferences, Seminars and Workshops on more than 50 occasions.

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### Dr. Nachiket Mor

Dr. Nachiket Mor is an Independent Director of our Company. He has a Bachelor's degree in Physics from Mumbai University and a Post Graduate Diploma in Management from IIM Ahmedabad. He obtained his PhD in Economics from the University of Pennsylvania. He has been associated with the financial sector from 1987 onwards. He has held different positions, including that of Deputy Managing Director of ICICI Bank until 2007 and Board Member of CRISIL (2008-2018), RBI (2013-2018), and NABARD (2014-2017).

Since 2011 the focus of his work has been on the healthcare sector. He was a member of the Planning Commission's High-Level Expert Group on Universal Health Care; the Primary Care Task Force of the Ministry of Health and Family Welfare, which developed the guidelines for the Health & Wellness Centres; the Health Commission for the State of Himachal Pradesh; and the Task Force on Global Health at the Academy of Medicine in Washington DC. He also serves as the Commissioner on the Lancet Commission on Reimagining India's Health System. He is a Visiting Scientist at the Banyan Academy of Leadership in Mental Health and a Senior Research Fellow at the Centre for Information Technology and Public Policy (CITAPP) at IIT Bangalore.

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### Mr. Naveen Tewari

Mr. Naveen Tewari is an Independent Director of our Company. He is the founder of InMobi, a mobile advertising technology

company. He has a Bachelor's degree from Indian Institute of Technology, Kanpur (IIT) and a Master's degree in Business Administration from Harvard Business School, where he was also bestowed with the Dean's Award, for his exceptional leadership and contribution. In 2013, his alma mater, Indian Institute of Technology, Kanpur also honored him with the esteemed 'Distinguished Alumnus Award' for his excellence in entrepreneurship.

Mr. Naveen has invested in and supported several start-ups like NestAway, SlideRule, Mettl, Moneysights, Bombay Canteen, Zimmbor, Razorpay etc. He co-founded iSPIRT, which aims to address government policy, create market catalysts, and grow the maturity of product entrepreneurs in order to transform India into a hub for new generation software products.

He also founded and chairs a U.S. based non-profit called India School Fund which funds and sets up schools in rural India, a cause he cares deeply for.

Mr. Naveen was a board member at Paytm and had been recognized for his entrepreneurial skills at various platforms. He received several awards and recognitions over the last several years such as 'Future Leaders Award' presented by Indian Prime Minister in 2015, Fortune's '40 under 40' most powerful, influential and important people in business in 2015, The 'Pathbreaker of the Year' Award in 2014, Forbes India Leadership Award for 'Outstanding Start Up' in 2014, '100 Most Creative People' in 2014 across the world, The 'Pathbreaker of the Year' Award in 2013, presented by Indian Prime Minister '7<sup>th</sup> Most Important Person' by Business Insider's the Mobile Power List in 2013, 'Mobile Top 50' in The Drum in 2013, '2<sup>nd</sup> Most Important Person' by Business Insider's the Mobile Power List in 2012.



# Operational Highlights

Mazumdar Shah Medical Centre (MSMC), Bengaluru acquired the Sparsh Hospital unit at its Health City premises in Bommasandra and expanded its scope of clinical services by launching the Dept. of Orthopaedics & Joint Replacement. MSMC went on to become the largest Bone Marrow Transplant (BMT) facility in India, with a total capacity of 35 Bone Marrow Transplant (BMT) beds.

Narayana Institute of Cardiac Sciences (NICS), in Health City, Bengaluru operationalized three new Operating Rooms, expanding its capacity to serve patients in need of surgical procedures.

Rabindranath Tagore International Institute of Cardiac Sciences (RTIICS), Kolkata implemented a fully automated Emergency Response System (ERS), ensuring a swift and effective response to any emergency. The Unit also successfully installed and commissioned the Lab Automation – TRAC System in Q4FY23

Narayana Superspecialty Hospital at Howrah enhanced its capabilities with the commissioning of a Digital Mammogram, the operationalization of Varian True Beam, the commissioning of treatment planning CT, and the installation of a dedicated in-house IVUS in Cath Lab.

Dharamshila Narayana Superspecialty Hospital (DNSH) in Delhi expanded its clinical services by adding Da Vinci Robot and launching Robotic GI Surgery, providing patients with access to cutting-edge surgical technology. The Unit also upgraded its Radiation Therapy system to Versa HD platform, installed an Advanced Nurse Call Bell System with Patient Tracker & Announcement Facility and, conducted its first successful Cadaveric Liver Transplant in the year.

Narayana Multispecialty Hospital, Jaipur successfully commissioned its new LINAC Machine, further bolstering its capabilities in the field of Oncology.

Narayana Multispecialty Hospital at HSR Layout, Bengaluru, broadened its spectrum of clinical services with the introduction of FibroScan, providing patients with advanced diagnostic capabilities.



MSMC, Bengaluru is India's largest Bone Marrow Transplant facility.

# Clinical Highlights

## Enabling Excellence

Narayana Institute of Cardiac Sciences (NICS) performed the first reported case of TAVI in the descending aorta

Mazumdar Shaw Medical Centre (MSMC) successfully performed the oldest Haplo-Identical Thalassemia Transplant in India using TCR alpha beta depletion and 3 successful POEM procedure (Peroral Endoscopic Myotomy), making it the first-ever for the Unit

NH Rabindranath Tagore International Institute of Cardiac Sciences (NH RTIICS) performed the first ever successful implantation of a suture-less Aortic Valve in Eastern India, its first ever Retroperitoneal Robotic Donor Nephrectomy and Robotic Partial Nephrectomy on a patient with a Single Kidney.

NH Ahmedabad successfully performed Gujarat's first-ever Mitra Clip Procedure.

Shri Mata Vaishno Devi Narayana Superspecialty Hospital, Katra performed the first-ever Endovascular Aneurysm Repair (EVAR) procedure in Jammu & Kashmir.

Narayana Superspecialty Hospital, Gurugram performed its first Paediatric Liver Transplant in FY23. The Unit also successfully performed its first ever Cadaveric Liver Transplant in the year

DNSH, Delhi successfully conducted its first ever Cadaveric Liver & Kidney Transplant.

Narayana Multispecialty Hospital, Jaipur performed its First Liver Transplant in FY23



# Clinical Highlights (Contd...)

## Meeting Milestones

As a Group, we performed more than 2000 Bone Marrow Transplants.

NICS achieved the highest ever monthly Cardiac Surgical volumes of 770 and Cath Lab volumes of 1874 in March 2023.

MSMC achieved the highest number of Single Port Robotic Surgeries performed nationally in the Minimally Invasive Thoracic Surgery segment. The Unit also recorded the highest number of Robotic Gynaecological Procedures performed for benign conditions in Karnataka.

NH SRCC Mumbai has crossed the milestone of 100 successful Bone Marrow Transplants.

## Combating Complexities

As a Group, we continued to perform high-end Cardiac Sciences work in Congenital and Adult segments, Solid Organ Transplant, BMT, and Robotic Procedures across network hospitals.

MSMC successfully completed 150 Complex Airway Reconstructions and treated 1500 complex aerodigestive anomalies. The newly launched Department of Orthopaedics, Spine & Trauma of the Unit successfully performed a complex Hand Replantation Surgery.

NH SRCC Mumbai successfully performed Craniostomy, a complex procedure in the Craniofacial Surgical segment. The Unit also salvaged a patient presented with Adenovirus Pneumonia with ARDS who underwent ECMO for 8 days & survived.

NH Raipur successfully salvaged a case of Left Ventricular Free Wall Rupture (LVFWR) caused by ST-elevation Myocardial Infarct using Amplatzer Duct Occluder. The Unit also performed stent fixation with Hitch Suturing in a case of Tracheo-Gastric Fistula.

NSH Howrah treated a complex case of Testicular Carcinoma using 4th Gen Robotic technology.

NH Mysore performed complex procedures in the year like Laparoscopic Heller Cardiomyotomy with Toupet Fundoplication, HIPEC (Hyperthermic Intraperitoneal Chemotherapy), Spinal Enteroscopy and, TIPPS procedure in view of Budd Chiari Syndrome with Ascites and Pleural Effusion.

NH Mysore and SNMH Shimoga successfully conducted Awake Craniotomy, a complex neurosurgical procedure.

NH Guwahati successfully managed a case of Chondrosarcoma of Right Proximal Femur with Pathological Subtrochanteric Fracture presented with post operative complication of tumour lump excision surgery

NH Barasat successfully performed Laparoscopic Adrenalectomy on a patient presented with 4.5x5cm Sol (tumor) in the left adrenal gland

NICS, Bengaluru performed the first reported case of TAVI in the descending aorta



# Clinical Overview

## NH Cardiac Care

Narayana Health (NH) offers one of the largest and most comprehensive Cardiac Sciences programs in the world, providing advanced care to thousands of patients annually. Our program covers a broad spectrum of cardiac surgical procedures, including niche procedures like pulmonary thrombo-endarterectomies and aortic surgery.

Our team of specialists are highly skilled in managing complex cardiac conditions, such as hypertrophic obstructive cardiomyopathies, and we have a dynamic robotics and minimally invasive cardiac surgery program that positions us among the world's leading cardiac care providers. As a major centre for percutaneous cardiac interventions, we offer patients an alternative to traditional surgery. Additionally, NH has the largest paediatric cardiac surgery program in the country, staffed by exceptional doctors and nurses who achieve outstanding outcomes for our patients. At NH, we are dedicated to incorporating the latest technology and innovations into our cardiac care, ensuring that our patients receive the best possible treatment. Our Cardiac Sciences program is a world-class centre for cardiac care, committed to delivering high-quality care that meets the unique needs of each patient.

### Cardiac Care Provision

- Largest Paediatric Cardiac Program in India
- 17 Hospitals & 4 Heart Centres providing comprehensive cardiac care.
- 49 Operating Rooms and 38 Cath Labs

**7.5K+**  
Coronary Surgeries (Isolated & Combined)

**2.6K+**  
(includes 550+ Repairs)  
Valve Surgeries

**5K+**  
Congenital Surgeries

**9000+**  
CT Coronary Angio

**3500+**  
Cardiac MRI

### Growth in Advanced Cardiac Program – A snapshot:

**46%** growth  
Advanced Electrophysiology

**24%** growth  
Aortic Surgery Program

**47%** growth  
Heart Transplant & Ventricular Assist Device

**100%** growth  
Transcatheter Aortic Valve Implantation (TAVI)

### Cardiac Sciences Volumes Highlights

**37K+**  
Diagnostics (Coronary & Others)

**22K+**  
Interventions (Coronary, Congenital & Others)



## NH Cancer Care



NH Cancer Care is one of India's leading cancer care providers, helping patients through every step of the cancer care process from diagnosis to aftercare. Tertiary care, Quaternary care, and state-of-the-art screening and diagnostics are also offered. In recent years, cancer treatment has emerged as a major challenge for both established and emerging nations. The increasing sickness rate among Indians of all ages is a major cause for concern. The incidence of cancer in India is increasing at a startling rate. A survey by the Federation of Indian Chambers of Commerce and Industry (FICCI) estimated that there will be between 1.9 and 2 million new cases of cancer in India in 2022, while the actual number is likely to be between 1.5 to 3 times higher. The incidence of different types of cancer also varies widely among India's states. It is essential to consider the distinct cancer occurrence patterns in each state when developing more individualized strategies for cancer prevention and treatment. Because of its innovative hub-and-spoke model and widespread regional coverage, NH Cancer Care is at the forefront of cancer care. Here at NH, we're committed to ensuring that millions of Indians can get the cancer treatment they need, no matter their budget.





A multimodal approach is utilized to manage cancer, which includes education, prevention, early detection, treatment, and care for those affected. Cancer prevention efforts should emphasize educating the public about healthy behaviours, such as quitting smoking, exercising regularly, and consuming a balanced diet. NH Cancer Care is working across the board to address cancer care disparities in accordance with WHO standards. Eliminating the care gap in quality tertiary & quaternary care, advanced screening and diagnostics, NH provides a patient-centred, technology-focused, and outcome-based approach. We practice value-based medicine with the utmost standard of patient care and accurate diagnostic support as our primary objective. Our company's resilience increased throughout the fiscal year as a consequence of solid operational and financial outcomes. In addition, we have acquired the necessary experience to advance our strategy. As we move into the future, we do so with increased self-assurance and determination to achieve our objective of securing our position as the industry leader in cancer care.



**9**  
Comprehensive Cancer Centers

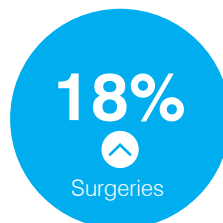
**12**  
LINACS

**700+**  
Beds

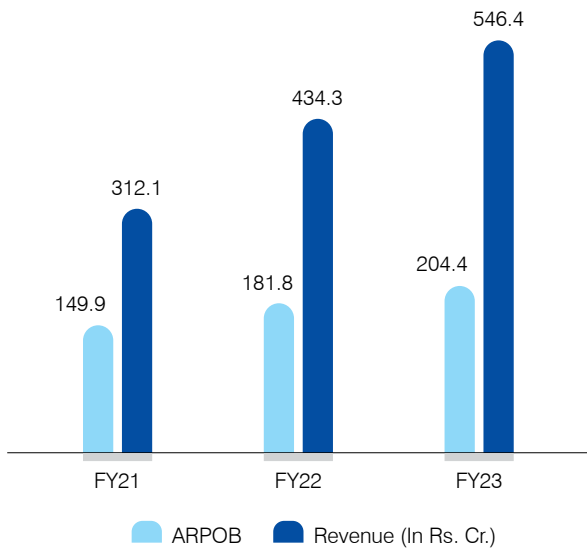
**60+**  
BMT Beds

**FY-23 Highlights**

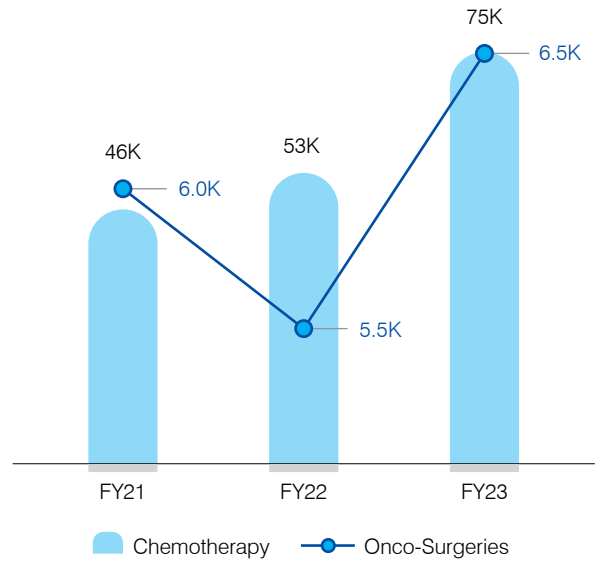
<b>300+</b> BMT	<b>6.5K+</b> Cancer Surgeries	<b>75K</b> Chemotherapy
<b>200K+</b> OPD Consultations	<b>150K</b> Radiation Fractions	<b>87K+</b> Admissions



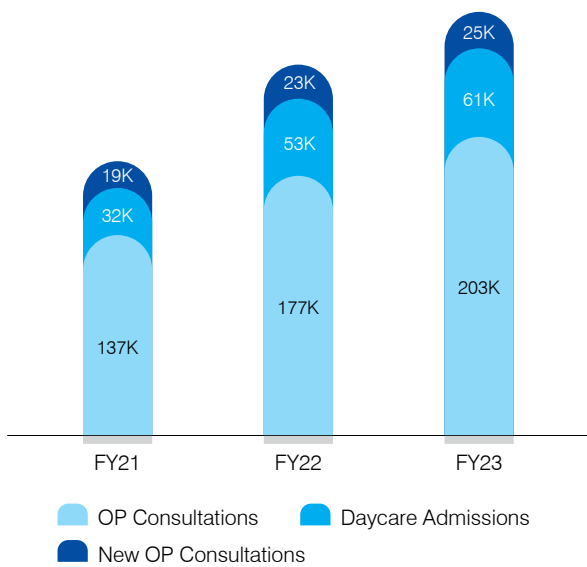
### Cancer Care Revenue & ARPOB



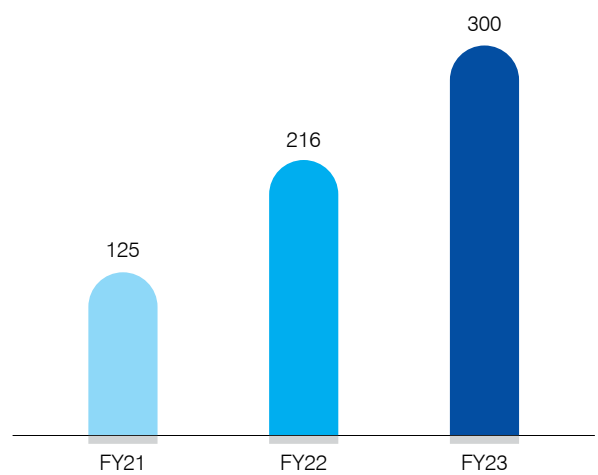
### Chemotherapy & Surgeries



### Footfalls



### Bone Marrow Transplant



## Building Capabilities

Narayana Health's mission is to provide excellent medical service at a reasonable price. NH recognizes the importance of technology in healthcare and has fully embraced it.

Digitalization can help close the communication gap between patients and their doctors in an era of fast expanding medical evidence and shrinking numbers of medical specialists. We have had success with a number of AI-based assistants and that coupled with telemedicine help clinicians make decisions for patients with COVID-19. The knowledge gained here can be used in the treatment of cancer patients. In addition, COVID-19 pandemic has had disastrous consequences on cancer patients when diagnosis and treatment were delayed for a dramatically high number of patients. As the pandemic settles into a new normal, communities around the world are re-evaluating their priorities to make sure everyone has access to high-quality cancer screenings, treatments, and aftercare. The best treatment of patients is our top priority, thus we continually invest in both established and cutting-edge medical technologies here at NH.



As NH Cancer Care expands, we are updating our buildings with cutting edge equipment. NH Jaipur has installed a New LINAC which will make its program comprehensive. At NSH Howrah, a True Beam system has been installed. The state-of-the-art treatment modalities of IGRT, VMAT, SRS, and SBRT are all supported by the system. To better detect and track the spread of cancer, we've installed a Wipro GE PET CT Discovery IQ 5 ring at the MSMC Facility. In addition, we have expanded our radiation therapy capabilities with the installation of a Brachytherapy system, the Gamma Med plus iX from Varian. Besides, we are continually on the lookout for ways to improve the current apparatus to extend its useful life. By doing this, we can provide better healthcare at a cheaper cost. Both the brachytherapy unit at NSH Howrah and the LINAC at our Dharamshila facility have just been upgraded to the newest generation.



The Haematology program is a flagship program at NH. Having conducted more than 2000 successful BMT, we have one of the largest programs in Asia. To further our program, we have added 10 BMT beds at MSMC Bangalore.

Early detection of oral, breast, and cervical cancer by risk assessment and opportunistic screening by healthcare professionals can lead to better cure rates. Our screening programs for cancer early detection are driven by investments in cutting-edge traditional and new technologies.

Our Telehealth platforms, which allow patients easy access to medical specialists, are always being improved. Platforms like Expert Cancer opinion allows us to reach wider patient base. We are also making progress in clinical care through the use of virtual tumour boards in group hospitals.



The NH Robotic Program has experienced substantial growth. In FY23, we achieved successful completion of close to 600 Robotic Surgeries, and have crossed the milestone of 2000+ robotic procedures performed till date. Robotic surgery has significantly enhanced safety measures for cancer surgeries by reducing blood loss and yielding superior outcomes.



Precision oncology is our most potent new tool in the war against the disease. Genomic sequencing is the backbone of personalized medicine since it reveals disease-causing mutations, aids in diagnosis, and directs therapeutic decisions. RTIICS now has its own Molecular Laboratory. This will bring cutting-edge research to eastern India.

**Focus on Research**

India is on the edge of providing exceptional cancer care through a wide range of novel and patient-centric approaches. The country has made significant strides in cancer research, which has improved the quality of life for cancer patients. In addition, doctors can now rely on novel approaches to cancer screening thanks to technological developments.

NH Cancer Care has been at the forefront of research, investigations, and clinical trials to improve our understanding of cancer and its treatment. We have expanded our pool of potential Study and Trial Sites in FY-23. Our oncologists were the faces of NH cancer care on national and international stages. Our doctors have a platform to present their work thanks to iNHouse, an internal programme that links all our units.

One of the landmark Trials was CAR-T cell therapy. CART cell Therapy is a revolutionary treatment modality. CAR-T cell therapy is an individualized cell-based technique that involves removing some of your own white blood cells, including T cells. To make CAR-T cells, the collected T cells are genetically treated in the lab to produce special receptors called chimeric antigen receptors, or CARs. These CARs allow the T cells to recognize an antigen at the

surface of cancer cells and activate T cells’ ability to kill these cancer cells. The CAR-T cells are infused back into your body to identify and destroy certain cancers. This immunotherapy is one of the most promising areas of cancer treatment. NH is one of the few sites which was selected to conduct phase 2 trials for this breakthrough treatment.

**What Lies Ahead**

In near future, NH Cancer Care under guidance of NH oncology Collegium will expand its geographic footprint. The programs at NH Ahmedabad, SNMH Shivamogga, RTIICS Kolkata, and BNMH Jamshedpur will have radiation therapy facilities to provide Comprehensive Cancer Care. NH Barasat is also going to start offering cancer care services. The introduction of Onco-Clinics, which will include facilities for chemotherapy infusions and screening centres, will assist in bridging the existing gap. In the near future, screening programmes with a particular emphasis on oncology will be implemented across NH. NH Cancer Care is committed to making ongoing investments in its people, processes, and technology in order to achieve its long-term goal of being one of the largest providers of cancer care in the Indian Subcontinent.





## NH Quaternary Care

### Liver Transplant Program

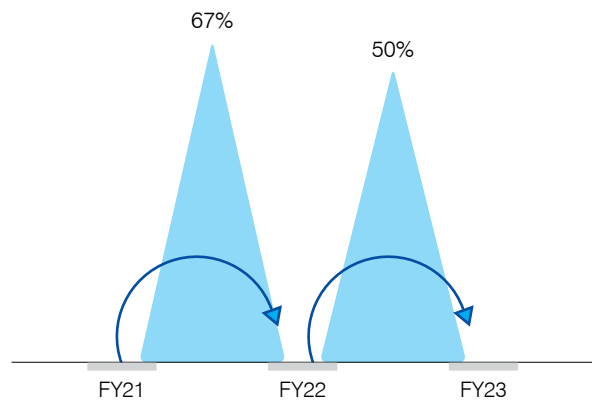
Our liver transplant programme has demonstrated significant progress in 2023. We have experienced a 50% increase in the number of procedures. We are pleased to announce the successful launch of our new transplant programme at DNSH, Delhi. Our paediatric Liver Transplant programme boasts one of the highest survival rates in the nation, exceeding 95%.

We have effectively developed a risk prediction model modelled on MELD scores by implementing machine learning techniques, capable of accurately predicting risk in patients undergoing hepatobiliary treatment. Moving forward, NSH Guwahati will be among the pioneering centres to provide liver transplant services in the Northeast region. Through strategic investments in our personnel, processes, and infrastructure, we anticipate a doubling of our procedure count by FY 24.

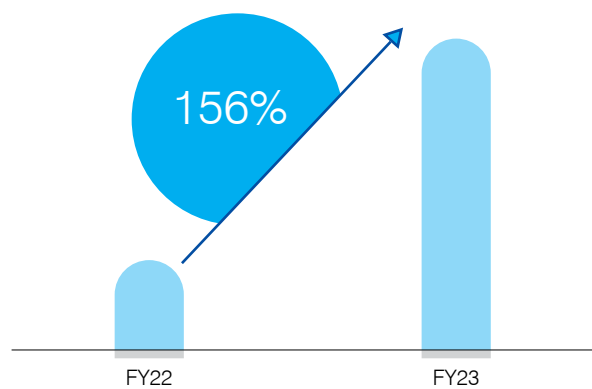


### Robotic Program

The utilization of robotic surgery presents numerous advantages in comparison to conventional surgical methods. The implementation of robotic surgery allows for advanced medical procedures with minimal recovery time. Our advanced equipment enables us to provide unparalleled precision in delivering care, even in the most challenging and inaccessible areas.



### Robotic Procedures



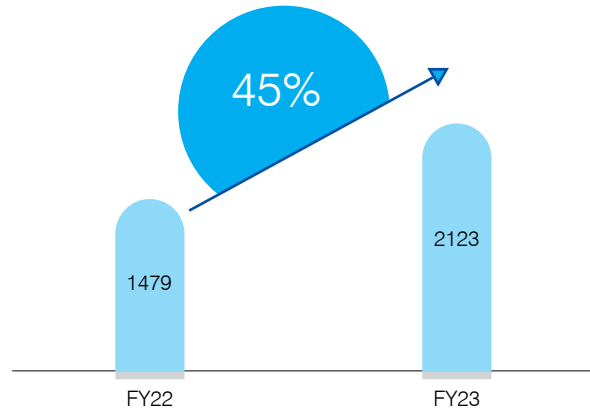
Our robotic programme has demonstrated exceptional growth in FY 23, achieving a remarkable 156% YoY increase in the number of procedures performed. Our robotic programme is constantly expanding with the addition of new specialties. We are excited to announce that in near future state-of-the-art robots will be introduced at our units.



### Image Guided Therapies

Interventional Radiology (IR) has evolved over years into one of the most sought-after line of treatment owing to its capability to cater to a wide spectrum of clinical condition (simple to complex) and excellent clinical outcomes. Being non-invasive in nature, the modality decreases treatment expenses, recuperation duration, discomfort, and potential hazards for patients who would otherwise require conventional open surgical procedures. The range of treatments that can be effectively administered using IR is constantly evolving and expanding. NH as a network currently provides Interventional Radiology services at thirteen of its centres, with a cumulative total of over 13,500 procedures conducted till date. The organization continues to remain committed to investing in state-of-the-art technologies to ensure safe and high-quality treatment to our patients.

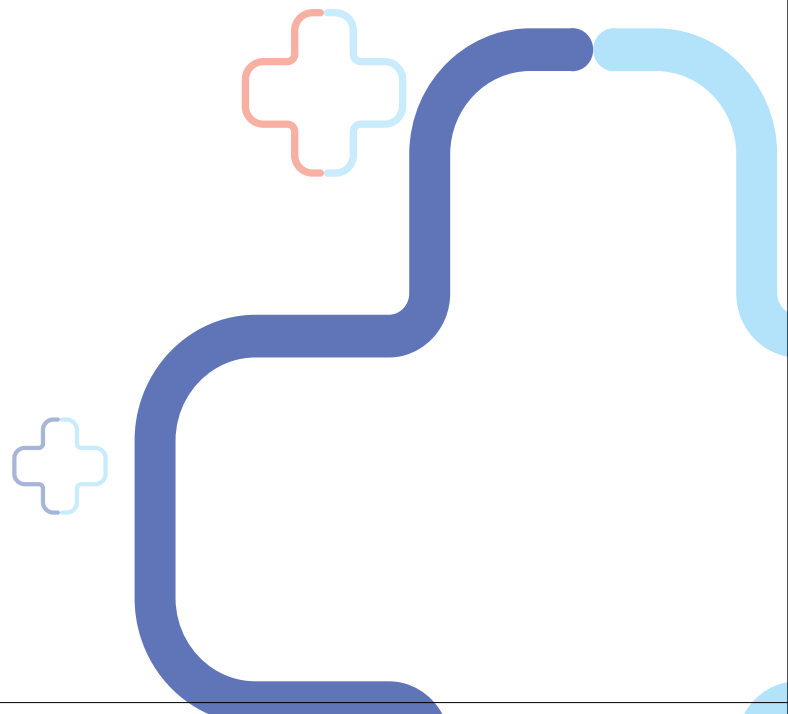
### Interventional Procedures



Department of Interventional Neurology at NH has performed over 6,500 procedures to date with a high success rate. NH Health City Bangalore has a noteworthy accomplishment of successfully conducting Mechanical Thrombectomy and Temporary Endovascular Bypass/ Stent Retrieval for stroke. Furthermore, the integration of artificial intelligence in stroke imaging via the RAPID system has positioned us as trailblazers in this domain.

### High-end Service Lines – A snapshot

Sl. No.	Service Line	% Growth Indicator
1	Liver Transplant	50% ↑
2	Kidney Transplant	25% ↑
3	Bone Marrow Transplant	39% ↑
4	Advanced Electrophysiology	46% ↑
5	Heart Transplant & VAD	47% ↑
6	Aortic Program	24% ↑
7	TAVI	100% ↑
8	Robotics	156% ↑
9	IR & Interventional Neurology	45% ↑



## Other Clinical Volume Highlights

# 2.3Mn+

OP Consultations

# 50K+

Video Consultations

# 1.2lacs+

Preventive Health  
Check-ups

# 2.2lacs+

IP Admissions

# 1Mn+

Patient Bed Days

# 270K+

Haemodialysis

# 45K+

GI Endoscopy Procedures

# 127K+

CT Scans

# 75K+

MRI

# 22Mn+

Laboratory Test

## Clinical Governance at NH:

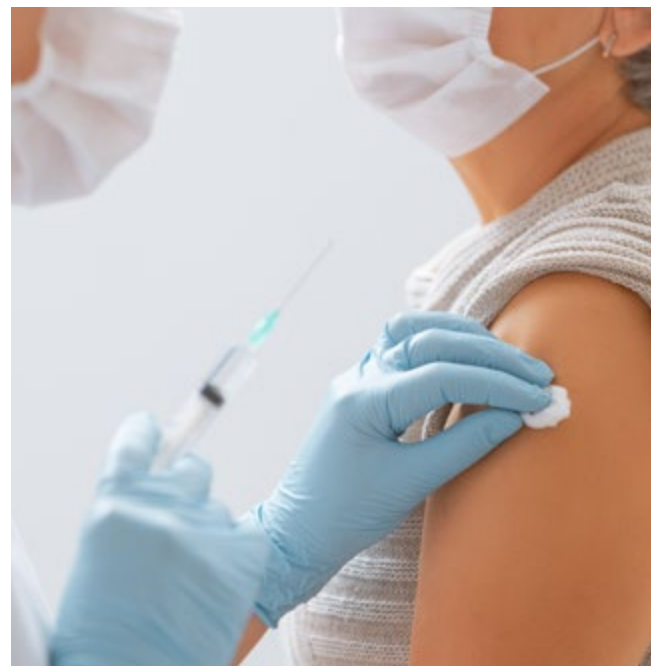


### COVID-19-Shaking the status quo

The COVID-19 pandemic has led hospitals to embrace digitalization, prioritize infection control, enhance emergency preparedness, foster collaboration, strengthen mental health support, promote remote care, ensure supply chain resilience, and strive for health equity. These changes have not only helped hospitals navigate the pandemic but also offer valuable lessons for shaping the future of healthcare.

Post-COVID, hospitals have undergone significant transformations in their outlook. The pandemic served as a catalyst for change, leading to various key learnings and adaptations. First and foremost, hospitals have recognized the importance of prioritizing infection control measures. Enhanced protocols, such as rigorous sanitization practices, strict visitor restrictions, and personal protective equipment (PPE) usage, have become standard practices.

Additionally, hospitals have embraced telemedicine and digital health solutions on a larger scale. Virtual consultations, remote patient monitoring, and telehealth platforms have gained prominence, enabling healthcare professionals to provide care



remotely and reduce the burden of in-person visits. This shift has improved access to healthcare, especially for individuals in remote areas or those with limited mobility.

Hospitals have also focused on improving their surge capacity and emergency preparedness. The pandemic exposed vulnerabilities in healthcare systems, leading to investments in additional ICU beds, ventilators, and improving the inventory of essential medical supplies. Hospitals are now better equipped to handle sudden surges in patient volumes and respond to future crises effectively.


Furthermore, there has been an increased emphasis on collaboration and information sharing among healthcare institutions. Hospitals have recognized the benefits of collective knowledge, research, and data analysis to improve patient outcomes. Collaboration between hospitals, researchers, and public health agencies has accelerated, fostering a more connected and resilient healthcare ecosystem.

NH organisational ethics is entrenched in its mission and vision statement, which states, **“Health for all and all for health,” as well as ICARE-innovation and efficiency, compassionate care, accountability, and respect for everyone.** Everything we do revolves around these two statements. NH uses the two statements to promote affordable health care. Only when there is efficiency, accountability, and mechanisms in place to drive quality and safety, is affordable care achievable.

For example, if a patient is admitted for X treatment and develops a bedsore or thrombophlebitis or a clot in the leg, or an infection—the length of stay for the patient increases, as do additional diagnostics and extra medications, all of which cost the patient and the organisation. Our aim of affordable care will be lost if there is no fool proofing or redundancies in the system.

This is where systems and practises, referred to as **clinical governance**, come into play.

With Clinical governance embedded into the system, our aim of **affordable care** will be attainable.



To provide safe, high-quality care, we staff our Hospitals with highly trained clinicians and healthcare staff and implement policies and protocols to identify and reduce harm to patients from medical errors.

## Raising the bar for Safer Health Care

Your healthcare organisation, Narayana Health strives to deliver the safest clinical care possible amongst Hospitals. To that end, we had informed you all in the last annual report that we had implemented a Clinical Governance Framework and review mechanism that holds our hospitals accountable for ongoing service improvement by fostering a culture of safety and excellence in care.

Just like good doctors, great Hospitals invest in their patients. Positive outcomes depend on carefully coordinated care, communication, and policies designed to protect patients from harm.

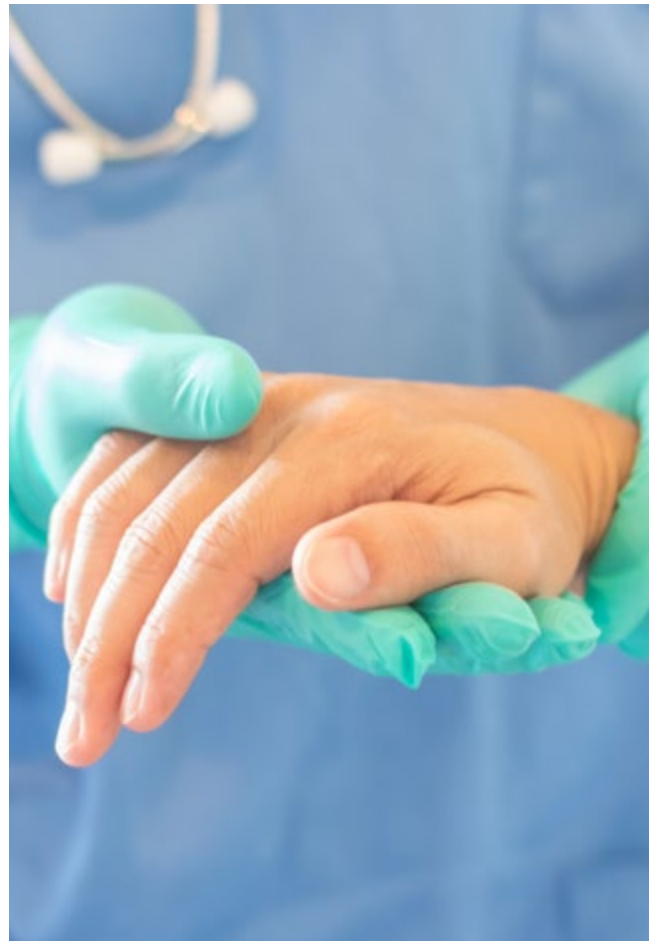
### Patient safety improves when Hospital leaders make a deliberate commitment to these practices.

At Narayana Health, leadership structures and systems are established to ensure and perpetuate a Culture of Safety.

We ensure patient safety culture is measured, the feedback is provided to all levels of the organization, and interventions are undertaken that reduce patient harm.

The measure assesses whether our hospitals have acted across four dimensions:

- 1 Awareness, including ensuring regular board conversations about safety issues, engaging healthcare stakeholders in safety and quality committees, feedback and communicating with staff and conducting a culture of safety survey, reporting benchmarked results, and debriefing with staff.
- 2 Accountability, including sustaining a patient safety program, appointing safety-specific leadership, incorporating system performance into performance reviews and compensation, and reporting events to accountability programs, sharing the results with senior leadership and the use of the survey in improvement efforts.
- 3 Ability, including dedicating patient safety program budgets to permit investments to support patient safety activities including conducting staff education programs and provisioning for future surveys.
- 4 Action, including engaging the CEO and senior leadership in patient safety meetings. Identifying performance improvement interventions, wide dissemination of the results, and developing policies and procedures to measure culture.



## Corporate Responsibility and Accountability for Clinical Governance

The Board has overall responsibility for the activity, integrity and strategy of the Healthcare organisation and has a statutory duty to ensure high standards of clinical governance.

The Chief Executive Officer has overall accountability for Clinical Governance, delegating the executive responsibility to the Group Chief Medical Director, who is responsible for reporting to the Board on the clinical governance agenda and ensuring that any supporting strategy documents are implemented and evaluated effectively.

### Patient Safety - The Vital Pivot

#### Establishing a safety culture-the NH way

Developing a culture of safety within the healthcare organization is critical for ensuring that patients receive safe care. This culture is fostered by leadership, and supported by policies, procedures, and systems that promote safety. This is done through Governance framework, standardisation of policies, SOP, guidelines and KPIs

Audits, incident reporting, practise variance, and the requirement for the adoption of good practises are used to identify clinical improvement programmes. These are some of the clinical projects that are implemented across the group.

**25**  
Clinical Improvement Projects & Initiatives

**Implement evidence-based practices:**  
Implementing evidence-based practices, such as clinical practice guidelines, can help to ensure that patients receive safe, effective, and appropriate care.

#### Adverse/Sentinel Event

- Escalation Matrix
- Tracheostomy care protocol
- Procedural Sedation
- Chaperon Policy
- Massive Blood Transfusion
- Code Omega
- Phlebitis Risk Assessment

#### Practice Variation

- HAI care bundle
- IPSP 3- Safety of high alert medication
- IPSP 1-6 (Standardization across the group)
- Infection Control Program
- Reuse of Single use devices
- Fall prevention protocol- PSR

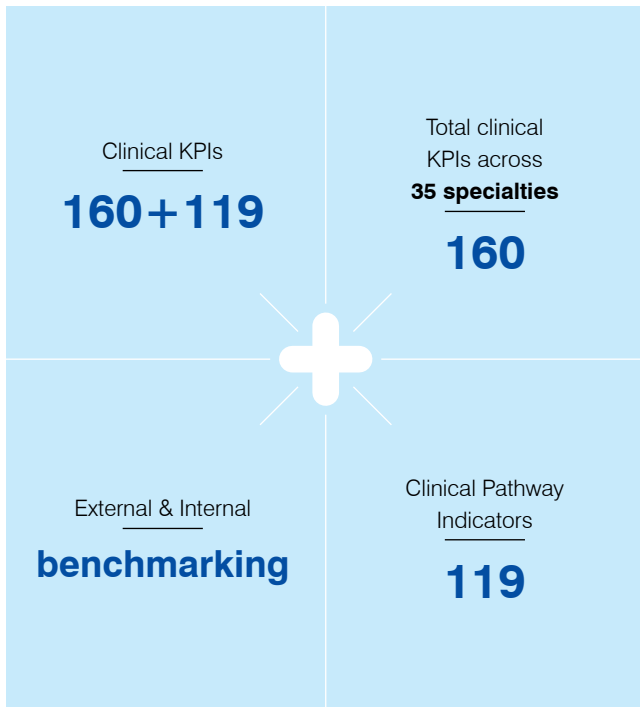


**Good practice adoption**

- Clinical KPIs & Benchmarking
- VTE Risk Assessment
- Standard Mortality review (IHI)
- Risk adjusted mortality ratio (SMR)- Tools & techniques standardization
- Code Trauma

**Clinical Pathways and KPIs**

Clinical pathways are vital tools in healthcare that outline evidence-based guidelines for the diagnosis and treatment of specific conditions, ensuring standardized and efficient care delivery. Key performance indicators (KPIs) provide measurable benchmarks to assess the quality and effectiveness of healthcare services. Together, clinical pathways and KPIs enhance patient outcomes, reduce variations in care, optimize resource utilization, and promote continuous quality improvement, leading to improved healthcare delivery and patient satisfaction.



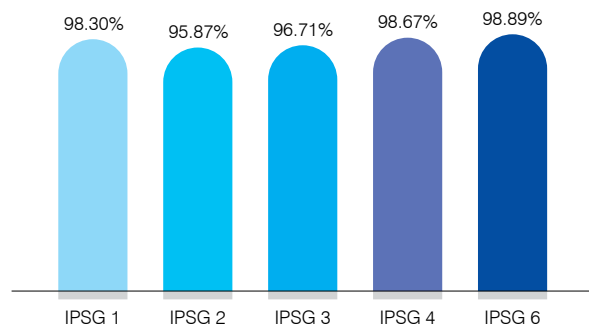
**Identify and assess risks:**

Regularly identifying and assessing risks to patient safety is an important step in preventing harm. This we do through a variety of methods, such as monitoring adverse events, conducting root cause analysis, and using data to identify patterns and trends.

**Proactive risk assessment, some examples**

- 01 Emergency Drugs Risk Assessment**
  - Crash carts across the group has been uniformly standardized post risk assessment activity.
  - Defined timeline before the crash cart is ready for next use
- 02 Patient brought medication Risk Assessment**
  - The process of allowing to use such medicines
  - Defined circumstances when these medicine can be used
  - Safety check process of these drugs
- 03 Infection Control Risk Assessment**
  - Important activity to set appropriate goals for the upcoming year
- 04 Risk Assessment for patients at risk for suicide/self harm**
  - Age specific evidenced based assessment tool for adults & pediatric
  - Screening process standardization

International Patient Safety Goals (IPSGs) help Narayana Health address specific areas of concern in some of the most problematic areas of patient safety.



**International Patient Goals compliance**

**IPSG GOAL**



**Improvements initiated from IPSG reviews**

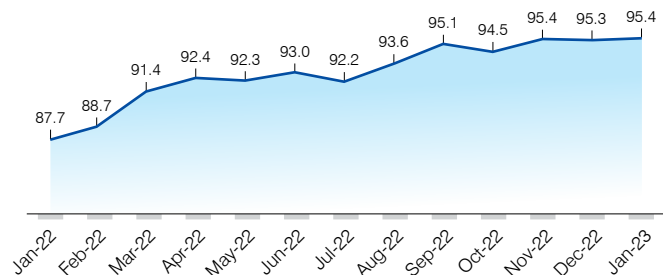
- Standardization of Policy
- Robust Audit System
- Results reviewed by all speciality Lead
- QR Band for patient identification
- Critical Result Reporting – Digitization
- Handover process – Digitization
- Standard Label for Drugs
- Transfer Checklist for Surgery and Procedure
- Standardization of site marking for surgeries & dental procedures
- Patient Safety round – Fall Prevention

**Hand Hygiene - A key performance indicator**

Hand hygiene protects both our employees and people getting our services. The simple act of washing our hands can help to limit the spread of germs, especially antibiotic-resistant strains.

Narayana Health is dedicated to delivering hygienic treatment to all our patients. Our emphasis on infrastructure, monitoring, and measurement methods guarantees that our facilities meet the highest standards of cleanliness and infection control.

**Compliance rate for Hand Hygiene (%)**

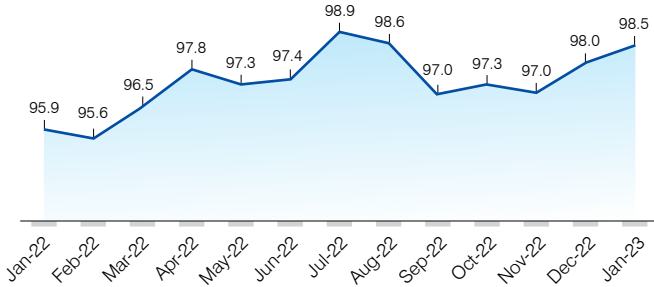


**Improvement Initiatives**

- 1 Infrastructure audit to strengthen hand hygiene culture
- 2 Sample size of the audits were increased for all categories of healthcare
- 3 Mobile based app for audit
- 4 Robust review mechanism
- 5 HAI definition revision with CDC 2022 guidelines
- 6 Revised evidence-based bundle care checklists

Biomedical waste disposal is of utmost importance for preventing the spread of infections, protecting the environment, complying with legal requirements, minimizing occupational hazards, and promoting resource conservation. By implementing effective waste management practices, we at Narayana Health safeguard public health, preserve the environment, and contribute to sustainable development.

**Compliance-Biomedical waste management (%)**



**Improvement Initiatives**

- Streamlining cyto-toxic waste disposal
- Standardized drug waste disposal policy

**Promote teamwork and communication**

Effective teamwork and communication among healthcare providers is critical for ensuring that patients receive safe care.

This is being promoted through training, regular meetings, mock drills and clear communication protocols.

- Hospital committee meetings- Infection control committee, safety committee, mortality review committee, quality steering and Drugs and therapeutics committee etc
- Level 1, 2, 3 and 4 meetings, every month- peer review governance meetings

**411**

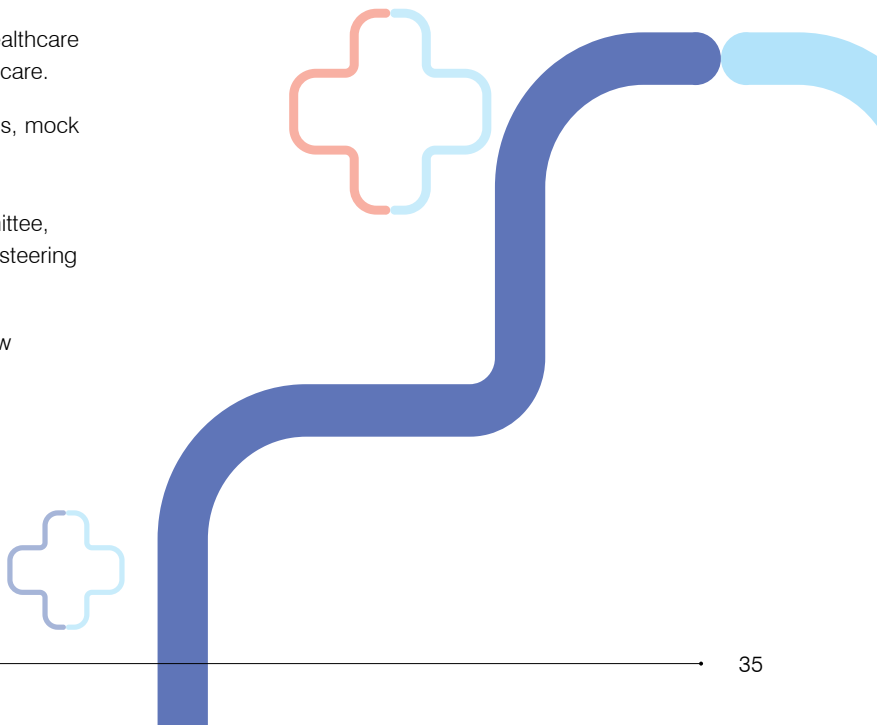
Total Mock Drills conducted

# Safeguarding Lives with Technological Strides: Embrace Patient Safety Tech!

Leveraging technology, such as electronic medical records, will help to improve safety by providing real-time access to patient information, reducing errors, and improving care coordination.

Digital adoption of Electronic Medical Records (EMR) at Narayana Health offers numerous benefits that enhance healthcare delivery and patient outcomes. Here are some key advantages:

Digitisation promotes enhanced efficiency, improved patient safety, better coordinated care, accurate and comprehensive documentation, data analytics and decision support, enhanced patient engagement and saves money.



Some of the digital initiatives which we have undertaken include

Medical Device Integration & Image Archiving

Early Warning Score

Diagnostic Report Standardisation

Analytics dashboards

Nursing workflow Digitisation  
Handover Process  
Critical Test reporting  
Point of Care testing

**Monitor :**  
Clinical Governance  
EMR compliance  
Hand hygiene Compliance  
Bundle Compliance  
Incident Report



### Compliance with regulatory standards

Compliance with regulatory standards, such as accreditation standards, can help to ensure that the organization is meeting the established standards for patient safety.

#### Accreditation Status – 2023

Unit Name	Joint Commission International (JCI)	National Accreditation Board for Hospital and Healthcare Providers (NABH)	Nursing Excellence	NABL	CAP
Health City Cayman Islands	✓				
NICS Bangalore	✓	✓	✓	✓	Certificate awaited
MSMC Bangalore		✓	✓	✓	
NH HSR		✓	✓		
NH Shivamogga		✓	✓		
NH Mysore		✓	✓	✓	
RTIICS Kolkata		✓	✓	✓	
NSH Howrah		✓			
NMH Howrah		NABH entry level certificate not received			
NH Barasat		✓			
BNMH Jamshedpur		✓			
NH Guwahati		✓	Certificate awaited	✓	
MMI NH Raipur		✓	Certificate awaited	✓	
NH Gurugram		✓	✓		
SMVDNSH Katra		✓	✓		
DNSH Dharamshila, Delhi		✓	✓	✓	
NH Jaipur		✓	Certificate awaited	✓	
NH SRCC Mumbai		✓	✓	✓	
NH Ahmedabad		✓	✓	✓	

\* NH Heart Centers in Karnataka are accredited by NABH entry-level



## New initiatives- Laboratory, Radiology and Safety Governance

- A robust Lab Governance system ensures accurate and timely diagnostic testing, leading to improved patient outcomes.
- Radiology Governance ensures proper equipment maintenance, image quality, and interpretation accuracy, enhancing diagnostic capabilities.
- Safety Governance ensures compliance with safety regulations, minimizing risks to patients and staff.

**Together, these governance activities enhance operational efficiency, quality of care, safety and patient satisfaction**

### Clinical Research

Clinical research plays an integral role in advancing medical knowledge and improving patient care. At NH, we are dedicated to conducting high-quality clinical research in various medical specialties, collaborating with esteemed institutions, and providing support to our researchers to ensure their success.

#### Research Collaborations

NH is committed to advancing medical knowledge through collaborations with various institutions. Our local research collaboration with Mazumdar Shaw Medical Foundation and Immuneel Therapeutics Pvt. Ltd. is further strengthened by our partnerships with renowned institutions at national and international levels. These institutions include the Indian Institute of Science, as well as the University of Arizona, Bristol, and Birmingham. Our collaborative efforts with these institutions aim to promote research excellence and bring about innovative medical solutions to improve patient care.

#### Research Support

To ensure the success of our research activities, we have established a Research Advisory Committee. This committee provides invaluable oversight and support to our researchers, including identifying and rewarding worthy publications in peer-reviewed journals. We also provide support to investigators whose work has been accepted in national and international meetings. Additionally, we provide ample resources and support for conducting investigator-initiated studies and clinical trials.

#### Research Initiatives

Our research initiatives are diverse and span across various specialties, including cardiac and vascular sciences, oncology, neurology, emergency services, and basic sciences. Currently, we have 78 regulatory and investigator-initiated studies underway, comprising multicentric randomized controlled trials, as well as registry studies. To conduct these studies we have received grants from several national and international bodies including the Indian Council of Medical Research (ICMR) as well as the National Institutes of Health (NIH).

#### Publication Records

In 2022, we achieved a record number of 235 scientific papers published, and the number of citations received by these publications has more than doubled from 1785 in 2018 to 4056 in 2022.

#### Research Highlights

One of our notable research achievements is the development of the NH Score, which represents the first risk prediction tool for patients undergoing bypass surgery utilizing data exclusively from Indian patients. This innovative tool offers a simplified calculation process in comparison to existing models, while maintaining equivalent or superior performance levels in certain aspects.

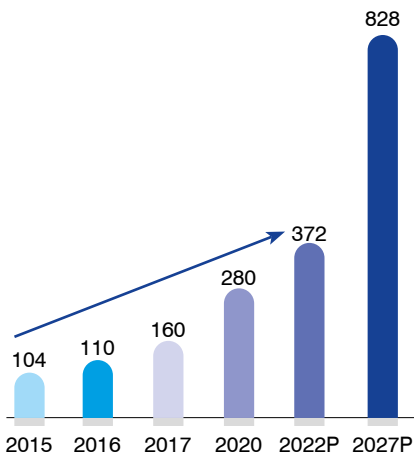
With our dedication to research excellence and innovation, we look forward to advancing medical science and developing novel solutions to the healthcare challenges of tomorrow.



# Management Discussion & Analysis Report



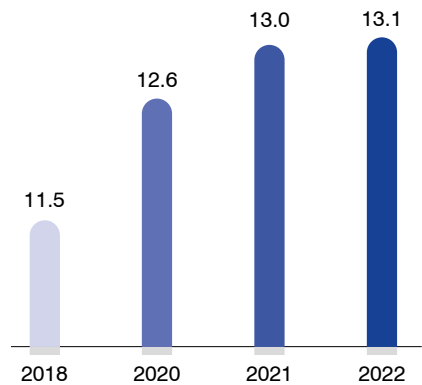
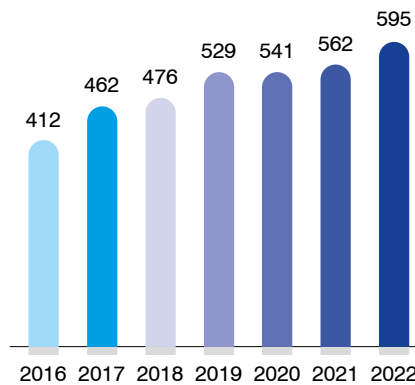
**India's Healthcare Sector grown at 17-20% CAGR in FY15-FY22 (USD in Billion)**



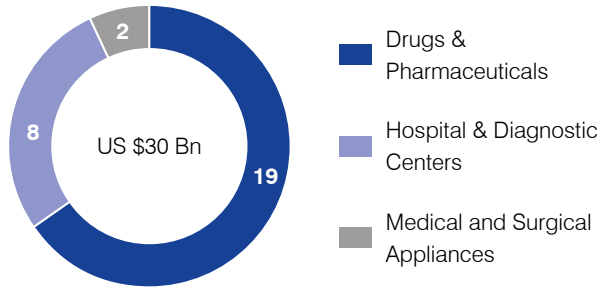
**Healthcare infrastructure has risen at a moderate pace**

**No. of medical colleges CAGR 8% ('000)**

**No. of Doctors (Lakhs)**



## FDI Inflows in Healthcare Sector 2000-2022 (USD in Bn)



Source: IBEF, Statista

### Healthcare Growth Levers

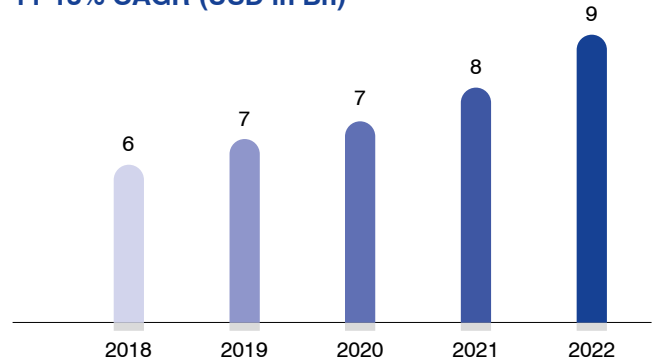
**Positive outlook:** India's healthcare sector is growing at a tremendous pace, and is expected to grow to USD 827 Billion in FY27 at a CAGR of 12-14%. Strengthening coverage, services and increasing expenditure by public as well as private players are driving this growth.

As the Indian population grows, rising demand for affordable healthcare, advancements in technology, delivery capabilities, emergence of telemedicine, rapid health insurance penetration and various government initiatives like enhanced health coverage for poor are driving the healthcare market in India.

**Adequate Healthcare delivery:** India's unique value proposition in the form of low costs, skilled workforce, availability of advanced technologies have kept it at the forefront for both domestic as well as international consumers. The medical tourism is further augmented by the "Heal in India" initiative augmented by a digital portal that can help international patients navigate their medical journey in a simplified way

**Budget 2023-24 initiatives:** The Budget has provided a boost to the healthcare sector with such steps as the announced establishment of 157 new nursing colleges which will help to bridge the shortfall of relevant human resources. The Budget opened up the accessibility to ICMR labs for the manufacturing and corporate sector, which is a welcome step especially for med-tech startups. A plan was also unveiled to introduce holistic courses on the medical device segment.

## Health Insurance Premium Collection grown at 11-13% CAGR (USD in Bn)



### Retail care: The changing face of care delivery in India

**Missing middle class:** As per the NITI Aayog report 70% of the population is covered under government healthcare schemes (50%) and private voluntary health insurance scheme (20%) while the rest 30% of the population is the missing middle class devoid of any medical insurance. This significant market can be tapped by bringing this middle class under insurance coverage with innovative cost-effective product and service offerings through vertical integration of the upstream and downstream healthcare supply chain.

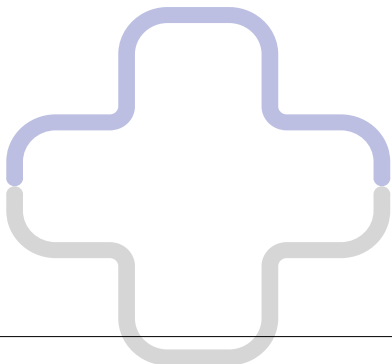
### Health tech ecosystem

**Market size:** Indian health tech market is growing at CAGR of 39% over FY20 to FY23 and hit USD 50 Billion in FY23, majorly covers the six segments such as Fitness, IT, e-pharmacy, wellness, home care and telemedicine. India houses ~8,080+ startups in health tech space in FY23.

**AI & ML in healthcare:** The application of Artificial Intelligence and Machine Learning is renovating healthcare delivery in India, enabling improved diagnostics, treatment, and patient outcomes and providing second opinions to doctors. They also analyze the patient data and customize the treatment providing better outcomes and saving healthcare costs.

**Digital Health:** Healthcare is delivered to every health consumer through digital health tools such as apps, telemedicine, electronic medical records etc. with the help of technology, patients can access healthcare remotely from their homes through telehealth and virtual consultations.

Source: ET HealthWorld



## NH CONSOL P&L Review

### Operating Income

On a Consolidated basis, the Company revenue grew 23% YoY from Rs.37,359 Million to Rs.45,902 Million. NH India grew by 20.9% to Rs. 36,424 Million driven by increased patient footfall, return of medical tourism and improvement in speciality and payor mix. HCCI grew 18.9% to US \$ 109.2 Million attributed to strong pickup in patient footfall. Many local patients who used to travel to the US for treatment visited our facility during the lockdown and continued to avail our services even after the lockdowns were lifted.

### Cost of Material Consumed

#### NH India

NH India improved its consumption by over 300 Bps to 23.8% in 2022-23. HCCI improved consumption from 17.3% to 15.6%. This was driven by efficiencies in operations and reduced COVID related consumption.

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

#### NH India

The manpower expenses including professional fees paid to doctors increased from Rs. 12,525 Million in FY2021-22 to Rs. 14,513 Million in FY2022-23.

The manpower expenses as a percentage of operating income decreased by ~200 bps to 39.8% in 2022-23 driven by productivity improvements owing to deeper penetration and adoption of digital tools.

#### HCCI

The manpower expenses including professional fees paid to doctors have increased from US\$ 21.8 Million in 2021-22 to US\$ 25.6 Million in 2022-23. Absolute costs have increased commensurate to the increase in revenue.

### Other Expenses (Overheads)

#### NH India

The other expenses of the Company at the India business level have increased from Rs 5,774 Million in 2021-22 to Rs. 7,181 Million in 2022-23. 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 Rs. 334 Million in 2021-22 to Rs. 452 Million in 2022-23 in line with the increased revenue.

### Repair and Maintenance

The repair and maintenance expenses have increased from Rs.1,187 Million in 2021-22 (3.9%) to Rs. 1,539 Million in FY 2022-23 (4.2%) due to increased spend across the group on facility upgrade and higher throughput.

### Power and Fuel

Despite increase in power and diesel cost during the year, we have seen a 10 Bps reduction in power cost as a percentage of income due to efforts taken by the ESG Team in renewable usage and reducing power consumption across units. The absolute power and fuel cost increased from Rs. 676 Million in 2021-22 to Rs. 747 Million.

### Business Promotion and Advertisements

These expenses were Rs. 773 Million for 2021-22 and Rs. 951 Million in 2022-23 commensurate with the increased revenue. However, our share of spends in Digital have considerably increased.

### Other Expenses - HCCI

The other expenses of the unit have increased by US \$ 5.5 Million (1.8% Increase as a percentage of income). These were largely driven by one timer including implementation costs of software solutions.

### EBITDA

#### NH India

The Company registered an EBITDA of Rs. 6,666 Million in 2022-23 for its India business, a growth of 68% YoY. India business that was severely impacted in the wake of COVID-19 pandemic in 2021-22 saw a strong recovery in 2022-23. Our flagship centres at Bengaluru and Kolkata have surpassed pre-COVID volumes. We noticed growth momentum across all our hospitals. The actions taken on improvement in throughput and reducing consumption costs also contributed to the improved performance.

#### HCCI

EBITDA increased by 20.0% YoY on the back of strong growth and efficiency in operations.

### Finance Cost

#### NH India

Finance cost increased from Rs. 571 Million in 2021-22 to Rs. 606 Million this year due to availing of new loans and a sharply higher interest rate scenario.

#### HCCI

Finance costs reduced from US \$ 1.2 Million in 2021-22 to US \$ 1.1 Million 2022-23 as some of the old loans matured during the year.



**NH Consol Balance Sheet Review**

	FY 22-23			FY 21-22		
	NH India (INR Million)	HCCI Consol (US\$ Million)	NH Consol (INR Million)	NH India (INR Million)	HCCI Consol (US\$ Million)	NH Consol (INR Million)
Borrowings	5,725	23.1	7,622	4,135	17.3	5449
Trade Payables	4,490	13.1	6,150	4,015	6.3	4490
Gross Tangible Assets	24,445	65.6	29,835	21,914	63.4	26,680
Trade Receivables	2,709	19.5	4,315	2,437	25.5	4,369
Inventories	333	4.7	716	312	3.7	594

**Borrowings****NH India**

Total Borrowings increased from INR 4,135 Million as on 31<sup>st</sup> March 2022 to INR 5,725 Million as on 31<sup>st</sup> March 2023, to fund increased capital expenditure incurred during the year.

**HCCI**

Total Borrowings increased from US\$ 17.3 Million as on 31<sup>st</sup> March 2022 to US\$ 23.1 Million as on 31<sup>st</sup> March 2023, due to availment of loan from First Caribbean International Bank (FCIB) for setting up the new facility including radiation therapy block which has gone live in Q1 23.

**Trade Payables****NH India**

The trade payables have increased from INR 4,015 Million as on 31<sup>st</sup> March 2022 to INR 5,074 Million as on 31<sup>st</sup> March 2023. This increase is in line with revenues growth.

**HCCI**

The trade payables increased from US\$ 6.3 Million as on 31<sup>st</sup> March 2022 to US\$ 13.1 Million as on 31<sup>st</sup> March 2023 in line with business growth and accrual of payables towards expansion project.

**Assets****Gross Block****NH India**

Gross Block (tangible assets) increased from INR 21,914 Million as on 31<sup>st</sup> March 2022 to INR 24,445 Million as on 31<sup>st</sup> March 2023. We have made investments in Medical equipments, new capabilities and facility transformation across our network.

**HCCI**

Gross Block (tangible assets) increased slightly from US\$ 63.4 Million as on 31<sup>st</sup> March 2022 to US\$ 65.6 Million as on 31<sup>st</sup> March 2023.

**Trade Receivables****NH India**

The trade receivables (net of provision for doubtful receivables) increased from INR 2,437 Million as on 31<sup>st</sup> March 2022 to INR 2,709 Million as on 31<sup>st</sup> March 2023. Collections were significantly better resulting in improved debtor days.

**HCCI**

The trade receivables (net of provision for doubtful receivables) decreased from US\$ 25.5 Million as on 31<sup>st</sup> March 2022 to US\$ 19.5 Million as on 31<sup>st</sup> March 2023 due to better collections.

**Inventories****NH India**

Despite higher revenue throughput, we were able to improve our inventory days. The inventory value was almost flat from INR 312 Million as on 31<sup>st</sup> March 2022 to INR 333 Million as on 31<sup>st</sup> March 2023.

**HCCI**

The inventory increased from US\$ 3.7 Million as on 31<sup>st</sup> March 2022 US\$ 4.7 Million as on 31<sup>st</sup> March 2023 as the company is maintaining increased volume of the stock due to supply chain disruptions because of the pandemic.

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

2022-23 was a year of consolidation and growth for the business, after the Covid impact of 2020 and 2021. As the industry recovered from the impact of covid years, the Human Resource function at NH, stepped up the ante in delivering relevant and critical functional expertise to support the business in the best possible manner. We brought in practices, processes and automation efforts, 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.

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. We leveraged on this equity of the brand in developing customised agenda to attract talent from the market, engage them meaningfully, and retain them effectively to create a bench of talent in the organisation.

The Company acknowledges the value every employee brings with him / her and continuously strives to nurture competence and potential. We introduced a significant upgrade to the agenda of HR automation, with a strategic call to transition onto SAP Success factors. This enabled us to link each role with clear deliverables which can be measured and reviewed on a continuous basis. The launch of the performance assessment module online had a huge adoption rate. 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 continue to 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 integral part of service delivery at 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

There was renewed focus on learning and development for the employees, which was implemented through a refreshed L&D strategy. A tiered approach to learning and development for building the leadership pipeline of the organisation, was introduced. This approach proposes to build the leadership pipeline for the organisation. At NH we continue to invest significantly in training of our workforce on a continuous basis. Further to this, we have invested in building our L&D offering on a digitised platform to enable remote and continuous access to training material and programmes, for all our associates. 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.

During the year, the L&D Team continued to roll out specific initiatives that are aimed at enhancing customer experience, through the Service Excellence initiative.

## 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 in several units. Recruitment of nursing talent continued

to be a challenge for the team. However, with our integrated offering of brand, learning opportunity, development agenda, deployment exposure, and retention plans, all culminating to create a positive employee value proposition, we have managed to maintain our position as the most-sought after place to work, for nurses.

## Compensation

Being a critical function of Human Resources, our compensation strategies ensure there is fair 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 merit based increment to critical roles like nursing, which are core to the success of the hospital.

## Risks and Concerns

At NH, we strongly believe that better Risk Management is an important ingredient of the esoteric mix that transforms an organization from Good to Great. Proactively identifying, managing, avoiding where possible and mitigating risk is vital for maintaining consistent profitable growth.

Business in general and Healthcare industry has emerged successfully from the pandemic depths of the past 2 years. In the post covid period, cyber risks including phishing, denial of service and ransomware attacks have emerged as a serious threat to business. Healthcare institutions seem to be particularly vulnerable targets given that they necessarily need to hold and protect precious patient care data. Ceaseless vigilance and deployment of sophisticated tools is helping us keep ahead of this risk curve.

NH continues to invest in the right technologies, processes and people to identify risks well on time and manage them with minimal adverse impact to the organizational goals.

During the year, time and efforts were invested in a companywide initiative to map the processes to mitigate and handle all critical risks that could potentially destabilize the operations. Detailed SOPs, tweaked to accommodate unit level specificities have been rolled out to all the business units and these will be operationalised, tested and perfected in the next two quarters.

## 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	2022-23	2021-22	Movement
(i) Debtors Turnover	4.94	4.38	12.89%
(ii) Inventory Turnover	23.30	25.36	-8.13%
(iii) Interest Coverage Ratio	17.38	15.09	15.22%
(iv) Current Ratio	0.86	0.78	9.95%
(v) Debt Equity Ratio	0.37	0.31	18.51%
(vi) Operating Profit Margin (%)	14.32%	9.70%	47.74%
(vii) Net Profit Margin (%) or sector-specific equivalent ratios, as applicable.	8.97%	5.54%	61.95%
(viii) details of any change in Return on Net Worth	18.09%	10.91%	65.85%

### Consolidated

Ratios	2022-23	2021-22	Movement
(i) Debtors Turnover	4.41	4.34	1.51%
(ii) Inventory Turnover	12.59	13.76	-8.5%
(iii) Interest Coverage Ratio	23.30	19.02	22.51%
(iv) Current Ratio	1.31	1.17	12.38%
(v) Debt Equity Ratio	0.36	0.37	-2.29%
(vi) Operating Profit Margin (%)	17.89%	13.51%	32.46%
(vii) Net Profit Margin (%) or sector-specific equivalent ratios, as applicable.	13.41%	9.24%	45.03%
(viii) details of any change in Return on Net Worth	28.44%	22.97%	23.83%

# Board's Report

Dear Members,

Your Directors have immense pleasure in presenting their 23<sup>rd</sup> Annual Report on the business and operations of the Company along with the audited financial statements for the financial year ended 31<sup>st</sup> March 2023.

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

(₹ in million except per share data)

Particulars	Consolidated		Standalone	
	2022-23	2021-22	2022-23	2021-22
<b>Income</b>				
Revenue from Operations	45,247.65	37,013.17	29,614.15	24,119.87
Other Income	654.45	345.59	1,046.13	1,063.79
<b>Total Income</b>	<b>45,902.10</b>	<b>37,358.76</b>	<b>30,660.28</b>	<b>25,183.66</b>
Total Expenditure*	35,589.41	30,477.93	24,876.39	21,554.09
<b>Earnings Before Interest, Tax, Depreciation and Amortisation and Exceptional items</b>	<b>10,312.69</b>	<b>6,880.83</b>	<b>5,783.89</b>	<b>3,629.57</b>
Less: Interest & Depreciation	2,795	2,497.79	1,838.64	1,574.58
Less: Exceptional items	-	-	-	-
<b>Profit before tax</b>	<b>7,517.69</b>	<b>4,383.04</b>	<b>3,945.25</b>	<b>2,054.99</b>
Less: Income Tax	1,450.11	876.58	1,288.86	719.01
<b>Profit/(Loss) After Tax</b>	<b>6,067.58</b>	<b>3,506.47</b>	<b>2,656.39</b>	<b>1,335.98</b>
Add: Share of Profit/ (Loss) in Associate (Net)	(1.92)	(85.26)	-	-
<b>Profit for the year</b>	<b>6,065.66</b>	<b>3,421.20</b>	<b>2,656.39</b>	<b>1,335.98</b>
Add: Other Comprehensive Income	566.76	261.52	(18.01)	15.73
<b>Net Profit/(Loss)</b>	<b>6,632.42</b>	<b>3,682.72</b>	<b>2,638.38</b>	<b>1,351.71</b>
Earnings Per Share (Basic)	29.85	16.85	13.08	6.58
Earnings Per Share (Diluted)	29.85	16.84	13.08	6.58

\* 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 ₹ 25,183.66 Million in FY 2021-22 to ₹ 30,660.28 Million in FY 2022-23.
- Earnings Before Interest, Tax, Depreciation and Amortization and Exceptional Items increased from ₹ 3,629.57 Million in FY 2021-22 to ₹ 5,783.89 Million in FY 2022-23.
- Profit for the year was ₹ 2,656.39 Million against profit of ₹ 1,335.98 Million in FY 2021-22.

### Consolidated Operations

- During the year under review, the total income of the Company increased from ₹ 37,358.76 Million in FY 2021-22 to ₹ 45,902.10 Million in FY 2022-23.

- Earnings Before Interest, Tax, Depreciation and Amortization and Exceptional Items increased from ₹ 6,880.83 Million in FY 2021-22 to ₹ 10,312.69 Million in FY 2022-23.
- Profit for the year was ₹ 6,065.66 Million as against profit of ₹ 3,421.20 Million in FY 2021-22.

## 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 Rs. 2.50 per share for the financial year ended 31<sup>st</sup> March 2023. The final dividend on equity shares, if approved by the members, would involve a cash outflow of Rs. 51,09,02,010.

The Directors have decided to retain an amount of ₹ 2,656.39 Million in the retained earnings.

Pursuant to SEBI's notification dated 8<sup>th</sup> 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 31<sup>st</sup> March 2023, the Company has 14 Subsidiary Companies and 2 Associate Companies. Except Health City Cayman Islands Ltd, none of the other subsidiary companies is a Material Subsidiary within the meaning of Material Subsidiary as defined under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") 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/financial-results>.

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

##### i. Narayana Hrudayalaya Surgical Hospital Private Limited (NHSPL)

NHSPL 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 Ltd. (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 at Kakryal near Katra in Jammu 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 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 has filed an application with Registrar of Companies for voluntary liquidation of the company



pursuant to provisions of Section 59 of the Insolvency and Bankruptcy Code, 2016 read with Insolvency and Bankruptcy Board (Voluntary Liquidation Process) Regulations, 2017 and matter is pending for hearing in National Company Law Tribunal.

**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 has filed an application for dissolution of company by way of removal of name of the Company from the Register of Companies by the Registrar of Companies ("ROC") under Section 248 of the Companies Act, 2013 and same is pending with ROC for approval.

**vii. NH Health Bangladesh Private Limited (NHBPL)**

NHBPL is a step-down subsidiary of the Company, incorporated on 22<sup>nd</sup> 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. NHBPL has commenced the operation of a Heart Centre in Bangladesh during the financial year 2019-20. 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 Ltd (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 9<sup>th</sup> April, 2019. The Company commenced its operations during the financial year 2021-22. Further, other financial information is included in Form AOC-1.

**xi. Athma Healthtech Private Limited**

Athma Healthtech Private Limited is a wholly owned subsidiary of the Company incorporated on 2<sup>nd</sup> day of June 2022 and is authorised to develop, implement, export, import, purchase, sell, lease and otherwise deal in software related to Healthcare industry in particular and other allied services. The subsidiary has commenced its operations during the financial year. Further, other financial information is included in Form AOC-1.

**xii. NH Integrated Care Private Limited**

NH Integrated Care Private Limited is a wholly owned subsidiary of the Company incorporated on 10<sup>th</sup> day of January 2023 and is authorised to undertake, assist, promote, conceive, design, build and construct, establish, setup, develop, takeover, run, manage and operate establishments, organizations and institutions, facilities for providing, giving and dispensing medical treatment, medical facilities, para medical facilities, healthcare facilities and all health, medical and other related and ancillary services including preventive healthcare and wellness management, diagnostics, selling of medicines, clinical consumables and other goods, and support and carrying out all medical and healthcare activities, including clinics, general, multi-speciality and super speciality hospitals. The Company commenced its activities with effect from 1<sup>st</sup> April 2023 with 4 (Four) Clinics situated in Bengaluru and 1 (One) Clinic situated in Hosur. Further, other financial information is included in Form AOC-1.

**xiii. Cayman Integrated Healthcare Ltd**

Cayman Integrated Healthcare Ltd is a 100% step-down subsidiary of the Company incorporated in the Cayman Islands on 28<sup>th</sup> day of September 2022 and authorised to carry out the integrated healthcare business in the Cayman Islands. The subsidiary is in the process of setting-up its systems and processes for commencing business. Further, other financial information is included in Form AOC-1.

**xiv. ENT in Cayman Ltd.**

The HCCI acquired the 100% Ordinary shares in the ENT in Cayman Ltd. on 3<sup>rd</sup> March, 2023. Accordingly, ENT in Cayman Ltd. has become a 100% step-down subsidiary of the Company. This step down subsidiary is engaged in providing complete diagnosis and treatment of ear, nose, and throat conditions. 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 HCCL 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 20% of the equity shares through its step-down subsidiary Narayana Holdings. During the financial year ISO Healthcare has filed an application for voluntary liquidation in accordance with Section 137 of the Insolvency Act 2009 in Mauritius, for the winding up the affairs of the Company and same is pending for approval.

The Company has adopted a Policy for determining Material Subsidiaries in line with Regulation 16 of the Listing Regulations. The Policy, as approved by the Board, is uploaded on the website of the Company i.e., [https://www.narayanahealth.org/sites/default/files/download/codes-policies/Policy\\_for\\_material\\_subsidary.pdf](https://www.narayanahealth.org/sites/default/files/download/codes-policies/Policy_for_material_subsidary.pdf).

## 5. SHARE CAPITAL

As on 31<sup>st</sup> March 2023, 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 2022-23.

## 7. BOARD OF DIRECTORS AND COMMITTEES

### Composition of Board of Directors and changes thereof

As on 31<sup>st</sup> March, 2023, 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	25%
Non-executive & Non-independent Directors	1	8.33%
Independent Directors	8	66.67%
<b>Total</b>	<b>12</b>	<b>100.00%</b>

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.

## Appointment

During the year under review, Mr. Shankar Arunachalam (DIN:00203948) and Dr. Nachiket Madhusudan Mor (DIN:00043646) were appointed as Independent Directors of the Company, with effect from 8<sup>th</sup> February, 2023. Further, Mr. Naveen Tewari (DIN: 00677638) was appointed as Independent Director of the Company, with effect from 29<sup>th</sup> March, 2023.

In the opinion of the Board, the independent directors appointed during the year possess requisite integrity, expertise, experience and proficiency.

## Retirements

Dr. Kiran Mazumdar Shaw (DIN: 00347229), Non-Executive Director is retiring by rotation at the ensuing Annual General Meeting and being eligible has offered herself for re-appointment.

The Independent Directors of the Company Mr. Arun Seth (DIN: 00204434), Mr. Dinesh Krishnaswamy (DIN: 00041553), Mr. Muthuraman Balasubramanian (DIN 00004757) and Mr. Subramanya B N (DIN: 00483654) are retiring on 7th August 2023 upon completion of their tenure. The Board of Directors places on record its deep sense of appreciation and gratitude for their contribution, guidance and direction which enabled your Company to achieve steady growth during their tenure.

## 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.	Ms. Sandhya Jayaraman	Group Chief Financial Officer
3.	Mr. Sridhar S	Group Company Secretary, Legal & Compliance Officer

## 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 Eight (8) 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 (<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 ([https://www.narayanahealth.org/sites/default/files/download/nh\\_investor\\_relations/Corporate-Social-Responsibility-Policy.pdf](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 the financial year under review. The Annual Report on CSR activities for the financial year 2022-23 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 AND SUSTAINABILITY REPORT (BRSR)

In November 2018, the Ministry of Corporate Affairs (MCA) constituted a Committee on Business Responsibility Reporting ("the Committee") to finalize business responsibility reporting formats for listed and unlisted companies, based on the framework of the National Guidelines on Responsible Business Conduct (NGRBC). Through its report, the Committee recommended that BRR be rechristened BRSR, where disclosures are based on Environmental, Social and Governance (ESG) parameters, compelling organizations to holistically engage with stakeholders and go beyond regulatory compliances in terms of business measures and their reporting. SEBI, vide its circular dated May 10, 2021, made BRSR mandatory for the top 1,000 listed companies (by market capitalization) from the financial year 2022-23.

The Board of Directors of the Company has adopted the Environmental and Social Governance (ESG) Policy of the Company which is available on our website i.e., <https://www.narayanahealth.org/sites/default/files/download/codes-policies/ESG-Policy.pdf>

The Company has adopted the BRSR for fiscal 2023 to provide enhanced disclosures on ESG practices and priorities of the Company. The BRSR disclosures is attached as **Annexure IX** to this report. A detailed report on the ESG initiatives of the Company is enclosed at the end of the Annual Report.

## 17. AUDITORS

### A. Statutory Auditors

The members of the Company in their 22<sup>nd</sup> Annual General Meeting (AGM) held on 30<sup>th</sup> August 2022 re-appointed M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Bengaluru, having Firm Registration No. 117366W/W-100018, as Statutory Auditors of the Company for a term of 5 (five) years from the conclusion of 22<sup>nd</sup> Annual General Meeting till the conclusion of 27<sup>th</sup> Annual General Meeting.

#### Auditor's Report

The Auditors' have issued an unmodified Report for the year ended 31<sup>st</sup> March 2023 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 2023-24, at a remuneration of ₹ 4,00,000/- (Rupees Four Lakhs 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 2023-24 at the ensuing Annual General Meeting.

### Maintenance of Cost Records

Your Company has made and maintained the cost records, as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

### 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 2022- 23. 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, except delay in filing of Form in respect of appointment of an independent director due to technical glitches in the MCA website.

## 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. Your Company also has 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 to 76 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 7<sup>th</sup> September 2015 and the approval of Shareholders on 12<sup>th</sup> September 2015. The Plan is administered by the Nomination and Remuneration Committee through Narayana Health Employees Benefit Trust. Pursuant to Rule 14 of the Companies (Share Based Employee Benefits and Sweat Equity) Regulations 2021, the details are available on website of the Company at <https://www.narayanahealth.org/stakeholder-relations/annual-reports>.

## 23. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2023 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 ([https://www.narayanahealth.org/sites/default/files/download/nh\\_investor\\_relations/Whistle%20Blower%20Policy.pdf](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
6	6	Out of 6 cases, in 4 cases the services of the respondents were terminated. 2 cases have been settled through conciliation.	Nil	455	9262

## 28. RISK MANAGEMENT POLICY

The Board of Directors of the Company at their meeting held on 31<sup>st</sup> 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 2022-23 has been annexed as part of this Report.

## 30. REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the Audit Committee,

under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

## 31. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During the year under review, the Company transferred the unclaimed and un-encashed share application money received by Company for allotment of securities and due for refund amounting to ₹ 780,000 to Investor Education and Protection Fund (IEPF), as per the requirements of the IEPF Rules. The details of same is available on Company's website at <https://www.narayanahealth.org/stakeholder-relations/iepf>.

## 32. SECRETARIAL STANDARDS

The Company complies with all applicable secretarial standards issued by the Institute of Company Secretaries of India.

## 33. 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.

**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: 19<sup>th</sup> May, 2023

# 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 31<sup>st</sup> March 2023.

For **Narayana Hrudayalaya Limited**

**Dr. Emmanuel Rupert**

Managing Director and Group CEO

DIN: 07010883

Place: Bengaluru  
Date: 19<sup>th</sup> May, 2023

(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**

**Form AOC-I**

**Part A: Subsidiaries**

Sl. No.	(Amounts in ₹)											
	1	2	3	4	5	6	7	8	9	10	11	12
Name of the subsidiary	Athma Healthtech Private Limited	NH Integrated Care 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	Cayman Integrated Healthcare Ltd	ENT in Cayman 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-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23
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 = Rs. 82.22)	USD = (1 USD = Rs. 82.22)	USD = (1 USD = Rs. 82.22)	BDT = (1 BDT = Rs. 0.77)	USD = (1 USD = Rs. 82.22)	USD = (1 USD = Rs. 82.22)
Share capital	5,00,000 (16,40,634)	5,00,000	53,26,14,420	24,42,59,000	1,00,00,000	29,27,88,200	510	100	50,000	12,47,45,750	18,30,000	5,000
Reserves & surplus	(1,59,62,687)	(1,59,62,687)	13,59,28,653	18,23,71,234	8,98,08,846	92,67,92,979	12,29,93,345	99,900	8,04,850	(12,25,72,863)	(17,12,165)	15,512
Total assets	3,66,173	24,08,76,087	2,05,18,85,480	2,42,25,08,352	42,44,81,099	1,83,40,36,805	16,60,59,183	2,96,407	13,49,020	65,82,511	1,31,787	20,512
Total Liabilities	15,06,807	25,63,38,774	1,38,33,42,407	1,99,58,78,118	32,46,72,253	61,44,55,626	4,30,65,328	1,96,407	4,94,170	44,09,624	13,952	-
Investments	-	-	-	-	-	-	3,11,84,211	-	-	-	1,000	-
Turnover	-	-	90,00,000	3,32,68,92,915	1,22,81,71,116	2,64,87,51,797	10,92,39,676	-	5,76,810	-	-	-
Profit before taxation	(16,40,634)	(1,59,62,687)	2,08,40,013	27,07,13,136	8,47,72,328	51,60,25,110	3,65,93,235	-	1,14,499	(52,46,124)	1,539	(1,883)
Provision for taxation	-	-	-	-	1,07,95,974	15,07,39,496	-	-	-	-	-	(3,653)
Profit after taxation	(16,40,634)	(1,59,62,687)	2,08,40,013	27,07,13,136	7,39,76,353	36,52,85,615	3,65,93,235	-	1,14,499	(52,46,124)	1,539	1,770
Proposed Dividend	-	-	-	-	-	-	USD 122 per share	-	-	-	-	-
% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	99.13%	100.00%	100.00%	100.00%	99.99%	100.00%	100.00%

1. Name of the subsidiaries which are yet to commence operations

- Narayana Hospitals Private Limited
- Cayman Integrated Healthcare Ltd

2. Name of the subsidiaries which have been liquidated or sold during the year

- Narayana Institute for Advanced Research Private Limited (This subsidiary has filed an application with Registrar of Companies for voluntary liquidation of the company pursuant to provisions of Section 59 of the Insolvency and Bankruptcy Code, 2016 read with Insolvency and Bankruptcy Board (Voluntary Liquidation Process) Regulations, 2017 and matter is pending for hearing in National Company Law Tribunal)
- Narayana Health Institutions Private Limited (This subsidiary has filed an application for dissolution of company by way of removal of name of the Company from the Register of Companies by the Registrar of Companies ("ROC") under Section 248 of the Companies Act, 2013 and same is pending with ROC for approval).

## 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-23	31-Mar-23
<b>Shares of Associate/Joint Ventures held by the company on the year end</b>		
No.	3,90,00,000	1
Amount of Investment in Associates	1,36,833	2,25,957
Extent of Holding %	43.58%	20.00%*
Description of how there is significant influence	Due to percentage of share capital held	Due to participation in policymaking process and technological dependency
Reason why the associate/ joint venture is not consolidated	Consolidated as per Ind AS 28 March 31, 2023	Consolidated as per Ind AS 28 March 31, 2023
<b>Net worth attributable to Shareholding as per latest audited Balance Sheet</b>	(1,22,41,482)	28,524
<b>Profit / (Loss) for the year</b>	(28,75,338)	(17,773)
i. Considered in Consolidation	-	-
ii. Not Considered in Consolidation	(28,75,338)	(17,773)
1. Names of associates or joint ventures which are yet to commence operations.	NIL	
2. Names of associates or joint ventures which have been liquidated or sold during the year.	ISO Healthcare (Under Liquidation)	

\*Due to buyback and reconstitution of capital

Place: Bengaluru  
Date: 19<sup>th</sup> May, 2023

**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 advance, if any
1.	Hrudayalaya Pharmacy, Partnership firm owned by Mrs. Shakuntala Shetty (Wife of Dr. Devi Prasad Shetty), Mr. Viren Prasad Shetty (Executive Vice Chairman), 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)	Purchase and provision /availing of services of hospital related goods, equipment's, assets and services	Ongoing	Purchase of Medicines and Surgical Consumables. Value of transactions during the year was Rs 93,929.	29 <sup>th</sup> March 2022 & 8 <sup>th</sup> August, 2022	NIL
		Reimbursement of expenses (Net) & Other Contingencies	Ongoing	Reimbursement of expenses towards payment of Group Mediclaim Insurance premium. Value of transactions during the year was Rs 13,924	9 <sup>th</sup> November, 2022	NIL
2.	Amaryllis Healthcare Private Limited, Mr. Viren Prasad Shetty (Executive Vice Chairman), is a Director & Member in Amaryllis Healthcare Private Limited. Dr. Varun Shetty (Son of Dr. Devi Prasad Shetty) Ms. Ameya Shetty (Daughter of Dr. Devi Prasad Shetty) are Members of this Company	Purchase and provision /availing of services of hospital related goods, equipment's, assets and services	Ongoing	Medicines and Hospital supplies, purchase of disposable drapes, etc., Value of transactions during the year was Rs 18,48,61,261	29 <sup>th</sup> March 2022	NIL
3.	Charmakki Infrastructures, Partnership firm owned by Mrs. Shakuntala Shetty (Wife of Dr. Devi Prasad Shetty), Mr. Viren Prasad Shetty (Executive Vice Chairman), Dr. Varun Shetty (Son of Dr. Devi Prasad Shetty), and Dr. Anesh Shetty (Son of Dr. Devi Prasad Shetty).	Nursing Hostel Rent.	Ongoing	Nursing Hostel Rent. Value of transactions during the year was Rs 74,82,750	29 <sup>th</sup> March 2022	NIL
4.	Biocon Biologics Limited, Dr. Kiran Mazumdar Shaw (Non-executive Director) is a Director of Biocon Biologics Limited	Purchase and provision /availing of services of hospital related goods, equipment's, assets and services	Ongoing	Purchase of Medicines. Value of transactions during the year was Rs 10,31,84,543	29 <sup>th</sup> March 2022	Nil
5.	Health City Cayman Islands Ltd., wholly owned subsidiary company in Cayman Islands. Dr. Devi Prasad Shetty (Chairman & Whole-time Director), and Mr. Viren Prasad Shetty (Executive Vice Chairman), Dr. Anesh Shetty is son of Dr. Devi Prasad Shetty are Directors of Health City Cayman Islands Ltd.	Sale/ services of hospital related goods, stationery, consumables, equipment's, assets and services	Ongoing	Sale / Services of hospital related goods, stationery, consumables, equipment's, assets and services. Value of transactions during the year was Rs 32,97,53,216	29 <sup>th</sup> March 2022	NIL
		Oracle software licence fees	Ongoing	Oracle software licence fees. Value of transactions during the year was USD 1,44,000	29 <sup>th</sup> March 2022 & 8 <sup>th</sup> August, 2022	NIL

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contract/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advance, if any
		Provision of following off-shore business auxiliary services: 1. Supply Chain (SCM) 2. Human Resource (HR) 3. Finance 4. Patient Discharge Summary	Ongoing	Providing of off-shore business auxiliary services such as Supply Chain (SCM), Human Resource (HR), Finance and Patient Discharge Summary. Value of transactions during the year was Rs 1,08,17,389	29 <sup>th</sup> March 2022	NIL
		Provision of IT services-Support and maintenance	Ongoing	Providing IT services-Support and maintenance. Value of transactions during the year was Rs 2,65,53,078	29 <sup>th</sup> March 2022 & 8 <sup>th</sup> August, 2022	NIL
		Corporate Guarantee commission	Ongoing	Corporate Guarantee Commission during the year was Rs 31,38,720		NIL
		Reimbursement of expenses (Net) & Other Contingencies	Ongoing	Reimbursement of expenses (Net) & Other Contingencies Value of transactions during the year was Rs 3,03,35,585	29 <sup>th</sup> March 2022	NIL
6.	Meridian Medical Research & Hospital Ltd., Subsidiary in which the Company is holding 99.13% of the shares. Dr. Devi Prasad Shetty (Chairman & Whole-time Director), Dr. Emmanuel Rupert (Managing Director and Group CEO) and Mr. Viren Prasad Shetty (Executive Vice Chairman) are Directors of Meridian Medical Research & Hospital Ltd.  Mr. B N Subramanya (Independent Director) and Mr. Muthuraman Balasubramanian (Independent Director) are also Independent Directors in Meridian Medical Research & Hospital Ltd.	Sale and providing of services of hospital related goods, equipment's, assets and services	Ongoing	Sale of Medicine. Value of transactions during the year was Rs 2,20,70,357	29 <sup>th</sup> March 2022	NIL
		Purchase and availing of services of hospital related goods, equipment's, assets and services	Ongoing	Purchase and availing of services of hospital related goods, equipment's, assets and services. Value of transactions during the year was Rs 64,00,800		NIL
		Purchase of Fixed asset/ equipment's (entire group)	Ongoing	Purchase of Fixed asset/ equipment's. Value of transactions during the year was Rs 39,38,388	29 <sup>th</sup> March 2022	NIL
		Sale of Fixed asset/ equipment's (entire group)	Ongoing	Sale of Fixed asset/ equipment's. Value of transactions during the year was Rs 7,82,068		NIL
		Reimbursement of expenses (Net) & Other Contingencies	Ongoing	Reimbursement of expenses (Net) & Other Contingencies. Value of transactions during the year was Rs 18,96,373		NIL
7.	Narayana Hrudayalaya Surgical Hospital Private Limited, Wholly Owned Subsidiary. Dr. Devi Prasad Shetty (Chairman & Whole-time Director), Dr. Emmanuel Rupert (Managing Director and Group CEO) and Mr. Viren Prasad Shetty (Executive Vice Chairman) are Directors and Nominee Shareholders in Narayana Hrudayalaya Surgical Hospital Private Limited. Mr. B N Subramanya (Independent Director), is a Director in Narayana Hrudayalaya Surgical Hospital Private Limited. Also, Mrs. Shakuntala Shetty, Relative (wife of Dr. Devi Prasad Shetty), Dr. Varun Shetty, Relative (son of Dr. Devi Prasad Shetty) and Dr. Anesh Shetty Relative (son of Dr. Devi Prasad Shetty) are Nominee Shareholders in this Company	Hospital Lease rent.	Ongoing	Hospital Lease rent. Value of transactions during the year was Rs 53,60,265	29 <sup>th</sup> March 2022 & 8 <sup>th</sup> August, 2022	NIL
		Sale and providing of services of hospital related goods, equipments, assets and services	Ongoing	Sale and providing of services of hospital related goods, equipment's, assets and services. Value of transactions during the year was Rs 37,22,753		NIL
		Purchase and availing of services of hospital related goods, equipments, assets and services	Ongoing	Purchase of hospital related goods/assets and availing of services. Value of transactions during the year was Rs 3,68,266	29 <sup>th</sup> March 2022	NIL
		Reimbursement of expenses (Net) & Other Contingencies	Ongoing	Reimbursement of expenses (Net) & Other Contingencies. Value of transactions during the year was Rs 3,96,57,078	29 <sup>th</sup> March 2022 & 9 <sup>th</sup> November, 2022	NIL



Sl. No.	Name(s) of the related party and nature of relationship	Nature of contract/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advance, if any
8.	Narayana Hospitals Private Limited, Wholly Owned Subsidiary. Dr. Devi Prasad Shetty (Chairman & Whole-time Director), Mrs. Shakuntala Shetty, Relative (wife of Dr. Devi Prasad Shetty), and Mr. Viren Prasad Shetty (Executive Vice Chairman) are Directors and Nominee Shareholders, Dr. Emmanuel Rupert, Managing Director and Group CEO, Dr. Varun Shetty, Relative (son of Dr. Devi Prasad Shetty) and Dr. Anesh Shetty Relative (son of Dr. Devi Prasad Shetty) are Nominee Shareholders in the Narayana Hospitals Private Limited	Hospital Lease Rent	Ongoing	Hospital Lease rent. Value of transactions during the year was Rs 1,06,20,000	29 <sup>th</sup> March 2022	NIL
		Reimbursement of expenses (Net) & Other Contingencies	Ongoing	Reimbursement expenses on account of salaries and professional fees. Value of the transaction during the year was Rs 57,99,547	29 <sup>th</sup> March 2022	NIL
9.	Narayana Vaishno Devi Specialty Hospitals Private Limited, Wholly Owned Subsidiary of the Company. Dr. Devi Prasad Shetty (Chairman & Whole-time Director), Dr. Emmanuel Rupert (Managing Director and Group CEO of NHL), Mr. Viren Prasad Shetty (Executive Vice Chairman), Mr. K. Dinesh (Independent Director), Mr. B N Subramanya (Independent Director) and 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 Prasad Shetty, Dr. Varun Shetty, Relative (son of Dr. Devi Prasad Shetty), Mrs. Shakuntala Shetty, Relative (wife of Dr. Devi Prasad Shetty) and Dr. Anesh Shetty Relative (son of Dr. Devi Prasad Shetty) are Nominee Shareholders in this Company.	Sale and providing of services of hospital related goods, equipment's, assets and services	Ongoing	Sale and providing services of hospital related goods, equipment's, assets and services. Value of transactions during the year was Rs 8,64,472	29 <sup>th</sup> March 2022	NIL
		Purchase and availing of services of hospital related goods, equipment's, assets and services	Ongoing	Purchase and availing of services of hospital related goods, equipment's, assets and services. Value of transactions during the year was Rs 12,13,931		NIL
		Sale of Fixed asset/ equipment's (entire group)	New Transaction	Sale of Fixed asset/ equipment's. Value of transactions during the year was Rs 29,500	19 <sup>th</sup> May 2023	NIL
		Reimbursement of expenses	Ongoing	Reimbursement of expenses towards corporate management services excluding IT services. Value of transactions during the year was Rs 5,74,925	29 <sup>th</sup> March 2022	NIL
10.	Narayana Hrudayalaya Foundations (NHF). Dr. Devi Prasad Shetty, Chairman and Whole-time Director, Mr. Viren Prasad Shetty, Executive Vice Chairman of the Company along with Mrs. Shakuntala Shetty are trustees of this Trust.	Rental charges for the Assets	Ongoing	Amount paid towards Rental charges for the Assets. Value of transactions during the year was Rs 31,60,838	29 <sup>th</sup> March 2022	NIL
		Medical fees received from NHF for treatment of patients	Ongoing	Medical fees received from NHF for treatment of patients. Value of transactions during the year was Rs 2,72,820		NIL
		Reimbursement of expenses (Net) & Other Contingencies	Ongoing	Reimbursement expenses on account of group staff insurance and Hostel rent, paid by NHL. The value of the transaction during the year was Rs. 60,80,572	29 <sup>th</sup> March 2022	NIL
11.	Asia Heart Foundation (AHF). Dr. Devi Prasad Shetty, Chairman and Whole-time Director, Mr. Viren Prasad Shetty, Executive Vice Chairman of the Company along with Mrs. Shakuntala Shetty are trustees of this Trust	Discount entitlement for the year	Ongoing	Value of transactions during the year was Rs 14,17,082	29 <sup>th</sup> March 2022 & 8 <sup>th</sup> August, 2022	NIL
		Rental expense for Robotic CT ingenuity and Dental bus	Ongoing	Value of transactions during the year was Rs 31,15,719	29 <sup>th</sup> March 2022	NIL
		Reimbursement of expenses (Net) & Other Contingencies	Ongoing	Reimbursement of expenses (Net) & Other Contingencies. Value of transactions during the year was Rs 48,853	9 <sup>th</sup> November, 2022	NIL

SI. 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 advance, if any
12.	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.	Rent for Hospital building and Furniture Hire Charges	Ongoing	Payment towards lease rent. Value of the transactions during the year was Rs 2,95,00,000	29 <sup>th</sup> March 2022	NIL
		Lab – Outsourcing	Ongoing	Availing of Diagnostic Services. Value of transactions during the year was Rs 38,81,000	29 <sup>th</sup> March 2022	NIL
		Sale and providing of services of hospital related goods, equipment's, assets and services	New Transaction	Sale and providing of services of hospital related goods, equipment's, assets and services. Value of transactions during the year was Rs 62,74,888	8 <sup>th</sup> February, 2023	NIL
13.	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 and providing of services of hospital related goods, equipment's, assets and services	Ongoing	Sale and providing of services of hospital related goods, equipment's, assets and services. Value of transactions during the year was Rs 79,04,319	29 <sup>th</sup> March 2022	NIL
		Purchase and availing of services of hospital related goods, equipment's, assets and services	Ongoing	Purchase and availing of services of hospital related goods, equipment's, assets and services. Value of transactions during the year was Rs 1,40,52,255	29 <sup>th</sup> March 2022	NIL
		Reimbursement of expenses (Net) & Other Contingencies	Ongoing	Reimbursement of expenses (Net) & Other Contingencies. Value of transactions during the year was Rs 1,54,49,278	29 <sup>th</sup> March 2022 & 9 <sup>th</sup> November, 2022	NIL
14.	Syngene International Limited, Dr. Kiran Mazumdar Shaw (Non-executive Director) is a Director of Syngene International Limited	Purchase and availing of services of hospital related goods, equipment's, assets and services	Ongoing	Lab outsourcing charges. Value of transactions during the year was Rs 4,46,400	29 <sup>th</sup> March 2022	NIL
15.	Narayana Health Academy Private Limited, Dr. Devi Prasad Shetty(Chairman and Whole-time Director) is a shareholder and director of this company. Also, Mrs. Shakuntala Shetty, Relative (wife of Dr. Devi Prasad Shetty) is a Director and shareholder of this company.	Reimbursement of expenses (Net) & Other Contingencies	Ongoing	Reimbursement of expenses (Net) & Other Contingencies. Value of transactions during the year was Rs 1,719	29 <sup>th</sup> March 2022	NIL
16.	Athma Healthtech Private Limited, Wholly Owned Subsidiary of NHL. Mr Viren Prasad Shetty, Executive Vice Chairman and Dr Emmanuel Rupert, Managing Director and Group CEO of NHL are Directors and Nominee shareholders in this Company	Reimbursement of expenses (Net) & Other Contingencies	Ongoing	Reimbursement of expenses (Net) & Other Contingencies. Value of transactions during the year was Rs 8,34,729	8 <sup>th</sup> August, 2022	NIL
		Rent for Office Building	New Transaction	Amount paid towards Rental charges for the Office Building. Value of transactions during the year was Rs 4,22,252	19 <sup>th</sup> May, 2023	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 advance, if any
17.	NH Integrated Care Private Limited Wholly Owned Subsidiary of NHL. Mr Viren Prasad Shetty, Executive Vice Chairman and Dr Emmanuel Rupert, Managing Director and Group CEO of NHL are Directors and Nominee shareholders in this Company	Reimbursement of expenses (Net) & Other Contingencies	New Transaction	Reimbursement of expenses (Net) & Other Contingencies. Value of transactions during the year was Rs 11,16,04,104	19 <sup>th</sup> May, 2023	NIL
18.	Dr. Varun Shetty, relative (son) of Dr. Devi Prasad Shetty and relative (brother) of Mr. Viren Prasad Shetty (Executive Vice Chairman).	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 Rs 1,86,57,754	20 <sup>th</sup> May, 2022	NIL
19.	Dr. Vivek Shetty, relative (son in law) of Dr Devi Prasad Shetty (Chairman & Whole-time Director).	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 Rs 92,33,295	20 <sup>th</sup> May, 2022	NIL

Place: Bengaluru  
Date: 19<sup>th</sup> May, 2023

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

**Dr. Emmanuel Rupert**  
Managing Director & 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 2022-23

##### EDUCATION PROGRAM - 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 and become doctors. 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 X and choosing the medical profession as their careers. The social and economic background of the students is verified before they become part of our program.

This year 254 Students were supported under the Udaan Program for NEET Coaching and 50 MBBS students were selected for scholarship program.

##### FEEDING PROGRAM

The feeding program was initiated this year with intent to provide breakfast in government schools and to support orphanages and children shelter home with basic meal supplements. With help of local NGOs, Clubs, and shelter home, the program supported 360+ kids in the year. It was observed that the school attendance improved with improvement in Body Mass Index (BMI) and overall weight of students. The project continues this year also with intent to reach more govt schools and orphanages with wider coverage.

##### PROVIDING SAFE DRINKING WATER AND BETTER TOILETS AT SCHOOLS

The Project was initiated in government schools for improving basic facilities related to safe drinking water and providing toilets in govt schools. It was observed that majority of girls students were not attending schools due to unavailability of basic toilets and change facilities in schools, also drinking water facilities were not present in these schools and thus students were falling sick with water borne diseases which lead to poor attendance and dropouts in govt schools. Through this project, school attendance improved and female students could attend schools with better toilets and around 1200+ school students benefitted this year.

##### FREE COVID VACCINATION DRIVE

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 20,000 underprivileged citizens with COVID vaccination free of cost and this helped in fighting omicron variant which was spreading in third COVID-19 wave.

## 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 Krishnaswamy	Chairperson – Independent Director	3	3
2.	Mr. B. N. Subramanya	Member - Independent Director	3	3
3.	Mr. Viren Prasad Shetty	Member – Executive Vice Chairman	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	<a href="https://www.narayanahealth.org/stakeholder-relations/board-committees">https://www.narayanahealth.org/stakeholder-relations/board-committees</a>
CSR Policy	<a href="https://www.narayanahealth.org/sites/default/files/download/nh_investor_relations/Corporate-Social-Responsibility-Policy.pdf">https://www.narayanahealth.org/sites/default/files/download/nh_investor_relations/Corporate-Social-Responsibility-Policy.pdf</a>
CSR Projects	<a href="https://www.narayanahealth.org/stakeholder-relations/csr-projects">https://www.narayanahealth.org/stakeholder-relations/csr-projects</a>

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

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

**5. a. Average net profit of the company as per section 135(5):** Rs. 71,67,90,058 (Rupees Seventy One Crore Sixty Seven Lacs Ninety Thousand and Fifty Eight only)

**b. Two percent of average net profit of the company as per section 135(5):** Rs. 1,43,35,801 (Rupees One Crore Forty-Three Lacs Thirty Five Thousand Eight Hundred and One only)

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

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

**e. Total CSR obligation for the financial year [(b) + (c) - (d)]:** Rs. 1,43,35,801 (Rupees One Crore Forty-Three Lacs Thirty-Five Thousand Eight Hundred and One only).

**6. a. Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** Rs. 1,44,11,791 (Rupees One Crore Forty-Four Lakhs Eleven Thousand Seven Hundred Ninety-One only)

**b. Amount spent in Administrative Overheads:** Nil

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

**d. Total amount spent for the Financial Year [(a) + (b) + (c)].** Rs. 1,44,11,791 (Rupees One Crore Forty-Four Lakhs Eleven Thousand Seven Hundred Ninety-One only)

## e. CSR amount spent or unspent for the Financial Year

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
1,44,11,791	Nil	Nil	Nil	Nil	Nil

**f. Excess amount for set off, if any:**

Sl. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per section 135(5)	1,43,35,801
(ii)	Total amount spent for the Financial Year	1,44,11,791
(iii)	Excess amount spent for the financial year [(ii)-(i)]	75,990
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	75,990

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

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

**8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No****9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):**

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

**Dr. Emmanuel Rupert**  
Managing Director & Group CEO

**Dinesh Krishnaswamy**  
(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:

<b>Non-Executive Directors</b>	<b>Ratio to median remuneration</b>
Mr. Muthuraman Balasubramanian	8.14
Mr. Dinesh Krishnaswamy	8.58
Mr. Arun Seth	7.88
Dr. Kiran Mazumdar Shaw	7.52
Mr. B N Subramanya	8.41
Ms. Terri Smith Bresenham	8.58
Mr. Shankar Arunachalam*	0.35
Dr. Nachiket Mor*	0.35
Mr. Naveen Tewari**	0.18

\*Appointed as an Independent Director of the Company with effect from 8<sup>th</sup> February, 2023

\*\* Appointed as an Independent Director of the Company with effect from 29<sup>th</sup> March, 2023

<b>Executive Directors</b>	<b>Ratio to median remuneration</b>
Dr. Devi Prasad Shetty	422.38
Mr. Viren Prasad Shetty	97.71
Dr. Emmanuel Rupert	493.98

- 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:

<b>Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary</b>	<b>% increase</b>
Dr. Devi Prasad Shetty	30%
Mr. Viren Prasad Shetty	20%
Dr. Emmanuel Rupert	40%
Ms. Sandhya Jayaraman	Nil
Mr. Sridhar S	10%

- c. The percentage increase in the median remuneration of employees in the financial year: 8%
- d. The number of permanent employees on the rolls of Company: 11726
- 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.

On average, employees received an increment of 10.7% including promotions on base salary budget. This increment pertaining to the period of performance review from April 2021 till March 2022. Increments factored market benchmarks and ringfencing critical roles in the organization.

- 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 in equipment/components was a key agenda for energy conservation initiatives in FY 2022-23. Process improvement and utilization of existing resources identified in the 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. & replacement of high energy consuming chiller with energy efficient chiller. Replacement of diesel consuming vehicle of internal transport with electrical cart (Buggy)

- 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 24.5% of its energy comes from captive Wind and Hydro energy. This activity is reducing Co2 emissions by 17643 ton/Year & So2 Emission by 56ton/year by consuming 13.6 MU of power from Solar/wind and Hydro energy producer suppliers and & reducing diesel consumption and other energy efficiency projects.

- c. Overall achievement with multiple approach of energy conservation activity.

NHL - Group Summary	Details	% of total consumption/ cost of energy
Consumption of Renewable Energy	1,36,780 Mwh	25%
Cost Saving by Renewable Energy	412 Lakhs	12.8%
Energy Conservation through other Energy efficient projects	2,751 Mwh	1%
Energy cost saving by Energy efficient Project	179.8 Lakhs	3.3%
Reduction of Diesel consumption	90.44 kl	17.4%
Reduction of Diesel cost	42 Lakhs	8.9%
Overall Reduction in Energy Consumption	632.8 Lakhs	12.6%

- d. Through various energy saving initiatives undertaken by the Company, a reduction in energy consumption by ~ 12.6% and reduction in Co2 footprint by ~17643 ton/year & So2 by 56 Ton/year was achieved.

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

- f. Installation of Online Energy Monitoring system in Narayana Institute of Cardiac Sciences, Bengaluru and Mazumdar Shaw Medical Center, Bengaluru.

- g. Replacement of efficient cooling tower with less energy and water evaporation cooling tower in Narayana Institute of Cardiac Sciences, Bengaluru and RN Tagore Institute of Cardiac Sciences in Kolkata.

#### ii. Plan for conservation of energy (2023-24)

- a. Utilizing alternate sources of energy.

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

- b. Upgradation & replacement of capital equipment like inefficient Chiller, Pump cooling tower at certain hospitals.
- 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 will continue the initiative for conservation of water by adopting new technology for cooling towers.

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

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

**(B) TECHNOLOGY ABSORPTION**

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

- 1. Implemented cost estimation module in our in-house ATHMA HIS (Hospital Information System) to provide accurate estimate for planned admissions and checklist management for clinical staff to improve patient safety.
- 2. Designed and developed a new user interface / user experience (UX/UI) in AADI (ATHMA Application for Doctor Insights) mobile application to improve adoption and productivity of doctors.
- 3. Implemented "Trend Analysis" feature for Laboratory reports in NH Care mobile application to help patients to understand performance of key indicators over a given period and take appropriate actions and also implemented vaccine tracker in the application to help parents to monitor their child's vaccination schedule.
- 4. Implemented in-house Lab Information System (LIS) in all healthcare facilities across the group

to improve labs' TAT in result certification and equipment interface.

- 5. Implemented drug refill management, pre-consultation assessment and integrated discharge medication orders to enhance overall experience across outpatient pharmacy.
- 6. Launched module in our in-house ATHMA HIS to provide real-time granular visualisation of operational KPIs and also started a community platform in our HIS to improve communication and collaboration with HIS end users and product team.
- 7. Implemented integration of Lab Sample Tracker into the NH Care Platform to enhance the patient experience to effortlessly track the status of patient samples and to get the real-time updates.

**(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

**(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:**

Particulars	(amount in ₹ Million)	
	2022-23	2021-22
Foreign Exchange Earnings*	1,894.80	942.05
Foreign Exchange Expenditure	72.92	47.25
Value of Imports on CIF Basis**	345.95	21.95

\*The foreign currency earning includes the amount received by the Company in foreign currency excluding INR

\*\*Value of Imports includes capital goods purchases

# Annexure VI

## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

### 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 the 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](http://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 12 (Twelve) Directors viz., 3 (Three) Executive Directors and 9 (Nine) Non-Executive Directors out of which 8 (Eight) 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 31<sup>st</sup> March 2023 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 & Whole-Time Director	ED & Promoter	√√	-	-	-	-
2	Dr. Emmanuel Rupert	Managing Director & Group CEO	ED	√	-	-	-	-
3	Mr. Viren Prasad Shetty	Executive Vice Chairman	ED	√	-	√	-	√
4	Dr. Kiran Mazumdar Shaw	Non-Executive Director	NE	√	-	-	√	-
5	Mr. Dinesh Krishnaswamy	Non-Executive & Independent Director	INED	√	√	√√	√	-
6	Mr. Muthuraman Balasubramanian	Non-Executive & Independent Director	INED	√	√	-	-	√√
7	Mr. Arun Seth	Non-Executive & Independent Director	INED	√	-	-	√√	-

Sl. No.	Name of Director	Designation	Category	Board	Audit, Risk and Compliance Committee	Corporate Social Responsibility Committee	Nomination and Remuneration Committee	Stakeholder Relationship Committee
8	Mr. B.N Subramanya	Non-Executive & Independent Director	INED	√	√√	√	-	√
9	Ms. Terri Smith Bresenham	Non-Executive & Women Independent Director	INED	√	-	-	-	-
10	Mr. Shankar Arunachalam*	Non-Executive & Independent Director	INED	√	-	-	-	-
11	Dr. Nachiket Mor*	Non-Executive & Independent Director	INED	√	-	-	-	-
12	Mr. Naveen Tewari**	Non-Executive & Independent Director	INED	√	-	-	-	-

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

\* Appointed as an Independent Director of the Company with effect from 8<sup>th</sup> February, 2023

\*\* Appointed as an Independent Director of the Company with effect from 29<sup>th</sup> March, 2023

## (b) Changes in the composition of the Board

### • Appointment of the Directors, if any

- During the year under review, Mr. Shankar Arunachalam (DIN:00203948) and Dr. Nachiket M. Mor (DIN:00043646) were appointed as Independent Directors with effect from 8<sup>th</sup> February 2023 while Mr. Naveen Tewari (DIN: 00677638) was appointed as an Independent Director with effect from 29<sup>th</sup> March 2023.

## (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 30 <sup>th</sup> August, 2022
	Held	Attended	
Dr. Devi Prasad Shetty	8	7	Yes
Dr. Emmanuel Rupert	8	8	Yes
Mr. Viren Prasad Shetty	8	8	Yes
Dr. Kiran Mazumdar Shaw	8	6	No
Mr. Dinesh Krishnaswamy	8	8	Yes
Mr. Muthuraman Balasubramanian	8	8	Yes
Mr. Arun Seth	8	8	Yes
Mr. B N Subramanya	8	8	Yes
Ms. Terri Smith Bresenham	8	8	Yes
Mr. Shankar Arunachalam*	2	2	NA
Dr. Nachiket Mor*	2	2	NA
Mr. Naveen Tewari**	1	1	NA

\* Appointed as Independent Directors of the Company with effect from 8<sup>th</sup> February 2023.

\*\*Appointed as an Independent Director of the Company with effect from 29<sup>th</sup> March 2023.

**(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 31<sup>st</sup> March 2023 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. 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 & Whole-Time Director	7	-	0
2	Dr. Emmanuel Rupert	Narayana Hrudayalaya Limited – Managing Director & Group CEO	6	1 – Audit Committee	0
3	Mr. Viren Prasad Shetty	Narayana Hrudayalaya Limited – Executive Vice Chairman	9	1– Stakeholder Relationship Committee	0
4	Dr. Kiran Mazumdar Shaw	<ul style="list-style-type: none"> <li>• Biocon Limited – Executive Chairperson</li> <li>• United Breweries Limited – Independent Director</li> <li>• Syngene International Limited – Non-Executive Chairperson</li> <li>• Narayana Hrudayalaya Limited - Non-Executive Director</li> </ul>	9	0	0
5	Mr. Dinesh Krishnaswamy	Narayana Hrudayalaya Limited – Independent Director	2	1 – Audit Committee	0
6	Mr. Muthuraman Balasubramanian	<ul style="list-style-type: none"> <li>• Sundaram Fasteners Limited – Independent Director</li> <li>• Narayana Hrudayalaya Limited - Independent Director</li> </ul>	3	3– Audit Committee 1– Stakeholder Relationship Committee	1– Audit Committee 1– Stakeholder Relationship Committee
7	Mr. Arun Seth	<ul style="list-style-type: none"> <li>• Narayana Hrudayalaya Limited - Independent Director</li> <li>• Jubilant Pharmova Limited -Independent Director</li> <li>• Jubilant Ingrevia Limited -Independent Director</li> <li>• Cyber Media Research &amp; Services Limited – Independent Director</li> </ul>	10	5 - Audit Committee 2 - Stakeholder Relationship Committee	0
8	Mr. B. N. Subramanya	<ul style="list-style-type: none"> <li>• Narayana Hrudayalaya Limited - Independent Director</li> </ul>	5	2 - Audit Committee 1 - Stakeholder Relationship Committee	2– Audit Committee
9	Ms. Terri Smith Bresenham	<ul style="list-style-type: none"> <li>• Narayana Hrudayalaya Limited – Independent Women Director</li> </ul>	2	0	0
10	Mr. Shankar Arunachalam	<ul style="list-style-type: none"> <li>• Narayana Hrudayalaya Limited – Independent Director</li> </ul>	2	1 - Audit Committee	0
11	Dr. Nachiket Mor	<ul style="list-style-type: none"> <li>• Narayana Hrudayalaya Limited – Independent Director</li> </ul>	4	3 - Audit Committee 1 - Stakeholder Relationship Committee	2– Audit Committee
12	Mr. Naveen Tewari	<ul style="list-style-type: none"> <li>• Narayana Hrudayalaya Limited – Independent Director</li> </ul>	1	0	0



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

During the financial year under review 8 (Eight) Board Meetings were held on 27<sup>th</sup> April 2022, 20<sup>th</sup> May 2022, 8<sup>th</sup> August 2022, 9<sup>th</sup> September 2022, 9<sup>th</sup> November 2022, 7<sup>th</sup> December 2022, 8<sup>th</sup> February 2023 and 29<sup>th</sup> March 2023 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.

**(f) Meeting of Independent Directors**

The Company's Independent Directors are required to meet at least once in every Financial 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 20<sup>th</sup> May 2022 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:

- The payment of sitting fees and commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.
- Dr. Kiran Mazumdar Shaw (Non-executive Director) holds 47,05,671 equity shares of Rs. 10 each of the Company as on 31<sup>st</sup> March 2023.
- Mr. Arun Seth (Non-executive Independent Director) holds 1,111 equity shares of Rs. 10 each of the Company as on 31<sup>st</sup> March 2023

- Mr. Muthuraman Balasubramanian (Non-executive Independent Director) holds 258 equity shares of Rs. 10 each of the Company as on 31<sup>st</sup> March 2023
- Related Party Transactions with companies in which Dr. Kiran Mazumdar Shaw is interested as under: Syngene International Limited - Non-Executive Chairperson and 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](http://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
<b>Governance and Board service</b>	The Board shall collectively comprise of Directors who demonstrate competence and experience in application of Corporate Governance principles.	All the Directors
<b>Business/ Management</b>	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

Key Competencies	Brief Description	Name of Directors
<b>Risk/Legal/ Regulatory Compliance</b>	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 Krishnaswamy Dr. Kiran Mazumdar Shaw Mr. Shankar Arunachalam
<b>Information Technology</b>	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 Krishnaswamy Mr. Arun Seth Mr. Viren Prasad Shetty Mr. Naveen Tewari
<b>Accounting/ Financial Experience</b>	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 Mr. Shankar Arunachalam Dr. Nachiket Mor
<b>Industry/Sector Knowledge</b>	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 Prasad Shetty Dr. Emmanuel Rupert Ms. Terri Smith Bresenham Dr. Nachiket Mor
<b>Strategy development and implementation</b>	Ability to think strategically and contribute to effective strategy formulation in the light of the strategic objectives of the company.	All the Directors
<b>Human Resource management</b>	Experience in the Human Resource Management with understanding of employment law.	Mr. Muthuraman Balasubramanian Dr. Kiran Mazumdar Shaw Mr. Arun Seth Mr. Dinesh Krishnaswamy Dr. Nachiket Madhusudan Mor

### 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 directions to the audit function and monitors the quality of

internal and statutory audits. 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 31<sup>st</sup> March 2023, 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 Krishnaswamy	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	20.05.2022	5	5
Mr. Dinesh Krishnaswamy	08.08.2022	5	5
Mr. Muthuraman Balasubramanian	09.11.2022	5	5
	08.02.2023		
	29.03.2023		

## 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](http://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 Krishnaswamy	Independent Director	Member
3. Dr. Kiran Mazumdar Shaw	Non-Executive 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. Arun Seth	20.05.2022	3	3
Dr. Kiran Mazumdar Shaw	08.02.2023	3	3
Mr. Dinesh Krishnaswamy	28.03.2023	3	3

## 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	Member

**Meetings and attendance during the year:**

Name of the members attended the meeting	Date of Committee Meeting	No. of meetings held	No. of meetings attended
Mr. Muthuraman Balasubramanian	20.05.2022	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 Committee was also authorised by the Board to act as the oversight authority for the implementation of the business responsibility and sustainability activities / initiatives of the company and the reporting of the same pursuant to applicable statute(s).

The details with regard to Stakeholders grievances as on 31<sup>st</sup> March 2023 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 31 <sup>st</sup> March 2023	Nil
4.	No. of complaints not solved to the satisfaction of shareholders as on 31 <sup>st</sup> March 2023	Nil
5.	No. of pending complaints as on 31 <sup>st</sup> March 2023	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 Krishnaswamy	Independent Director	Chairman
2. Mr. B. N. Subramanya	Independent Director	Member
3. Mr. Viren Prasad Shetty	Whole-Time Director	Member

#### Meetings and attendance during the year:

Name of the members attended the meeting	Date of Committee Meeting	No. of meetings held	No. of meetings attended
Mr. Dinesh Krishnaswamy	20.05.2022	3	3
Mr. B N Subramanya	09.09.2022	3	3
Mr. Viren Prasad Shetty	27.03.2023	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](http://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 the 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, 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.

The Risk Management Policy is also posted on the website of the Company and can be accessed at [www.narayanahealth.org](http://www.narayanahealth.org).

As on 31<sup>st</sup> March 2023, 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 Krishnaswamy	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	20.05.2022	5	5
Mr. Dinesh Krishnaswamy	08.08.2022	5	5
Mr. Muthuraman Balasubramanian	09.11.2022 08.02.2023 29.03.2023	5	5

## 9. Remuneration to Directors

### a. Details of remuneration to Directors for the Financial Year ended 31<sup>st</sup> March 2023

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	
<b>Dr. Devi Prasad Shetty</b> , Chairman & Whole-Time Director	9,49,19,274	-	39,600	2,43,54,876	11,93,13,750
<b>Mr. Viren Prasad Shetty</b> , Executive Vice-Chairman	2,15,99,767	-	-	60,00,000	2,75,99,767
<b>Dr. Emmanuel Rupert</b> Managing Director & Group CEO	4,70,99,000	23,05,572	7,99,28,190	1,17,63,120	14,10,95,882

### b. Remuneration to Non-Executive, Independent Directors paid as on 31<sup>st</sup> March 2023

Director	All elements of remuneration packages of the Directors				Total
	Sitting fees (Board)	Sitting fees (Committees)	Commission	Other benefits, if any	
Mr. Arun Seth	3,50,000	75,000	18,00,000	-	22,25,000
Dr. Kiran Mazumdar Shaw	2,50,000	75,000	18,00,000	-	21,25,000
Mr. B. N. Subramanya	3,50,000	2,25,000	18,00,000	-	23,75,000
Mr. Muthuraman Balasubramanian	3,50,000	1,50,000	18,00,000	-	23,00,000
Mr. Dinesh Krishnaswamy	3,50,000	2,75,000	18,00,000	-	24,25,000
Ms. Terri Smith Bresenham	3,22,150	-	21,00,330	-	24,22,480
Mr. Shankar Arunachalam*	1,00,000	-	-	-	1,00,000
Dr. Nachiket Mor*	1,00,000	-	-	-	1,00,000
Mr. Naveen Tewari**	50,000	-	-	-	50,000

\* Appointed as an Independent Director of the Company with effect from 8<sup>th</sup> February, 2023

\*\*Appointed as an Independent Director of the Company with effect from 29<sup>th</sup> March, 2023

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 Rs. 50,000/- per Board Meeting and Rs. 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 on 31<sup>st</sup> March 2023, the Board comprised of 12 (Twelve) members including 3 (Three) Executive Directors and 9 (Six) Non-Executive Directors of which 8 (Eight) 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 for 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 & whole-Time Director and Mr. Viren Prasad Shetty, Whole-Time Director & Executive Vice-Chairman.

**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 Rs. 10 each as on 31<sup>st</sup> March 2023.
- Mr. Arun Seth (Independent Director) holds 1,111 equity shares of Rs. 10 each of the Company as on 31<sup>st</sup> March 2023.
- Mr. Muthuraman Balasubramanian (Independent Director) holds 258 equity shares of Rs. 10 each of the Company as on 31<sup>st</sup> March 2023.

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
31 <sup>st</sup> March 2022	Tuesday, 30 <sup>th</sup> August 2022 at 11:30 A.M.	Meeting held via Video Conferencing means
31 <sup>st</sup> March 2021	Friday, 27 <sup>th</sup> August 2021 at 11:30 A.M.	Meeting held via Video Conferencing means
31 <sup>st</sup> March 2020	Monday, 31 <sup>st</sup> August 2020 at 11:30 A.M.	Meeting held via Video Conferencing means

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

<b>Annual General Meeting held on 30<sup>th</sup> August 2022</b>	Revision in remuneration of Dr. Devi Prasad Shetty (DIN: 00252187) as Whole-time Director of the Company
	Revision in remuneration of Mr. Viren Prasad Shetty (DIN:02144586) as Whole-time Director, designated as Executive Vice Chairman of the Company
	Issue of Debt Securities on Private Placement Basis
	Approval of increase in the limits for providing Loans, Guarantee, Security and making Investments under Section 186 of the Companies Act, 2013

<b>Annual General Meeting held on 27<sup>th</sup> August 2021</b>	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 Executive Vice-Chairman
	Payment of Remuneration to Non-Executive Directors
	Issue of Debt Securities on Private Placement Basis
<b>Annual General Meeting held on 31<sup>st</sup> August 2020</b>	Appointment of Ms. Terri Smith Bresenham (DIN: 09111500) as an Independent Director of the Company for a term of five consecutive years
	Issue of Debt Securities on Private Placement Basis

## 11. Details of Postal Ballots

During the Financial Year 2022-23, the Company sought the approval of the shareholders by way of a Special Resolutions through notice of postal ballot dated 29<sup>th</sup> March 2023 dispatched on 31<sup>st</sup> March 2023 (a) To appoint Mr. Shankar Arunachalam (DIN:00203948) as an Independent Director of the Company (b) To appoint Dr. Nachiket Madhusudan Mor (DIN:00043646) as an Independent Director of the Company and (c) To appoint Mr. Naveen Tewari (DIN: 00677638) as an Independent Director of the Company. The results of postal ballot were announced on 2<sup>nd</sup> May 2023. 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 - Appointment of Mr. Shankar Arunachalam (DIN:00203948) as an Independent Director of the Company

Resolution required: (Ordinary/ Special)			Special Resolution – Appointment of Mr. Shankar Arunachalam (DIN:00203948) as an Independent Director of the Company					
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
<b>Promoter and Promoter Group</b>	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
	<b>Total</b>	<b>130485730</b>	<b>130485730</b>	<b>100.00</b>	<b>130485730</b>	<b>0</b>	<b>100.00</b>	<b>0</b>
<b>Public-Institutions</b>	E-Voting	22393594	22392915	99.99	22392915	0	100.00	0.00
	Poll		0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)		0	0.00	0	0	0.00	0.00
	<b>Total</b>	<b>22393594</b>	<b>22392915</b>	<b>99.99</b>	<b>22392915</b>	<b>0</b>	<b>100.00</b>	<b>0.00</b>
<b>Public- Non-Institutions</b>	E-Voting	51481480	17785908	34.55	17774219	11689	99.93	0.07
	Poll		0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)		0	0.00	0	0	0.00	0.00
	<b>Total</b>	<b>51481480</b>	<b>17785908</b>	<b>34.55</b>	<b>17774219</b>	<b>11689</b>	<b>99.93</b>	<b>0.07</b>
<b>Total</b>		<b>204360804</b>	<b>170664553</b>	<b>83.51</b>	<b>170652864</b>	<b>11689</b>	<b>99.99</b>	<b>0.01</b>

**Item No. 2 - Appointment of Dr. Nachiket Madhusudan Mor (DIN:00043646) as an Independent Director of the Company**

Resolution required: (Ordinary/ Special)			Special Resolution - Appointment of Dr. Nachiket Madhusudan Mor (DIN:00043646) as an Independent Director of the Company					
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
<b>Promoter and Promoter Group</b>	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
	<b>Total</b>	<b>130485730</b>	<b>130485730</b>	<b>100.00</b>	<b>130485730</b>	<b>0</b>	<b>100.00</b>	<b>0</b>
<b>Public-Institutions</b>	E-Voting	22393594	22392915	99.99	22392915	0	100.00	0.00
	Poll		0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)		0	0.00	0	0	0.00	0.00
	<b>Total</b>	<b>22393594</b>	<b>22392915</b>	<b>99.99</b>	<b>22392915</b>	<b>0</b>	<b>100.00</b>	<b>0.00</b>
<b>Public- Non-Institutions</b>	E-Voting	51481480	17784893	34.55	17773204	11689	99.93	0.07
	Poll		0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)		0	0.00	0	0	0.00	0.00
	<b>Total</b>	<b>51481480</b>	<b>17784893</b>	<b>34.55</b>	<b>17773204</b>	<b>11689</b>	<b>99.93</b>	<b>0.07</b>
		<b>204360804</b>	<b>170663538</b>	<b>83.51</b>	<b>170651849</b>	<b>11689</b>	<b>99.99</b>	<b>0.01</b>

**Item No. 3 - Appointment of Mr. Naveen Tewari (DIN: 00677638) as an Independent Director of the Company**

Resolution required: (Ordinary/ Special)			Special Resolution - Appointment of Mr. Naveen Tewari (DIN: 00677638) as an Independent Director of the Company					
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
<b>Promoter and Promoter Group</b>	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
	<b>Total</b>	<b>130485730</b>	<b>130485730</b>	<b>100.00</b>	<b>130485730</b>	<b>0</b>	<b>100.00</b>	<b>0</b>
<b>Public-Institutions</b>	E-Voting	22393594	22392915	99.99	22392915	0	100.00	0.00
	Poll		0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)		0	0.00	0	0	0.00	0.00
	<b>Total</b>	<b>22393594</b>	<b>22392915</b>	<b>99.99</b>	<b>22392915</b>	<b>0</b>	<b>100.00</b>	<b>0.00</b>

Resolution required: (Ordinary/ Special)			Special Resolution - Appointment of Mr. Naveen Tewari (DIN: 00677638) as an Independent Director of the Company					
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- Non-Institutions	E-Voting	51481480	17784893	34.55	17773134	11759	99.93	0.07
	Poll		0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)		0	0.00	0	0	0.00	0.00
	<b>Total</b>	<b>51481480</b>	<b>17784893</b>	<b>34.55</b>	<b>17773134</b>	<b>11759</b>	<b>99.93</b>	<b>0.07</b>
		<b>204360804</b>	<b>170663538</b>	<b>83.51</b>	<b>170651779</b>	<b>11759</b>	<b>99.99</b>	<b>0.01</b>

## 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 28<sup>th</sup> July 2023, Saturday, 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](http://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. 14/2020 dated 8<sup>th</sup> April 2020, No. 03/2022 dated 5<sup>th</sup> May 2022 and No. 11/2022 dated 28<sup>th</sup> December 2022. Details are provided in the Notice of this AGM.

### Day, date and time

The 23<sup>rd</sup> Annual General Meeting of the Company will be held on Friday, the 4<sup>th</sup> day of August 2023, 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 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023.

### c. Dividend payment date:

On and from 5<sup>th</sup> August 2023, subject to approval of the Shareholders at the ensuing Annual General Meeting.

### d. Listing on Stock Exchanges

Equity Shares of the Company are listed on the BSE Limited (BSE Limited), 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.

**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 Limited situated at Selenium Tower B, Plot No. 31 &amp; 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 1<sup>st</sup> April 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 31<sup>st</sup> March 2023**

Category (Amount)	Distribution Schedule - Consolidated as on 31.03.2023				
	No. of Cases	% of Cases	Total Shares	Amount (Rs.)	% of Amount
1-5000	69019	91.57	42,74,193	4,27,41,930	2.09
5001- 10000	3395	4.50	23,75,453	2,37,54,530	1.16
10001- 20000	1594	2.11	22,12,169	2,21,21,690	1.08
20001- 30000	452	0.60	11,05,744	1,10,57,440	0.54
30001- 40000	241	0.32	8,47,160	84,71,600	0.41
40001- 50000	119	0.16	5,39,008	53,90,080	0.26
50001- 100000	233	0.31	16,46,734	1,64,67,340	0.81
100001 & Above	317	0.42	19,13,60,343	1,91,36,03,430	93.64
<b>Total</b>	<b>75370</b>	<b>100.00</b>	<b>20,43,60,804</b>	<b>2,04,36,08,040</b>	<b>100.00</b>

**k. Category of Equity Shareholders as on 31<sup>st</sup> March 2023**

Consolidated Shareholding Pattern as on 31.03.2023			
Category	No. of Holders	Total Shares	% of Equity Capital
Promoter Individuals	6	126783666	62.04
Promoters Bodies Corporate	1	3702064	1.81
Mutual Funds	15	22215711	10.87
Foreign Portfolio – Corp	166	21176186	10.36
Resident Individuals	70923	14652086	7.17
Qualified Institutional Buyer	6	5493709	2.69
Directors	4	4860157	2.38
Bodies Corporates	790	1694332	0.83
Trusts	7	1372638	0.67
Alternative Investment Fund	6	1192763	0.58
Non-Resident Indians	1256	508364	0.25
Non-Resident Indian Non Repatriable	929	402310	0.20
H U F	1236	298468	0.15
Clearing Members	20	4785	0.00
NBFC	2	2417	0.00
Foreign Nationals	1	750	0.00
Banks	2	398	0.00
<b>Total</b>	<b>75370</b>	<b>204360804</b>	<b>100.00</b>

## I. Dematerialization of Shares & Liquidity

As on 31<sup>st</sup> March 2023, 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

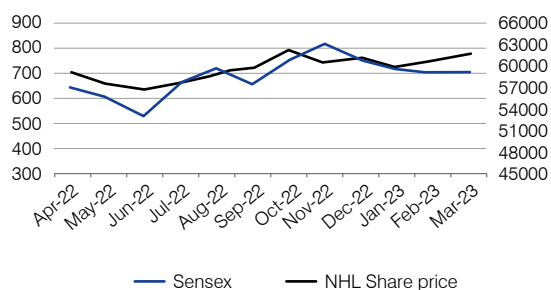
Mr. Sridhar S, Group Company Secretary, Legal and Compliance Officer.

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

## o. Performance in comparison to broad-based indices

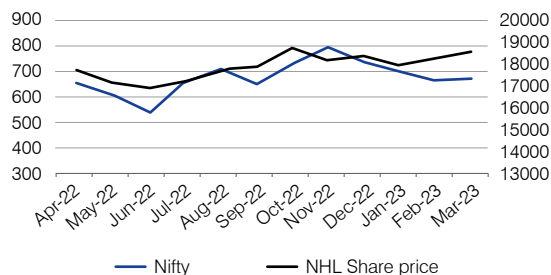
### i. BSE:

NHL Share price and Sensex



### ii. NSE:

NHL Share price and Nifty



## 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 18 owned/operated hospitals, 1 managed hospital, 4 heart centres and 21 primary healthcare facilities across India and one hospital in Cayman Islands.

## q. Credit Ratings

During the year, your Company received a rating upgrade from [ICRA] AA- to AA. The credit rating assigned to long term and Short-term loans of the Company during the financial year 2022-23 is given below:

Instrument	Credit Rating
	ICRA
Long – Term Loans	[ICRA]AA (Stable)
Short-Term Loans	[ICRA]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

M/s. 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 Rs. 1,16,65,000/- (Rupees One Crore Sixteen Lakhs Sixty Five Thousand only) to Statutory Auditors on a consolidated basis for the Financial Year 2022-23.

## 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.

## 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 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 2022-23 at BSE and NSE are given below:

Month	NSE			BSE		
	High (Rs.)	Low (Rs.)	Total Traded Quantity	High (Rs.)	Low (Rs.)	Total Traded Quantity
April 2022	768.15	687.10	3322498	775.00	689.00	151544
May 2022	718.00	611.00	2806231	716.75	611.00	167161
June 2022	669.00	625.00	2622034	668.65	620.05	104478
July 2022	710.90	588.45	3154121	710.60	589.90	215252
August 2022	734.95	606.65	7143012	734.50	609.90	307219
September 2022	744.00	683.35	6139112	747.00	683.10	516022
October 2022	798.00	691.05	7356775	798.00	691.25	640188
November 2022	820.00	731.00	5790238	810.15	726.95	306600
December 2022	777.90	732.50	6085789	777.00	733.00	342678
January 2023	767.60	705.10	1951185	765.85	705.25	107933
February 2023	766.15	710.20	3857160	766.10	705.55	81415
March 2023	821.60	723.10	3569028	816.20	724.90	183863

## 16. Disclosures

**a. Related Party transactions**

During the financial year 2022-23, 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 a 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 31.03.2023
Narayana Hrudayalaya Surgical Hospital Private Limited	Unsecured Loan	167 millions

**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-compliance 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 year under review.

**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](http://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. 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/>.

Details of material subsidiary of the Company, including the date and place of incorporation of such subsidiary are as under:

Sl. No.	Subsidiaries whose total income / net worth exceeds 10% of the Group's total income/net worth	Date of Incorporation	Place of Incorporation
1.	Health City Cayman Islands Ltd.	07 <sup>th</sup> May 2010	Cayman Islands

**f. Disclosure of Foreign Exchange Risk and Hedging activities**

Information on foreign exchange risk and hedging activities are provided under Notes to Accounts of Financial Statements section of Annual Report, you are requested to refer to Note No. 43.

**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. While determining the retiring Director, Independent Directors shall be excluded. Further, in terms of the Articles of Association of the Company, the Managing Director is not considered for the determination of directors who shall retire by rotation.

Dr. Kiran Mazumdar Shaw, Non-executive Director of the Company, being the longest in the office, retires by rotation at the forthcoming Annual General Meeting and being eligible offers herself 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](https://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 the performance of subsidiary Companies, inter-alia, by reviewing financial statements, particularly investments (wherever applicable) made by unlisted subsidiary companies. During the year under review, application has been filed with the Ministry of Corporate Affairs for strike-off of name of Narayana Health Institutions Private Limited from the Register of Companies and for Voluntary Liquidation of Narayana Institute for Advance Research Private Limited, wholly owned subsidiaries as they have not been operational since incorporation.

**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.

**I. 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. The company, in this regard, has sought a Secretarial Audit Report from M/s. Ganapathi & Mohan, Company Secretaries, having their office at No.2243, Vishishta Arcade, 2<sup>nd</sup> Floor, 23<sup>rd</sup> Cross, Banashankari II Stage, Bengaluru – 560070 (Firm Registration No. P2002KR057100), enclosed as **Annexure X**.

**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: 6
- Number of complaints disposed of during the financial year: 6
- 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>.

**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 Narayana Hrudayalaya Code of Conduct for the financial year ending 31<sup>st</sup> March 2023.

**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, Company Secretaries, having their office at No.2243, Vishishta Arcade, 2<sup>nd</sup> Floor, 23<sup>rd</sup> Cross, Banashankari II Stage, Bengaluru - 560070 (firm Registration No. P2002KR057100), confirming compliance with the conditions of Corporate Governance as stipulated under Regulation 34 (3) and Regulation 53(f) read with Schedule V (E) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to this report as **Annexure VII**.

For and on behalf of the Board of Directors

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

**Dr. Emmanuel Rupert**  
Managing Director & Group CEO  
DIN: 07010883

Place: Bengaluru  
Date: 19.05.2023

# 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 – 562158

We have examined the compliance of conditions of Corporate Governance by **NARAYANA HRUDAYALAYA LIMITED ('the Company')** for the year ended on 31<sup>st</sup> March, 2023 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, clauses (b) to (i) of 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

Sd/-  
**CS. G M GANAPATHI**  
Partner  
FCS. 5659; C.P: 4520  
(FRN: P2002KR057100)  
UDIN: F005659E000335219

Place: Bengaluru  
Date: 19/05/2023

# 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 Taluk, Bangalore – 562158

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 Taluk, Bangalore – 562158 (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](http://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 31<sup>st</sup> March, 2023 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 31<sup>st</sup> March 2023 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 Krishnaswamy	00041553	Independent Director	08/08/2015
08.	Emmanuel Rupert	07010883	Managing Director	03/02/2019
09.	Terri Smith Bresenham	09111500	Independent Women Director	05/08/2021
10.	Nachiket Madhusudan Mor	00043646	Independent Director	08/02/2023
11.	*Shankar Arunachalam	00203948	Independent Director	08/02/2023
12.	Naveen Tewari	00677638	Independent Director	29/03/2023

\*As per the representation given by the management, due to technical problem in MCA V3 portal, filing of form DIR-12 relating to appointment of Mr. Shankar Arunachalam with Registrar of Companies, Karnataka is pending as on the date of our report.

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

Place: Bengaluru  
Date: 19/05/2023

FCS. 5659; C.P: 4520  
(FRN: P2002KR057100)  
UDIN: F005659E000335186

# Annexure IX

## Business Responsibility and Sustainability Report



### SECTION A – GENERAL DISCLOSURES

#### I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L85110KA2000PLC027497
2.	Name of the company	Narayana Hrudayalaya Limited
3.	Year of incorporation	2000
4.	Registered office address	No.258/A, Bommasandra Industrial Area, Anekal. T.Q. Bangalore – 560099
5.	Corporate address	No.261/A, 2 <sup>nd</sup> floor, Bommasandra Industrial Area, Anekal. T.Q. Bangalore – 560099
6.	E-mail	<a href="mailto:investorrelations@narayanahealth.org">investorrelations@narayanahealth.org</a>
7.	Telephone	+91 80 7122 2129
8.	Website	<a href="http://www.narayanahealth.org">www.narayanahealth.org</a>
9.	Financial year for which reporting is being done	2022-23
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited (BSE) & National Stock Exchange of India Limited (NSE)
11.	Paid-up Capital	2043.61 million
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Jyotish Kumar <a href="mailto:nhesg@narayanahealth.org">nhesg@narayanahealth.org</a> 8867813357
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis

#### II. Products and Services

##### 14. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Hospital and Medical Care (Health Care Services)	Hospital Care Services through Hospitals & Clinics activities	96%

##### 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Hospital and Medical Care (Health Care Services)	8610	96%



### III. Operations

#### 16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Healthcare Facilities	Number of offices	Total
National	Owned/ operated hospitals – 18 Managed hospitals – 1 Heart Centres – 4 Primary Healthcare facility – 21	2	46
International	The Company owns and operates one hospital in Cayman Islands.	Nil	1

#### 17. Markets served by the entity:

##### a. Number of locations

Location	Number
National (No. of States)	11
International (No. of Countries)	1

##### b. What is the contribution of exports as a percentage of the total turnover of the entity?

1.05%

##### c. A brief on types of customers

They include patients requiring healthcare services and medical assistance.

### IV. Employees

#### 18. Details as at the end of Financial Year:

##### a. Employees (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	11,923	4,769	40	7,154	60
2.	Other than Permanent (E)	3,538	1,683	48	1,855	52
3.	Total employees (D + E)	15,461	6,452	42	9,009	58

##### b. Differently abled Employees:

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	8	6	75	2	25
2.	Other than Permanent (E)	2	2	100	-	-
3.	Total differently abled employees (D + E)	10	8	80	2	20

The entire workforce is categorized as 'Employees' and none as 'Workers'. Therefore, the information required in all sections in the 'Workers' category not applicable to the Company.

**19. Participation/Inclusion/Representation of women**

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	12	2	17
Key Management Personnel	3	1	33

**20. Turnover rate for permanent employees**

Particulars	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	27.53%	38.63%	35.31%	25.03%	40.25%	35.88%	32.20%	47.46%	42.78%

**V. Holding, subsidiary and associate companies (including joint ventures)****21. (a) Names of holding / subsidiary / associate companies / joint ventures**

The details of number of subsidiaries forms part of the Board's Report. Please refer to page No. 47.

**VI. Corporate Social Responsibility****22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes**

(ii) Turnover (in Rs.) – 30,660.28 Million

(iii) Net worth (in Rs.) – 14,687.43 Million

**VII. Transparency and Disclosure Compliances****23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-2022		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	-	0	0	-
Shareholders	Yes	0	0	-	46	0	-
Investors	Yes	0	0	-	0	0	-
Employees and workers	Yes	6	0	-	1	0	-
Customers (Regular Complaints in Hospitals)	Yes	2,888	0	-	281	0	-
Customers (Litigations Filed by Patients)	Yes	14	14	-	8	8	-
Value Chain Partners	Yes	0	0	-	0	0	-

Please refer the below link for policies:

<https://www.narayanahealth.org/stakeholder-relations/company-policies>

Customers reach out to us through our brand handles on Twitter, Facebook, Instagram, LinkedIn, Google Business profiles and other social media platforms. They also register their feedback through [feedback@narayanahealth.org](mailto:feedback@narayanahealth.org) and also through the feedback page on the website: <https://www.narayanahealth.org/feedback-form>

**24. Overview of the entity's material responsible business conduct issues. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.**

Sr. No.	Material identified issue	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Health & Safety	R	Adequate safety measures that could impact the various stakeholders due to the nature of the business activities	Relevant certifications obtained. Develop policies / code of conduct for employees / patients / other stakeholders	Negative: Refer to the notes to financial statements for any possible financial implications from legal disputes
2	Access to Healthcare	O	Access to world-class, high-quality treatment with stringent cost optimization to underprivileged population	-	Positive: Increase in the revenue by expanding the reach of our operations.
3	Process Safety & Quality	R	Ensuring safety and quality to adhere best practises	Establish a 5-layer NHL-Governance Framework (NHGF). To get more hospitals with JCI and NABH accreditations	Negative: Risk due to negative perspective over safety and quality of services provided by NHL, adversely impacting the revenue
4	Corporate Governance	R	Listed corporate entity's requirements to adhere to stringent corporate laws and governance practises	Clearly spelled out policies, specific committees overseeing targeted topics, diverse group of people constituting the board and committees	Negative: Adverse orders due to non-compliance with laws and regulations will lead to negative impact.
5	Business Conduct & Compliance	R	Listed corporate entity's requirements to adhere to stringent corporate laws and governance practises	Specific policies to cover the business conduct and compliances, coupled with periodic trainings to the relevant stakeholders	Negative: Due to possible non-compliance to various laws and regulations, will lead to negative impact.
6	Business Continuity	R	Risk of continuity of the operations in case of a possible impediment due to any disaster scenario	Comprehensive disaster management plans addressing potential impacts and mapping the corresponding business continuity plans	Negative: In case of a disaster, negative implications on the going concern of operations
7	Data Security & Privacy	R	In the business of healthcare services, there is a heightened risk from security threats / data theft of patients' data	Group-wide policy with board oversight and committees to monitor and track threats on a periodic manner	Negative: Loss of sensitive data of patients, company and the operations / procedures
8	Regulatory Issues & Compliance	R	Stringent laws and regulations governing the operations of healthcare services	Adequate policies and procedures in place to timely address the regulatory issues and compliance	Negative: Risk of negative impact from non-compliance to healthcare regulation and other compliances
9	Energy Efficiency	O	Energy efficient initiatives that support the ESG goals of NHL and reduce the energy consumption and cut down the energy costs	-	Positive: Investment in energy efficient projects results in reduction in the energy cost for NHL, with positive impact on profits

Sr. No.	Material identified issue	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
10	Water Stress	R	Availability of water for operations in water stress locations	Domestic waste water is treated and re-used for non-contact purposes like flushing, gardening and hospital vehicle washing. Adoption of rain water harvesting techniques and reutilisation of RO rejected water for inhouse hospital purpose	Negative: Adverse impact on the lack of availability of water and the consequent increase in the cost of procurement of water for the hospital operations and other allied purposes

## SECTION B – MANAGEMENT AND PROCESS DISCLOSURES

Disclosure questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>									
1. a) Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b) Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c) Web Link of the Policies, if available	<a href="https://www.narayanahealth.org/stakeholder-relations/company-policies">https://www.narayanahealth.org/stakeholder-relations/company-policies</a>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y

Disclosure questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	N	N	Y	Y	N	Y	Y
4. Name of the national and international codes/certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle	<p>Narayana Health adheres to national and international standards for patient safety &amp; quality of care. Health and Safety Management activity is part of NABH &amp; JCI Standards. The Company has various accreditation and certification by national and international agencies including National Accreditation Board for Hospital and Healthcare Providers (NABH), National Accreditation Board for Testing and Calibration Laboratories (NABL), Joint Commission International (JCI) and Nursing Excellence Certification by NABH. Currently, 17 units are accredited by NABH, 4 Hospitals, and Heart Centres are accredited by NABH entry level, Narayana Institute of Cardiac Sciences and Health City Cayman Islands are accredited by JCI, 10 units are accredited by NABL and 11 units are certified by Nursing Excellence.</p> <p>Information Security Standard: ISO 27001:2013</p>								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any	<p>This year, formulated ESG Strategy for NHL &amp; have considered Key ESG Targets. ESG Targets are categorised under three sections. The targets considered are:</p> <p><b>i. A Healthy Planet:</b></p> <ul style="list-style-type: none"> <li>• 30% Renewable Energy Mix by 2030</li> <li>• Carbon Neutral-by 2040</li> <li>• 100 % Waste-Water Recycling by 2030</li> <li>• Optimization of Waste Management Process</li> <li>• 50% less paper use across patients by 2025 from 2023</li> </ul> <p><b>ii. A Healthy Society</b></p> <ul style="list-style-type: none"> <li>• 25000+ doctors, nurses &amp; paramedical trained by 2030</li> <li>• Support 4000+ underprivileged academically bright students, aspiring to become doctors (appearing for NEET &amp; MBBS scholarships by 2030)</li> <li>• Touching Lives of 20,000+ Govt. School children through cleanliness and hunger Feeding program by 2030</li> <li>• Decreasing disparities in access to care-5000+ Bone Marrow Transplants (BMTs) by 2030 &amp; to save 5000+ children every year with our pediatric cardiac program</li> <li>• 560,000+ man hours-invested in associate development programs, including upskilling by 2030</li> <li>• Industry Leader in Digitalization- for enhancing patient safety &amp; experience.</li> </ul> <p><b>iii. For Healthy Institution</b></p> <ul style="list-style-type: none"> <li>• Industry Leader in Clinical Governance</li> <li>• 100 % NABH &amp; Enterprise Level JCI Certified Hospital by 2025</li> <li>• 1000+ publications-in Peer Reviewed indexed Journals (in 5 years ending Calendar Year 2025)</li> <li>• Extreme Risk Management-including organisation wide Business Continuity Plan for world class enterprise risk management</li> <li>• Cyber Resilience-through robust risk management practices</li> </ul>								

Disclosure questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met	Performance against the ESG targets <ul style="list-style-type: none"> <li>• Renewable Energy mix sourced - 23%</li> <li>• 17,643 Tons of Carbon Saved</li> <li>• Wastewater Recycling achieved - 95%</li> <li>• Waste Management Process - Followed as per Guidelines</li> <li>• Achieved printing of 5 pages per patient from 11 pages per patient</li> <li>• 10000+ Doctors, Nurses &amp; Paramedical Staff trained</li> <li>• Supported 1000+ underprivileged academically bright students appeared for NEET &amp; MBBS scholarship</li> <li>• Supported 360 kids for feeding programme &amp; 6 schools with 1200 kids for sanitation program, toilets redevelopments in government schools.</li> <li>• 100 Crore + discount towards subsidised Cardiac Surgeries, BMT and support to under privileged patients</li> <li>• 2,000+ Bone Marrow Transplants (BMT's) conducted to date</li> <li>• Invested 3.75 Lakh man-hours in training and development</li> <li>• Established World Class Risk Management Practices based on Strategic, Operational, Financial, Reputational &amp; Compliance Risk</li> <li>• Monitoring of 125+ KPIs, 25+ specialities for Clinical Governance</li> <li>• A total of 738 publications were done between year 2000 to 2016. We aspire to reach over 1000 publications in Peer Reviewed Indexed Journals during the 5 years ending calendar year 2025</li> <li>• NABH Certified Units: 100%</li> <li>• JCI Certified Units: 2 No.</li> <li>• Achieved ISO 27001:2013 &amp; Implemented Enterprise Identity Administration &amp; Governance</li> </ul>								

### Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements  
For director's statement & more details about ESG performance, please refer the Page No. 285 and 292 of Annual Report 2022-23
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).  
Dr. Emmanuel Rupert, Managing Director & Group CEO
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.  
Yes, the Stakeholders Relationship Committee constituted by the Board.



**10. Details of Review of NGRBCs by the Company:**

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half - yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Committee of the Board																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Committee of the Board									Annually								
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9	No								

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated

Not applicable



## SECTION C – PRINCIPLE-WISE PERFORMANCE DISCLOSURE

**Principle 1 – Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable.**

### Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of directors Key managerial personnel	2	Code of Conduct & Ethics, Insider Trading Regulations, Conflict of Interest, ESG Strategy Business Continuity and Disaster Recovery Management	100
Employees other than BoD and KMPs	20390	<b>11 Broad Topics Covered under 5 Principles</b> Health & Safety Trainings, Skill upgradation, Soft skills Functional/Technical Training, Training on Disaster Management measures such as Fire Mock Drill etc., Training employees on safe waste handling labelling and storage of hazardous products, Product learning modules, New product launches, Compliance, POSH- Prevention of Sexual Harassment and IT Security	90

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website)

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agency/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine					
Settlement			Nil		
Compounding fee					

Non-monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agency/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment				
Punishment			None	

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Not applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web link to the policy.

Yes, the Company has a detailed Anti-Bribery policy governed by a set of principles and series of procedures. For more details, please refer to <https://www.narayanahealth.org/sites/default/files/download/codes-policies/Anti-Bribery-Policy.pdf>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.

	FY 2022-23	FY 2021-22
Directors	Nil	Nil
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable.

### Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
Nil		

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the Company has maintained Code of Conduct for members of the Board of Directors. The Company adheres to highest corporate governance mechanism, ensuring highest standards of ethics and integrity in all business dealings while avoiding potential conflict of interests. The Company obtains annual declaration from its Board members of their interest and shall abstain themselves from participation and discussion where they are interested.

## Principle 2 – Businesses should provide goods and services in a manner that is sustainable and safe.

### Essential Indicators

1. Percentage of R&D and capital expenditure (CAPEX) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	Nil	Nil	The Company is engaged in Clinical Research activity which is sponsored by entities. NHL does not directly invest for the same. We focus on the social context of the research activities & have undertaken several research activities that have immense social value. For instance, oral cancer is a major health issue among Indians and diagnosis is often very late, especially in rural areas. Our research on oral cancer focused on early diagnosis using inexpensive methods and requiring minimal infrastructure thus having a huge social impact. We have undertaken several other studies in the area of COVID and Cancer that has similar social value.
Capex	1.29%	0.29%	In our endeavour to curb Energy Consumption, the company has transitioned to distinct energy efficiency measures. These measures include replacing traditional equipment such as chillers, boilers, cooling tower, pumps & CFLs at various hospitals with new and efficient chillers, electric heat pumps, cooling towers, modification & optimization of chilled water lines for buildings & LED lights at various units.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) –

Yes, 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 empanelled vendors who are governed by various statutes.

The Company takes various steps to partner with vendors who are certified to be compliant with social and environmental standards. (ISO 9001, 14001 & 45001)

During procurement of high value Utilities, Life Cycle Cost analysis is also carried out to identify a sustainable product with lesser energy footprint. This procedure ensures energy efficiency, resource consumption to an optimum level, while meeting the requirement.

- b. If yes, what percentage of inputs were sourced sustainably?

10%

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Waste type	Waste management procedure in place
Plastic (including packaging)	Not applicable
E-waste	
Hazardous waste	
Other waste (wastepaper and paper products)	

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the EPR plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

No, our sustainable approach to waste management entails a clearly defined process of appropriate, safe, and reliable handling, storage, and disposal of all types of waste. Disposal of various types of wastes is carried through authorized vendors.

## Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

The company has not conducted LCA for its services.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Not applicable

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	2022-23	2021-22
	Not applicable	

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	2022-23			2021-22		
	Re-used	Recycled	Safely disposed	Re-used	Recycled	Safely disposed
Plastics (including packaging)	Not applicable			Not applicable		
E-waste						
Hazardous waste						
Other waste						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	Not applicable

**Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains**

## Essential Indicators

1. a. Details of measures for the well-being of employees.

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent employees</b>											
Male	4,769	4,769	100	4,769	100	-	-	4,769	100	4,769	100
Female	7,154	7,154	100	7,154	100	7,154	100	-	-	7,154	100
<b>Total</b>	<b>11,923</b>	<b>11,923</b>	<b>100</b>	<b>11,923</b>	<b>100</b>	<b>7,154</b>	<b>60</b>	<b>4,769</b>	<b>40</b>	<b>11,923</b>	<b>100</b>

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Other than Permanent employees</b>											
Male	1,683	1,683	100	1,683	100	-	-	-	-	1,683	100
Female	1,855	1,855	100	1,855	100	1,855	100	-	-	1,855	100
<b>Total</b>	<b>3,538</b>	<b>3,538</b>	<b>100</b>	<b>3,538</b>	<b>100</b>	<b>1,855</b>	<b>52</b>	<b>-</b>	<b>-</b>	<b>3,538</b>	<b>100</b>

b. Details of measures for the well-being of workers:

The Company does not have workers category

2. Details of retirement benefits, for current and previous financial years

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	98	NA	Y	98	NA	Y
Gratuity	100	NA	Y	100	NA	Y
ESI	48	NA	Y	53	NA	Y
Others-Group Personal Accident & Group Term Life Insurance	100	NA	Y	100	NA	Y

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the premises are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.

Yes, Equal Opportunity Policy is available. NHL maintains Fairness at Workplace Policy & is committed to provide an environment of fairness and equality which is free from any sort of discrimination and to work with mutual dignity and respect with each other. Policy ensures diversity and inclusion of all people, including people with disability.

The web link to the policy: <https://www.narayanahealth.org/sites/default/files/download/codes-policies/FAW-Policy.pdf>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	97%	79%		
Female	100%	59%	Not applicable	
<b>Total</b>	<b>99%</b>	<b>67%</b>		



6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	Yes/No(If Yes, then give details of the mechanism in brief)
Permanent workers	Not applicable
Other than permanent workers	
Permanent employees	Yes, well formulated Grievance Redressal Procedure is available to employees. Includes all categories of employees of the Organization either working part-time or full time and including but not limited to regular employees, temporary employees, ad-hoc employees, daily wage earners, probationers, apprentices, trainees, consultants. This aims to provide NHL employees the right to work in an environment free from any form of discrimination and conduct, which can be considered harassing, coercive, or disruptive. The web link to the policy: <a href="https://www.narayanahealth.org/sites/default/files/download/codes-policies/FAW-Policy.pdf">https://www.narayanahealth.org/sites/default/files/download/codes-policies/FAW-Policy.pdf</a>
Other than permanent employees	

7. Membership of employees and workers in association(s) or Unions recognized by the listed entity:

The Company does not have a Union.

8. Details of training given to employees:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	4,769	3,738	78	2,670	56	4,558	3,338	73	2,384	52
Female	7,154	6,942	97	5,340	75	6,940	6,198	89	4,768	69
<b>Total</b>	<b>11,923</b>	<b>10,680</b>	<b>90</b>	<b>8,010</b>	<b>67</b>	<b>11,498</b>	<b>9,536</b>	<b>83</b>	<b>7,152</b>	<b>62</b>

9. Details of performance and career development reviews of employees:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
Male	4,269	4,269	100	4,058	4,058	100
Female	6,454	6,454	100	6,240	6,240	100
<b>Total</b>	<b>10,723</b>	<b>10,723</b>	<b>100</b>	<b>10,298</b>	<b>10,298</b>	<b>100</b>

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, what is the coverage of such a system?

Yes, all Clinical & Facility related activities are covered under occupational health and safety management system.

The Company adheres to National and International Standards for healthcare. Health and Safety Management activity is part of NABH & JCI Standards. Hazard Identification and Risk Assessment (HIRA) is carried out on a periodic basis to undertake control measures for each hazard.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Protecting the health, safety, and well-being of our employees is an integral part of how we operate at NHL.

We have outlined our approach to assessing, evaluating, eliminating, and mitigating unprecedented risks to our employees across our operations which include initiatives like: Facility/Safety Rounds, Hazard Identification and Risk Assessment (HIRA) which is carried out on an annual basis & identifying control in place for each hazard. This risk assessment captures routine & non-routine activities also.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)

Yes, for work related Hazards, Incident Management System (IMS) is in place to report all incidents on the digital platform and capture inputs from all stakeholders. IMS also facilitates Root Cause Analysis (RCA) and learning is used to improve processes. IMS platform is enabled on web and mobile platform with standard categorization, auto assignment and escalation process.

d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes, employees are provided with Health Insurance, Regular Medical Health Check-up / Vaccination during Covid etc.

11. Details of safety related incidents, in the following format:

Safety incident/number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one-million-person hour worked)	Employees	0	0
Total recordable work-related injuries	Employees	0	0
No. of fatalities	Employees	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0

\* The Company does not have workers category

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Following measures have taken by NHL to ensure a safe and healthy workplace.

- a) Provision of induction & refresh safety training for all employees covering areas such as proper usage of equipment, and protection against hazardous material.
- b) Identifying procedures to protect our employees in case of emergencies like natural disasters, fires, hazardous material spill which are possible instances in hospitals and conducting continuous training on these topics to educate all our associates, including employees, contractual associates, trainees, and any other stakeholder who is physically associated with the organization.
- c) Preconstruction risk assessment for providing guidelines regarding the determination of the potential risks associated with projects involving demolition, construction & renovation.
- d) Implementation of safety codes to identify and develop safe practices against potential hazards, disasters, and other risks that can occur in workplace.

13. Number of complaints on working conditions and health and safety made by employees.

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	-	0	0	-
Health & safety	0	0	-	0	0	-

14. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions.

None. Risk assessment of health and safety practices is a on-going process and required steps are taken from time to time depending on the risk foreseen.

**Leadership Indicators**

- Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, we have a well-defined Term Life Benefit Programme which protects dependent of associates (Permanent Employees) due to unforeseen conditions or circumstances leading to their death. For associates covered under ESI scheme, they are governed by the provisions & benefits as provided under the said act.

- Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The assessment of value chain partners for statutory dues deducted and deposited will be carried out on a going forward basis

- Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Stakeholder group	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Employees				Nil

\* The Company does not have workers category

- Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?

No

- Details on assessment of value chain partners:

Stakeholder group	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	
Working Conditions	Nil

- Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not applicable

## Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

### Essential Indicators

- Describe the processes for identifying key stakeholder groups of the entity.

As per the defined mission, the company identifies the stakeholders based on their relative interest in the company's operations and their effect on the respective shareholders.

Stakeholders are identified as:

- Internal Stakeholders, those who are directly involved with the organisation, such as employees, senior management and shareholders.
- External Stakeholders, those who are not directly involved with the entity but can still have an impact on it, such as customers, suppliers, investors, regulatory bodies, and the community.

It is important to identify stakeholders' roles, interest, influence, concerns & expectations with NHL. Accordingly, stakeholder engagement frequency is defined.

- List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder group	Whether identified as vulnerable & marginalised group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community meetings, Notice board, Website), Other	Frequency of engagement (Annually/ half-yearly/ quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors	No	Email, direct communications, AGM, Website, newspaper publication	Quarterly investor earning calls on financial performance and Statutory meetings like AGM, otherwise on a need basis	Financial performance and clarifying investor queries.
Suppliers	No	Direct communications, Email	Purpose based	Business discussions
Customers	No	Email, SMS, website	On a need-basis	Business discussions, training programmes, workshops
Employees	No	Email, direct communications, SMS	Purpose based	Training and workshops, redressal forums
Communities	Yes	Community meetings, Email, newspaper	Based on the community engagements undertaken	CSR activities and other welfare measures
Senior Management & Board	No	Direct communications, Email	Statutory meetings like Board meetings, other purpose-based meetings on a need basis	Business discussions, training

### Leadership Indicators

- Provide the processes for consultation between stakeholders and the board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the board.

Views of stakeholders are taken up with the relevant committees of the Board for its consideration and the advice of the relevant Committee are incorporated in the implementation process / steps taken for ESG activities.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into the policies and activities of the entity.

Yes, Stakeholder consultation is carried out for identification & management of environmental and social topics.

To capture the stakeholder's preference for Critical ESG Topics that NHL should focus on, an online survey is undertaken with identified stakeholders. Based on inputs provided by Stakeholders, their insights are integrated into ESG Strategy for the organization.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.

Regular interactions are done with vulnerable/ marginalized stakeholder groups with the help of Implementation partners who are involved in these projects. The CSR team conduct periodic field visits and related studies of CSR projects. Stakeholders' concerns are addressed if any and escalated to implementation partner if needed.

### Principle 5: Businesses should respect and promote human rights

#### Essential Indicators

1. Employees who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	11,923	8,558	72	11,498	7,507	65
Other than permanent	3,538	1,958	55	3,373	1,659	49
<b>Total employees</b>	<b>15,461</b>	<b>10,516</b>	<b>68</b>	<b>14,871</b>	<b>9,166</b>	<b>62</b>

2. Details of minimum wages paid to employees.

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>	<b>11,923</b>	-	-	<b>11,923</b>	<b>100</b>	<b>11,498</b>	-	-	<b>11,498</b>	<b>100</b>
Male	4,769	-	-	4,769	100	4,558	-	-	4,558	100
Female	7,154	-	-	7,154	100	6,940	-	-	6,940	100
<b>Other than permanent</b>	<b>3,538</b>	-	-	<b>3,538</b>	<b>100</b>	<b>3,373</b>	-	-	<b>3,373</b>	<b>100</b>
Male	1,683	-	-	1,683	100	1,528	-	-	1,528	100
Female	1,855	-	-	1,855	100	1,845	-	-	1,845	100

## 3. Details of remuneration/salary/wages

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	10	5,37,500	2	3,23,500
Key managerial personnel	2	3,59,18,058	1	2,06,42,484
Employees other than BoD & KMP	4,679	3,27,756	7,046	2,67,000

## 4. Do you have a focal point (individual/ committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, there are no specific human rights impacts arising from the services provided by the Company. However, any concerns or complaints of any human rights violation in the course of delivery of services is addressed as per the applicable policies and procedures of the company and applicable law.

## 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

All employees receive training on the Business Ethics & Code of Conduct and POSH to help ensure that employee conduct is in line with the principles upheld by the Company. Company has defined process/channel for raising employee concerns & mechanisms for redressal of such issues through the Code.

## 6. Number of complaints on the following made by employees:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed During the year	Pending resolution at the end of year	Remarks
Sexual harassment	6*	0	Action taken as per provision	1	0	Action taken as per provision
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child labour	Nil	Nil	Nil	Nil	Nil	Nil
Forced labour/Involuntary labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other human rights-related issues	Nil	Nil	Nil	Nil	Nil	Nil

\*as per report filed under POSH Act for the calendar year 2023

## 7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Employee is encouraged to utilize the grievance procedure without fear of recrimination. NHL will not allow any form of discrimination or retaliation against an employee & they are fully empowered to make use of mechanisms, procedures as laid down under the policies.

## 8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, all our agreements are carried out for empanelled vendors & necessarily covers all aspects of human rights processes like, prohibition of child labour, forced labour, compliances to statutory remittances including & not limited to any acts of non-discrimination or harassments.

9. Assessments for the year

	<b>% of your plants and offices that were assessed (by the entity or statutory authorities or third parties)</b>
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100
Others – please specify	Nil

NHL Units are assessed by HR Corporate Compliance Team on periodic basis. We have a defined code of conduct document which clearly prohibits the employment of child labour, forced labour etc and all these processes are very well ingrained in our HR processes like onboarding, interview evaluation, regulatory requirements etc. Sexual harassment is part of POSH requirements, we have defined policy, mechanism for reporting and redressal in place along with necessary trainings for all associates. Our Code of Conduct addresses point relating to non-discrimination at workplace.

10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

None

**Leadership Indicators**

1. Details of a business process being modified / introduced as a result of addressing human rights grievances / complaints.

In an endeavour to bring changes into the policy framework, we have remodified & restructured various systems related to human rights & redressal mechanism processes in alignment with changing human rights governance process.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

Scope & coverage of human rights & its resolution process is as per the defined code of conduct & business ethics policy framework of NHL

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, premise/office of NHL are fully accessible to all visitors including patients with disability & provided all support as required by the law. Entity provides an environment of fairness and equality which is free from any sort of discrimination during treatment.

4. Details on assessment of value chain partners:

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
Sexual Harassment	During the year no Assessment is carried for Value Chain Partners
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not applicable



## Principle 6: Businesses should respect and make efforts to protect and restore the environment

### Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity- (Giga Joules), in the following format:

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	196,772	242,175
Total fuel consumption (B)	16,028	20,167
Energy consumption through other sources (C)	1,501	3,388
<b>Total energy consumption (A+B+C)</b>	<b>214,301</b>	<b>265,730</b>
Energy intensity per rupee of turnover (Total energy consumption-Giga Joules / ₹ Lakh turnover)	0.70	1.06
Energy intensity per Occupied Bed Days (Total energy consumption-Giga Joules / Occupied Bed Days)	0.27	0.30
Energy intensity per Sq. Feet built up area (Total energy consumption-Giga Joules / Sq. feet built up area)	0.07	0.09

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.**

Yes, Energy Assessment (For Energy Efficiency) has been carried out for 8 Units by external agency (CII, TERI & Smart Joules). NHL has appointed certified energy auditor in ESG department at corporate level. Energy related initiatives are periodically monitored & reviewed at Corporate Level and subsequently improvement activities are implemented.

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve, And Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken if any.

No, our organization is not identified as designated consumers (DCs), so PAT scheme of Government of India is not applicable.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	-	-
(ii) Groundwater	541,518	574,899
(iii) Third-party water	392,549	321,780
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	934,067	896,679
Total volume of water consumption (in kilolitres)	680,878	598,832
Water intensity per rupee of turnover (Water Consumed-KL / ₹ Lakh turnover)	2.22	2.38
Water intensity per Occupied Bed Days (Water Consumed-KL / Occupied bed days)	0.87	0.67
Water intensity per Sq. Feet built up area (Water Consumed-KL / Sq. feet built up area)	0.23	0.20

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.**

Water Withdrawal & Consumption assessment is not carried out by any external agency. Water related initiatives are periodically monitored & reviewed at Corporate Level and subsequently improvement initiatives are implemented.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

At Present, NHL has not implemented a Zero Liquid Discharge mechanism. However, waste-water is being treated & recycled at inhouse Sewage Treatment Plants and utilized for suitable non-contact purposes like flushing & gardening etc and left over treated water is drained.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
NOx	Kg	1044.3	601.5
SOx	Kg	5.4	3.1
Particulate matter (PM)	Kg	39.60	22.8
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)		NA	
Others – ozone-depleting substances (HCFC - 22 or R-22)			

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No independent assessment/evaluation/assurance has been carried out by an external agency.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions Stationary Combustion (Fuel Combustion) & Mobile Combustion (Vehicles movement inside organisation)-CO <sub>2</sub>	Metric tonnes of CO <sub>2</sub> equivalent	718	620
Total Scope 2 emissions Purchased Electricity (Grid)-CO <sub>2</sub>	Metric tonnes of CO <sub>2</sub> equivalent	35,353	31,933
Total Scope 1 and Scope 2 emissions per rupee of turnover-CO <sub>2</sub>	(Metric tonnes of CO <sub>2</sub> equivalent /₹ Lakh turnover)	0.12	0.13

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

For GHG emissions, no independent assessment/evaluation/assurance has been carried out by an external agency.

7. Does the entity have any project related to reducing greenhouse gas emission? If Yes, then provide details.

Projects considered under Scope 1 Category for reducing Green House Gas Emission.

- Replacement of diesel fired old Boilers at Hospitals with energy efficient refrigerant based Heat Pumps.
- Operation of environment friendly Battery Cars/Carts within the campus for internal movement of patients, staffs and visitors.

Projects considered under Scope 2 Category for reducing Green House Gas Emission

- We have initiated efforts to integrate renewable sources of energy across our network. The renewable energy projects at different sites are tailored in accordance with the local climate and energy needs, viability, regulatory permissions, and compliance with the state electricity board RPO (Renewable Power Obligation) introduced by the Indian government.
- Through the use of renewable energy across our hospitals we have successfully sourced 23% of energy and we have made constant efforts towards adoption of alternate sources of energy in our hospitals.
- Reduction in carbon emissions by 17643 tons/**Year** as a result of the transition to renewable energy sources

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
<b>Total waste generated (in metric tonnes)</b>		
Plastic waste (A)	0	0
E-waste (B)	8.33	3.61
Bio-medical waste (C)	1,592	1,410
Construction and demolition waste (D)	734	0
Battery waste (E)	0	0

Parameter	FY 2022-23	FY 2021-22
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G) (Used Oil from DG Sets, Air and Oil Filters- Oil Containing residues, Spent Solvents - Formalin, Other Chemicals if any etc.)	5.88	0.40
Other Non-hazardous waste generated (H)	1,460	1,299
General Waste (Tissue Papers / Disposable plates/ Medicine wrapper/ Canteen Waste etc.)		
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>3,800</b>	<b>2,713</b>

**For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations  
(in metric tonnes)**

Category of waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**For each category of waste generated, total waste disposed of by nature of disposal method (in metric tonnes)**

Category of waste		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations (Disposing to Authorized Vendors)	3,800	2,713
<b>Total</b>	<b>3,800</b>	<b>2,713</b>

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Waste generation, disposal assessment has not been carried out by any external agency. Waste generation, segregation, collection, pre-treatment, storage & disposal activities to authorized vendor as per the applicable laws are periodically monitored & reviewed at Corporate Level and subsequently improvement initiatives are implemented.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce the usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Environmental and Social Governance (ESG) Policy covers the aspect of waste management. The policy provides for waste segregation and aggregation systems to ensure proper collation and disposal of hazardous & bio-medical wastes in compliance with applicable statutes. The policy also advocates to avoid hazardous chemicals to the extent possible.

E-wastes, Lead Wastes and Metal Scraps generated at the hospital are collected at site & disposed through authorized recyclers/dismantlers. Food Waste generated from hospital wards & canteen are processed through in house organic waste composter and the compost generated as outcome is utilized for landscaping within the hospital. In facilities where in-house organic waste composter is not available, food waste is handed over to authorized vendors.

All type of waste generated in the hospitals are segregated, collected, stored, transported & disposed to authorized vendors as per the applicable laws. All such records of individual waste generated, treated & disposed are maintained on day-to-day basis. Also, regular waste audits are conducted in the Hospitals to ensure there is proper segregation of waste at source, storage at site, treatment & disposal of waste.

For more details, please refer the policy <https://www.narayanahealth.org/sites/default/files/download/codes-policies/ESG-Policy.pdf>

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals/clearances are required, please specify details in the following format:

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval /clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	SRCC Children's Hospital, 1, 1A, Keshavrao Khadye Marg, Haji Ali, Haji Ali Government Colony, Mahalakshmi, Mumbai, Maharashtra 400034 (Coastal regulation zones)	Hospital, Healthcare Industry	Y

11. Details of Environmental Impact Assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
None					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act, and rules there under (Y/N). If not, provide details of all such non-compliances:

Yes, we are compliant with the applicable environmental laws / regulations / guidelines in India.

## Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format: - (Giga Joules)

Parameter	FY 2022-23	FY 2021-22
<b>From renewable sources</b>		
Total Electricity consumption (A)	49,146	63,080
Total Fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>49,146</b>	<b>63,080</b>
<b>From non-renewable sources</b>		
Total Electricity consumption (D)	147,626	179,094
Total Fuel consumption (E)	16,028	20,166
Energy consumption through other sources (F)	1,501	3,388
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>165,155</b>	<b>202,648</b>

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Energy Assessment (For Renewable & Non-Renewable) is not carried out by any external agency. NHL has appointed certified energy Auditor in the ESG department at corporate level. Energy related initiatives are periodically monitored & reviewed at Corporate Level and subsequently improvement activities are implemented.

2. Provide the following details related to water discharged:

Parameter	FY 2022-23	FY 2021-22
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water		
- No treatment	-	-
- With Secondary treatment	253,189	297,847
(ii) To Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-

Parameter	FY 2022-23	FY 2021-22
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
<b>Total water discharged (in kilolitres)</b>	<b>253,189</b>	<b>297,847</b>

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Water Discharged assessment is not carried out by any external agency. Water related initiatives are periodically monitored & reviewed at Corporate Level and subsequently improvement initiatives are implemented.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area: Bommasandra Industrial Area, Anekal Taluk (Karnataka), Bangalore-South (Karnataka), Ahmedabad City (Gujarat), Gurgaon (Haryana)
- (ii) Nature of operations: Hospital
- (iii) Water withdrawal, consumption and discharge:

Parameter	FY 2022-23	FY 2021-22
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	-	-
(ii) Groundwater	57974	63441
(iii) Third party water	353804	282918
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
<b>Total volume of water withdrawal (in kilolitres)</b>	<b>411788</b>	<b>346359</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>357872</b>	<b>327863</b>
Water intensity per rupee of turnover (Water consumed-KL/₹ Lakh turnover)	1.17	1.31
Water intensity per Occupied Bed/Day (Water consumed-KL / Occupied bed days)	0.45	0.37
Water intensity per Sq. Feet built up area (Water consumed-KL / Sq. feet built up area)	0.12	0.11
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water		
- No treatment		
- With Secondary treatment	53916	18496
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
<b>Total water discharged (in kilolitres)</b>	<b>53916</b>	<b>18496</b>

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Water withdrawal, consumption, and discharge in areas of water stress assessment is not carried out by any external agency. Water related initiatives are periodically monitored & reviewed at Corporate Level and subsequently improvement initiatives are implemented.

4. Please provide details of total Scope 3 emissions & their intensity:

Scope 3 baseline calculation activity is not currently carried out by NHL.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

SRCC Children’s Hospital Mumbai unit is covered under ecologically sensitive areas & falls under coastal regulation zones. There is no direct & indirect impact on biodiversity.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge/waste generated, please provide details of the same as well as the outcome of such initiatives, as per the following format:

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Enhancing Energy Efficiency	<p>In our endeavour to curb our energy consumption, we have embraced distinct energy-efficient measures. These measures include</p> <ul style="list-style-type: none"> <li>Replacing traditional technologies such as Boilers &amp; CFL lights with new and efficient electric Heat Pumps, Cooling Towers, modification, and optimization of chilled water lines for buildings &amp; installation of LED lights at various units.</li> <li>Evaluation of energy efficiency and lifecycle cost assessment is carried out for new technology upgradation or replacement as appropriate</li> <li>Implementation of energy monitoring system to ensure efficient energy management.</li> </ul>	<p>Witnessing the positive outcomes in response to our energy efficiency initiatives, achieved saving of 2.5 million units resulting in saving of approx. ₹ 166 Lakhs.</p>
2	Toward a cleaner energy future	<ul style="list-style-type: none"> <li>To fulfil and further our commitment to environmental stewardship, we recognize the need for robust investment in renewable energy. Renewable energy sources such as solar, wind &amp; hydropower can help us mutually achieve - reduced dependency on fossil fuels, reduced energy costs, and improved public health.</li> <li>We have initiated efforts to integrate renewable sources of energy across our network. The renewable energy projects at different sites are tailored in accordance with the local climate and energy needs, viability, regulatory permissions, and compliance with the state electricity board RPO (Renewable Power Obligation) introduced by the Indian government.</li> <li>Narayana Health City, Bengaluru has taken a step towards conserving natural resources by developing a solar project from a solar park under a captive model, advancing sustainable development. The health city now uses up to 77% of renewable energy for its operations and approximately 23% of its annual energy needs are met by non-renewable energy resources. By utilizing 13.8 million units from a solar, wind &amp; hydro farm, the carbon emissions have been reduced by 13.17 Kilotons.</li> </ul>	<p>Using renewable energy across our hospitals we have successfully sourced 23% of energy and we have made constant efforts towards adoption of alternate sources of energy in our hospitals.</p>
3	Water initiatives	<ul style="list-style-type: none"> <li>Installation of water saving fixtures like low water flow aerators in faucets and showers</li> <li>Recycling of alternative water sources like treated waste water &amp; effective reuse in the hospitals for suitable non-contact purposes like flushing, gardening, green belt development, etc.</li> <li>Reutilization of RO rejected water for our hospital in house purposes.</li> <li>Leak detection &amp; rectification on periodic basis</li> </ul>	<p>Optimization of water use &amp; sustenance of water saving initiatives.</p>

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
4	Waste Management	Various types of waste which are generated in the hospital are segregated at source, collected, treated, stored & disposed to authorized vendor as per the applicable laws.	Waste management practices prevent spread of disease, protect the environment & health of the community at large.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

NHL recognizes the importance of a risk management framework that identifies, analyses, assesses, monitors, and mitigates risks & potential threats that may hamper the achievement of our sustainable growth.

To this end, the Audit Risk & Compliance Committee of the Board of Directors reviews and oversees the Risk Management Policy and its implementation by the management of the company which includes identification of the risks impacting the Company's business and formulating and administering policies/ strategies aimed at risk minimization and risk mitigation as part of risk management.

In the last three years, we have made concerted efforts to establish a robust Enterprise Risk Management (ERM) framework for the organization.

A three-tiered approach (Corporate, Regional, and Unit Level) is followed for the identification, evaluation, mitigation, and resolution of Strategic, Operational, Financial, Reputational, and Compliance Risks. Adequate oversight of the process includes half-yearly updates to the Audit Risk & Compliance Committee.

The ERM Policy, framework and the critical risks are constantly updated with inputs from the Committee Members and the Executive Leadership Team to address the varying nature and dynamics of risks faced by the Company from time to time.

We have also taken the initiative to formulate a detailed SOP for external & internal risks and action plan to effectively address potential risks/threats with minimal impact on all the stakeholders should any of the critical external or internal risks occur.

<https://www.narayanahealth.org/sites/default/files/download/codes-policies/Risk-Management-Policy.pdf>

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Value chain Assessment not carried for adverse impact to environment

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Nil

### Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

#### Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations: One
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to:

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
1	Association of Healthcare Providers – India ("AHPI")	National



2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Nil		

### Leadership Indicators

1. Details of public policy positions advocated by the entity:

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:

Sr. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in the public domain? (Yes/No)	Frequency of review by board (Annually/ half yearly/ quarterly / others – please specify)	Web-link, if available
1	Medical Education Reforms	Medical Education Reforms have been made through continuous efforts towards generating more opportunities for creating specialists, a cadre of nurses and nursing assistants.	Yes	Ad-hoc	-
2	Creation of Guidelines for introduction of Technology in Healthcare	NHL has been working with the Indian Government and MCI to introduce technology in healthcare and create guidelines for teleconsultations, online consultations, and prescriptions.	Yes	Ad-hoc	-
3	Health Sector reforms	NHL is also a part of the High-Level Group on Health Sector constituted by the 15 <sup>th</sup> Finance Commission, Government of India, and chairs the Academics Committee of Health Sector Skills Council	Yes	Ad-hoc	-
4	Medical Courses for intermediate health workers	We have also initiated the creation of courses for intermediate health workers to bridge the gaps in healthcare delivery.	Yes	Ad-hoc	-
5	Government Governance Committees	NHL is a member of the CAG audit advisory Board and the Rajasthan Chief Minister's Economic Transformation Advisory Committee	Yes	Ad-hoc	-
6	Health Insurance	As a member of Health Insurance Consultative Committee (HICC) formed by the Chairman, Insurance Regulatory Development Authority of India (IRDAI) for wider coverage of population, complete cashless transactions and technology enablement in health insurance administration.	Yes	Ad-hoc	-

## PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

### Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant web link
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Not applicable

2. Provide information on the project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sr. No.	Name of project for which R&R is ongoing	State	District	No. of project affected families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
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Not applicable

3. Describe the mechanisms to receive and redress grievances of the community.

Grievances are monitored for local communities during Periodic Monitoring & Review Mechanism of CSR activities under the CSR Policy.

([https://www.narayanahealth.org/sites/default/files/download/nh\\_investor\\_relations/Corporate-Social-Responsibility-Policy.pdf](https://www.narayanahealth.org/sites/default/files/download/nh_investor_relations/Corporate-Social-Responsibility-Policy.pdf)).

Local Communities grievances are addressed by CSR team at the Corporate Office during periodic field visits and for conducting impact studies of various CSR projects.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	30%	-----
Sourced directly from within the district and neighbouring districts	77%	-----

### Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
--	-------------------------

Not applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

NHL undertook CSR projects in 8 designated aspiration districts in four states namely Karnataka, Rajasthan, Jharkhand, West Bengal

Names of districts are Yadgir, Raichur, Kalaburagai, Nadia, Birbhum, Karauli, Hazaribag and Ranchi. The company runs Udaan project which is an education scholarship program for financially challenged students who are aspiring to become doctors and seek some financial support. NHL supports eligible students with scholarship at respective colleges and for NEET coaching centres.

Sr. No.	State	Aspiration district	Nos. of students supported	Amount Spent (₹ Lakh)
1	Karnataka	Yadgir	10	2.1
2		Raichur	23	5.65
3		Kalaburagai	5	1.25
4	Rajasthan	Karauli	1	0.20
5	Jharkhand	Hazaribagh	1	0.21
6		Ranchi	2	0.42
7	West Bengal	Nadia	5	1.06
8		Birbhum	19	4.04
		<b>Total</b>	<b>66</b>	<b>14.93</b>

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No):

No, 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 empanelled vendors who are governed by various statutes.

(b) From which marginalized /vulnerable groups do you procure?

Not applicable

(c) What percentage of total procurement (by value) does it constitute?

Not applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge

We don't have any intellectual properties like patents based on traditional knowledge base. Only trademarks for our logo and name are maintained.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not applicable

6. Details of beneficiaries of CSR Projects:

Sr. No.	CSR project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Education Udaan Program	304	100
2	Feeding program	360	100
3	Free Vaccinations for COVID-19	20,000	70
4	Wash Initiatives (Sanitation & Hygiene) -6 Government girls school	1,200	100

Please refer to CSR report of this Annual report.

**PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner**

**Essential Indicators**

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Grievance Redressal Mechanism:

Grievance redressals are done through various options available for the patients as e-mails, phone calls to the dedicated call centre numbers, and review sites. These grievances are addressed through ticketing system with specific assignment and Service Level Agreements (SLA). Assigned team members monitor the response and resolved within the scheduled time and any of the violation of SLA is monitored and discussed for improvements.

Grievance redressals are also done through various other options available for the patients through brand handles on Twitter, Facebook, Instagram, LinkedIn, Google Business profiles and other social media platforms.

Feedback Mechanism:

Customer voice takes highest importance. The concerned team ensure the patients are contacted and all the feedbacks are closed within 48 hours, if there is no clinical intervention required. The constructive feed backs are analysed, responded for effective resolution to make service more patient centric and corrective and preventive actions (CAPA) being taken for better improvement of systems, procedures, and services. Team members are assigned to monitor the responses and resolution time for variation with respect to benchmark.

Feedback is also registered through [feedback@narayanahealth.org](mailto:feedback@narayanahealth.org) and also through the feedback page on the **website:** <https://www.narayanahealth.org/feedback-form>

2. Turnover of products and/or services as a percentage of turnover from all products/services that carry information about:

	As a % to total turnover
Environmental and social parameters relevant to the product	
Safe and responsible usage	Not applicable
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive trade practices	0	0	-	0	0	-
Unfair trade practices	0	0	-	0	0	-
Other (Customer Complaints)	2888	0	-	281	0	-

4. Details of instances of product recalls on account of safety issues.

	Number	Reasons for Recall
Voluntary Recalls		
Forced Recalls		Not applicable

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web link to the policy.

Yes, the Company has a privacy policy and is hosted in the website. <https://www.narayanahealth.org/privacy-policy>

The Company also has an internal Information Security Policy that is committed to protect the confidentiality, integrity and availability of information.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on the safety of products/services.

Nil

## Leadership Indicators

1. Channels/platforms where information on products and services of the entity can be accessed.

<https://www.narayanahealth.org/about-us>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Hospital Nursing Teams runs Care Companion Program to provide education to patient's family members with low or no prior medical knowledge on attending to the needs (Do's & Don'ts) of the patient at respective Hospitals.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential service.

The Organisation informs its consumers through respective communication & operations teams for any disruption/discontinuation of essential services.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.

Not applicable as the company deals in healthcare services.

Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of the entity or the entity as a whole? (Yes / No)

Yes, we carry out Customer Satisfaction Survey on regular basis at all different locations of our organisation. Customer Satisfaction Score (CSAT), Net Promotion Score (NPS), and Google Scores are monitored regularly as a measure to improve the patient experience. Based on feedback of more than one lakh patients for this year, our group level patient feedback google rating has exceeded more than 4.8/5.

5. Provide the following information relating to data breaches:

- a. Number of instances of data breaches along-with impact: Nil
- b. Percentage of data breaches involving personally identifiable information of customers: Nil

# Annexure X

## Form No. MR-3

### SECRETARIAL AUDIT REPORT

#### For the financial year ended 31<sup>st</sup> March 2023

[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 Taluk, Bengaluru - 562158

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 Taluk, Bengaluru – 562158 (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 31<sup>st</sup> March 2023, 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 31<sup>st</sup> March, 2023 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

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>vi. Indian Medical Degree Act, 1916</li> <li>vii. Indian Nursing Council Act, 1947</li> <li>viii. Atomic Energy Act, 1962 and Rules thereunder.</li> <li>ix. Narcotic Drugs and Psychotropic Substance Act, 1985 and the rules thereunder.</li> <li>x. Medical Termination of Pregnancy Act, 1971 and the rules and regulations thereunder.</li> <li>xi. Pre-Natal Diagnostic Techniques (Regulations &amp; Preventions of Misuse) Act, 1994.</li> <li>xii. Transplantation of Human Organs Act, 1994.</li> <li>xiii. Registration of Births and Deaths Act, 1969.</li> <li>xiv. Water (Prevention and Control of Pollution) Act, 1974.</li> <li>xv. Air (Prevention and Control of Pollution) Act, 1981.</li> <li>xvi. Bio-medical Waste (Management and Handling) Rules, 1998.</li> <li>xvii. Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008.</li> <li>xviii. Pre-conception and Prenatal Diagnostic Techniques (Prohibition of Sex Selection) Rules, 1996.</li> <li>xix. The Information Technology Act, 2000</li> <li>xx. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013</li> <li>xxi. The Safety Code for Medical Diagnostic X-Ray Equipment and Installations, 2001 ("X-Ray Safety Code")</li> <li>xxii. Indian Boilers Act, 1923 ("Boilers Act")</li> <li>xxiii. Various State laws wherein the Company has its establishments.</li> <li>xxiv. State Fire Safety Acts</li> <li>xxv. Gas Cylinder Rules, 2016</li> <li>xxvi. Food Safety and Standards Rules, 2011 and Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011</li> <li>xxvii. Prohibition of Smoking Act, 2008</li> <li>xxviii. Mental Healthcare Act, 2017</li> <li>xxix. National Building Code, 2016</li> </ul> | <ul style="list-style-type: none"> <li>xxx. Blood Bank Regulations under Drugs and Cosmetics Act, 1940 &amp; NACO Guidelines.</li> <li>xxxi. The National Commission for Allied and Healthcare Professions Act, 2021</li> <li>xxxii. The Dentists Act, 1948</li> <li>xxxiii. The Pharmacy Act, 1948</li> <li>xxxiv. Pharmacy Council of India (Pharmacy Practice Regulations, 2015 and 2021)</li> <li>xxxv. Epidemic Diseases Act, 2020</li> <li>xxxvi. Excise Permit (For Storage of Spirit) under Central Excise Act, 1956</li> <li>xxxvii. Legal Metrology Act, 2009 and Rules, 2011</li> <li>xxxviii. Registration of Foreigners Act, 1939 and the Registration of Foreigners Rules, 1992</li> </ul> <p>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.</p> <p>We have also examined compliance with the applicable clauses of the following:</p> <ul style="list-style-type: none"> <li>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.</li> <li>b) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.</li> <li>c) Tripartite Agreements signed with National Securities Depositories Limited and Central Securities Depositories (India) Limited.</li> <li>d) Various circulars, notifications, guidelines issued by the Ministry of Corporate Affairs, SEBI and notifications issued by various State Governments and Central Government from time to time relating to COVID Pandemic.</li> </ul> <p>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.</p> <p>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.</p> |
|--|---|



**WE FURTHER REPORT THAT:**

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, 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 to all Directors 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 nature of 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. Investment in Subsidiaries/Entities:**

- a. The Company has incorporated a Wholly owned subsidiary named "Athma Healthtech Private Limited" on 02/06/2022.
- b. The Company has formed a step-down subsidiary in the name of "Cayman Integrated Healthcare Ltd" (CIHL) in Cayman Islands under its overseas WOS, Health City Cayman Islands Ltd, with effect from 28/09/2022.
- c. The Company has incorporated a Wholly owned subsidiary named "NH Integrated Care Private Limited" on 10/01/2023.
- d. The Company has subscribed in OCDs of Shiva and Shiva Orthopedic hospital Private Limited to the extent of Rs. 800 Millions.

**II. Approval of members were taken at the Annual General Meeting held on 30/08/2022 for the following:****a. Payment/ Revision in remuneration of:**

- i. Dr. Devi Prasad Shetty, Chairman and Whole-Time Director and Mr. Viren Shetty, Whole-Time Director

and designated as Executive Vice Chairman of the Company w.e.f. 01<sup>st</sup> April 2022 for the remaining tenure of their appointment.

**b. Declaration of Final Dividend:**

Final Dividend of Re.1.00 per share on equity shares of Rs. 10/- each aggregating to Rs. 20,43,60,804/- (Rupees Twenty Crore Forty Three Lakhs Sixty Thousand Eight Hundred and Four Only).

**c. Issue of Debt Securities:**

Issue of debt securities, secured or unsecured, including redeemable Non-Convertible Debentures ("Debt Securities") not exceeding INR 200 Crores during the period of one year from the date of Annual General Meeting in one or more series/ tranches on private placement basis.

**d. Additional limits under Section 186 of the Companies Act, 2013:**

To give loan and/or guarantee and/or provide security/ to make investment to/in any person, any body corporate including subsidiaries and associate companies of the Company, not exceeding to Rs. 3,500 Crore (Rupees Three Thousand Five Hundred Crore Only).

**III. Acquisition/Disposal of units / WOS:**

- a. The Company has acquired Orthopedic and Trauma Hospital ("Sparsh Hosur Road" unit) of Shiva and Shiva Orthopaedic Hospital Private Limited, as a going concern on slump sale basis for aggregate cash consideration of INR 2 Billion.
- b. The Company has acquired entire share capital of ENT in Cayman Ltd. (EICL), through its WOS Health City Cayman Islands Ltd. (HCCI) for a consideration of USD 5 million.
- c. The Company has transferred/ disposed off its clinical business including pharmacy units situated in various places at Bengaluru & Hosur as a 'going concern' on slump sale basis to NH Integrated Care Private Limited, a WOS for a consideration of INR 99.12 million.
- d. Application is filed for voluntary liquidation under Section 59 of the Insolvency and Bankruptcy Code, 2016 of Narayana Institute for Advance Research Private Limited ("NIARPL"), WOS.
- e. Application is filed by its WOS, Narayana Health Institutions Private Limited ("NHIPL"), for Strike-off under Section 248(2) of the Companies Act, 2013 before the Registrar of Companies, Karnataka.

#### IV. Appointment of Directors:

- a. Dr. Nachiket Madhusudhan Mor (DIN: 00043646) and Mr. Shankar Arunachalam (DIN: 00203948) were appointed as an Additional Director - Independent effective from 08/02/2023 for a period of five consecutive years, not liable to retire by rotation. Further as per the representation given by the management, due to technical problem in MCA V3 portal, filing of form DIR-12 relating to appointment of Mr. Shankar Arunachalam with Registrar of Companies, Karnataka is pending as on the date of our report.
- b. Mr. Naveen Tewari (DIN: 00677638) was appointed as an Additional Director - Independent effective from 29/03/2023 for a period of five consecutive years, not liable to retire by rotation.

We opine that, with respect to the above, necessary compliances under the provisions of the Companies Act, 2013 and SEBI regulations were made subject to observation made herein above.

**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-I and forms an integral part of this report.

Place: Bengaluru  
Date: 19/05/2023

For **GANAPATHI & MOHAN**  
Company Secretaries

Sd/-  
**CS. G M GANAPATHI**  
Partner  
FCS. 5659; C.P: 4520  
(FRN: P2002KR057100)  
UDIN: F005659E000335274

## Annexure - I

To,  
The Members,  
**NARAYANA HRUDAYALAYA LIMITED**  
CIN: L85110KA2000PLC027497  
No. 258/A, Bommasandra Industrial Area,  
Anekal Taluk, Bengaluru - 562158

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS 1 to CSAS 4 ("CSAS") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. 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, 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. 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: 19/05/2023

# Annexure XI

## SECRETARIAL COMPLIANCE REPORT OF NARAYANA HRUDAYALAYA LIMITED (CIN: L85110KA2000PLC027497)

### FOR THE YEAR ENDED 31ST MARCH 2023

(Pursuant to Rule 3(b) of SEBI Circular CIR/CFD/CMD1/27/2019 dated February 08, 2019)

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **NARAYANA HRUDAYALAYA LIMITED** (hereinafter referred as 'the listed entity') having its Registered Office at No. 258/A, Bommasandra Industrial Area, Anekal Taluk, Bengaluru – 562158. Secretarial Review 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 listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, we hereby report that in our opinion, the listed entity has, during the review period covering the financial year ended on 31<sup>st</sup> March, 2023, complied with the statutory provisions listed hereunder and also that the listed entity 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:

- (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 31<sup>st</sup> March 2023 ("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 thereunder and the Regulations, circulars, guidelines issued thereunder 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 (Issue of Capital and Disclosure Requirements) Regulations, 2018
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (f) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (g) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- (h) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

and circulars/ guidelines issued thereunder;

We hereby report that, during the Review Period the compliance status of the listed entity is appended as below;

Sr. No.	Particulars	Compliance Status (Yes/ No/NA)	Observations/ Remarks by PCS*
01.	<b>Secretarial Standards:</b> The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	Nil

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/Remarks by PCS*
<b>02.</b>	<b>Adoption and timely updation of the Policies:</b>		
	• All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities	Yes	Nil
	• All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations/circulars/guidelines issued by SEBI	Yes	Nil
<b>03.</b>	<b>Maintenance and disclosures on Website:</b>		
	• The Listed entity is maintaining a functional website	Yes	Nil
	• Timely dissemination of the documents/ information under a separate section on the website	Yes	Nil
	• Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/section of the website	Yes	Nil
<b>04.</b>	<b>Disqualification of Director:</b>		
	None of the Director(s) of the Company is/ are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity	Yes	Nil
<b>05.</b>	<b>Details related to Subsidiaries of listed entities have been examined w.r.t.:</b>		
	(a) Identification of material subsidiary companies	Yes	Nil
	(b) Disclosure requirements of material as well as other subsidiaries.	Yes	Nil
<b>06.</b>	<b>Preservation of Documents:</b>		
	The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015	Yes	Nil
<b>07.</b>	<b>Performance Evaluation:</b>		
	The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.	Yes	Nil
<b>08.</b>	<b>Related Party Transactions:</b>		
	(a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or	Yes	Nil
	(b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case prior approval has been obtained.	NA	Nil
<b>09.</b>	<b>Disclosure of events or information:</b>		
	The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	Nil
<b>10.</b>	<b>Prohibition of Insider Trading:</b>		
	The listed entity is in compliance with Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	Nil
<b>11.</b>	<b>Actions taken by SEBI or Stock Exchange(s), if any:</b>		
	No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder. except as provided under separate paragraph herein	No	Nil
<b>12.</b>	<b>Additional Non-compliances, if any:</b>		
	No additional non-compliance observed for any SEBI regulation/circular/guidance note etc.	No	Nil

Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18<sup>th</sup> October, 2019;

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/Remarks by PCS*
<b>01.</b>	<b>Compliances with the following conditions while appointing/re-appointing an auditor;</b>		
	i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or	NA	Nil
	ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or	NA	Nil
	iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.	NA	Nil
<b>02.</b>	<b>Other conditions relating to resignation of statutory auditor:</b>		
	i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:	NA	Nil
	a. In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / noncooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.	No	Nil
	b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information/ explanation sought and not provided by the management, as applicable.	NA	Nil
	c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor	NA	Nil
	ii. Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.	No	Nil
<b>03.</b>	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure- A in SEBI Circular CIR/ CFD/ CMD1/114/2019 dated 18 <sup>th</sup> October, 2019.	NA	Nil

a. The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

Sr. No	Compliance Requirement (Regulations/ circulars guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action taken by	Type of action	Details of Violation	Fine Amount	Observations/ remarks of the practicing Company Secretary	Management response	Re-marks
										NIL

b. The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No	Deviations	Action taken by	Type of action	Details of Violation	Fine Amount	Observations/ remarks of the practicing Company Secretary	Management response	Re-marks
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NIL

### Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For **GANAPATHI & MOHAN**  
Company Secretaries

Sd/-  
**CS. G M GANAPATHI**  
Partner  
FCS. 5659; C.P: 4520  
(FRN: P2002KR057100)  
UDIN: F005659E000335241

Place: Bengaluru  
Date: 19/05/2023





**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, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the 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, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified

under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the 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 matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<p><b>1. Impairment of Investment and Loan</b></p> <p>Impairment evaluation carried out by Management for investment made in one of the operating subsidiaries of the Company due to accumulated losses in one of the Cash Generating Units (hereinafter referred to as "the CGU") of the said Subsidiary.</p> <p>The balance sheet includes Rs. 1,493.66 Million of investment and Rs. 167 Million of current unsecured loans relating to this Subsidiary.</p>	<p><b>Principal audit procedures performed</b></p> <p>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.</p> <p>b. Obtained the business projections of the Subsidiary and performed the following procedures:</p> <ul style="list-style-type: none"> <li>Conducted inquiries with the Company personnel to identify if factors that, in our professional judgement, should be taken into account in the analysis were considered.</li> </ul>

Key Audit Matter	Auditor's Response
<p>Impairment of investment has been identified as a key audit matter due to:</p> <ul style="list-style-type: none"> <li>The significance of the carrying value of the assets being assessed; and</li> <li>The assessment of the carrying value of the Investments involves assumptions and exercising significant judgements in estimating the recoverable value of the CGU. Any adverse changes to these assumptions could result in lower recoverable value than the carrying amount.</li> </ul>	<ul style="list-style-type: none"> <li>Compared the actual revenues and cash flows generated by the Subsidiary during the year with the plan and estimates considered in the previous year.</li> <li>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.</li> <li>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 and also considering the historical accuracy of the Company's estimates in the prior periods, and comparison of the assumptions with observable market data wherever available.</li> <li>Involved our valuation specialists to review key assumptions considered in the future cash projections such as discount rate etc.</li> </ul>
<p><b>2. Accounting for Business Combination</b></p> <p>During the year, the Company has entered into a business transfer agreement with Shiva and Shiva Orthopaedic Hospital Private Limited to acquire its Orthopedic and Trauma Centre for a consideration of Rs.2000 Million. (Refer Note 42 to the standalone financial statements)</p> <p>Accounting for this acquisition involved judgement relating to:</p> <ul style="list-style-type: none"> <li>Identification and measurement of the fair value of the identifiable assets (tangible and intangible) acquired and liabilities assumed.</li> <li>Allocation of the consideration between identifiable assets and liabilities and goodwill.</li> <li>Determination of the discount rate, revenue growth rate and projected margins to develop the fair value of the intangible assets</li> </ul> <p>This was a significant acquisition for the Company and given the level of estimation and judgement required, we considered it to be a key audit matter.</p>	<p><b>Principal audit procedures performed</b></p> <ul style="list-style-type: none"> <li>Assessed the appropriateness of accounting policy for acquisition of business as per relevant accounting standards.</li> <li>Read relevant clauses of the business transfer agreement and assessed the Company's conclusion as regard business combination accounting in accordance with Ind AS 103 and its impact on the standalone financial statements.</li> <li>Obtained an understanding of management's process and tested the Design, Implementation and Operating effectiveness of controls over Purchase Price Allocation (PPA) performed by the management in consultation with external fair valuation specialist (Management expert) and internal controls relating to accounting for the business combination.</li> <li>Assessed the competence, capabilities and objectivity of the management expert engaged by the Company and obtained understanding of the work of the management experts by reviewing the valuation reports.</li> <li>Involved our valuation specialists to review key assumptions considered in the valuation of intangible assets such as expected contributory margins, discount rate, growth rate and tested mathematical accuracy of the calculations used in the PPA.</li> </ul> <p>Evaluated the appropriateness of the accounting and disclosures in the standalone financial statements in accordance with relevant accounting standards.</p>

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, for example, Corporate Overview, Key Highlights, Director' 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.

## Responsibilities of Management and Those Charged with Governance 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## Auditor's Responsibility for the Audit of the 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 skepticism 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 with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 relevant 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the 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 – Refer Note 29 to the 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 its knowledge and belief, as disclosed in the note 47 (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, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 47(iv) to the standalone financial statements, no funds (which are material either individually or in 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, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe

that the representations given by management under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable,

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.

- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of

recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

**Monisha Parikh**

Partner

(Membership No. 47840)

UDIN:- 23047840BGUCKT7218

Place:-Bengaluru

Date :- May 19, 2023

MP/EKP/SM/BA/2023

# Annexure “A”

to the Independent Auditor’s Report

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

## **Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

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

### **Auditor’s Responsibility**

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

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

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

### **Meaning of Internal Financial Controls with reference to standalone financial statements**

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

### **Inherent Limitations of Internal Financial Controls with reference to standalone financial statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be



detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the criteria

for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Monisha Parikh**

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

Partner  
(Membership No. 47840)  
UDIN:- 23047840BGUCKT7218

# Annexure B<sup>ii</sup> to the Independent Auditor's Report

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

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work in progress and relevant details of right of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) The Company has a program of verification of property, plant and equipment, capital work in progress and right of use assets to cover all the items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were 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 (other than immovable properties where the Company is the lessee, and the lease agreements are duly executed in favour of the Company) disclosed in the standalone financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date.

(i) (d) The Company has not revalued any of its Property, Plant and Equipment, Right of Use Assets and intangible assets during the year.

(i) (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder, and hence reporting under clause 3(i)(e) of the Order is not applicable.

(ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations.

No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(ii) (b) According to the information and explanations given to us, the Company has not been sanctioned any working capital facility from banks or financial institutions on basis of security of current assets, and hence reporting under clause 3(ii)(b) of the Order is not applicable.

(iii) 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:

(iii) (a) The Company has provided loans or advances in the nature of loans, stood guarantee, or provided security during the year and details of which are given below:

Particulars	Amount in Million	
	Loans	Guarantees
<b>A. Aggregate amount granted / provided during the year:</b>		
Subsidiaries	130	6,536.40
<b>B. Balance Outstanding as at the balance sheet date in respect of above cases</b>		
Subsidiaries	167	7,345.40

The Company has not provided any security to any other entity during the year.

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

(iii) (c) 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 and advances in the nature of loans

provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

- (iii) (e) No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (iii) (f) According to information and explanations given to us and based on the audit procedures performed, the Company has granted Loans or advances in the nature of loans which are repayable on demand details of which are given below:

Particulars	Related Parties (₹ In Million)
Aggregate of loans	
- Repayable on demand	167
Total	167
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) (a) In respect of statutory dues:

Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, duty of Customs, cess and other material statutory dues applicable to the Company have been regularly deposited with the appropriate authorities in all cases during the year except for certain delays in remittance of Provident Fund.

Undisputed amounts payable in respect of Goods and Service tax, Provident Fund Employees' State Insurance Income-tax, duty of Customs, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable are as given below:

Name of Statute	Nature of Dues	Amount in Rs Million (₹)	Period to which the amount relates	Due Date	Date of payment	Remarks, if any
Employee' Provident Funds and Miscellaneous Provision Act, 1952	Provident Fund	0.56	Financial year - 2021-2022 Rs.0.05 Million Financial year - 2022-2023 Rs. 0.51 Million	15th of subsequent month	Rs. 0.42 Million paid on 10th/ 15th and 20th April, 2023 and balance unpaid.	NA

- (vii) (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Name of Statute	Nature of Dues	Amount (₹ In Million)	Period to which the Amount Relates	Forum where Dispute is Pending
Income tax Act, 1961	Income Tax	2.66	FY 2011-12	Commissioner of Income tax (Appeals)
		10.9	FY 2012-13	
		4.47	FY 2013-14	
		14.04 ^	FY 2015-16	
		30.67	FY 2016-17	

Name of Statute	Nature of Dues	Amount (₹ In Million)	Period to which the Amount Relates	Forum where Dispute is Pending
Customs Act, 1962	Customs Duty	1.74	FY 2012-13	Customs, Excise and Service Tax Appellate Tribunal
The Central Goods and Service tax Act, 2017	Goods and Service Tax	18.75	July 2017 to March 2018	The Commissioner of GST (Appeal)

^ 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, associates, or joint ventures.
- (ix) (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, or joint ventures, or associate companies.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (x) (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (xi) (b) To the best of our knowledge, no report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (xi) (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) The Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (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 2022 and the final of the internal audit report issued after the balance sheet date covering the period from January 2023 to March 2023 for the period under audit.
- (xv) During the year, the Company has not entered into any non-cash transactions with any of its directors, or directors of the company, subsidiary companies, associate companies or persons connected with such directors and hence provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clauses 3(xvi)(a),(b),and(c) of the Order is not applicable.
- (xvi) The Group does not have any Core Investment Company (CIC) as part of the group and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately 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:- 23047840BGUCKT7218

Place:-Bengaluru

Date :- May 19, 2023

MP/EKP/SM/BA/2023

# Standalone Balance Sheet

(₹ in million)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	10,779.60	9,283.43
Capital work-in-progress	4	317.60	191.25
Right of use assets	5	1,098.08	1,447.99
Goodwill	4 & 42	220.59	-
Intangible assets	4 & 42	1,478.79	205.20
Intangible assets under development	4	-	42.14
<b>Financial assets</b>			
Investments	6	6,389.59	6,454.70
Loans	7	820.00	-
Other financial assets	8	584.82	479.50
Income tax assets (net)	9	289.36	497.47
Other non-current assets	10	390.02	249.81
<b>Total non-current assets</b>		<b>22,368.45</b>	<b>18,851.49</b>
<b>Current assets</b>			
Inventories	11	322.07	288.53
<b>Financial assets</b>			
Investments	6	390.62	160.01
Trade receivables	12	1,768.35	1,734.88
Cash and cash equivalents	13	702.52	1,104.47
Bank balances other than above	13	1,274.35	28.21
Loans	7	167.00	92.00
Other financial assets	8	484.42	301.10
Other current assets	10	269.46	264.28
<b>Total Current assets</b>		<b>5,378.79</b>	<b>3,973.48</b>
<b>TOTAL ASSETS</b>		<b>27,747.24</b>	<b>22,824.97</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	2,043.61	2,043.61
Other equity	15	12,643.82	10,207.26
<b>Total Equity</b>		<b>14,687.43</b>	<b>12,250.87</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	16	4,593.81	3,174.44
Lease liabilities	17	775.63	1,240.08
Other financial liabilities	18	120.81	141.68
Provisions	19	310.87	268.52
Deferred tax liabilities (net)	38	789.46	478.78
Other non-current liabilities	20	187.36	160.10
<b>Total non-current liabilities</b>		<b>6,777.94</b>	<b>5,463.60</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	16	837.06	648.01
Lease liabilities	17	235.40	263.28
Trade payables	21	-	-
Total outstanding dues of micro enterprises and small enterprises		243.70	221.48
Total outstanding dues of creditors other than micro enterprises and small enterprises		3,878.42	2,953.16
Other financial liabilities	18	62.99	247.06
Provisions	19	372.83	301.81
Other current liabilities	20	651.47	475.70
<b>Total current liabilities</b>		<b>6,281.87</b>	<b>5,110.50</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>27,747.24</b>	<b>22,824.97</b>

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: 19 May 2023

 for and on behalf of the Board of Directors of  
**Narayana Hrudayalaya Limited**
**Dr. Emmanuel Rupert**  
Managing Director  
DIN: 07010883

**Sandhya Jayaraman**  
Chief Financial Officer

 Place: Bengaluru  
Date: 19 May 2023

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

**Sridhar S**  
Company Secretary

 Place: Bengaluru  
Date: 19 May 2023

# Standalone Statement of Profit and Loss

(₹ in million)

Particulars	Note No.	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>INCOME</b>			
Revenue from operations	22	29,614.15	24,119.87
Other income	23	1,046.13	1,063.79
<b>Total income (A)</b>		<b>30,660.28</b>	<b>25,183.66</b>
<b>EXPENSES</b>			
Purchase of medical consumables, drugs and surgical instruments		7,147.51	6,612.65
Changes in inventories of medical consumables, drugs and surgical instruments - (Increase)/Decrease	24	(33.54)	(60.42)
Employee benefits expense	25	5,660.01	5,041.58
Professional fees to doctors		6,167.79	5,207.57
Other expenses	26	5,934.62	4,752.71
<b>Expenses before finance costs, depreciation and amortisation and exceptional items (B)</b>		<b>24,876.39</b>	<b>21,554.09</b>
<b>Earnings before finance costs, depreciation and amortisation, exceptional items and tax (A- B)</b>		<b>5,783.89</b>	<b>3,629.57</b>
Finance costs ( C)	27	446.28	386.57
Depreciation and amortisation expense (D)	28	1,392.36	1,188.01
<b>Total expenses (E) = (B+C+D)</b>		<b>26,715.03</b>	<b>23,128.67</b>
<b>Profit/ (loss) before exceptional items and tax (F) = (A-E)</b>		<b>3,945.25</b>	<b>2,054.99</b>
Exceptional items Gain/(loss) (G)		-	-
<b>Profit/ (loss) before tax (H) = (F+G)</b>		<b>3,945.25</b>	<b>2,054.99</b>
<b>Tax expense:</b>			
Current tax	38		
Current year		1,197.31	360.58
Deferred tax charge / (credit)		91.55	358.43
<b>Total tax expense (I)</b>		<b>1,288.86</b>	<b>719.01</b>
<b>Net Profit/ (loss) for the year (J) = (H-I)</b>		<b>2,656.39</b>	<b>1,335.98</b>
<b>Other comprehensive income (OCI)</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Re-measurement of defined benefit plans		(54.05)	(32.80)
Income tax effect		18.89	11.46
<b>Items that will be reclassified subsequently to profit or loss</b>			
Effective portion of gains/ (losses) in cash flow hedge		26.36	56.97
Income tax effect		(9.21)	(19.90)
<b>Other comprehensive income/(loss) for the year, net of income tax (K)</b>		<b>(18.01)</b>	<b>15.73</b>
<b>Total comprehensive income/ (loss) for the year (J+K)</b>		<b>2,638.38</b>	<b>1,351.71</b>
<b>Earnings/ (loss) per share</b>	37		
Basic (₹)		13.08	6.58
Diluted (₹)		13.08	6.58

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: 19 May 2023

for and on behalf of the Board of Directors of  
**Narayana Hrudayalaya Limited**

**Dr. Emmanuel Rupert**  
Managing Director  
DIN: 07010883

**Sandhya Jayaraman**  
Chief Financial Officer

Place: Bengaluru  
Date: 19 May 2023

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

**Sridhar S**  
Company Secretary

Place: Bengaluru  
Date: 19 May 2023



# Standalone Statement of changes in equity

for the year ended 31 March, 2023

(a) Equity share capital	₹ in million except no. of shares	
	No. of Shares	Amount
Particulars		
Equity shares of ₹ 10 each issued, subscribed and fully paid up		
<b>Balance as at 1 April 2021</b>	<b>20,43,60,804</b>	<b>2,043.61</b>
Changes in equity share capital during 2021-22 (refer note 14)	-	-
<b>Balance as at 31 March 2022</b>	<b>20,43,60,804</b>	<b>2,043.61</b>
Changes in equity share capital during 2022-23 (refer note 14)	-	-
<b>Balance as at 31 March 2023</b>	<b>20,43,60,804</b>	<b>2,043.61</b>

(b) Other equity	₹ in million									
	Particulars	Capital Reserve	Securities Premium	Treasury Shares	Reserves and Surplus	General Reserve	Retained earnings	Effective portion of Cash flow hedge reserve	Items of OCI	Re-measurement of defined benefit plans
<b>Balance at 1 April 2021</b>	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
<b>Total comprehensive income for the year</b>	-	-	-	-	-	1,335.98	37.07	(21.34)	-	1,351.71
<b>Transaction recorded directly in equity</b>										
Exercise of share options	-	8.22	0.17	(8.22)	-	-	-	-	-	0.17
Share-based payment expenses	-	-	-	2.56	-	-	-	-	-	2.56
<b>Balance as at 31 March 2022</b>	1.54	5,033.85	(14.05)	30.19	250.00	4,947.44	(6.72)	(34.99)	-	10,207.26
Profit for the year	-	-	-	-	-	2,656.39	-	-	-	2,656.39
Other comprehensive income (OCI) (net of tax)	-	-	-	-	-	-	17.15	(35.16)	-	(18.01)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	2,656.39	17.15	(35.16)	-	2,638.38
<b>Transaction recorded directly in equity</b>										
Exercise of share options	-	23.90	1.14	(23.90)	-	-	-	-	-	1.14
Dividends (including dividend distribution tax)	-	-	-	-	(202.96)	-	-	-	-	(202.96)
<b>Balance as at 31 March 2023</b>	1.54	5,057.75	(12.91)	6.29	250.00	7,400.87	10.43	(70.15)	-	12,643.82

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

**Dr. Emmanuel Rupert**  
Managing Director  
DIN: 07010883

for and on behalf of the Board of Directors of  
**Narayana Hrudayalaya Limited**

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

**Sandhya Jayaraman**  
Chief Financial Officer

**Sridhar S**  
Company Secretary

Place: Bengaluru  
Date: 19 May 2023

Place: Bengaluru  
Date: 19 May 2023

# Standalone Statement of Cash Flows

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Cash flow from operating activities</b>		
Profit / (loss) after tax	2,656.39	1,335.98
<b>Adjustments :</b>		
Income tax charge /(credit)	1,288.86	719.01
Depreciation and amortisation	1,392.36	1,188.01
Provision for loss allowance	88.72	14.28
Provision for doubtful advances	5.21	0.00
Bad receivables written off	3.87	71.31
Provisions no longer required written back	(6.60)	(84.96)
Interest income	(84.92)	(15.26)
Interest income from financial asset at amortised cost	(30.14)	(36.99)
Finance costs	446.28	386.57
Share based payment expenses	-	2.56
Guarantee commission income	(3.86)	(5.07)
Government grant income	(51.72)	(45.93)
Gain on derecognition of financial liability	(158.57)	0.00
Loss on disposal of assets	60.25	26.31
Dividend received from subsidiary	(510.65)	(760.53)
Profit on sale of investment	(5.15)	(0.27)
Unrealised foreign exchange (gain)/loss (net)	55.65	33.53
<b>Operating cash flow before working capital changes</b>	<b>5145.98</b>	<b>2,828.55</b>
Changes in trade receivables	(104.10)	(276.23)
Changes in inventories	(28.57)	(60.42)
Changes in loans, other financial assets and other assets	(159.38)	(120.12)
Changes in trade payables, other financial liabilities and other liabilities	1005.90	553.52
Changes in provision	72.82	87.17
<b>Cash generated from operations</b>	<b>5,932.65</b>	<b>3,012.47</b>
Income taxes (paid) / refund received (net)	(770.08)	(552.58)
<b>Net cash generated from operating activities (A)</b>	<b>5,162.57</b>	<b>2,459.89</b>
<b>Cash flow from investing activities</b>		
Acquisition of Property, plant and equipment (including capital work-in-progress, Intangible assets and Intangible assets under development)	(2448.15)	(1808.26)
Proceeds from sale of property, plant and equipment	4.48	3.81
Proceeds from liquidation of Investments (Refer Note 33)	57.60	(5.45)
Investment in equity shares of subsidiaries and others (Refer Note 33)	(1.00)	-
Loan given to subsidiaries	(130.00)	(50.00)
Investment in Optionally Convertible Debenture	(800.00)	0.00
Payment made towards acquisition of Sparsh (refer note 42)	(2000.00)	0.00
Loan repaid by subsidiaries	55.00	55.00
Purchase of mutual fund	(2120.00)	(460.00)
Proceeds from sale of mutual fund	1,894.54	300.26
Investment in bank deposits	(2055.59)	-
Proceeds from bank deposits	760.00	30.75
Dividend received from subsidiary	510.65	760.53
Interest received	60.22	2.93
<b>Net cash (used in) investing activities (B)</b>	<b>(6212.25)</b>	<b>(1170.43)</b>

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Cash flow from financing activities</b>		
Proceeds from long-term borrowings	2,303.05	641.95
Repayment of long-term borrowings	(771.57)	(611.41)
Dividend paid on equity share	(202.96)	-
Proceeds from exercise of share options	1.14	0.17
Interest and other borrowing costs	(311.93)	(229.30)
Payment of lease liabilities (Refer Note 36)	(370.00)	(367.51)
<b>Net cash (used in) financing activities (C)</b>	<b>647.73</b>	<b>(566.10)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(401.95)</b>	<b>723.36</b>
Cash and cash equivalents at the beginning of the year (refer note 13)*	1104.47	381.11
<b>Cash and cash equivalents at the end of the year (refer note 13)*</b>	<b>702.52</b>	<b>1104.47</b>

\* 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

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

(₹ in million)

Particulars	As at 1 April 2022	Proceeds	Repayment	Non cash changes		As at 31 March 2023
				Fair value/ other changes	Foreign exchange	
Long-term borrowings (including current maturities)	3,822.45	2,303.05	(771.57)	-	76.94	5,430.87
Lease liabilities	1,503.36	-	(370.00)	(122.33)	-	1,011.03
<b>Total liabilities from financing activities</b>	<b>5,325.81</b>	<b>2,303.05</b>	<b>(1141.57)</b>	<b>(122.33)</b>	<b>76.94</b>	<b>6,441.90</b>

**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
<b>Total liabilities from financing activities</b>	<b>5,391.03</b>	<b>641.95</b>	<b>(978.92)</b>	<b>239.18</b>	<b>32.57</b>	<b>5,325.81</b>

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: 19 May 2023

 for and on behalf of the Board of Directors of  
**Narayana Hrudayalaya Limited**
**Dr. Emmanuel Rupert**  
Managing Director  
DIN: 07010883

**Sandhya Jayaraman**  
Chief Financial Officer

 Place: Bengaluru  
Date: 19 May 2023

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

**Sridhar S**  
Company Secretary

 Place: Bengaluru  
Date: 19 May 2023

# Notes

to the standalone financial statements for the year ended 31 March 2023

## 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 superspecialty 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 19 May 2023.

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 43 - 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 31 March 2023 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 43 - 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:

- 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).

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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 43 – financial instruments;

Note 39 – share based payment arrangement;

## 3. Significant accounting policies

### 3.1. Financial instruments

#### a. Recognition and initial measurement

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

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

#### b. Classification and subsequent measurement

Financial assets

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

- amortised cost;
- 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 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

# Notes

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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 sole 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.

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

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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.

### 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 amount of transaction price (net of variable consideration) allocated to that performance obligation. Revenue is recognized upon transfer of control of



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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**

#### *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 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:

<b>Block of assets</b>	<b>Useful life</b>
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.

### **3.8. Business Combination, other intangible assets and Goodwill**

#### *Business combination*

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a

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business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interest issued by the Company in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their fair value at the acquisition date, except that.

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 and Ind AS 19 respectively.
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 at the acquisition date (see below); and
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any noncontrolling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess, after reassessment, is recognised in capital reserve through other comprehensive income or directly depending on whether there exists clear evidence of the underlying reason for classifying the business combination.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of financial instrument is classified as equity, then its not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is re-measured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss.

## 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.

The estimated useful lives of intangibles are as follows:

Block of assets	Useful life
Computer software	3 years
Non Compete and Non Solicit	5 years
Customer Relationship	5 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.

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.

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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.

## *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:

<b>Block of assets</b>	<b>Useful life</b>
Computer software	10 years

## *Goodwill*

Goodwill is recognized and measured as set out above.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the company's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to other assets of the unit pro-rata on the basis of carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in determination of the profit or loss on disposal.

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

## **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 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

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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 sixty days or on termination of employment. Since the employee has unconditional right to avail the leave, the benefit is classified as a short term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

### **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.

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

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

### 3.14. 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 it relates to an item recognized directly in equity or in other comprehensive income.

#### *Current income tax*

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

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;

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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 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.

Goodwill arising from a business combination is allocated to CGUs or group 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 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.



# Notes

to the standalone financial statements for the year ended 31 March 2023

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.

### 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.

### 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. Standards Issued but Not Effective

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

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

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



# Notes

to the standalone financial statements for the year ended 31 March 2023

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

(₹ in million)

	Gross block		Accumulated depreciation / amortisation		Net block	
	As at 1 April 2022	As at 31 March 2023	As at 1 April 2022	Deletions	As at 31 March 2023	As at 31 Mar 2022
<b>Tangible assets</b>						
<b>(i) Owned</b>						
Freehold land (a) (b) (e)	787.43	1,612.99	-	-	1,612.99	787.43
Building	394.71	394.71	167.92	-	220.20	226.79
Building	2,837.23	3,115.23	285.69	-	2,772.20	2,551.54
Electrical installation	833.29	883.73	673.44	20.16	185.92	159.85
Medical equipments	7,069.92	7,783.94	3724.86	118.19	3,661.45	3,345.06
Office equipments	212.95	244.58	162.96	6.38	182.57	49.99
Other equipment including air conditioners	1,681.98	1,815.38	856.01	59.96	909.77	825.97
Furniture and fixtures	932.80	961.01	676.71	33.67	252.11	256.09
Computers	388.72	455.49	309.91	51.96	136.48	78.81
Vehicles	29.01	40.34	22.80	-	14.52	6.21
<b>(ii) Leasehold</b>						
Leasehold improvements	346.79	341.88	137.51	24.41	211.27	209.28
Building (c)	1,173.02	1,131.12	386.61	28.63	740.68	786.41
<b>Total tangible assets (A)</b>	<b>16,687.85</b>	<b>18,780.40</b>	<b>7,404.42</b>	<b>343.36</b>	<b>8,000.80</b>	<b>9,283.43</b>
<b>Capital work-in-progress (B)</b>	<b>191.25</b>	<b>317.60</b>	<b>-</b>	<b>-</b>	<b>317.60</b>	<b>191.25</b>
<b>Intangible assets</b>						
<b>(i) Acquired</b>						
Computer software	295.63	295.44	285.48	4.18	289.39	10.15
Non Compete and Non Solicit	-	1,165.52	-	-	116.55	-
Customer Relation	-	236.40	-	-	23.64	-
<b>(ii) Internally generated</b>						
Computer software	256.19	298.33	61.14	-	87.32	195.05
<b>(iii) Others</b>						
Goodwill	-	220.59	-	-	-	-
<b>Total intangible assets (C)</b>	<b>551.82</b>	<b>2,216.28</b>	<b>346.62</b>	<b>4.18</b>	<b>516.90</b>	<b>205.20</b>
<b>Intangible assets under development (D)</b>	<b>42.14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42.14</b>
<b>Grand total (A+B+C+D)</b>	<b>17,473.06</b>	<b>21,314.28</b>	<b>7,751.04</b>	<b>347.54</b>	<b>8,517.70</b>	<b>9,722.02</b>
<b>Previous year</b>	<b>16,232.73</b>	<b>17,473.06</b>	<b>7,112.01</b>	<b>271.87</b>	<b>7,751.04</b>	<b>9,120.72</b>

Note no 4(iii), (iv) &amp; (v) to be referred here

# Notes

to the standalone financial statements for the year ended 31 March 2023

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

Particulars	Gross block		Accumulated depreciation / amortisation		Net block			
	As at 1 April 2021	Additions	Deletions	As at 1 April 2021	Depreciation	Deletions	As at 31 Mar 2022	As at 31 Mar 2021
<b>Tangible assets</b>								
<b>(i) Owned</b>								
Freehold land (a) (b) (e)	570.96	216.47	-	-	-	-	787.43	570.96
Building	394.71	-	-	161.33	6.59	-	226.79	233.38
Building	2,595.64	241.59	-	238.61	47.08	-	2,551.54	2,357.03
Electrical installation	811.57	27.63	5.91	632.66	46.23	5.45	673.44	178.91
Medical equipments	6,642.26	620.46	192.80	3,387.88	492.61	155.63	3,724.86	3,254.38
Office equipments	224.83	22.88	34.76	173.91	23.49	34.44	162.96	50.92
Other equipment including air conditioners	1,586.34	107.50	11.86	761.79	101.83	7.61	856.01	824.55
Furniture and fixtures	899.22	45.47	11.89	620.09	65.73	9.11	676.71	279.13
Computers	329.69	80.54	21.51	296.68	34.59	21.36	309.91	33.01
Vehicles	30.41	0.65	2.05	21.81	3.04	2.05	22.80	8.60
<b>(ii) Leasehold</b>								
Leasehold improvements	347.70	17.75	18.66	136.34	17.25	16.08	137.51	211.36
Building (c)	1,188.07	0.02	15.07	361.12	33.75	8.26	386.61	826.95
<b>Total tangible assets (A)</b>	<b>15,621.40</b>	<b>1,380.96</b>	<b>314.51</b>	<b>6,792.22</b>	<b>872.19</b>	<b>259.99</b>	<b>7,404.42</b>	<b>8,829.18</b>
<b>Capital work-in-progress (B)</b>	<b>34.81</b>	<b>787.36</b>	<b>630.92</b>	-	-	-	<b>191.25</b>	<b>34.81</b>
<b>Intangible assets</b>								
<b>(i) Acquired</b>								
Computer software	303.83	4.45	12.65	284.28	13.08	11.88	285.48	19.55
<b>(ii) Internally generated</b>								
Computer software	256.19	-	-	35.51	25.63	-	61.14	220.68
<b>Total intangible assets (C)</b>	<b>560.02</b>	<b>4.45</b>	<b>12.65</b>	<b>319.79</b>	<b>38.71</b>	<b>11.88</b>	<b>346.62</b>	<b>240.23</b>
<b>Intangible assets under development (D)</b>	<b>16.50</b>	<b>25.64</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42.14</b>	<b>16.50</b>
<b>Grand total (A+B+C+D)</b>	<b>16,232.73</b>	<b>2,198.41</b>	<b>958.08</b>	<b>7,112.01</b>	<b>910.90</b>	<b>271.87</b>	<b>7,751.04</b>	<b>9,120.72</b>
<b>Previous year</b>	<b>15,988.35</b>	<b>579.14</b>	<b>334.76</b>	<b>6,283.59</b>	<b>945.24</b>	<b>116.82</b>	<b>7,112.01</b>	<b>9,704.76</b>

## 4 (iii) Capital work in Progress(CWIP) and Intangible assets under development (IAUD) ageing schedule

Particulars	Amount in CWIP and IAUD for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
<b>Projects in Progress</b>				
<b>As at March 31, 2023</b>	285.45	29.37	1.11	1.67
As at March 31, 2022	214.11	17.61	0.73	0.94

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.

# Notes

to the standalone financial statements for the year ended 31 March 2023

## 4 (iv) Goodwill

Goodwill from business acquisition has been allocated to Cash Generating Units (CGU) as given below :

Particulars	As at 31 March 2023
Orthopaedic and Trauma Hospital (refer note 42)	220.59
<b>Total</b>	<b>220.59</b>

- (i) The carrying value of Goodwill relates to the acquisition of Orthopaedic and Trauma Hospital during the year (refer note 42). The recoverable amount of the underlying CGU, i.e., Orthopaedic and Trauma Hospital, is based on its value in use, estimated on present value of the projected future cash flows. Following key assumptions were considered in performing impairment assessment:

Key assumptions	As at 31 March 2023
Annual growth rate	12.00%
Discount rate	15.55%

The values assigned to the key assumptions given in the table above represent management's assessment of future trends and based on historical data from both external and internal sources. Discount rate reflects the current market assessment of the risks specific to a Cash Generating Unit (CGU). The discount rate is estimated based on the capital asset pricing method for the CGU. The cash flow projections included specific estimates developed using internal forecasts. The planning horizon reflects the assumptions for short-to-midterm market developments. The Company believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to materially exceed the aggregate recoverable amount of the cash generating unit.

## 4 (v) Notes

- (a) 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 2023.
- (b) 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.
- (c) Represents the cost of construction of building on land obtained on lease at Kolkata, Ahmedabad, Jaipur and Jamshedpur.
- (d) 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.
- (e) During the year 2022-23, the Company has purchased a land measuring 1.0347 Hectares in Survey No. 323/2, 323/6 (Old Sy. No. 323/3), 324, 323/4 (Old Sy. No. 323/2), 326/3, 326/4, 326/5, 326/6 and 326/8 at the said district as per the sale deed executed on 8 September 2022.
- (f) As at 31 March 2023, property, plant and equipments with a carrying amount of ₹ 6,763.42 million (previous year: ₹ 5,263.94 million) are subject to first charge to secure bank loans.
- (g) 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 31 March 2023

## 5 (i) Right of use assets

Category of ROU asset	Gross block			Accumulated depreciation / amortisation			Net block	
	As at 1 April 2022	Additions	Deletions	As at 1 April 2022	Depreciation	Deletions/ Adjustment	As at 31 Mar 2023	As at 31 Mar 2022
Land	198.77	-	-	22.77	2.05	-	173.95	176.00
Building	1,387.56	30.68	192.99	408.19	134.79	86.00	768.27	979.37
Equipment	660.33	4.56	-	399.53	133.37	-	131.99	260.80
Furniture	55.68	-	-	23.86	7.95	-	23.87	31.82
<b>Grand total</b>	<b>2,302.34</b>	<b>35.24</b>	<b>192.99</b>	<b>854.35</b>	<b>278.16</b>	<b>86.00</b>	<b>1,046.51</b>	<b>1,447.99</b>

Category of ROU asset	Gross block			Accumulated depreciation / amortisation			Net block	
	As at 1 April 2021	Additions	Deletions	As at 1 April 2021	Depreciation	Deletions/ Adjustment	As at 31 Mar 2022	As at 31 Mar 2021
Land	198.77	-	-	20.67	2.10	-	176.00	178.10
Building	1,302.67	103.02	18.13	284.86	134.14	10.81	979.37	1,017.81
Equipment	660.33	-	-	266.62	132.91	-	260.80	393.71
Furniture	55.68	-	-	15.90	7.96	-	31.82	39.78
<b>Grand total</b>	<b>2,217.45</b>	<b>103.02</b>	<b>18.13</b>	<b>588.05</b>	<b>277.11</b>	<b>10.81</b>	<b>854.35</b>	<b>1,629.40</b>

Refer note 36 for disclosures related to ROU assets and liabilities.

# Notes

to the standalone financial statements for the year ended 31 March 2023

## 6 a) Non-current investments

	As at 31 March 2023	As at 31 March 2022
		(₹ in million)
Unquoted equity instruments		
<b>Investment in equity shares</b>		
<b>In subsidiary companies</b>		
Narayana Institute for Advanced Research Private Limited	-	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 45)	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)}		
Athma Healthtech Private Limited	0.50	-
[50,000 equity shares of ₹ 10 each fully paid up]		
Narayana Hrudayalaya Integrated Care Pvt Ltd	0.50	-
[50,000 equity shares of ₹ 10 each fully paid up]		
<b>Others</b>		
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: 5.08 million)]	5.08	5.08
Narayana Health North America LLC-[Capital contribution of USD 5,000 (previous year-5,000)]	0.37	0.37

# Notes

to the standalone financial statements for the year ended 31 March 2023

	(₹ in million)	
	As at 31 March 2023	As at 31 March 2022
<b>In associate:</b>		
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)	24.27	32.78
	<b>6,389.59</b>	<b>6,454.70</b>
Aggregate value of unquoted investments	6,425.21	6,490.32
Aggregate amount of impairment in value of investments	35.62	35.62
<b>Net investments</b>	<b>6,389.59</b>	<b>6,454.70</b>

\* Transfer/ sale of shares is subject to approval of Exim Bank, as loan is obtained to make investment in this subsidiary.

## b) Current investments

### Investments in Mutual Funds (quoted)

Name of the Fund	(₹ in million)			
	As at 31 March 2023		As at 31 March 2022	
	No of units	Amount	No of units	Amount
Bandhan Overnight Fund Direct Plan - Growth	10,03,79,907.00	120.01	-	-
HDFC Overnight Fund - Direct Plan - Growth Option	81,301.81	270.61	-	-
Sundaram Overnight Fund Direct Growth (ONDG)	-	-	1,41,619.24	160.01
	<b>10,04,61,208.81</b>	<b>390.62</b>	<b>1,41,619.24</b>	<b>160.01</b>

## 7 Loans

### (Unsecured, considered good unless otherwise stated)

	(₹ in million)	
	As at 31 March 2023	As at 31 March 2022
<b>(a) Non-current</b>		
To parties other than related parties		
Unsecured loan*	820.00	-
	<b>820.00</b>	<b>-</b>
<b>(b) Current</b>		
To related parties (refer note 31)		
Unsecured loan	167.00	92.00
	<b>167.00</b>	<b>92.00</b>

\*The Company has subscribed to 8 million Optionally Convertible Debentures ('OCD') of ₹100 each amounting to ₹ 800 million issued by Shiva and Shiva Orthopaedic Hospital Private Limited pursuant to the Optionally Convertible Debenture Subscription Agreement dated September 5, 2022 between the parties. In case the Issuer fails to redeem all the outstanding Company's OCD, the Company shall have the right (but not the obligation) to convert the outstanding OCDs into Equity Shares of the Issuer, and upon exercise of such right by the Company, the outstanding OCDs shall be converted into equity shares at such determined value from the date of remittance of such loan amount till the date of conversion.

# Notes

to the standalone financial statements for the year ended 31 March 2023

## 8 Other financial assets

(Unsecured, considered good unless otherwise stated)

	(₹ in million)	
	As at 31 March 2023	As at 31 March 2022
<b>(a) Non-current</b>		
<b>With parties other than related parties</b>		
Security deposits	211.35	200.29
Bank deposits (due to mature after 12 months from the reporting date)	52.57	3.12
Interest accrued on bank deposits	0.17	0.14
<b>Derivatives designated and effective as hedging instruments carried at fair value</b>		
Interest Rate Swap	20.42	-
<b>To related parties (refer note 31)</b>		
Security deposits	300.31	275.95
	<b>584.82</b>	<b>479.50</b>
<b>(b) Current</b>		
<b>With parties other than related parties</b>		
Security deposits	35.88	36.07
Interest accrued on bank deposits	7.63	2.71
Interest accrued on security deposits	5.72	5.61
Unbilled revenue	235.08	191.40
<b>With related parties (refer note 31)</b>		
Interest accrued on unsecured loans	16.90	9.48
Receivable from NHIC on account of slump sale (refer note 47)	99.12	-
Due for reimbursement of expenses	84.09	55.83
	<b>484.42</b>	<b>301.10</b>

## 9 Income tax assets (net)

	(₹ in million)	
	As at 31 March 2023	As at 31 March 2022
Advance income tax and tax deducted at source (net of provisions)	277.00	485.11
Income-tax paid under protest	12.36	12.36
	<b>289.36</b>	<b>497.47</b>

## 10 Other assets

	(₹ in million)	
	As at 31 March 2023	As at 31 March 2022
<b>(a) Non-current</b>		
<b>With parties other than related parties</b>		
<b>(Unsecured, considered good unless otherwise stated)</b>		
Capital advances	159.98	43.15
Prepaid rent	92.09	55.31
Prepaid expenses	44.58	33.12
<b>(Unsecured, considered doubtful)</b>		
Prepaid rent	19.24	19.24
Less: provision for prepaid rent	(19.24)	(19.24)
Prepaid rent (net)	-	-
<b>With related parties (refer note 31)</b>		
Prepaid rent and expenses	85.92	110.03
Prepaid expenses	7.45	8.20
	<b>390.02</b>	<b>249.81</b>



# Notes

to the standalone financial statements for the year ended 31 March 2023

	(₹ in million)	
	As at 31 March 2023	As at 31 March 2022
<b>(b) Current</b>		
<b>With parties other than related parties</b>		
<b>(Unsecured, considered good unless otherwise stated)</b>		
Security deposits	28.66	26.43
Advance to vendors	58.16	42.50
Other loans and advances	5.37	3.78
Prepaid rent	9.30	7.00
Prepaid expenses	140.18	159.43
Other assets	3.68	1.10
<b>(Unsecured, considered doubtful)</b>		
Prepaid rent	0.24	0.24
Less: provision for prepaid rent	(0.24)	(0.24)
Prepaid rent (net)	-	-
<b>With related parties (refer note 31)</b>		
Prepaid rent and expenses	24.11	24.04
	<b>269.46</b>	<b>264.28</b>

## 11 Inventories

	(₹ in million)	
	As at 31 March 2023	As at 31 March 2022
(Valued at lower of cost and net realisable value)		
Medical consumables, drugs and surgical instruments	340.53	317.03
Less: Provision for write-down to net realisable value	(18.46)	(28.50)
	<b>322.07</b>	<b>288.53</b>

## 12 Trade receivables

	(₹ in million)	
	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good	2,145.46	2,032.80
Less: Allowance for expected credit losses	(377.11)	(297.92)
<b>Net trade receivables</b>	<b>1,768.35</b>	<b>1,734.88</b>
Of the above, trade receivables from related parties are as below:		
Trade receivable (refer note 31)	215.37	118.64
Expected credit loss allowance	(27.39)	(11.17)
<b>Net trade receivables from related parties</b>	<b>187.98</b>	<b>107.47</b>

### Trade receivables ageing schedule

Particulars	Outstanding for the following period from due date of payments						Total
	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade Receivables - Considered Good</b>							
As at March 31, 2023	1,516.00	320.99	119.47	125.00	33.00	31.00	2,145.46
As at March 31, 2022	1,523.73	231.14	128.61	28.62	11.07	109.63	2,032.80

The Company uses a provision matrix to determine the expected credit loss on the portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates.

# Notes

to the standalone financial statements for the year ended 31 March 2023

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, 2023 Category	Ageing		
	Within due date	Due date to 1 year	More than 1 year
ESI/CGHS/SCHEMES	3.89%	26.90%	74.60%
Others	0.65%	14.43%	55.77%

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%

The Company's exposure to credit risk and currency risks, and loss allowances are disclosed in note 43.

## 13 Cash and bank balances

	(₹ in million)	
	As at 31 March 2023	As at 31 March 2022
<b>(a) Cash and cash equivalents</b>		
Cash on hand	40.68	32.41
Balance with banks		
-In current accounts	661.84	312.06
-In deposit accounts (due to mature within 3 months of the reporting date)	-	760.00
	<b>702.52</b>	<b>1,104.47</b>
<b>(b) Bank balances other than above</b>		
-In deposit accounts (due to mature within 12 months of the reporting date) *	1,274.35	28.21
	<b>1,274.35</b>	<b>28.21</b>

\* 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 2023	As at 31 March 2022
Cash on hand	40.68	32.41
Balance with banks		
- In current accounts	661.84	312.06
- In deposit accounts (due to mature within 3 months of the reporting date)	-	760.00
	<b>702.52</b>	<b>1,104.47</b>
Less: Bank overdraft used for cash management purposes	-	-
Cash and cash equivalents in the statement of cash flows	<b>702.52</b>	<b>1,104.47</b>

## 14 Equity share capital

	(₹ in million)	
	As at 31 March 2023	As at 31 March 2022
<b>Authorised</b>		
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
<b>Issued, subscribed and paid up</b>		
204,360,804 (previous year : 204,360,804) equity shares of ₹ 10 each, fully paid up	2,043.61	2,043.61
	<b>2,043.61</b>	<b>2,043.61</b>

# Notes

to the standalone financial statements for the year ended 31 March 2023

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

(₹ in million)

Particulars	As at 31 March 2023		As at 31 March 2022	
	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	-	-	-	-
<b>At the end of the year</b>	<b>20,43,60,804</b>	<b>2,043.61</b>	<b>20,43,60,804</b>	<b>2,043.61</b>

## (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:

(₹ in million)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of shares	% holding	Number of shares	% holding
Dr. Devi Prasad Shetty	2,38,28,411	11.66%	5,65,26,139	27.66%
Mrs. Shakuntala Shetty	6,20,83,095	30.38%	6,20,83,095	30.38%
	<b>8,59,11,506</b>	<b>42.04%</b>	<b>11,86,09,234</b>	<b>58.04%</b>

## (iv) Shareholding of promoters:

Particulars	As at 31 March 2023		% Change during the year
	Number of shares	% of total shares	
Mrs. Shakuntala Shetty	6,20,83,095	30.38%	-
Dr. Devi Prasad Shetty	2,38,28,411	11.66%	(16.00%)
Mr. Viren Shetty	1,02,18,040	5.00%	4.00%
Dr. Varun Shetty	1,02,18,040	5.00%	4.00%
Dr. Anesh Shetty	1,02,18,040	5.00%	4.00%
Ms. Ameya Shetty	1,02,18,040	5.00%	4.00%
Narayana Health Academy Pvt Ltd	37,02,064	1.81%	-
	<b>13,04,85,730</b>	<b>63.85%</b>	

# Notes

to the standalone financial statements for the year ended 31 March 2023

## 15 Other equity

	As at 31 March 2023	As at 31 March 2022
(₹ in million)		
<b>(i) Reserves and Surplus</b>		
Securities premium		
At the commencement of the year	5,033.85	5,025.63
Movement during the year	23.90	8.22
At the end of the year	<b>5,057.75</b>	<b>5,033.85</b>
Capital reserve	1.54	1.54
Treasury Shares		
At the commencement of the year	(14.05)	(14.22)
Movement during the year	1.14	0.17
At the end of the year	<b>(12.91)</b>	<b>(14.05)</b>
General reserve	250.00	250.00
Share options outstanding		
At the commencement of the year	30.19	35.85
Add: Amounts recorded on grants during the year	(0.00)	2.56
Less: Exercised during the year	(23.90)	(8.22)
At the end of the year	<b>6.29</b>	<b>30.19</b>
Retained earnings		
At the commencement of the year	4,947.44	3,611.46
Add: Net profit/(loss) after tax transferred from statement of profit and loss	2,656.39	1335.98
Add: Dividend received on Treasury Shares	1.40	-
Less: Dividends Paid	(204.36)	-
At the end of the year	<b>7,400.87</b>	<b>4,947.44</b>
<b>(ii) Other Comprehensive Income</b>		
Effective portion of Cash flow hedge reserve		
At the commencement of the year	(6.72)	(43.79)
Movement during the year	17.15	37.07
At the end of the year	<b>10.43</b>	<b>(6.72)</b>
Re-measurement of defined benefit plans		
At the commencement of the year	(34.99)	(13.65)
Movement during the year	(35.16)	(21.34)
At the end of the year	<b>(70.15)</b>	<b>(34.99)</b>
	<b>12,643.82</b>	<b>10,207.26</b>

### 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.

# Notes

to the standalone financial statements for the year ended 31 March 2023

## 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.

## Dividend

The Board of Directors have recommended a dividend of ₹ 2.5 (Rupees Two and a half) per share, for the year ended 31st March, 2023, for approval of shareholders of the Company at the ensuing Annual General Meeting (AGM). The payment of said dividend will be made within the statutorily prescribed time of 30 days from the date of approval by the Shareholders at the ensuing AGM.

## 16 Borrowings

	As at 31 March 2023	As at 31 March 2022
(₹ in million)		
<b>(a) Non-current</b>		
<b>(i) Secured</b>		
Term loans		
From banks (refer note I)	4,593.81	3,137.23
<b>(ii) Unsecured</b>		
From others (refer note II)	-	37.21
<b>Total non-current borrowings</b>	<b>4,593.81</b>	<b>3,174.44</b>
<b>(b) Current</b>		
<b>(i) Secured</b>		
Current maturities of long-term borrowings with banks	837.06	648.01
<b>Total current borrowings</b>	<b>837.06</b>	<b>648.01</b>

### I Term loans from banks :

Sl No.	Details of repayment terms, interest and maturity	Nature of security
(i)	Term loan from HSBC Bank : ₹ 81.00 million (previous year : ₹ 135.00 million ). It is repayable in 6 ( previous year 10 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 8.50% p.a. (previous year: 6.8% 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 : ₹ 152.00 million (previous year : ₹ 228.00 million ). It is repayable in 8 ( previous year 12 quarterly instalments) quarterly instalments from June 2020. Interest is charged at 8.50% p.a. (previous year: 6.8%)	
(iii)	Term loan from EXIM Bank: ₹ 1,200 million (previous year : ₹ 606.95 million). Payable in 20 (previous year nil ) Quarterly equal instalments starting from 01 Dec 2024). Interest is charged at 8.14% Pa, (prevoius year: 5% 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 situated at Kittiganahalli village, Attibele hobli, Anekal Taluk, Bangalore, Karnataka and Moveable Fixed Assets.

# Notes

to the standalone financial statements for the year ended 31 March 2023

Sl No.	Details of repayment terms, interest and maturity	Nature of security
(iv)	Foreign currency loan taken from EXIM Bank : ₹ 734.08 million (\$ 8.92 million) ( previous year: ₹ 947.59 million (\$ 12.49 million)). Repayable in 10 quarterly instalments from the reporting date (previous year: 14 quarterly instalments from 31st Dec 2018). Interest is linked to the Libor (6 month) + 200 base points which is 7.13%.. (previous year: Libor (6 month) + 175 base 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.
(v)	*Term loan from SBI: ₹ 330.67 million (previous year: ₹ 403.18 million). Repayable in 48 monthly instalments from the reporting date ( previous year 60 monthly instalments from 31st March 2019) Interest is charged at 8.5% p.a.(previous year: 7.15% p.a.)	
(vi)	*Term loan from SBI: ₹ 266.97 million (previous year: ₹ 306.26 million ). Repayable in 66 monthly instalments from 31st October 20 ( previous year : 78 monthly instalments ) Interest is charged at 8.5% 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
(vii)	*Term loan from SBI: ₹ 956.13 million (previous year: ₹ 1,075.76 million). Repayable in 17 (previous year 21 quarterly instalments) from the reporting date after 2 years Moratorium from date October 2017. Interest is charged at 8.5% p.a.(previous year: 7.15% p.a.)	
(viii)	*Term loan from HDFC Bank 1560 million (previous year: ₹ NIL). Repayable in 22 (previous year NIL ) quarterly installments from Dec-22. Interest is charged at 6.94% p.a.(previous year: Nil).	Fresh Term Loan- Ortho and Trauma unit Property Mortgaged and Paripassu of MSH property from EXIM Bank
(ix)	Term loan from HSBC Bank : ₹ 150 million (previous year : ₹ NIL). It is repayable in 32 ( previous year NIL quarterly instalments) quarterly instalments from June-23. Date of 1st disbursement is 14 March 2023. Interest is charged at 8.09% p.a. (previous year: NIL p.a)	Movable Fixed Assets acquired out of the loan and equitable mortgage over land and building of the Jaipur hospital.

\* Promoters % of holding should not be reduced below 51% during the tenure of loan.

## II Term loans from Others :

- 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 2023 amounting to NIL (previous year: ₹ 1.11 million ) has been recognised in the books of accounts.The loan is fully repaid in the current year.
- Term loan from CDC group PLC: ₹ NIL (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 fully repaid in the current year.

## 17 Lease liabilities

	(₹ in million)	
	As at 31 March 2023	As at 31 March 2022
<b>(a) Non-current</b>		
Opening Lease liability	1,503.36	1,631.69
Additions/(Reversal) during the period	(232.07)	100.40
Finance cost accrued during the period	109.74	138.78
Lease payment	(370.00)	(367.51)
<b>Closing Lease liability</b>	<b>1,011.03</b>	<b>1,503.36</b>
Less: Current lease liability	(235.40)	(263.28)
	<b>775.63</b>	<b>1,240.08</b>

# Notes

to the standalone financial statements for the year ended 31 March 2023

	(₹ in million)	
	As at 31 March 2023	As at 31 March 2022
<b>(b) Current</b>		
Lease liability	235.40	263.28
	<b>235.40</b>	<b>263.28</b>

## 18 Other financial liabilities

	(₹ in million)	
	As at 31 March 2023	As at 31 March 2022
<b>(a) Non-current</b>		
Payable towards share purchased for ESOP Trust	12.91	14.05
Liability towards asset replacement cost	104.85	101.02
Liability for financial guarantee	1.86	4.85
Creditors for capital goods	1.19	4.72
<b>Derivatives designated and effective as hedging instruments carried at fair value</b>		
Interest rate swap	-	17.04
	<b>120.81</b>	<b>141.68</b>
<b>(b) Current</b>		
<b>To parties other than related parties</b>		
Interest accrued and not due on borrowings	20.77	11.25
Creditors for capital goods	24.57	160.22
Other financial liabilities	15.17	13.68
Liability for financial guarantee	2.48	3.87
<b>To related parties (refer note 31)</b>		
Creditors for capital goods	-	-
	-	58.04
	<b>62.99</b>	<b>247.06</b>

\*The Company's exposure to liquidity risk and currency risk are disclosed in note 43.

## 19 Provisions (refer note 34)

	(₹ in million)	
	As at 31 March 2023	As at 31 March 2022
<b>(a) Non-current</b>		
Provision for employee benefits		
Gratuity	310.87	268.52
	<b>310.87</b>	<b>268.52</b>
<b>(b) Current</b>		
Provision for employee benefits		
Gratuity	131.78	98.21
Compensated absences	241.05	203.60
	<b>372.83</b>	<b>301.81</b>



# Notes

to the standalone financial statements for the year ended 31 March 2023

## 20 Other liabilities

	(₹ in million)	
	As at 31 March 2023	As at 31 March 2022
<b>(a) Non-current</b>		
Unearned revenue	11.44	12.72
Deferred government grant*	68.68	81.68
Deferred government grant for EPCG Licence **	76.37	31.57
Deferred grant-others***	28.36	31.62
Payable to Gratuity Trust	2.51	2.51
	<b>187.36</b>	<b>160.10</b>
<b>(b) Current</b>		
<b>To parties other than related parties</b>		
Contract Liabilities	283.76	171.78
Unearned revenue	1.28	1.28
Deferred government grant*	13.01	13.93
Deferred government grant for EPCG Licence **	34.41	28.42
Deferred grant-others***	3.28	3.28
Balances due to statutory/ government authorities	197.07	162.13
Others	22.97	6.54
<b>To related parties (refer note 31)</b>		
Other payables	95.69	88.34
	<b>651.47</b>	<b>475.70</b>

	(₹ in million)	
	As at 31 March 2023	As at 31 March 2022
<b>Summary of the government grant received by the Company :-</b>		
Opening Balance	190.50	190.50
Add: Grants during the year	85.33	45.93
Less: Released to profit and loss	51.72	45.93
Closing Balance	<b>224.11</b>	<b>190.50</b>
Non Current	173.41	144.87
Current	<b>50.70</b>	<b>45.63</b>

\*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 & 2022-23, the Company had received capital grant in the form of EPCG licence from Government of India amounting to ₹ 6.10 million, ₹ 89.65 million & ₹ 85.33 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.

# Notes

to the standalone financial statements for the year ended 31 March 2023

## 21 Trade payables

	(₹ in million)	
	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises (refer note 35)	243.70	221.48
Total outstanding dues of creditors other than micro and small enterprises	3,878.42	2,953.16
	<b>4,122.12</b>	<b>3,174.64</b>

\*Payables to related parties (refer note 31)

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 43.

### Trade payables ageing schedule

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	
<b>As at March 31, 2023</b>						
a) Undisputed-MSME	6.86	235.40	0.49	0.36	0.59	243.70
b) Undisputed -Others	2,206.84	1,548.69	49.33	46.68	26.88	3,878.42
c) Disputed- MSME	-	-	-	-	-	-
d) Disputed -others	-	-	-	-	-	-
<b>Total</b>	<b>2,213.70</b>	<b>1,784.09</b>	<b>49.82</b>	<b>47.04</b>	<b>27.47</b>	<b>4,122.12</b>
<b>As at March 31, 2022</b>						
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	-	-	-	-	-	-
<b>Total</b>	<b>1,120.72</b>	<b>1,886.97</b>	<b>97.31</b>	<b>11.83</b>	<b>57.81</b>	<b>3,174.64</b>

## 22 Revenue from operations

	(₹ in million)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Income from medical and healthcare services	28,292.76	23,043.56
Sale of medical consumables and drugs	1,207.17	941.31
Other operating revenue:		
Teleradiology income	27.72	31.42
Income from patient amenities	24.84	38.41
Other healthcare services	61.66	65.17
	<b>29,614.15</b>	<b>24,119.87</b>

Refer notes below

	(₹ in million)	
(i) Category of Customer	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash*	19,290.90	15,606.38
Credit	10,323.25	8,513.49
	<b>29,614.15</b>	<b>24,119.87</b>

\*Includes receipts through digital/electronic mode

# Notes

to the standalone financial statements for the year ended 31 March 2023

<b>(ii) Nature of treatment</b>	(₹ in million)	
	<b>For the year ended 31 March 2023</b>	<b>For the year ended 31 March 2022</b>
In-patient	22,928.23	18,642.78
Out-patient	5,364.53	4,400.78
Sale of medical consumables and drugs	1,207.17	941.31
Others	114.22	135.00
	<b>29,614.15</b>	<b>24,119.87</b>

(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

<b>Particulars</b>	(₹ in million)	
	<b>For the year ended 31 March 2023</b>	<b>For the year ended 31 March 2022</b>
Contract Liabilities	283.76	171.78
	<b>283.76</b>	<b>171.78</b>

## **(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**

<b>Particulars</b>	(₹ in million)	
	<b>For the year ended 31 March 2023</b>	<b>For the year ended 31 March 2022</b>
Dividend received	510.65	760.53
Export incentive	48.90	-
Interest income on		
- Bank deposits	29.37	5.55
- Unsecured loan	9.68	9.71
- Income tax refund	25.83	-
- Optionally convertible debenture	20.00	-
- Others	0.04	-
Interest income from financial asset at amortised cost	30.14	36.99
Grant income	51.72	45.93
Guarantee commission	3.86	5.07
Profit on sale of investment	5.15	0.27
Provisions no longer required written back	6.60	84.96
Income from derecognition of finance lease	158.57	-
Miscellaneous income	145.62	114.78
	<b>1,046.13</b>	<b>1,063.79</b>

# Notes

to the standalone financial statements for the year ended 31 March 2023

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

Particulars	(₹ in million)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventory at the beginning of the year	288.53	228.11
Inventory at the end of the year	322.07	288.53
	<b>(33.54)</b>	<b>(60.42)</b>

## 25 Employee benefits expense

Particulars	(₹ in million)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, wages and bonus	5,150.53	4,595.26
Contribution to provident and other funds (refer note 34)	361.12	327.50
Share based payment to employees (refer note 39)	-	2.56
Staff welfare expenses	148.36	116.26
	<b>5,660.01</b>	<b>5,041.58</b>

During the financial year 2022-23, project salary cost amounting to NIL (previous year : ₹ 25.64 million) has been capitalised through intangible assets under development.

## 26 Other expenses

Particulars	(₹ in million)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
<b><i>Hospital operating expenses</i></b>		
Rent	416.14	292.15
Patient welfare expenses	286.83	241.06
Power and fuel	556.75	516.99
Hospital general expenses	262.26	197.42
House keeping expenses	845.54	713.78
Medical gas charges	91.58	109.25
Biomedical wastage expenses	25.03	23.77
Repairs and maintenance		
- Hospital equipments	470.10	360.28
- Buildings	169.76	102.45
- Others	635.37	516.53
<b>Total (A)</b>	<b>3,759.36</b>	<b>3,073.68</b>
<b><i>Administrative expenses</i></b>		
Travel and conveyance	192.69	117.49
Security charges	230.11	192.46
Printing and stationery	162.62	128.85
Rent	75.87	106.76
Advertisement and publicity	443.82	264.32
Legal and professional fees (refer note (i) below)	174.03	114.65
Business promotion	359.17	337.90
Telephone and communication	64.31	67.04
Bank charges	105.45	65.55

# Notes

to the standalone financial statements for the year ended 31 March 2023

Particulars	(₹ in million)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Insurance	51.94	43.99
Corporate social responsibility (refer note (ii) below)	14.41	6.87
Rates and taxes	68.84	56.44
Books and periodicals	25.89	19.69
Provision for loss allowance & Doubtful advances	93.93	14.86
Bad receivables written off	3.87	71.31
Provision for Remeasurement of financial liability	-	14.51
Loss on disposal of assets	60.25	26.31
Foreign exchange loss, (net)	18.16	24.14
Miscellaneous expenses	29.90	5.89
<b>Total (B)</b>	<b>2,175.26</b>	<b>1,679.03</b>
<b>Total (A+B)</b>	<b>5,934.62</b>	<b>4,752.71</b>

## (i) Payment to auditors\*

	(₹ in million)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
As an auditor		
(i) Audit fee	6.30	4.50
(ii) Limited review	1.80	1.20
(iii) Other attest services	0.50	0.30
In other capacity:		
(iv) Reimbursement of expenses	0.20	0.14
	<b>8.80</b>	<b>6.14</b>

\*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.

Particulars	(₹ in million)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
a) Amount required to be spent by the Company during the year	14.34	6.56
b) Amount of expenditure incurred on purpose other than construction/ acquisition of any asset	14.41	6.87
c) Excess spend of prior years set off during the year	-	-
d) Shortfall/(Excess) at the end of the year [(d)=(a)-(b)-(c)]	(0.07)	(0.31)
e) Total of previous years shortfall	-	-
f) Reason for shortfall	NA	NA

# Notes

to the standalone financial statements for the year ended 31 March 2023

Particulars	(₹ in million)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
g) Nature of CSR Activities	Promoting healthcare facilities for the upliftment of people at large, Promoting educational facilities to deserved children and amateurs	
h) Details of related party transactions	NA	NA
i) Where a provision is made with respect to a liability incurred by entering	NA	NA

## 27 Finance costs

Particulars	(₹ in million)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expense on financial liabilities measured at amortised cost		
- term loans from banks	320.63	230.71
- bank overdraft	0.45	4.48
- others	11.62	5.36
Interest expense on lease liabilities	109.74	138.78
Unwinding of asset replacement cost	3.84	7.24
	<b>446.28</b>	<b>386.57</b>

## 28 Depreciation and amortisation expense

Particulars	(₹ in million)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation of property, plant and equipment (refer note 4)	939.74	872.19
Depreciation of Right of use Assets (refer note 5)	278.16	277.11
Amortisation of intangible assets (refer note 4)	174.46	38.71
	<b>1,392.36</b>	<b>1,188.01</b>

## 29 Contingent liabilities

Particulars	(₹ in million)	
	As at 31 March 2023	As at 31 March 2022
Claims against the Company not acknowledged as debts in respect of:-		
a) Customs Duty (refer note A below)	1.74	1.74
b) Income tax (refer note B below)	30.19	64.31
c) Goods and Service Tax (refer note C below)	18.75	-

### Guarantees:

The Company has issued corporate guarantee to its subsidiaries amounting to ₹ 7,305.13 million (previous year ₹ 7,657.36 million) (refer note 45) and total loan outstanding as on 31 March 2023 is ₹ 2,157.17 million (previous year : ₹ 1,693.15 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.

# Notes

to the standalone financial statements for the year ended 31 March 2023

## 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. 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). ITAT had issued an order in favour of the Company and referred to Assessing office. The assessing officer issued revised assessment order u/s.143(3)r.w.s 254 on 27/09/2022 for disallowing of unpaid leave encashment of ₹ 8.19 million. The company may have an additional liability of ₹ 2.57 million as per the assessment order received however while issuing the assessment order the assessing officer has not given benefit of MAT credit of ₹ 1.58 million. The company is planning to file rectification against the assessment order.
- 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)).
- 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 2023.
- 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 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 2023.
- 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. During this financial year the company received revised assessment order for the AY 2012-13 and AY 2014-15 in which the Assessing Officer has allowed expenditures which was disallowed in previous assessment orders. Hence the contingent liability of INR 4.71 million is not required to recognise
- g) For assessment year 2020-21 the Company has received an assessment order under section 143 (3) of the Income Tax Act, 1961 on 23/09/2022. 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 2023.
- C.** For the period July 2017 to March 2018 the company has received assessment order form the GST authority of West Bengal state under section 73(5) under GST Act, 2017. As per the order the company may have additional liability ₹18.75 million on account of differential tax provisions. The company is planning to file appeal against the assessment order.
- 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 2023 will not have any material adverse effect on its financial statements for the year ended 31 March 2023.



# Notes

to the standalone financial statements for the year ended 31 March 2023

## 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 ₹ 1465.65 million (previous year: ₹ 1,015.07 million).

## 31. Related party disclosures

### (a) Details of related parties

Subsidiaries	Narayana Institute for Advanced Research Private Limited (NIARPL) under liquidation* Narayana Hrudayalaya Surgical Hospital Private Limited (NHSHP) Narayana Hospitals Private Limited (NHPL) Narayana Health Institutions Private Limited (NHIPL) Under striking off* 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) ENT in Cayman Ltd. (EICL) w.e.f. March 3, 2023 Athma Healthtech Private Limited (AHPL) w.e.f. June 2, 2022 NH Integrated Care Private Limited (NHIC) w.e.f. 10th January 2023 Cayman Integrated Healthcare Limited (CIHL) September 28, 2022 NH Health Bangladesh Private Limited (Subsidiary of NHDPL) (NHHBPL)
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 Sridhar S -Company Secretary
Relatives of KMP	Dr. Varun Shetty Dr. Anesh Shetty Dr. Vivek Shetty Ms. Ameya Shetty Mrs. Shakuntala Shetty
Associate of subsidiaries	Reya Health Inc (formerly known as Cura Technologies 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

\*During the year, Narayana Institute for Advanced Research Private Limited (NIARPL) the wholly owned subsidiary of the company is under liquidation as per Section 59 of the Insolvency and Bankruptcy Code, 2016.

Narayana Health Institutions Private Limited (NHIPL) the wholly owned subsidiary of the Company was dissolved under Section 248 of the Companies Act, 2013. The said wholly owned subsidiaries were neither carrying on any operations nor there was any intention to carry on any operations or business of the Company.

# Notes

to the standalone financial statements for the year ended 31 March 2023

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

(₹ in million)

Transactions	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises under control or joint control of KMP and their relatives	Total
<b>Unsecured loan given</b>					
NHSHPL	130.00	-	-	-	130.00
	(50.00)	(-)	(-)	(-)	(50.00)
<b>Repayment of unsecured loan given by NHL</b>					
NHSHPL	55.00	-	-	-	55.00
	(55.00)	(-)	(-)	(-)	(55.00)
<b>Interest income on security deposit</b>					
NHPL	13.30	-	-	-	13.30
	(24.41)	(-)	(-)	(-)	(24.41)
Charmakki Infrastructures	-	-	-	11.07	11.07
	(-)	(-)	(-)	(10.10)	(10.10)
<b>TOTAL</b>	<b>13.30</b>	<b>-</b>	<b>-</b>	<b>11.07</b>	<b>24.37</b>
	<b>(24.41)</b>	<b>(-)</b>	<b>(-)</b>	<b>(10.10)</b>	<b>(34.51)</b>
<b>Dividend Received from Subsidiaries</b>					
HCCI	510.65	-	-	-	510.65
	(760.53)	(-)	(-)	(-)	(760.53)
<b>Sale of medical consumables and drugs and Services</b>					
HCCI	329.75	-	-	-	329.75
	(275.23)	(-)	(-)	(-)	(275.23)
MMRHL	4.01	-	-	-	4.01
	(7.28)	(-)	(-)	(-)	(7.28)
NHSHPL	5.01	-	-	-	5.01
	(7.96)	(-)	(-)	(-)	(7.96)
NVDSHPL	0.86	-	-	-	0.86
	(0.52)	(-)	(-)	(-)	(0.52)
<b>TOTAL</b>	<b>339.63</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>339.63</b>
	<b>(290.99)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(290.99)</b>
<b>Call Centre Income</b>					
NHSHPL	6.61	-	-	-	6.61
	(7.83)	(-)	(-)	(-)	(7.83)
<b>Lab outsourcing expense</b>					
NHSHPL	10.95	-	-	-	10.95
	(10.25)	(-)	(-)	(-)	(10.25)
MSMF	-	-	-	3.88	3.88
	(-)	(-)	(-)	(2.61)	(2.61)
<b>Rent expenses</b>					
NHPL	27.69	-	-	-	27.69
	(29.58)	(-)	(-)	(-)	(29.58)
Charmakki Infrastructures	-	-	-	7.48	7.48
	(-)	(-)	(-)	(7.10)	(7.10)
AHF	-	-	-	3.12	3.12
	(-)	(-)	(-)	(9.16)	(9.16)
MSMF	-	-	-	29.50	29.50
	(-)	(-)	(-)	(29.50)	(29.50)
NHF	-	-	-	3.16	3.16
	(-)	(-)	(-)	(3.16)	(3.16)
<b>TOTAL</b>	<b>27.69</b>	<b>-</b>	<b>-</b>	<b>43.26</b>	<b>70.95</b>
	<b>(29.58)</b>	<b>(-)</b>	<b>(-)</b>	<b>(48.92)</b>	<b>(78.50)</b>

Figures in brackets are for the previous year.

# Notes

to the standalone financial statements for the year ended 31 March 2023

(₹ in million)					
Transactions	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises under control or joint control of KMP and their relatives	Total
<b>Advances Written Off</b>					
NIARPL	-	-	-	-	-
	(1.77)	(-)	(-)	(-)	(1.77)
NHIPL	-	-	-	-	-
	(0.92)	(-)	(-)	(-)	(0.92)
NHBPL	-	-	-	-	-
	(7.80)	(-)	(-)	(-)	(7.80)
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>(10.49)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(10.49)</b>
<b>Reimbursement of expenses</b>					
NHPL	5.80	-	-	-	5.80
	(5.39)	(-)	(-)	(-)	(5.39)
NVDSHPL	0.57	-	-	-	0.57
	(1.35)	(-)	(-)	(-)	(1.35)
HCCI	28.93	-	-	-	28.93
	(22.48)	(-)	(-)	(-)	(22.48)
AHF	-	-	-	0.05	0.05
	(-)	(-)	(-)	(0.01)	(0.01)
NHHBPL	-	-	-	-	-
	(0.84)	(-)	(-)	(-)	(0.84)
NHSHPL	54.83	-	-	-	54.83
	(2.34)	(-)	(-)	(-)	(2.34)
Hrudayalaya Pharmacy	-	-	-	0.01	0.01
	(-)	(-)	(-)	(0.16)	(0.16)
NHF	-	-	-	6.08	6.08
	(-)	(-)	(-)	(0.57)	(0.57)
MMRHL	1.90	-	-	-	1.90
	(0.55)	(-)	(-)	(-)	(0.55)
Athma Healthtech Private Limited	0.83	-	-	-	0.83
	(-)	(-)	(-)	(-)	(-)
NH Integrated Care Private Limited	12.49	-	-	-	12.49
	(-)	(-)	(-)	(-)	(-)
Others	-	-	-	-	-
	(0.64)	(-)	(-)	(-)	(0.64)
NHEBT ESOP Trust	-	0.13	-	-	0.13
	(-)	(-)	(-)	(-)	(-)
<b>TOTAL</b>	<b>105.35</b>	<b>0.13</b>	<b>-</b>	<b>6.14</b>	<b>111.62</b>
	<b>(33.59)</b>	<b>(-)</b>	<b>(-)</b>	<b>(0.74)</b>	<b>(34.33)</b>
<b>Revenue from healthcare services</b>					
NHF	-	-	-	0.27	0.27
	(-)	(-)	(-)	(2.10)	(2.10)
MMRHL	18.06	-	-	-	18.06
	(27.92)	(-)	(-)	(-)	(27.92)
MSMF	6.27	-	-	-	6.27
	(-)	(-)	(-)	(-)	(-)
<b>TOTAL</b>	<b>24.33</b>	<b>-</b>	<b>-</b>	<b>0.27</b>	<b>24.60</b>
	<b>(27.92)</b>	<b>(-)</b>	<b>(-)</b>	<b>(2.10)</b>	<b>(30.02)</b>

Figures in brackets are for the previous year.

# Notes

to the standalone financial statements for the year ended 31 March 2023

(₹ in million)

Transactions	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises under control or joint control of KMP and their relatives	Total
<b>Advance on Account of Discount Entitlement</b>					
NHF	-	-	-	1.32	1.32
	(-)	(-)	(-)	(1.32)	(1.32)
AHF	-	-	-	1.42	1.42
	(-)	(-)	(-)	(3.04)	(3.04)
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.74</b>	<b>2.74</b>
	(-)	(-)	(-)	(4.36)	(4.36)
<b>Advance given for payment to employees</b>					
HCCI	1.41	-	-	-	1.41
	(1.92)	(-)	(-)	(-)	(1.92)
<b>Rental income net of tax</b>					
NHSHPL	5.36	-	-	-	5.36
	(4.96)	(-)	(-)	(-)	(4.96)
Athma Healthtech Private Limited	0.42	-	-	-	0.42
	(-)	(-)	(-)	(-)	(-)
<b>Slump Sale</b>					
NH Integrated Care Private Limited	99.12	-	-	-	99.12
	(-)	(-)	(-)	(-)	(-)
<b>Interest income</b>					
NHPL	-	-	-	-	-
	(2.12)	(-)	(-)	(-)	(2.12)
NHSHPL	9.68	-	-	-	9.68
	(7.61)	(-)	(-)	(-)	(7.61)
<b>TOTAL</b>	<b>9.68</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9.68</b>
	(9.73)	(-)	(-)	(-)	(9.73)
<b>Purchase of fixed assets</b>					
MMRHL	3.94	-	-	-	3.94
	(-)	(-)	(-)	(-)	(-)
<b>Sale of fixed assets</b>					
MMRHL	0.78	-	-	-	0.78
	(0.48)	(-)	(-)	(-)	(0.48)
NHSHPL	-	-	-	-	-
	(0.01)	(-)	(-)	(-)	(0.01)
HCCI	-	-	-	-	-
	(1.09)	(-)	(-)	(-)	(1.09)
NVDSHPL	0.03	-	-	-	0.03
	(-)	(-)	(-)	(-)	(-)
<b>TOTAL</b>	<b>0.81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.81</b>
	(1.58)	(-)	(-)	(-)	(1.58)
<b>Guarantee commission</b>					
HCCI	3.14	-	-	-	3.14
	(3.99)	(-)	(-)	(-)	(3.99)
MMRHL	0.46	-	-	-	0.46
	(0.65)	(-)	(-)	(-)	(0.65)
NHSHPL	0.26	-	-	-	0.26
	(0.44)	(-)	(-)	(-)	(0.44)
<b>TOTAL</b>	<b>3.86</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.86</b>
	(5.08)	(-)	(-)	(-)	(5.08)

Figures in brackets are for the previous year.

# Notes

to the standalone financial statements for the year ended 31 March 2023

(₹ in million)					
Transactions	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises under control or joint control of KMP and their relatives	Total
<b>Software license fees</b>					
HCCI	11.59	-	-	-	11.59
	(10.71)	(-)	(-)	(-)	(10.71)
<b>Purchase of medical stores and Consumables</b>					
Hrudayalaya Pharmacy	-	-	-	0.09	0.09
	(-)	(-)	(-)	(0.25)	(0.25)
Amaryllis Healthcare Private Limited	-	-	-	151.28	151.28
	(-)	(-)	(-)	(155.63)	(155.63)
MMRHL	2.01	-	-	-	2.01
	(2.05)	(-)	(-)	-	(2.05)
NHSHPL	1.77	-	-	-	1.77
	(3.96)	(-)	(-)	(-)	(3.96)
NVDSHPL	1.21	-	-	-	1.21
	(0.53)	(-)	(-)	(-)	(0.53)
<b>TOTAL</b>	<b>4.99</b>	<b>-</b>	<b>-</b>	<b>151.37</b>	<b>156.36</b>
	<b>(6.54)</b>	<b>(-)</b>	<b>(-)</b>	<b>(155.88)</b>	<b>(162.42)</b>
<b>Healthcare Services availed from Subsidiaries</b>					
MMRHL	4.39	-	-	-	4.39
	(1.87)	(-)	(-)	(-)	(1.87)
<b>Hospital General Expenses</b>					
Amaryllis Healthcare Private Limited	-	-	-	33.58	33.58
	(-)	(-)	(-)	(30.11)	(30.11)
<b>Guarantees given</b>					
NHSHPL	-	-	-	-	-
	(100.00)	(-)	(-)	(-)	(100.00)
HCCI	508.74	-	-	-	508.74
	(3,637.76)	(-)	(-)	(-)	(3,637.76)
<b>TOTAL</b>	<b>508.74</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>508.74</b>
	<b>(3,737.76)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(3,737.76)</b>
<b>Release of guarantee given</b>					
MMRHL	820.70	-	-	-	820.70
	(-)	(-)	(-)	(-)	(-)
<b>IT Cost &amp; FTE Manpower</b>					
NVD	-	-	-	-	-
	(3.62)	(-)	(-)	(-)	(3.62)
HCCI	37.37	-	-	-	37.37
	(57.19)	(-)	(-)	(-)	(57.19)
NHNA	-	-	-	-	-
	(11.85)	(-)	(-)	(-)	(11.85)
<b>Short-term employee benefits*</b>					
Dr. Devi Prasad Shetty	-	119.27	-	-	119.27
	(-)	(90.35)	(-)	(-)	(90.35)
Dr. Emmanuel Rupert	-	94.67	-	-	94.67
	(-)	(42.00)	(-)	(-)	(42.00)
Viren Shetty	-	27.60	-	-	27.60
	(-)	(20.93)	(-)	(-)	(20.93)
Kesavan Venugopalan	-	-	-	-	-
	(-)	(22.27)	(-)	(-)	(22.27)

Figures in brackets are for the previous year.

# Notes

to the standalone financial statements for the year ended 31 March 2023

(₹ in million)					
Transactions	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises under control or joint control of KMP and their relatives	Total
Sandhya J	-	25.61	-	-	25.61
	(-)	(8.00)	(-)	(-)	(8.00)
Sridhar S	-	6.62	-	-	6.62
	(-)	(6.66)	(-)	(-)	(6.66)
Dr. Varun Shetty	-	-	8.29	-	8.29
	(-)	(-)	(7.94)	(-)	(7.94)
Dr. Vivek Shetty	-	-	7.27	-	7.27
	(-)	-	(6.54)	(-)	(6.54)
<b>TOTAL</b>	<b>-</b>	<b>273.77</b>	<b>15.56</b>	<b>-</b>	<b>289.33</b>
	<b>(-)</b>	<b>(190.21)</b>	<b>(14.48)</b>	<b>(-)</b>	<b>(204.69)</b>
<b>Other Professional Fees</b>					
Dr. Varun Shetty	-	-	10.37	-	10.37
	(-)	(-)	(3.06)	(-)	(3.06)
Dr. Vivek Shetty	-	-	1.97	-	1.97
	(-)	(-)	(0.85)	(-)	(0.85)
<b>Share based payments</b>					
Dr. Emmanuel Rupert	-	1.14	-	-	1.14
	(-)	(9.20)	(-)	(-)	(9.20)

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 31 March 2023

## 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	Enterprises under control or joint control of KMP and their relatives	Total
<b>Other financial assets (Current)- Due for reimbursement of expense</b>					
NHPL	5.88	-	-	-	5.88
	(-)	(-)	(-)	(-)	(-)
NVDSHPL	3.93	-	-	-	3.93
	(4.19)	(-)	(-)	(-)	(4.19)
HCCI	19.82	-	-	-	19.82
	(3.86)	(-)	(-)	(-)	(3.86)
NHF	-	-	-	1.30	1.30
	(-)	(-)	(-)	(1.29)	(1.29)
NHHBPL	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
NHSHPL	50.33	-	-	-	50.33
	(44.82)	(-)	(-)	(-)	(44.82)
MMRHL	1.18	-	-	-	1.18
	(0.96)	(-)	(-)	(-)	(0.96)
Hrudayalaya Pharmacy	-	-	-	-	-
	(-)	(-)	(-)	(0.02)	(0.02)
NH Integrated Care Private Limited	111.60	-	-	-	111.60
	(-)	(-)	(-)	(-)	(-)
Athma Health Private Limited	0.80	-	-	-	0.80
	(-)	(-)	(-)	(-)	(-)
NHEBT ESOP Trust	0.13	-	-	-	0.13
	(-)	(-)	(-)	(-)	(-)
AHF	-	-	-	-	-
	(-)	(-)	(-)	(0.69)	(0.69)
<b>TOTAL</b>	<b>181.91</b>	<b>-</b>	<b>-</b>	<b>1.30</b>	<b>183.21</b>
	<b>(53.83)</b>	<b>(-)</b>	<b>(-)</b>	<b>(2.00)</b>	<b>(55.83)</b>
<b>Financial assets- loans (Current)- Unsecured Loan</b>					
NHSHPL	167.00	-	-	-	167.00
	(92.00)	(-)	(-)	(-)	(92.00)
<b>Other financial liabilities - (Current) Creditors for capital goods</b>					
NIARPL	-	-	-	-	-
	(58.04)	(-)	(-)	(-)	(58.04)
<b>Other non-current assets - Prepaid expense</b>					
AHF	-	-	-	7.45	7.45
	(-)	(-)	(-)	(8.20)	(8.20)
<b>Other non-current assets - Prepaid rent</b>					
NHPL	85.08	-	-	-	85.08
	(102.20)	(-)	(-)	(-)	(102.20)
Charmakki Infrastructures	-	-	-	0.84	0.84
	(-)	(-)	(-)	(7.83)	(7.83)
<b>TOTAL</b>	<b>85.08</b>	<b>-</b>	<b>-</b>	<b>0.84</b>	<b>85.92</b>
	<b>(102.20)</b>	<b>(-)</b>	<b>(-)</b>	<b>(7.83)</b>	<b>(110.03)</b>
<b>Other current assets - Prepaid rent</b>					
NHPL	17.12	-	-	-	17.12
	(17.07)	(-)	(-)	(-)	(17.07)
Charmakki Infrastructures	-	-	-	6.99	6.99
	(-)	(-)	(-)	(6.97)	(6.97)

Figures in brackets are for the previous year.



# Notes

to the standalone financial statements for the year ended 31 March 2023

(₹ in million)

Balances	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises under control or joint control of KMP and their relatives	Total
<b>TOTAL</b>	<b>17.12</b>	-	-	<b>6.99</b>	<b>24.11</b>
	<b>(17.07)</b>	<b>(-)</b>	<b>(-)</b>	<b>(6.97)</b>	<b>(24.04)</b>
<b>Financial assets- loans (non current)- Security deposit</b>					
NHPL	173.96	-	-	-	173.96
	(160.66)	(-)	(-)	(-)	(160.66)
Charmakki Infrastructures	-	-	-	126.35	126.35
	(-)	(-)	(-)	(115.29)	(115.29)
<b>TOTAL</b>	<b>173.96</b>	-	-	<b>126.35</b>	<b>300.31</b>
	<b>(160.66)</b>	<b>(-)</b>	<b>(-)</b>	<b>(115.29)</b>	<b>(275.95)</b>
<b>Trade payables</b>					
NHPL	7.19	-	-	-	7.19
	(9.24)	(-)	(-)	(-)	(9.24)
Amaryllis Healthcare Private Limited	-	-	-	11.65	11.65
	(-)	(-)	(-)	(11.94)	(11.94)
MSMF	-	-	-	14.14	14.14
	(-)	(-)	(-)	(0.04)	(0.04)
MMRHL	3.78	-	-	-	3.78
	(1.53)	(-)	(-)	(-)	(1.53)
NHSHPL	12.70	-	-	-	12.70
	(7.78)	(-)	(-)	(-)	(7.78)
NVDSHPL	0.55	-	-	-	0.55
	(1.63)	(-)	(-)	(-)	(1.63)
<b>TOTAL</b>	<b>24.22</b>	-	-	<b>25.79</b>	<b>50.01</b>
	<b>(20.18)</b>	<b>(-)</b>	<b>(-)</b>	<b>(11.98)</b>	<b>(32.16)</b>
<b>Trade receivables</b>					
HCCI	184.36	-	-	-	184.36
	(86.08)	(-)	(-)	(-)	(86.08)
NHF	-	-	-	0.02	0.02
	(-)	(-)	(-)	(0.09)	(0.09)
NHSHPL	27.07	-	-	-	27.07
	(19.89)	(-)	(-)	(-)	(19.89)
MSMF	-	-	-	0.49	0.49
	(-)	(-)	(-)	(-)	-
MMRHL	1.62	-	-	-	1.62
	(0.14)	(-)	(-)	(-)	(0.14)
NVDSHPL	1.42	-	-	-	1.42
	(0.59)	(-)	(-)	(-)	(0.59)
NHNA	-	-	-	-	-
	(11.85)	(-)	(-)	(-)	(11.85)
Athma Health Tech Private	0.39	-	-	-	0.39
	(-)	(-)	(-)	(-)	(-)
<b>TOTAL</b>	<b>214.86</b>	-	-	<b>0.02</b>	<b>215.37</b>
	<b>(118.55)</b>	<b>(-)</b>	<b>(-)</b>	<b>(0.09)</b>	<b>(118.64)</b>
<b>Other liabilities (current) - Other payables</b>					
AHF	-	-	-	95.69	95.69
	(-)	(-)	(-)	(88.34)	(88.34)

Figures in brackets are for the previous year.

# Notes

to the standalone financial statements for the year ended 31 March 2023

(₹ in million)					
Balances	Subsidiaries	Key Management Personnel (KMP)	Relatives of KMP	Enterprises under control or joint control of KMP and their relatives	Total
<b>Other financial assets (current) - Interest accrued on unsecured loan</b>					
NHSHPL	16.90	-	-	-	16.90
	(9.06)	(-)	(-)	(-)	(9.06)
NHPL	-	-	-	-	-
	(0.42)	(-)	(-)	(-)	(0.42)
<b>TOTAL</b>	<b>16.90</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16.90</b>
	<b>(9.48)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(9.48)</b>
<b>Share based payments</b>					
Dr. Emmanuel Rupert	-	1.14	-	-	1.14
	(-)	(9.20)	(-)	(-)	(9.20)
<b>Guarantees outstanding</b>					
MMRHL	-	-	-	-	-
	(820.70)	(-)	(-)	(-)	(820.70)
NHSHPL	810.00	-	-	-	810.00
	(810.00)	(-)	(-)	(-)	(810.00)
HCCI	6,495.14	-	-	-	6,495.14
	(6,026.66)	(-)	(-)	(-)	(6,026.66)
<b>TOTAL</b>	<b>7,305.14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,305.14</b>
	<b>(7,657.36)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(7,657.36)</b>
<b>Security Received</b>					
NHPL	-	-	-	-	-
	(322.65)	(-)	(-)	(-)	(322.65)

Figures in brackets are for the previous year.

## Note:

- No amount in respect of related parties have been written off/back or provided for during the year.
- Related party relationships have been identified by the Management and relied upon by the auditors.
- 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 31 March 2023

## 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 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

Particulars	(₹ in million)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
India	29,290.84	23,846.52
Rest of the world (Cayman Islands)	323.31	273.35
	<b>29,614.15</b>	<b>24,119.87</b>

#### (ii) Non current assets \*

	(₹ in million)	
	As at 31 March 2023	As at 31 March 2022
India	14,284.68	11,419.82
	<b>14,284.68</b>	<b>11,419.82</b>

\*Non-current assets exclude financial instruments, deferred tax assets

# Notes

to the standalone financial statements for the year ended 31 March 2023

## 33 Investments, loans, guarantees and security

### (a) The Company has made investment in the following Companies:

(₹ in million)

Entity	As at 31 March 2022 (net of impairment)	Allotment / Purchases during the year	Sold during the year	Impairment / write off	As at 31 March 2023
<b>Investment in equity instruments</b>					
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
Health City Cayman Islands Ltd	3,193.18	-	-	-	3,193.18
Meridian Medical Research & Hospital Limited	1,137.50	-	-	-	1,137.50
Narayana Vaishno Devi Specialty Hospitals Private Limited	-	-	-	-	-
Narayana Health Institutions Private Limited	-	-	-	-	-
Atria Wind Power (Chitradurga) Pvt Ltd	0.03	-	-	-	0.03
Athma Healthtech Private Limited	-	0.50	-	-	0.50
Narayana Hrudayalaya Integrated Care Pvt Ltd	-	0.50	-	-	0.50
<b>Others</b>					
Fair Value of guarantee in subsidiaries*	32.78	-	-	(8.51)	24.27
Redkenko Health Tech Pvt Ltd	5.08	-	-	-	5.08
Narayana Health North America LLC	0.37	-	-	-	0.37
Deemed Investment	1.89	-	-	-	1.89
	<b>6,454.70</b>	<b>1.00</b>	<b>57.60</b>	<b>(8.51)</b>	<b>6,389.59</b>

\*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 2022	Movement	As at 31 March 2023	Movement
<b>Subsidiaries</b>				
Narayana Hrudayalaya Surgical Hospital Private Limited	92.00	75.00	167.00	Financial assistance
	<b>92.00</b>	<b>75.00</b>	<b>167.00</b>	

# Notes

to the standalone financial statements for the year ended 31 March 2023

## (c) The Company has provided guarantees to the following entities:

Entity	(₹ in million)		
	As at 31 March 2022	Movement	As at 31 March 2023
Health City Cayman Islands Ltd *	6,026.66	468.48	6,495.14
Narayana Hrudayalaya Surgical Hospital Private Limited	460.00	-	460.00
Narayana Hrudayalaya Surgical Hospital Private Limited	350.00	-	350.00
Meridian Medical Research & Hospital Limited**	680.70	(680.70)	-
Meridian Medical Research & Hospital Limited**	140.00	(140.00)	-
	<b>7,657.36</b>	<b>(352.22)</b>	<b>7,305.14</b>

\* During the year the Company has given guarantee amounting to \$79 million (₹ 6495.14 million) to First Caribbean International Bank to give term loan and the said loan has not been disbursed as on 31 March 2023.

\*\* During the year the Company has closed guarantee given to State Bank of India amounting to ₹ 820.70 million).

## 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 ₹ 291.32 million (previous year: ₹ 264.08 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 31 March 2023

- 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)	
	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
Defined benefit obligations liability	466.22	378.58
Plan assets	(23.58)	(11.85)
Net defined benefit liability	<b>442.64</b>	<b>366.73</b>
Liability for compensated absences	241.05	203.60
<b>Total employee benefit liability</b>	<b>683.69</b>	<b>570.33</b>
<b>Non-current</b>	310.86	268.52
<b>Current</b>	<b>372.83</b>	<b>301.81</b>

## 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	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
Defined benefit obligation as at 1 April	378.58	317.53
Benefits paid		
- by the Fund	(37.18)	(35.83)
- by the Company	-	-
Current service cost	52.54	50.59
Interest cost	17.92	14.09
Acquisition / Divesture	0.26	-
Actuarial (gains)/ losses recognised in other comprehensive income		
- changes in demographic assumptions	(0.29)	(1.88)
- changes in financial assumptions	(20.32)	(3.95)
- experience adjustments	74.71	38.03
<b>Defined benefit obligations as at 31 March</b>	<b>466.22</b>	<b>378.58</b>

### ii) Reconciliation of fair values of plan assets

	(₹ in million)	
Particulars	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
<b>Plan assets at beginning of the year</b>	<b>11.85</b>	<b>24.26</b>
Contributions paid into the plan	48.21	22.77
Interest income	0.66	1.26
Benefits of prior years	-	-
Benefits paid	(37.18)	(35.83)
Actuarial (gains)/ losses recognised in other comprehensive income	0.04	(0.61)
<b>Plan assets at the end of the year</b>	<b>23.58</b>	<b>11.85</b>
<b>Net defined benefit liability</b>	<b>442.64</b>	<b>366.73</b>

# Notes

to the standalone financial statements for the year ended 31 March 2023

## C. i) Expense recognised in statement of profit and loss

Particulars	(₹ in million)	
	Year ended 31 March 2023	Year ended 31 March 2022
Current service cost	52.54	50.59
Interest cost	17.92	14.09
Interest income	(0.66)	(1.26)
	<b>69.80</b>	<b>63.42</b>

## ii) Remeasurements recognised in other comprehensive income

Particulars	(₹ in million)	
	Year ended 31 March 2023	Year ended 31 March 2022
Actuarial (gain)/ loss on defined benefit obligation	54.10	32.20
Return on plan assets excluding interest income	(0.04)	0.61
	<b>54.06</b>	<b>32.81</b>

## D. Plan Assets

Plan assets comprises of the following:

Particulars	(₹ in million)	
	Year ended 31 March 2023	Year ended 31 March 2022
Government securities & debt instruments	<b>23.58</b>	<b>11.85</b>

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):

Particulars	(₹ in million)	
	As at 31 March 2023	As at 31 March 2022
Attrition rate	Up to Level 6 = 36%, Level 7 and above = 27%	Up to Level 6 = 37%, Level 7 and above = 19%
Discount rate	7.30%	5.54%
Expected rate of return on plan assets	0.06	0.07
Mortality table	IALM 2012-2014	IALM 2012-2014
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 31 March 2023, the plan assets have been invested in insurer managed funds and the expected contributions to the fund during the year ending 31 March 2024, is approximately ₹ 155.35 million (31 March 2022: ₹ 110.05 million).



# Notes

to the standalone financial statements for the year ended 31 March 2023

## Maturity profile of defined benefit obligation

Particulars	(₹ in million)	
	Amount	
1st following year	155.35	
2nd following year	114.21	
3rd following year	82.73	
4th following year	62.97	
5th following year	45.37	
Year 6 to 10	87.73	
Above 10 years	17.89	

At 31 March 2023, the average past service was 4.64 years (previous year: 4.38 years) and average expected future working life was 2.81 years (previous year 2.81 years).

## ii) Sensitivity analysis

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

Particulars	(₹ in million)			
	As at 31 March 2023		As at 31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(5.43)	5.58	(5.13)	5.41
Future salary increases (0.5% movement)	6.38	(6.29)	4.13	(3.88)
Attrition rate (0.5% movement)	(2.36)	0.20	(0.27)	0.36
Mortality rate (10% movement)	0.02	(0.02)	(0.00)	0.08

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

Particulars	(₹ in million)	
	As at 31 March 2023	As at 31 March 2022
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	237.62	218.22
- Interest	6.08	3.26
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	6.08	3.26
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

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## 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

Particulars	(₹ in million)	
	As at 31 March 2023	As at 31 March 2022
Current lease liabilities	235.40	263.28
Non-current lease liabilities	775.63	1,240.08
	<b>1,011.03</b>	<b>1,503.36</b>

### (ii) The following is the movement in the lease liabilities during the year ended

Particulars	(₹ in million)	
	As at 31 March 2023	As at 31 March 2022
Opening Balance	1,503.36	1,631.69
Addition / (Deletions)*	(232.07)	100.40
Finance cost accrued during the year	109.74	138.78
Payment of lease liabilities	(370.00)	(367.51)
	<b>1,011.03</b>	<b>1,503.36</b>

\*includes lease modification relating to one hospital resulting in reversal of lease liability amounting to ₹245.06 million.

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

Particulars	(₹ in million)				
	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Contractual rental payments	313.77	162.88	350.93	830.57	1,658.15
	<b>313.77</b>	<b>162.88</b>	<b>350.93</b>	<b>830.57</b>	<b>1,658.15</b>

Rental expense recorded for short-term leases was ₹ 492.01 million (previous year ₹ 398.91 million) for the year ended March 31, 2023.

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

Particulars	(₹ in million)				
	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
	<b>383.70</b>	<b>349.69</b>	<b>516.65</b>	<b>1,123.01</b>	<b>2,373.05</b>

# Notes

to the standalone financial statements for the year ended 31 March 2023

## 37 Earnings/ (loss) per share (EPS)

### Basic earnings per share

The calculation of basic earnings per share for the year ended 31 March 2023 was based on profit/(loss) attributable to equity shareholders of ₹ 2656.39 million (previous year: 1335.98 million) and weighted average number of equity shares outstanding 203,069,835 (previous year: 202,955,918).

### Diluted earnings per share

The calculation of diluted earnings per share for the year ended 31 March 2023 was based on profit/(loss) attributable to equity shareholders of ₹ 2656.39 million (previous year: ₹ 1335.98 million) and weighted average number of equity shares outstanding after adjustment for effects of all the dilutive potential equity shares.

Earnings	(₹ in million)	
	As at 31 March 2023	As at 31 March 2022
Profit/ (loss) after tax	2,656.39	1,335.98

### Weighted average number of equity shares (basic)

Shares	(₹ in million)	
	As at 31 March 2023	As at 31 March 2022
Total no of shares outstanding	20,43,60,804	20,43,60,804
Effect of Treasury shares	(12,90,969)	(14,04,886)
<b>Weighted average number of equity shares for the year</b>	<b>20,30,69,835</b>	<b>20,29,55,918</b>

### Weighted average number of equity shares ( diluted)

Shares	(₹ in million)	
	As at 31 March 2023	As at 31 March 2022
Weighted average number of equity shares( basic)	20,30,69,835	20,29,55,918
Weighted average number of equity shares from assumed exercise of share options	29,579	1,41,262
<b>Weighted average number of equity shares ( diluted) for the year</b>	<b>20,30,99,414</b>	<b>20,30,97,180</b>

Particulars	(₹ in million)	
	As at 31 March 2023	As at 31 March 2022
Basic earnings/ (loss) per share (₹)	13.08	6.58
Diluted earnings/ (loss) per share(₹) *	13.08	6.58

( Nominal value per share ₹ 10)

\*Impact of potential dilutive equity shares for FY 23 is not considered as they are anti-dilutive in nature

## 38 Income tax

### (a) Amount recognised in statement of profit and loss

Particulars	(₹ in million)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Current tax</b>		
- Current year*	1,197.31	360.58
<b>Mat credit entitlement**</b>	-	(8.43)
<b>Deferred tax charge/ (credit), net</b>		
Origination and reversal of temporary differences	91.55	366.86
<b>Tax expense for the year</b>	<b>1,288.86</b>	<b>719.01</b>

\*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 2023 & 31 March 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.

# Notes

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## (b) Amount recognised in other comprehensive income

(₹ in million)

Particulars	For the year ended 31 March 2023			For the year ended 31 March 2022		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
<b>Items that will not be reclassified subsequently to profit or loss</b>						
Re-measurement on defined benefit plans	(54.05)	18.89	(35.16)	(32.80)	11.46	(21.34)
<b>Items that will be reclassified subsequently to profit or loss</b>						
The effective portion of gains / (loss) on hedging instruments in a cash flow hedge	26.36	(9.21)	17.15	56.97	(19.90)	37.07
	<b>(27.69)</b>	<b>9.68</b>	<b>(18.01)</b>	<b>24.17</b>	<b>(8.44)</b>	<b>15.73</b>

## (c) Reconciliation of effective tax rate

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Profit before tax</b>	<b>3,945.25</b>	<b>2,054.99</b>
Tax using the Company's domestic tax rate (Current year 34.94% and Previous Year 34.94%)	1,378.47	718.01
<b>Tax effect of:</b>		
Deduction under Section 80M	(71.40)	-
Deduction under Section 80JJA	(9.68)	-
Other non deductible tax expenses	(8.52)	1.00
	<b>1,288.86</b>	<b>719.01</b>

## (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 2023	As at 31 March 2022
<b>Deferred tax asset</b>		
Provision for doubtful receivables	126.57	93.75
Provision for gratuity	156.46	129.94
Provision for compensated absences	84.23	71.15
Provision for slow and non moving inventory	6.45	9.96
Impact on account of adoption of Ind AS 116	151.51	201.27
On land indexation of freehold land	18.91	18.91
Others	13.86	13.70
<b>Total deferred tax asset</b>	<b>557.99</b>	<b>538.68</b>
<b>Deferred tax liability</b>		
Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act.	(1,331.24)	(1,226.34)
Others	(16.21)	(19.90)
<b>Total deferred tax liability</b>	<b>(1,347.45)</b>	<b>(1,246.24)</b>
<b>Minimum alternative tax assets**</b>	<b>-</b>	<b>228.78</b>
<b>Deferred tax liability (net)</b>	<b>(789.46)</b>	<b>(478.78)</b>

\*\*The company is liable to pay tax as per normal provisions under Income Tax Act, 1961 and the Company has availed entire MAT credit available in the books of accounts towards payment of tax as per normal provisions.

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## (ii) Movement in temporary differences

Particulars	Balances as at 1 April 2022	Adjustment to retained earnings	Recognised in Profit and loss during 2022-23 & MAT credit utilisation	Recognise in OCI during 2022-23	Balances as at 31 March 2023
Provision for doubtful receivables	93.75	-	32.82	-	126.57
Provision for gratuity	129.94	-	7.63	18.89	156.46
Provision for compensated absences	71.15	-	13.08	-	84.23
Provision for slow and non moving inventory	9.96	-	(3.51)	-	6.45
Impact on account of adoption of Ind AS 116	201.27	-	(49.76)	-	151.51
On land indexation of freehold land	18.91	-	-	-	18.91
Others	(6.20)	-	13.06	(9.21)	(2.35)
Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act.	(1,226.34)	-	(104.90)	-	(1,331.24)
Mat Credit Entitlement	228.78	-	(228.78)	-	-
	<b>(478.78)</b>	<b>-</b>	<b>(320.33)</b>	<b>9.68</b>	<b>(789.46)</b>

## 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 2023 . The Stock compensation cost is computed under the Fair value method. For the year ended 31 March 2023, the Company has recorded stock compensation expenses of ₹ NIL (previous year: ₹ 2.56 million) and liability as on 31 March 2023 is ₹ 6.29 million ( previous year: ₹ 30.19 million).

The activity in this stock option plan is summarized below:

Particulars	(₹ in million)	
	As at 31 March 2023	As at 31 March 2022
Outstanding as at the beginning of the year (Nos.)	1,43,917	1,83,117
Option granted during the year (Nos.)	-	-
Forfeited during the year( Nos.)	-	-
Exercised during the year( Nos.)	(1,13,917)	(39,200)
Expired during the year(Nos.)	-	-
Outstanding at the end of the year(Nos.)	<b>30,000</b>	<b>1,43,917</b>
Weighted average share price at the date of exercise (₹)	232.59	232.59

Plan-1:- The weighted average remaining contractual life for the stock options outstanding as at 31 March 2023 is nil years (previous year: nil years). The exercise price for the stock options outstanding as at 31 March 2023 is ₹ 10 (previous year : ₹ 10).

Plan-2:- The weighted average remaining contractual life for the stock options outstanding as at 31 March 2023 is 0.5 years (previous year: 1.5 years ). The exercise price for the stock options outstanding as at 31 March 2023 is ₹ 10 (previous year : ₹ 10).

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## 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 2023	As at 31 March 2022
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- 4.52 years	for 805,670 options - 5 years for 183,117 options- 4.52 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.

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.

# Notes

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

Particulars	(₹ in million)	
	As at 31 March 2023	As at 31 March 2022
Total equity attributable to the equity shareholders of the Company	14,687.43	12,250.87
<b>As a percentage of total capital</b>	73%	76%
Long-term borrowings	4,593.81	3,174.44
Short-term borrowings	837.06	648.01
<b>Total borrowings</b>	<b>5,430.87</b>	<b>3,822.45</b>
<b>As a percentage of total capital</b>	27%	24%
<b>Total capital (Equity and Borrowings)</b>	<b>20,118.30</b>	<b>16,073.32</b>

## 42 Acquisition of Orthopaedic and Trauma Hospital ("Sparsh Hosur Road" Unit) from Shiva and Shiva Orthopaedic Hospital Private Limited

The Company has signed a Business Transfer Agreement (BTA) on September 5, 2022 with Shiva and Shiva Orthopaedic Hospital Private Limited to acquire its Orthopaedic and Trauma Hospital ("Sparsh Hosur Road" Unit), effective from October 1, 2022 mainly engaged in providing Orthopaedic and Trauma healthcare services as a going concern on slump sale basis for an aggregate cash consideration of ₹ 2,000 million.

This acquisition will enable the Company to foray into the Orthopaedic and Trauma specialty at the Narayana Health City Campus, housing two flagship hospitals, namely the cardiac sciences - focussed Narayana Institute of Cardiac Sciences (NICS) and the multispecialty unit i.e., Mazumdar Shaw Medical Centre (MSMC). The acquisition also reinforces the Company's focus on multispecialty care, especially orthopaedics and associated trauma and neurosciences segments and further augment its core Bangalore regions to derive synergies from our existing operations.

### a) Business Combination

The above transaction qualifies for the Business Combination as per Ind AS 103 - 'Business Combination' and has been accounted by applying the acquisition method wherein identifiable assets acquired and liabilities assumed are fair valued against the fair value of the consideration transferred and resultant intangibles including goodwill recognised.

### b) Identifiable Assets and Liabilities

Particulars	(₹ in million)
Fair value of the consideration transferred	
Cash Consideration	2,000.00
<b>Total (A)</b>	<b>2,000.00</b>
<b>Assets Acquired</b>	
Property, Plant and Equipment	376.52
Intangibles Assets	1,401.92
Current Assets	36.38
<b>Total Assets Acquired (B)</b>	<b>1,814.82</b>
<b>Liabilities assumed</b>	
<b>Trade Payables and other liabilities (C)</b>	<b>35.41</b>
<b>Net Assets acquired [D = B+C]</b>	<b>1,779.41</b>
<b>Goodwill [A - D]#</b>	<b>220.59</b>

# Goodwill represents residual consideration attributable to unidentified intangible assets acquired by acquiror.



# Notes

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## 43 Financial instruments: Fair value and risk management

### A. Accounting classification and fair values

As at 31 March 2023	Total	Fair Value			Total
		Level 1	Level 2	Level 3	
(₹ in million)					
<b>Financial assets</b>					
<b>Amortised cost</b>					
Trade receivables	1,768.35	-	-	-	-
Cash and cash equivalents	702.52	-	-	-	-
Bank balances other than above	1,274.35	-	-	-	-
Loans	987.00	-	-	-	-
Other financial assets	1,048.82	-	-	-	-
<b>Fair value through OCI (FVOCI)</b>					
Interest rate swap (other financial liabilities)	20.42	-	20.42	-	20.42
<b>Fair value through profit and loss (FVTPL)</b>					
Guarantees in subsidiaries (investments)	24.27	-	24.27	-	24.27
Investments in mutual fund (quoted)	390.62	390.62	-	-	390.62
	<b>6,216.35</b>	<b>390.62</b>	<b>44.69</b>	<b>-</b>	<b>435.31</b>
<b>Financial liabilities</b>					
<b>Amortised cost</b>					
Borrowings (short term and long term)	5,430.87	-	-	-	-
Lease liabilities	1,011.03	-	-	-	-
Trade payables	4,122.12	-	-	-	-
Other financial liabilities	183.80	-	-	-	-
	<b>10,747.82</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

As at 31 March 2022	Total	Fair Value			Total
		Level 1	Level 2	Level 3	
(₹ in million)					
<b>Financial assets</b>					
<b>Amortised cost</b>					
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	-	-	-	-
<b>Fair value through profit and loss (FVTPL)</b>					
Guarantees in subsidiaries (investments)	32.78	-	32.78	-	32.78
Investments in mutual fund (quoted)	160.01	160.01	-	-	160.01
	<b>3,932.95</b>	<b>160.01</b>	<b>32.78</b>	<b>-</b>	<b>192.79</b>
<b>Financial liabilities</b>					
<b>Amortised cost</b>					
Borrowings (short term and long term)	3,822.45	-	-	-	-
Lease liabilities	1,503.36	-	-	-	-
Trade payables	3,174.64	-	-	-	-
Other financial liabilities	371.70	-	-	-	-
<b>Fair value through OCI (FVOCI)</b>					
Interest rate swap (other financial liabilities)	17.04	-	17.04	-	17.04
	<b>8,889.19</b>	<b>-</b>	<b>17.04</b>	<b>-</b>	<b>17.04</b>

# Notes

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## 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 ₹ 2,145.46 million (previous year: ₹ 2,032.80 million). The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows:

(₹ in million)		
Allowance for credit loss	As at 31 March 2023	As at 31 March 2022
Opening balance	297.92	313.28
Expected credit loss recognised/(reversed)	79.19	(15.36)
<b>Closing balance</b>	<b>377.11</b>	<b>297.92</b>

No single customer accounted for more than 10% of the revenue as of 31 March 2023 and 31 March 2022. 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 2023:

(₹ in million)					
Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Borrowings	837.06	1,169.52	2,829.79	594.50	5,430.87
Lease liabilities	235.48	99.76	203.28	472.51	1,011.03
Trade payables	4,122.12	-	-	-	4,122.12
Other financial liabilities	62.99	1.19	1.86	117.76	183.80
<b>Total</b>	<b>5,257.65</b>	<b>1,270.47</b>	<b>3,034.93</b>	<b>1,184.77</b>	<b>10,747.82</b>

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

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
<b>Total</b>	<b>4,398.00</b>	<b>2,256.77</b>	<b>957.21</b>	<b>1,277.22</b>	<b>8,889.19</b>

## (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.

### (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 2023	(USD in million)
<b>Financial assets</b>	
Trade receivables	2.24
Cash and cash equivalents	4.06
Other financial assets	0.23
<b>Financial liabilities</b>	
Borrowings	8.93
Trade payables	0.05
Other financial liabilities	-
<b>Net assets / (liabilities)</b>	<b>(2.44)</b>
<b>As at 31 March 2022</b>	<b>(USD in million)</b>
<b>Financial assets</b>	
Trade receivables	0.75
Cash and cash equivalents	0.76
Other financial assets	0.07
<b>Financial liabilities</b>	
Borrowings	12.50
Trade payables	0.01
Other financial liabilities	-
<b>Net assets / (liabilities)</b>	<b>(10.93)</b>

### (b) Sensitivity analysis

The sensitivity of profit or loss to changes in exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	(₹ in million)	
	Impact on profit or (loss) before tax	
	As at 31 March 2023	As at 31 March 2022
USD Sensitivity		
₹/USD - Increase by 1%	-2.01	(8.29)
₹/USD - Decrease by 1%	2.01	8.29

# Notes

to the standalone financial statements for the year ended 31 March 2023

## (c) Cash flow and fair value interest rate risk

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

### (i) Interest rate risk exposure

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	(₹ in million)			
		As at 31 March 2023		As at 31 March 2022	
		Amount Hedged (in USD million)	Fair Value (INR million)	Amount Hedged (in USD million)	Fair Value (INR million)
Interest Rate Swap	1	25.00	20.42	25.00	(17.04)

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, 2023, 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.

Particulars	(₹ in million)	
	As at 31 March 2023	As at 31 March 2022
Borrowings	4,696.79	2,874.86
<b>Total borrowings</b>	<b>4,696.79</b>	<b>2,874.86</b>

### (ii) Sensitivity

Particulars	(₹ in million)	
	Impact on profit or (loss) before tax	
	As at 31 March 2023	As at 31 March 2022
Sensitivity		
1% increase in MCLR rate	46.97	28.75
1% decrease in MCLR rate	(46.97)	(28.75)

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 31 March 2023

## 44 Financial ratios

Ratio/Measure	Methodology	As at 31 March 2023	As at 31 March 2022	Variance (%)
a) Current Ratio	Current assets over current liabilities	0.86	0.78	10.13%
b) Debt-Equity Ratio	Debt over total shareholders equity	0.37	0.31	18.51%
c) Debt Service Coverage Ratio	Earning available for debt service over debt service	0.78	0.70	11.08%
d) Return on Equity Ratio	PAT over total average equity	19.72%	11.54%	8.18%
e) Inventory turnover ratio	COGS over average Inventory	23.30	25.36	-8.13%
f) Trade Receivables turnover ratio	Credit revenue from operations over average trade receivables	4.94	4.38	12.89%
g) Trade payables turnover ratio	Total purchases over average trade payables	1.96	2.11	-7.09%
h) Net capital turnover ratio <sup>7</sup>	Revenue from operations over working capital	(32.79)	(21.21)	54.58%
i) Net profit ratio <sup>7</sup>	Net Profit over revenue from operations	8.97%	5.54%	3.43%
j) Return on Capital employed <sup>7</sup>	EBIT over capital employed	27.12%	19.59%	7.53%
k) Return on investment	Income generated from investments over average quoted investment	-	-	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%:

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

45 During the year ended 31 March 2023, the Company had provided guarantee amounting to USD 79 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 79 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 79 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 2023 is USD 23.08 million (previous year USD 17.32 Million).

46 a) The Company incorporated a wholly owned subsidiary, Athma Healthtech Private Limited on June 2, 2022 to engage in software development, sale and support services for healthcare service providers.

b) The Company incorporated a wholly owned subsidiary, NH Integrated Care Private Limited on January 10, 2023 to carry on the business of healthcare services in the field of health and wellness management. The Company has transferred certain clinics on slump sale basis for a consideration of ₹ 99.12 million effective from close of business hours as on March 31, 2023.

# Notes

to the standalone financial statements for the year ended 31 March 2023

- c) Health City Cayman Islands Ltd. (HCCI), wholly owned subsidiary of the Company, incorporated a wholly owned subsidiary, Cayman Integrated Healthcare Limited (CIHL) on September 28, 2022 to carry on integrated healthcare services business.
- d) Health City Cayman Islands Ltd. (HCCI), wholly owned subsidiary of the Company, entered into a share purchase agreement on October 13, 2022, pursuant to which HCCI acquired 50,000 ordinary shares of ENT in Cayman Ltd. (EICL), representing the entire share capital of EICL on March 3, 2023 for a consideration of INR 432.81million (USD 5.26 Million). EICL is a Cayman Islands resident company providing complete diagnosis and treatment of ear, nose, and throat conditions."

## 47 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 for indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate beneficiaries) or
  - (b) Provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries
- (v) The company doesn't have any transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year
- (vi) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

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: 19 May 2023

for and on behalf of the Board of Directors of  
**Narayana Hrudayalaya Limited**

**Dr. Emmanuel Rupert**  
Managing Director  
DIN: 07010883

**Sandhya Jayaraman**  
Chief Financial Officer

Place: Bengaluru  
Date: 19 May 2023

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

**Sridhar S**  
Company Secretary

Place: Bengaluru  
Date: 19 May 2023

# 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 the Group's share of loss in its associates, which comprise the Consolidated Balance Sheet as at March 31, 2023, and 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 (hereinafter referred to as "the consolidated financial statements") herein .

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, 2023, and their consolidated profit, their consolidated total comprehensive income, 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 (SAs) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the 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 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 the 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 Matter	Auditor's Response
<p><b>1. Impairment of Assets of Cash Generating Unit</b></p> <p>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 on account of its accumulated losses.</p> <p>Basis this evaluation, no further impairment loss has been recorded in the consolidated financial statements resulting in the net carrying value of the Assets relating to the CGU being Rs. 733 Million. as at March 31, 2023 (refer note 4 to the consolidated financial statements).</p>	<p><b>Principal audit procedures performed</b></p> <p>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.</p> <p>b. Obtained the business projections of the CGU and performed the following procedures:</p> <ul style="list-style-type: none"> <li>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.</li> <li>Compared the actual revenues and cash flows generated by the CGU during the year with the plan and estimates considered in the previous year.</li> </ul>



Key Audit Matter	Auditor's Response
<p>Impairment of investment has been identified as a key audit matter due to:</p> <ul style="list-style-type: none"> <li>The significance of the carrying value of the assets being assessed; and</li> <li>The assessment of the carrying value of the Assets involves assumptions and exercising significant judgements in estimating the recoverable value of the CGU. Any adverse changes to these assumptions could result in lower recoverable value than the carrying amount.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>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 and also considering the historical accuracy of the Company's estimates in the prior periods, and comparison of the assumptions with observable market data wherever available.</li> <li>Involved our valuation specialists to review key assumptions considered in the future cash projections such as discount rate etc.</li> </ul>
<p><b>2. Accounting for Business Combination</b></p>	<p><b>Principal Audit procedures performed</b></p>
<p>During the year, the Parent Company has entered into a business transfer agreement with Shiva and Shiva Orthopaedic Hospital Private Limited to acquire its Orthopaedic and Trauma Centre for a consideration of Rs.2000 Million. (Refer Note 45 to the Consolidated financial statements)</p> <p>Accounting for this acquisition involved judgement relating to:</p> <ul style="list-style-type: none"> <li>Identification and measurement of the fair value of the identifiable assets (tangible and intangible) acquired and liabilities assumed.</li> <li>Allocation of the consideration between identifiable assets and liabilities and goodwill.</li> <li>Determination of the discount rate, revenue growth rate and projected margins to develop the fair value of the intangible assets</li> </ul> <p>This was a significant acquisition for the Parent Company and given the level of estimation and judgement required, we considered it to be a key audit matter.</p>	<ul style="list-style-type: none"> <li>Assessed the appropriateness of accounting policy for acquisition of business as per relevant accounting standards.</li> <li>Read relevant clauses of the business transfer agreement and assessed the Parent Company's conclusion as regard business combination accounting in accordance with Ind AS 103 and its impact on the consolidated financial statements.</li> <li>Obtained an understanding of management's process and tested the Design, Implementation and Operating effectiveness of controls over Purchase Price Allocation (PPA) performed by the management in consultation with external fair valuation specialist (Management expert) and internal controls relating to accounting for the business combination.</li> <li>Assessed the competence, capabilities and objectivity of the management expert engaged by the Parent Company and obtained understanding of the work of the management experts by reviewing the valuation reports.</li> <li>Involved our valuation specialists to review key assumptions considered in the valuation of intangible assets such as expected contributory margins, discount rate, growth rate and tested mathematical accuracy of the calculations used in the PPA.</li> <li>Evaluated the appropriateness of the accounting and disclosures in the consolidated financial statements in accordance with relevant accounting standards.</li> </ul>

### 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, Director's 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.

### **Responsibilities of Management and Those Charged with Governance 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 and 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 Management 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 and of its associates.

### **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 with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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, 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 in 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 five subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets of Rs. 128.03 Million as at March 31, 2023, total revenues of Rs. 46.37 Million and net cash inflows amounting to Rs. 2.73 Million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs. 1.92 Million for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of two associates, whose financial statements have not been audited by us.

These financial statements have been audited by other auditors whose reports have been furnished to us by the Management 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 matters 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 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 as on March 31, 2023 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 Group companies incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements 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 with reference to consolidated financial statements 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 and based on the auditor's reports of subsidiary companies incorporated in India, the remuneration paid by the Parent and such subsidiary companies to their respective 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 associates - Refer Note 30 to the consolidated financial statements;
  - ii) The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - 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 and the other auditors of such subsidiary, to the best of their knowledge and belief, other than as disclosed in the note 52 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the 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 and to the other auditors of such subsidiaries, respectively that, to the best of their knowledge and belief, other than as disclosed in the note 52 to the consolidated financial statements, no funds have been received by the Parent or any of such subsidiaries from any persons or entities, 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 and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's 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 misstatement.
  - v) The final dividend proposed in the previous year, declared and paid by the Parent Company, whose financial statements have been audited under the Act, where applicable, during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 15(b) to the consolidated financial statements, the Board of Directors of the Parent Company whose financial statements have been audited under the Act, where applicable, have proposed final dividend for the year which is subject to the approval of the members of the Parent and such subsidiaries at the ensuing respective Annual

General Meetings. Such 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.

- vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. April 1, 2023 to the Parent and its subsidiaries, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. 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 and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

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

**Monisha Parikh**

Partner

(Membership No. 47840)

UDIN:- 23047840BGUCKU8342

Place:-Bengaluru

Date :- May 19, 2023

MP/EKP/SM/BA/2023

# Annexure “A”

To The Independent Auditor’s Report

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

## Report on the Internal Financial Controls with reference to consolidated financial statements 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, 2023, we have audited the internal financial controls with reference to consolidated financial statements 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, its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements 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 (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 internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate

internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and associate companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary companies, which are companies incorporated in India.

### Meaning of Internal Financial Controls with reference to consolidated financial statements

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

### **Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements**

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

### **Opinion**

In our opinion to the best of our information and according to the explanations given to us, the Parent, its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to consolidated

financial statements 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.

### **Other Matter**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to these consolidated financial statements in so far as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Monisha Parikh**

Partner

(Membership No. 47840)

UDIN:- 23047840BGUCKU8342

Place:-Bengaluru

Date :- May 19, 2023

MP/EKP/SM/BA/2023



# Consolidated Balance Sheet

(₹ in million)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	19,227.48	17,066.42
Capital work-in-progress	4	2,591.97	627.16
Right of use assets	5	1,306.04	1,688.69
Goodwill	4, 45 & 51	1,174.00	581.47
Intangible assets	4 & 45	1,656.43	462.22
Intangible assets under development	4	-	42.14
Investment in associates	6	-	6.47
<b>Financial assets</b>			
(i) Investments	7 (a)	5.11	5.11
(ii) Loans	8 (a)	820.00	-
(iii) Other financial assets	9 (a)	561.33	438.37
Income tax assets (net)	10	389.89	640.96
Deferred tax assets (net)	49	55.82	13.77
Other non-current assets	11 (a)	893.57	642.57
<b>Total non-current assets</b>		<b>28,681.64</b>	<b>22,215.35</b>
<b>Current assets</b>			
Inventories	12	715.71	593.76
<b>Financial assets</b>			
(i) Investments	7 (b)	2,513.46	1,312.26
(ii) Trade receivables	13	4,315.00	4,368.65
(iii) Cash and cash equivalents	14 (a)	1,547.60	1,574.95
(iv) Bank balances other than (iii) above	14 (b)	2,251.27	146.72
(v) Other financial assets	9 (b)	869.22	619.48
Other current assets	11 (b)	727.04	474.17
<b>Total current assets</b>		<b>12,939.30</b>	<b>9,089.99</b>
<b>TOTAL ASSETS</b>		<b>41,620.94</b>	<b>31,305.34</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15 (a)	2,043.61	2,043.61
Other Equity	15 (b)	19,270.21	12,842.76
<b>Equity attributable to owners of the Company</b>		<b>21,313.82</b>	<b>14,886.37</b>
Non-controlling interests	16	10.46	7.31
<b>Total equity</b>		<b>21,324.28</b>	<b>14,893.68</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	17 (a)	6,264.30	4,321.11
(ii) Lease liabilities	18 (a)	886.01	1,349.63
(iii) Other financial liabilities	19 (a)	768.27	902.94
Provisions	20 (a)	351.35	299.19
Deferred tax liabilities (net)	49	869.82	509.52
Other non-current liabilities	21 (a)	1,284.23	1,226.86
<b>Total non-current liabilities</b>		<b>10,423.98</b>	<b>8,609.25</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	17 (b)	1,358.05	1,127.49
(ii) Lease liabilities	18 (b)	333.35	436.01
(iii) Trade payables	22	-	-
(A) Total outstanding dues of micro enterprises and small enterprises		297.33	279.89
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		5,853.02	4,210.41
(iv) Other financial liabilities	19 (b)	439.13	368.41
Provisions	20 (b)	479.71	387.22
Current Tax Liabilities (Net)	49	45.94	22.71
Other current liabilities	21 (b)	1,066.15	970.27
<b>Total current liabilities</b>		<b>9,872.68</b>	<b>7,802.41</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>41,620.94</b>	<b>31,305.34</b>

Significant accounting policies

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The accompanying notes form an integral part of these 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 19, 2023

For and on behalf of the Board of Directors of  
**Narayana Hrudayalaya Limited**
**Dr. Emmanuel Rupert**  
Managing Director  
DIN: 07010883

**Sandhya Jayaraman**  
Chief Financial Officer

Place: Bengaluru  
Date: May 19, 2023

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

**Sridhar S**  
Company Secretary

Place: Bengaluru  
Date: May 19, 2023

# Consolidated Statement of Profit and Loss

(₹ in million)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>INCOME</b>			
Revenue from operations	23	45,247.65	37,013.17
Other income	24	654.45	345.59
<b>Total income (A)</b>		<b>45,902.10</b>	<b>37,358.76</b>
<b>EXPENSES</b>			
Purchase of medical consumables, drugs and surgical instruments		10,122.70	9,207.24
Changes in inventories of medical consumables, drugs and surgical instruments - (increase) / decrease	25	(110.94)	(115.37)
Employee benefits expense	26	8,792.01	7,684.71
Professional fees to doctors		7,808.94	6,602.49
Other expenses	27	8,976.70	7,098.86
<b>Expenses before finance costs, depreciation and amortisation and exceptional items (B)</b>		<b>35,589.41</b>	<b>30,477.93</b>
<b>Earnings before finance cost, depreciation and amortisation, exceptional items and tax (A-B)</b>		<b>10,312.69</b>	<b>6,880.83</b>
Finance costs (C)	28	694.60	662.95
Depreciation and amortisation expense (D)	29	2,100.40	1,834.84
<b>Total expense (E) = (B+C+D)</b>		<b>38,384.41</b>	<b>32,975.72</b>
<b>Profit before exceptional items and tax (F) = (A-E)</b>		<b>7,517.69</b>	<b>4,383.04</b>
Exceptional item (G)		-	-
<b>Profit before share of loss of equity accounted investees and income tax (H) = (F+G)</b>		<b>7,517.69</b>	<b>4,383.04</b>
<b>Share of loss of equity accounted investees (I)</b>		<b>(1.92)</b>	<b>(85.26)</b>
<b>Profit before tax (J) = (H+I)</b>		<b>7,515.77</b>	<b>4,297.78</b>
<b>Tax expense:</b>			
Current Tax	48		
Current year		1,404.79	500.41
Deferred tax charge / (credit)		45.32	376.17
<b>Total tax expense (K)</b>		<b>1,450.11</b>	<b>876.58</b>
<b>Net Profit for the year (L) = (J-K)</b>		<b>6,065.66</b>	<b>3,421.20</b>
<b>Other comprehensive income (OCI)</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Re-measurement of defined benefit plans		(60.96)	(41.28)
Income tax effect		20.46	12.48
<b>Items that will be reclassified subsequently to profit or loss</b>			
Effective portion of gains or (losses) in cash flow hedge, net		55.07	136.95
Effective portion of gains/ (losses) of net investment hedge in a foreign operations		(77.44)	(32.57)
Exchange differences in translating the financial statements of a foreign operations		638.84	205.84
Income tax relating to above items		(9.21)	(19.90)
<b>Other comprehensive income for the year, net of tax (M)</b>		<b>566.76</b>	<b>261.52</b>
<b>Total comprehensive income for the year (N) = (L+M)</b>		<b>6,632.42</b>	<b>3,682.72</b>
<b>Profit attributable to:</b>			
Owners of the Company		6,062.48	3,419.31
Non-controlling interests		3.18	1.89
<b>Net profit / (loss) for the year</b>		<b>6,065.66</b>	<b>3,421.20</b>
<b>Other comprehensive income attributable to:</b>			
Owners of the Company		566.79	261.54
Non-controlling interests		(0.03)	(0.02)
<b>Other comprehensive income for the year</b>		<b>566.76</b>	<b>261.52</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		6,629.27	3,680.85
Non-controlling interests		3.15	1.87
<b>Total comprehensive income for the year</b>		<b>6,632.42</b>	<b>3,682.72</b>
<b>Earnings/ (loss) per share</b>	42		
Basic (₹)		29.85	16.85
Diluted (₹)		29.85	16.84

Significant accounting policies

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

As per our report of even date attached

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

**Monisha Parikh**

Partner

For and on behalf of the Board of Directors of  
**Narayana Hrudayalaya Limited****Dr. Emmanuel Rupert**Managing Director  
DIN: 07010883**Sandhya Jayaraman**

Chief Financial Officer

**Dr. Devi Prasad Shetty**Chairman  
DIN: 00252187**Sridhar S**

Company Secretary

Place: Bengaluru

Date: May 19, 2023

Place: Bengaluru

Date: May 19, 2023

Place: Bengaluru

Date: May 19, 2023

# Consolidated Statement of changes in equity

For the year ended March 31, 2023

(a) Equity share capital	Particulars	
	No. of Shares	Amount
Equity shares of ₹ 10 each issued, subscribed and fully paid up		
<b>Balance as at 1 April 2021</b>	<b>20,43,60,804</b>	<b>2,043.61</b>
Changes in equity share capital during 2021-22 (refer note 15 (a))	-	-
<b>Balance as at March 31, 2022</b>	<b>20,43,60,804</b>	<b>2,043.61</b>
Changes in equity share capital during 2022-23 (refer note 15 (a))	-	-
<b>Balance as at March 31, 2023</b>	<b>20,43,60,804</b>	<b>2,043.61</b>

(₹ in million except no. of shares)

(b) Other equity	Particulars										Total	Non-controlling interests	Total other equity
	Capital reserve	Securities premium	Treasury shares	Reserves and Surplus	Share options outstanding (refer note 41)	General reserve	Retained earnings	Foreign currency translation reserve	Items of OCI	Effective portion of cash flow hedge reserve & Net investment in foreign operations			
<b>Balance as at April 1, 2021</b>	<b>16.62</b>	<b>5,025.63</b>	<b>(14.22)</b>	<b>37.38</b>	<b>250.00</b>	<b>3,710.90</b>	<b>486.05</b>	<b>(27.45)</b>	<b>(325.74)</b>	<b>9,159.17</b>	<b>5.44</b>	<b>9,164.61</b>	
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	
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,419.31</b>	<b>205.84</b>	<b>(28.78)</b>	<b>84.48</b>	<b>3,680.85</b>	<b>1.87</b>	<b>3,682.72</b>	
<b>Transactions recorded directly in equity</b>													
Exercise of share options	-	8.22	0.17	(8.22)	-	-	-	-	-	0.17	-	0.17	
Share-based payment expense	-	-	-	2.57	-	-	-	-	-	2.57	-	2.57	
<b>Balance as at March 31, 2022</b>	<b>16.62</b>	<b>5,033.85</b>	<b>(14.05)</b>	<b>31.73</b>	<b>250.00</b>	<b>7,130.21</b>	<b>691.89</b>	<b>(56.23)</b>	<b>(241.26)</b>	<b>12,842.76</b>	<b>7.31</b>	<b>12,850.07</b>	
Profit for the year	-	-	-	-	-	6,062.48	-	-	-	6,062.48	3.18	6,065.66	
Other comprehensive income, net of tax	-	-	-	-	-	-	638.84	(40.47)	(31.58)	566.79	(0.03)	566.76	
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,062.48</b>	<b>638.84</b>	<b>(40.47)</b>	<b>(31.58)</b>	<b>6,629.27</b>	<b>3.15</b>	<b>6,632.42</b>	
<b>Transactions recorded directly in equity</b>													
Exercise of share options	-	23.90	1.14	(23.90)	-	-	-	-	-	1.14	-	1.14	
Share-based payment expense	-	-	-	-	-	(202.96)	-	-	-	(202.96)	-	(202.96)	
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Balance as at March 31, 2023</b>	<b>16.62</b>	<b>5,057.75</b>	<b>(12.91)</b>	<b>7.83</b>	<b>250.00</b>	<b>12,989.73</b>	<b>1,330.73</b>	<b>(96.70)</b>	<b>(272.84)</b>	<b>19,270.21</b>	<b>10.46</b>	<b>19,280.67</b>	

The accompanying notes form an integral part of these consolidated financial statements. As per our report of even date attached

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

**Monisha Parikh**  
Partner

For and on behalf of the Board of Directors of  
**Narayana Hrudayalaya Limited**

**Dr. Emmanuel Rupert**  
Managing Director  
DIN: 07010883

**Sandhya Jayaraman**  
Chief Financial Officer

Place: Bengaluru  
Date: May 19, 2023

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

**Sridhar S**  
Company Secretary

Place: Bengaluru  
Date: May 19, 2023

# Consolidated Statement of Cash Flows

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Cash flow from operating activities</b>		
Profit after tax	6,065.66	3,421.20
<b>Adjustments :</b>		
Income tax expense	1,450.11	876.58
Depreciation and amortisation expense	2,100.40	1,834.84
Interest income	(100.48)	(20.45)
Interest income from financial asset at amortised cost	(51.25)	(58.25)
Liabilities / Provision no longer required written back	(9.96)	(90.82)
Provision for loss allowance	256.37	112.32
Bad receivables written off	4.47	68.29
Net loss from financial asset at amortized cost	-	57.73
Gain on derecognition of financial liability	(158.57)	-
Property usage right	10.63	10.43
Finance costs	694.60	662.95
Share based payment to employees (refer note 41)	-	2.57
Grant income	(77.68)	(69.52)
Loss on sale/disposal of Property, plant and equipment	66.24	30.79
Profit on sale of investment	5.15	(0.27)
Unrealised foreign exchange loss, net	392.32	111.87
Share of loss of equity accounted investees	1.92	85.26
<b>Operating cash flow before working capital changes</b>	<b>10,649.93</b>	<b>7,035.52</b>
Changes in trade receivables	(137.77)	(1,764.07)
Changes in inventories	(116.98)	(115.37)
Changes in loans, other financial assets and other assets	(84.37)	(194.35)
Changes in trade payables, other financial liabilities and other liabilities	1,293.58	449.70
Changes in provision	98.76	106.43
<b>Cash generated from operations</b>	<b>11,703.15</b>	<b>5,517.86</b>
Income taxes (paid) / refund received (net)	(857.56)	(667.69)
<b>Net cash generated from operating activities (A)</b>	<b>10,845.59</b>	<b>4,850.17</b>
<b>Cash flow from investing activities</b>		
Acquisition of Property, plant and equipment (including capital work-in-progress, Intangible assets and Intangible assets under development)	(5,220.43)	(2,506.83)
Proceeds from sale of property, plant and equipment	9.38	4.94
Investment in Optionally Convertible Debentures	(800.00)	(5.08)
Payment made towards acquisition of Shiva and Shiva Orthopaedic Hospital	(2,000.00)	-
Investment for acquisition of subsidiary	(432.82)	-
Purchase of mutual fund	(3,100.79)	(569.89)
Proceeds from sale of mutual fund	1,894.44	300.26
Buy-back of equity shares of an associate	-	31.54
Investment in bank deposit	(2,926.85)	(123.60)
Proceeds from bank deposits	760.00	186.73
Interest received	76.06	12.79
<b>Net cash used in investing activities (B)</b>	<b>(11,741.01)</b>	<b>(2,669.14)</b>
<b>Cash flow from financing activities</b>		
Proceeds from long-term borrowings	2767.68	666.95
Repayment of long-term borrowings	(683.36)	(1,346.15)
Dividend paid	(202.96)	-
Proceeds from exercise of share options	1.14	0.17

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest and other borrowing costs	(433.10)	(361.81)
Payment of lease liabilities (refer note 31)	(571.99)	(548.64)
<b>Net cash from / (used in) financing activities (C)</b>	<b>877.41</b>	<b>(1,589.48)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(18.01)</b>	<b>591.55</b>
Cash and cash equivalents at the beginning of the year (refer note 14)*	1,485.28	895.07
Effects of exchange gain on restatement of foreign currency cash and cash equivalents	(21.33)	(1.34)
<b>Cash and cash equivalents at the end of the year (refer note 14)</b>	<b>1,445.94</b>	<b>1,485.28</b>

Significant accounting policies

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\* 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, 2023**

(₹ in million)

Particulars	As at April 1, 2022	Proceeds	Repayment	Non cash changes		As at March 31, 2023
				Fair value/ other changes	Foreign exchange	
Long-term borrowings (including current maturities)	5,358.93	2,767.68	(683.36)	-	77.44	7,520.69
Lease liabilities	1,785.64	-	(571.99)	5.71	-	1,219.36
<b>Total liabilities from financing activities</b>	<b>7,144.57</b>	<b>2,767.68</b>	<b>(1,255.35)</b>	<b>5.71</b>	<b>77.44</b>	<b>8,740.05</b>

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

(₹ in million)

Particulars	As at 1 April 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	(1,346.15)	-	72.46	5,358.93
Lease liabilities	2,078.51	-	(548.64)	255.77	-	1,785.64
<b>Total liabilities from financing activities</b>	<b>8,044.18</b>	<b>666.95</b>	<b>(1,894.79)</b>	<b>255.77</b>	<b>72.46</b>	<b>7,144.57</b>

The accompanying notes form an integral part of these 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 19, 2023

For and on behalf of the Board of Directors of  
**Narayana Hrudayalaya Limited**

**Dr. Emmanuel Rupert**  
Managing Director  
DIN: 07010883

**Sandhya Jayaraman**  
Chief Financial Officer

Place: Bengaluru  
Date: May 19, 2023

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

**Sridhar S**  
Company Secretary

Place: Bengaluru  
Date: May 19, 2023

# Notes

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

## 1. Group overview

Narayana Hrudayalaya Limited ('the Company' or 'the Holding company') together with its subsidiaries (collectively referred to as 'Narayana Hrudayalaya Group' or 'the Group') and associates 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 19, 2023.

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.

### Judgments

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 30 – Assessment of contingent liabilities and commitments;
- Note 31 – leases and lease classification;
- Note 35 – consolidation: whether the Group has control over an investee;
- Note 48 – Provision for taxes;
- Note 50 – financial instruments and
- Note 41 – 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, 2023, is included in the following notes:

- Note 49 – recognition of deferred tax assets
- Note 32 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 30 – 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.

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

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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 50 – financial instruments
- Note 41 – share-based payments

## 3. Significant accounting policies

### 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 (Refer note.35).

#### 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 measured (initial recognition method) at their transaction price 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.

#### 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:



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

- 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).

A prepayment feature is consistent with the sole 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

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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 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.

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

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 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:

<b>Block of assets</b>	<b>Useful life</b>
Building	40-60 years
Electrical installation	10 years
Medical equipment	13 years

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Block of assets	Useful life
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

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their fair value at the acquisition date, except that.

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 and Ind AS 19 respectively.
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share based

payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 at the acquisition date (see below); and

- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any noncontrolling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess, after reassessment, is recognised in capital reserve through other comprehensive income or directly depending on whether there exists clear evidence of the underlying reason for classifying the business combination.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of financial instrument is classified as equity, then its not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is re-measured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss.

Goodwill

Goodwill is recognized and measured as set out above.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to other assets of the unit pro-rata on the basis of carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in determination of the profit or loss on disposal.

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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	5-10 years
Non-Compete and Non-Solicit	5 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- Internally generated	10 years

## 3.10. Government grants

Grants from the Government are recognized when there is reasonable assurance that:

- the Group will comply with the conditions attached to them; and
- 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

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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 termination of employment. Since the employee has unconditional right to avail the leave, the benefit is classified as a short-term employee benefit. The 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



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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.

### 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 it relates to an item recognized directly in equity or in other comprehensive income.

#### *Current income tax*

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

In preparing the financial statements of the Group entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.



# Notes

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

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on transactions entered into to hedge certain foreign currency risks and
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. 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 date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve.

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.

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.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

## 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).

# Notes

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

## *Presentation of allowance for expected credit losses in the balance sheet*

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

## *Write-off*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the 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.

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.

# Notes

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

## 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. Standards Issued but Not Effective

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into

amendments in the following existing accounting standards which are applicable to the Company from April 1, 2023.

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

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

## Notes

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

## 4 (i) Property, plant and equipment and capital work-in-progress, Intangible assets and Intangible assets under development

Particulars	Gross block			Accumulated depreciation / amortisation			Net block	
	As at April 1, 2022	Additions	Translation adjustments	Deletions	As at April 1, 2022	Deletions	As at Mar 31, 2023	As at Mar 31, 2022
<b>Tangible assets (owned)</b>								
Freehold land (a) (b) (e)	965.39	825.56	14.42	-	-	-	1,805.37	965.39
Building	390.00	-	-	-	167.92	6.59	174.51	222.08
Building	2,969.24	-	228.19	-	251.61	67.29	318.90	2,717.63
Electrical installation	1,060.25	100.35	6.97	29.58	788.16	67.03	835.02	272.09
Medical equipments	9,498.62	1,495.94	52.62	246.70	4,635.33	725.03	5,175.34	4,863.29
Office equipments	321.96	45.85	4.52	7.47	214.83	35.73	244.18	107.13
Other equipment including air conditioners	2,245.86	275.68	13.45	96.61	1,082.76	152.21	1,171.61	1,163.10
Furniture and fixtures	1,134.64	102.79	5.60	47.99	782.54	87.29	834.98	352.10
Computers	564.80	155.27	3.25	56.38	423.64	97.86	466.78	141.16
Vehicles	46.76	11.72	0.25	-	35.99	5.24	41.23	10.77
<b>Tangible assets (others):</b>								
Leasehold improvements	353.58	73.88	5.00	43.13	147.42	33.11	156.12	206.16
Leasehold land for perpetuity (d)	1,721.92	-	-	-	1.35	-	1.35	1,720.57
Building (c)	3,215.18	278.00	-	-	332.06	57.34	389.40	2,883.12
Building (c)	816.77	-	-	42.65	340.39	37.71	349.47	476.38
Building (c)	357.89	5.72	-	0.11	104.20	13.37	117.57	253.69
Building (c)	1,017.32	20.69	-	-	305.56	25.78	331.34	711.76
<b>Total tangible assets (A)</b>	<b>26,680.18</b>	<b>3,391.45</b>	<b>334.27</b>	<b>570.62</b>	<b>9,613.76</b>	<b>1,411.58</b>	<b>10,607.80</b>	<b>17,066.42</b>
<b>Capital work-in-progress (B)</b>	<b>627.16</b>	<b>2,638.81</b>	<b>33.03</b>	<b>707.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>627.16</b>
<b>Goodwill (C)</b>	<b>660.47</b>	<b>592.53</b>	<b>-</b>	<b>-</b>	<b>79.00</b>	<b>-</b>	<b>79.00</b>	<b>581.47</b>
<b>Intangible assets</b>								
Computer software - Acquired	316.66	6.33	0.10	5.45	305.69	8.23	309.72	10.97
Computer software - Internally generated	256.19	42.14	-	-	61.14	26.18	87.32	195.05
Third party contracts	209.11	-	1.97	-	176.39	34.69	211.08	32.72
Electronic medical records	23.93	-	0.21	-	20.17	3.97	24.14	3.76
Customer relationship	463.70	236.40	-	-	243.98	67.59	311.57	219.72
Non Compete and Non Solicit	-	1,165.52	-	-	-	116.55	116.55	-
<b>Total intangible assets (D)</b>	<b>1,269.59</b>	<b>1,450.39</b>	<b>2.28</b>	<b>5.45</b>	<b>807.37</b>	<b>257.21</b>	<b>1,060.38</b>	<b>462.22</b>
<b>Intangible assets under development (E)</b>	<b>42.14</b>	<b>-</b>	<b>-</b>	<b>42.14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42.14</b>
<b>Grand total (A+B+C+D+E)</b>	<b>29,279.54</b>	<b>8,073.18</b>	<b>369.58</b>	<b>1,325.24</b>	<b>10,500.13</b>	<b>1,668.79</b>	<b>11,747.18</b>	<b>18,779.41</b>

(₹ in million)

# Notes

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

## 4 (ii) 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 April 1, 2021	Additions	Translation adjustments	Deletions	As at April 1, 2021	Depreciation/ Amortisation	Deletions	As at Mar 31, 2022	As at Mar 31, 2021
<b>Tangible assets (owned)</b>									
Freehold land (a) (b) (e)	743.74	216.47	5.18	-	965.39	-	-	965.39	743.74
Building	390.00	-	-	-	390.00	6.59	-	167.92	222.08
Building	2,885.89	-	83.35	-	2,969.24	61.72	-	251.61	2,717.63
Electrical installation	1,034.09	29.48	2.83	6.15	1,060.25	66.87	5.65	788.16	272.09
Medical equipments	8,784.08	911.64	19.06	216.16	9,498.62	670.68	173.19	4,635.33	4,863.29
Office equipments	323.40	31.86	1.56	34.86	321.96	35.37	34.54	214.83	107.13
Other equipment including air conditioners	2,133.64	119.66	5.15	12.59	2,245.86	141.69	7.97	1,082.76	1,163.10
Furniture and fixtures	1,091.18	54.87	2.12	13.53	1,134.64	85.01	9.90	782.54	352.10
Computers	442.30	144.39	0.12	22.01	564.80	61.70	21.57	423.64	141.16
Vehicles	44.22	4.54	0.05	2.05	46.76	5.51	2.05	35.99	10.77
<b>Tangible assets (others):</b>									
Leasehold improvements	280.59	90.94	0.71	18.66	369.58	26.95	16.08	147.42	206.16
Leasehold land for perpetuity (d)	1,721.92	-	-	-	1,721.92	-	-	1.35	1,720.57
Building (c)	2,973.59	241.59	-	-	3,215.18	47.08	-	332.06	2,883.12
Building (c)	831.82	0.02	-	15.07	816.77	39.01	8.26	340.39	476.38
Building (c)	346.82	11.19	-	0.12	357.89	13.30	0.00	104.20	253.69
Building (c)	1,016.81	0.51	-	-	1,017.32	25.44	-	305.56	711.76
<b>Total tangible assets (A)</b>	<b>25,044.09</b>	<b>1,857.16</b>	<b>120.13</b>	<b>341.20</b>	<b>26,680.18</b>	<b>1,286.92</b>	<b>279.21</b>	<b>9,613.76</b>	<b>17,066.42</b>
<b>Capital work-in-progress (B)</b>	<b>182.63</b>	<b>1,256.67</b>	<b>1.51</b>	<b>813.65</b>	<b>627.16</b>	<b>-</b>	<b>-</b>	<b>627.16</b>	<b>182.63</b>
<b>Goodwill (C)</b>	<b>660.47</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>660.47</b>	<b>-</b>	<b>-</b>	<b>79.00</b>	<b>581.47</b>
<b>Intangible assets</b>									
Computer software - Acquired	323.82	5.47	0.02	12.65	316.66	14.34	11.86	305.69	10.97
Computer software - Internally generated	256.19	-	-	-	256.19	25.63	-	61.14	195.05
Third party contracts	207.54	-	1.57	-	209.11	42.99	-	176.39	32.72
Electronic medical records	23.75	-	0.18	-	23.93	4.92	-	20.17	3.76
Customer relationship	463.70	-	-	-	463.70	43.95	-	243.98	219.72
<b>Total intangible assets (D)</b>	<b>1,275.00</b>	<b>5.47</b>	<b>1.77</b>	<b>12.65</b>	<b>1,269.59</b>	<b>131.83</b>	<b>11.86</b>	<b>807.37</b>	<b>587.60</b>
<b>Intangible assets under development (E)</b>	<b>16.50</b>	<b>25.64</b>	<b>-</b>	<b>-</b>	<b>42.14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16.50</b>
<b>Grand total (A+B+C+D+E)</b>	<b>27,178.69</b>	<b>3,144.94</b>	<b>123.41</b>	<b>1,167.50</b>	<b>29,279.54</b>	<b>1,418.75</b>	<b>291.07</b>	<b>10,500.13</b>	<b>17,806.24</b>

## 4 (iii) 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	
<b>Projects in Progress</b>				
<b>As at March 31, 2023</b>				
As at March 31, 2022	2,093.67	491.35	2.40	4.55
	643.12	21.63	1.55	3.00
				<b>2,591.97</b>
				<b>669.30</b>

As on the date of the 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.

# Notes

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

## 4 (iv) Goodwill

Goodwill from business acquisition has been allocated to Cash Generating Units (CGU) as given below :

(₹ in million)

Particulars	As at March 31, 2023
Orthopaedic and Trauma Hospital (refer note 45)	220.59
<b>Total</b>	<b>220.59</b>

- (i) The carrying value of Goodwill relates to the acquisition of Orthopaedic and Trauma Hospital during the year (refer note 45). The recoverable amount of the underlying CGU, i.e., Orthopaedic and Trauma Hospital, is based on its value in use, estimated on present value of the projected future cash flows. Following key assumptions were considered in performing impairment assessment:

Key assumptions	As at March 31, 2023
Annual growth rate	12.00%
Discount rate	15.55%

The values assigned to the key assumptions given in the table above represent management's assessment of future trends and based on historical data from both external and internal sources. Discount rate reflects the current market assessment of the risks specific to a Cash Generating Unit (CGU) or group of CGUs. The discount rate is estimated based on the capital asset pricing method for the CGU. The cash flow projections included specific estimates developed using internal forecasts. The planning horizon reflects the assumptions for short-to-midterm market developments. The Company believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to materially exceed the aggregate recoverable amount of the cash generating unit.

## 4 (v) Notes

- (a) 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, 2023.
- (b) 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 October 31, 2021.
- (c) Represents the cost of construction of building on land obtained on lease at Kolkata, Ahmedabad, Jaipur and Jamshedpur.
- (d) 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 (Refer note.39& 40).
- (e) During the year 2022-23, the Company has purchased a land measuring 1.0347 Hectares in Survey No. 323/2, 323/6 (Old Sy. No. 323/3), 324, 323/4( Old Sy. No. 323/2), 326/3, 326/4, 326/5, 326/6 and 326/8 at the said district as per the sale deed executed on 8 September 2022.
- (f) As at 31 March 2023, property, plant and equipments with a carrying amount of ₹ 7573.39 million (previous year: ₹ 6025.87 million) are subject to first charge to secure bank loans.
- (g) 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 March 31, 2023

## 5 Right of use assets

Category of ROU asset	Gross block			Accumulated depreciation / amortisation			Net block	
	As at April 1, 2022	Additions	Deletions	As at April 1, 2022	Depreciation	Deletions/ Adjustment	As at Mar 31, 2023	As at Mar 31, 2022
Land	236.64	-	-	28.99	4.12	-	203.53	207.65
Building	1,891.70	151.40	192.99	737.73	266.71	85.99	931.66	1,153.97
Equipment	753.15	4.56	-	457.90	152.83	-	146.98	295.25
Furniture	55.68	-	-	23.86	7.95	-	23.87	31.82
<b>Grand total</b>	<b>2,937.17</b>	<b>155.96</b>	<b>192.99</b>	<b>1,248.48</b>	<b>431.61</b>	<b>85.99</b>	<b>1,306.04</b>	<b>1,688.69</b>

Category of ROU asset	Gross block			Accumulated depreciation / amortisation			Net block	
	As at April 1, 2021	Additions	Deletions	As at April 1, 2021	Depreciation	Deletions/ Adjustment	As at Mar 31, 2022	As at Mar 31, 2021
Land	236.64	-	-	24.81	4.18	-	207.65	211.83
Building	1,799.92	109.91	18.13	496.97	251.58	10.82	1,153.97	1,302.95
Equipment	753.15	-	-	305.53	152.37	-	295.25	447.62
Furniture	55.68	-	-	15.90	7.96	-	31.82	39.78
<b>Grand total</b>	<b>2,845.39</b>	<b>109.91</b>	<b>18.13</b>	<b>843.21</b>	<b>416.09</b>	<b>10.82</b>	<b>1,248.48</b>	<b>2,002.18</b>

Refer note 31 for disclosures related to ROU assets and liabilities



# Notes

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

## 6 Investment in associates

Particulars	(₹ in million)	
	As at March 31, 2023	As at March 31, 2022
<b>Unquoted equity instruments</b>		
<b>Others - Trade investment</b>		
ISO Healthcare	8.27	12.80
[1 equity shares (previous year: 226 equity shares) of \$ 1 each fully paid up along with a share premium of \$ 999 per share]		
Share of loss of equity accounted investees	(8.27)	(6.33)
	-	<b>6.47</b>
Reya Health Inc (formerly known as Cura Technologies Inc)	10.37	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	(10.37)	(10.06)
	-	-
	-	<b>6.47</b>

## 7 Investments

Particulars	(₹ in million)	
	As at March 31, 2023	As at March 31, 2022
<b>(a) Non-current</b>		
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	5.08
(39 Series A CCCPS ₹ 5.08 million (previous year: 39)		
<b>Investment in promissory note - amortised cost</b>		
Reya Health Inc (formerly known as Cura Technologies Inc)	235.87	235.87
Add : Accrued interest on the promissory note	36.48	36.48
<b>Gross investment</b>	<b>272.35</b>	<b>272.35</b>
Less: Share of loss of equity accounted investees	(272.35)	(272.35)
<b>Total Investment in Reya Health Inc (formerly known as Cura Technologies Inc)</b>	<b>-</b>	<b>-</b>
	<b>5.11</b>	<b>5.11</b>

### (b) Current

Short term investment	Qty / No. of units	Market Rate	As at March 31, 2023	As at March 31, 2022
- In US Treasury Bills (Previous Year : Nil)	2,59,10,000	0.99	2,106.40	-
- In US Govt Bonds (Previous Year : 7,00,000)	-	-	-	52.35
- In Municipal Bonds (Previous Year : 3,75,000)	-	-	-	28.46
- In Corporate Bonds (Previous Year : 1,21,25,000)	2,00,000	1.00	16.44	921.58
<b>- In Mutual Funds</b>				
- Lord Abbett Ultra Short Bond Fund (Class Z (USD)(acc)) (Previous Year : 1,86,681)	-	-	-	149.87
- Bandhan Overnight Fund Direct Plan - Growth (Previous Year : Nil)	10,03,79,907	1.20	120.01	-
- HDFC Overnight Fund - Direct Plan - Growth Option (Previous Year : Nil)	81,302	3,328.44	270.61	-
- Sundaram Overnight Fund Direct Growth (ONDG) (Previous Year : 1,41,619)	-	-	-	160.00
			<b>2,513.46</b>	<b>1,312.26</b>

# Notes

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

## 8 Loans

(Unsecured, considered good unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
(₹ in million)		
<b>(a) Non-current</b>		
To parties other than related parties		
Investment in Optionally convertible debentures	820.00	-
	<b>820.00</b>	<b>-</b>

\*The Company has subscribed to 8 million Optionally Convertible Debentures ('OCD') of ₹100 each amounting to ₹ 800 million issued by Shiva and Shiva Orthopaedic Hospital Private Limited pursuant to the Optionally Convertible Debenture Subscription Agreement dated September 5, 2022 between the parties

## 9 Other financial assets

(Unsecured and considered good, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
(₹ in million)		
<b>(a) Non-current</b>		
<b>To parties other than related parties</b>		
Bank deposits (due to mature after 12 months from the reporting date)	62.30	13.04
Interest accrued but not due on fixed deposits	1.18	0.83
Security deposits	333.26	309.21
Interest Rate Swap	38.24	-
<b>To related parties</b>		
Security deposits	126.35	115.29
	<b>561.33</b>	<b>438.37</b>
<b>(b) Current</b>		
<b>To parties other than related parties</b>		
Interest accrued on fixed deposits but not due	17.53	9.40
Interest accrued on security deposit	5.74	5.61
Unbilled revenue	591.31	438.88
Security deposits	58.65	41.07
Others*	194.56	122.52
<b>To related parties (refer note 34 (C))</b>		
Due for reimbursement of expenses	1.43	2.00
	<b>869.22</b>	<b>619.48</b>

\* includes receivables from Dharamshila Cancer Foundation and Research Centre ₹ 193.56 million (previous year ₹ 124.14 million).

## 10 Income tax assets (net)

	As at March 31, 2023	As at March 31, 2022
(₹ in million)		
<b>Particulars</b>		
Advance income tax and tax deducted at source, net	377.53	628.60
Income-tax paid under protest	12.36	12.36
	<b>389.89</b>	<b>640.96</b>

# Notes

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

## 11 Other assets

(Unsecured and considered good, unless otherwise stated )

Particulars	(₹ in million)	
	As at March 31, 2023	As at March 31, 2022
<b>(a) Non-current</b>		
<b>To parties other than related parties</b>		
Prepaid rent	116.00	79.51
Considered doubtful	19.24	19.24
Less: provision for prepaid rent	(19.24)	(19.24)
Net Prepaid rent	116.00	79.51
Capital advances	661.73	398.44
Prepaid expenses	75.63	106.03
Property usage right	31.92	42.55
<b>To related parties (refer note 34 (C))</b>		
Prepaid rent and expense	8.29	16.04
	<b>893.57</b>	<b>642.57</b>
<b>(b) Current</b>		
<b>To parties other than related parties</b>		
Prepaid rent	16.21	13.04
Considered doubtful	0.24	0.24
Less: provision for doubtful	(0.24)	(0.24)
Net Prepaid rent	16.21	13.04
Security deposits	28.66	26.43
Less: Provision for doubtful advances	-	-
Security deposits (Net)	28.66	26.43
Prepaid expenses	251.91	259.11
Advance to vendors	379.97	149.45
Property usage right	10.60	10.60
Balances with statutory/ government authorities	0.25	-
Other loans and advances	12.62	7.47
Others*	19.83	1.10
<b>To related parties (refer note 34 (C))</b>		
Prepaid rent and expense	6.99	6.97
	<b>727.04</b>	<b>474.17</b>

\*includes ₹ 16.15 million in FY22-23 towards pre-incorporation expenses incurred for one of its subsidiary.

## 12 Inventories

(Valued at lower of cost and net realisable value)

Particulars	(₹ in million)	
	As at March 31, 2023	As at March 31, 2022
Medical consumables, drugs and surgical instruments	767.06	691.71
Goods in Transit	87.54	43.77
Less: Provision for write down to net realisable value	(138.89)	(141.72)
	<b>715.71</b>	<b>593.76</b>

# Notes

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

## 13 Trade receivables

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good	5,165.31	4,958.09
Less: Allowance for expected credit losses	(850.31)	(589.44)
<b>Net trade receivables</b>	<b>4,315.00</b>	<b>4,368.65</b>
Of the above, trade receivables from related parties are as follows:		
Trade receivables (refer note 34 (C))	0.51	0.09
Expected credit loss allowance	-	-
<b>Net trade receivable from related parties</b>	<b>0.51</b>	<b>0.09</b>

### Trade receivables ageing schedule

Particulars	Outstanding for the following period from due date of payments						Total
	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade Receivables - Considered Good</b>							
As at March 31, 2023	2,982.47	914.71	664.55	474.55	70.36	58.67	5,165.31
As at March 31, 2022	2,043.36	2,190.85	387.21	149.94	45.15	141.58	4,958.09

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, 2023

India Category	Ageing		
	Within due date	Due date to 1 year	More than 1 year
ESI/CGHS/SCHEMES	1.74%-4.03%	14.41%-33.90%	54.78%-74.60%
Others	0.35%-4.88%	11.87%-35.54%	49.24%-71.34%

### Rest of the world - Cayman Islands

Category	Ageing			
	Within due date	Due date to 1 year	Due date to 3 years	More than 3 year
Government organisation	15.34%	41.67%	41.67%	41.67%
Others	3.24%	6.57%	21.59%	43.03%

### For the year ended March 31, 2022

India Category	Ageing		
	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%

# Notes

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

Rest of the world - Cayman Islands Category	Ageing			
	Within due date	Due date to 1 year	Due date to 3 years	More than 3 year
Government organisation	10.25%	38.02%	38.02%	38.02%
Others	0.32%	5.86%	30.06%	50.50%

The Group's exposure to credit risk, currency risks and loss allowances are disclosed in note 50

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

## 14 Cash and bank balances

Particulars	(₹ in million)	
	As at March 31, 2023	As at March 31, 2022
<b>(a) Cash and cash equivalents</b>		
Cash on hand	44.74	36.76
Balance with banks		
In current accounts	1,502.86	778.19
In deposit accounts (with original maturity of 3 months or less)	-	760.00
	<b>1,547.60</b>	<b>1,574.95</b>
<b>(b) Bank balances other than above</b>		
-In deposit accounts (due to mature within 12 months of the reporting date)*	2,251.27	146.72
	<b>2,251.27</b>	<b>146.72</b>

\* 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:

Particulars	(₹ in million)	
	As at March 31, 2023	As at March 31, 2022
Cash on hand	44.74	36.76
Balance with banks		
-In current accounts	1,502.86	778.19
-In deposit accounts (with original maturity of 3 months or less)	-	760.00
	<b>1,547.60</b>	<b>1,574.95</b>
Less: Bank overdraft used for cash management purpose	(101.66)	(89.67)
<b>Cash and cash equivalents in the statement of cash flow</b>	<b>1,445.94</b>	<b>1,485.28</b>

## 15 (a) Equity share capital

Particulars	(₹ in million)	
	As at March 31, 2023	As at March 31, 2022
<b>Authorised</b>		
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
<b>Issued, subscribed and paid up</b>		
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
	<b>2,043.61</b>	<b>2,043.61</b>

# Notes

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

## (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, 2023		As at March 31, 2022	
	No of shares	Amount	No of shares	Amount
Shares outstanding at the beginning of the year	20,43,60,804	2,043.61	20,43,60,804	2,043.61
Shares issued during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>20,43,60,804</b>	<b>2,043.61</b>	<b>20,43,60,804</b>	<b>2,043.61</b>

## (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, 2023		As at March 31, 2022	
	No of shares	% holding	No of shares	% holding
Dr. Devi Prasad Shetty	2,38,28,411	11.66%	5,65,26,139	27.66%
Shakuntala Shetty	6,20,83,095	30.38%	6,20,83,095	30.38%
	<b>8,59,11,506</b>	<b>42.04%</b>	<b>11,86,09,234</b>	<b>58.04%</b>

## (iv) Shareholding of promoters:

Promoter Name	As at March 31, 2023		% Change during the year
	Number of shares	% of total shares	
Shakuntala Shetty	6,20,83,095	30.38%	-
Dr. Devi Prasad Shetty	2,38,28,411	11.66%	(16.00%)
Viren Prasad Shetty	1,02,18,040	5.00%	4.00%
Dr. Varun Shetty	1,02,18,040	5.00%	4.00%
Dr. Anesh Shetty	1,02,18,040	5.00%	4.00%
Ameya Shetty	1,02,18,040	5.00%	4.00%
Narayana Health Academy Private Limited	37,02,064	1.81%	-
	<b>13,04,85,730</b>	<b>63.85%</b>	

# Notes

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

## 15 (b) Other Equity

Particulars	(₹ in million)	
	As at March 31, 2023	As at March 31, 2022
<b>(i) Reserves and Surplus</b>		
Securities premium		
At the commencement of the year	5,033.85	5,025.63
Movement during the year	23.90	8.22
At the end of the year	<b>5,057.75</b>	<b>5,033.85</b>
Capital reserve	16.62	16.62
Treasury shares		
At the commencement of the year	(14.05)	(14.22)
Movement during the year	1.14	0.17
At the end of the year	<b>(12.91)</b>	<b>(14.05)</b>
General reserve	250.00	250.00
Share options outstanding		
At the commencement of the year	31.73	37.38
Add: Amounts recorded on grants during the year	-	2.57
Less: Shares forfeited during the year	-	-
Less: Exercised during the year	(23.90)	(8.22)
At the end of the year	<b>7.83</b>	<b>31.73</b>
Retained earnings		
At the commencement of the year	7,130.21	3,710.90
Add: Net (loss) / profit after tax transferred from statement of profit and loss	6,065.66	3,421.20
Add: Dividend received on Treasury Shares	1.40	-
Less: Share of non controlling interest	(3.18)	(1.89)
Less: Dividends paid	(204.36)	-
At the end of the year	<b>12,989.73</b>	<b>7,130.21</b>
<b>(ii) Other Comprehensive Income</b>		
Effective portion of cash flow hedge reserve & Net investment in foreign operations		
At the commencement of the year	(241.26)	(325.74)
Movement during the year	(31.58)	84.48
At the end of the year	<b>(272.84)</b>	<b>(241.26)</b>
Foreign currency translation reserve		
At the commencement of the year	691.89	486.05
Movement during the year	638.84	205.84
At the end of the year	<b>1,330.73</b>	<b>691.89</b>
Re-measurement of defined benefit plans		
At the commencement of the year	(56.23)	(27.45)
Movement during the year	(40.50)	(28.80)
Less: Share of non controlling interest	0.03	0.02
At the end of the year	<b>(96.70)</b>	<b>(56.23)</b>
	<b>19,270.21</b>	<b>12,842.76</b>



# Notes

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

## 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 41 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 ₹ 2.5 (Two rupee fifty paise) per share, for the year ended March 31, 2023, for approval of shareholders of the Company at the ensuing Annual General Meeting (AGM).

## 16 Non controlling interests

Particulars	(₹ in million)	
	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	7.31	5.44
Share of profit for the year	3.15	1.87
<b>Balance at the end of the year</b>	<b>10.46</b>	<b>7.31</b>

## 17 Borrowings

Particulars	(₹ in million)	
	As at March 31, 2023	As at March 31, 2022
<b>(a) Non-current</b>		
<b>(i) Secured</b>		
Term loans		
From banks (refer note I)	6,264.30	4,283.90
<b>(ii) Unsecured</b>		
From Others (refer note II)	-	37.21
	<b>6,264.30</b>	<b>4,321.11</b>

# Notes

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

<b>(b) Current</b>		
<b>Secured</b>		
Bank overdrafts (refer note III)	101.66	89.67
Current maturities of long-term borrowings with banks (refer note I)	1,231.39	1,012.82
Unsecured loan	25.00	25.00
	<b>1,358.05</b>	<b>1,127.49</b>

\* The Group's exposure to currency and liquidity risks related to other financial liabilities are disclosed in note no 50

## I Term loans from banks :

SI No.	Details of repayment terms, interest and maturity	Nature of security
(i)	Term loan from HSBC Bank : ₹ 81.00 million (previous year : ₹ 135.00 million ). It is repayable in 6 ( previous year 10 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 8.50% p.a. (previous year: 6.8% 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 : ₹ 152.00 million (previous year : ₹ 228.00 million ). It is repayable in 8 ( previous year 12 quarterly instalments) quarterly instalments from June 2020. Interest is charged at 8.50% p.a. (previous year: 6.8%)	
(iii)	Foreign currency loan taken from EXIM Bank : ₹ 734.08 million (\$ 8.92 million ) ( previous year: ₹ 947.59 million (\$ 12.49 million)). Repayable in 10 quarterly instalments from the reporting date (previous year: 14 quarterly instalments from 31st Dec 2018). Interest is linked to the LIBOR (6 month) + 200 base points which is 7.13%.. (previous year: LIBOR (6 month) + 175 base 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, Attibehe hobli, Anekal Taluk, Bangalore, Karnataka.
(iv)	Term loan from EXIM Bank: ₹ 1,200 million (previous year : ₹ 606.95 million). Payable in 20 (previous year 20) Quarterly equal instalments starting from 01 Dec 2024). Interest is charged at 8.14% P.a, (prevoius year: 5% 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, Attibehe hobli, Anekal Taluk, Bangalore, Karnataka and Moveable Fixed Assets.
(v)	*Term loan from HDFC Bank ₹ 1,560 million (previous year: NIL). Repayable in 22 (previous year NIL ) quarterly installments from Dec-22. Interest is charged at 6.94% p.a.(previous year: Nil).	Exclusive charge on Ortho and Trauma unit Property Mortgaged and Paripassu of MSH property from EXIM Bank
(vi)	Term loan from HSBC Bank : ₹ 150 million (previous year : NIL). It is repayable in 32 (previous year NIL quarterly instalments) quarterly instalments from June-23. Date of 1st disbursement is 14 March 2023. Interest is charged at 8.09% p.a. (previous year: NIL p.a)	Movable Fixed Assets acquired out of the loan and equitable mortgage over land and building of the Jaipur hospital.
(vii)	*Term loan from SBI: ₹ 330.67 million (previous year: ₹ 403.18 million). Repayable in 48 monthly instalments from the reporting date (previous year 60 monthly instalments from 31st March 2019) Interest is charged at 8.5% p.a.(previous year: 7.15% p.a.)	
(viii)	*Term loan from SBI: ₹ 266.97 million (previous year: ₹ 306.26 million). Repayable in 66 monthly instalments from 31st October 20 ( previous year : 78 monthly instalments ) Interest is charged at 8.5% 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 Barasat Kolkata. Land measuring 2.474acre title deed # 2760/2014
(ix)	*Term loan from SBI: ₹ 956.13 million (previous year: ₹ 1,075.76 million). Repayable in 17 (previous year 21 quarterly instalments) from the reporting date after 2 years Moratorium from date October 2017. Interest is charged at 8.5% p.a.(previous year: 7.15% p.a).	

# Notes

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

Sl No.	Details of repayment terms, interest and maturity	Nature of security
(x)	Term loan from Yes Bank : ₹ 22.62 million (previous year : ₹ 24.40 million ) repayable 32 quarterly instalments from May 2018. Interest is charged @ 10% pa (previous year : 8.6%)	
(xi)	Term loan from Yes Bank : ₹ 20.50 million (previous year: ₹ 22.16 million) repayable in 32 quarterly instalments from May 2018. Interest is charged @ 10% pa (previous year : 8.6%)	
(xii)	Term loan from Yes Bank : ₹ 8.0 million (previous year : ₹ 8.65 million) repayable in 32 quarterly instalments from November 2018. Interest is charged @ 10% pa (previous year : 8.6%)	Exclusive charge on Movable Fixed assets (present and future) and current assets of the borrower (present and future) excluding those charged to any other lender/vendor and those charged to Yes Bank LC facilities, corporate guarantee and security from Narayana Hrudayalaya Limited (Holding Company).
(xiii)	Term loan from Yes Bank : ₹ 6.03 million (previous year : ₹ 6.52 million) repayable in 32 quarterly instalments from March 2019. Interest is charged @ 10% pa (previous year: 8.6%)	
(xiv)	Term loan from Yes Bank : ₹ 4.85 million (previous year : ₹ 5.24 million ) repayable in 32 quarterly instalments from May 2018. Interest is charged @ 10% pa (previous year : 8.6%)	
(xv)	Term loan from Yes Bank : ₹ 44.66 million (previous year Nil ) repayable in 32 quarterly instalments from Nov 2022. Interest is charged @ 10% pa (previous year : Nil)	
(xvi)	Term Loan from HSBC : ₹ 51million (previous year : ₹ 119 million) repayable in 15 quarterly instalments from reporting date. Interest is charged @ 8.50 % p.a (previous year 6.80 %).	
(xvii)	Term loan from FCIB: ₹ 1,897.83 million (previous year : ₹ 1,313.49 million) It is repayable in quarterly instalments from August 2018. Interest is linked to the LIBOR (3 month) + 175 basis points. (previous year: LIBOR 3 month + 175 basis points).	The loan is secured by corporate guarantee from Narayana Hrudayalaya Limited
(xviii)	Term loan from Axis Bank Ltd: ₹ 9.29 million (previous year : ₹ 11.97 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.

\* Promoters % of holding should not be reduced below 51% during the tenure of loan.

## II Term loans from Others :

- 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 March 31, 2023 amounting to NIL (previous year: ₹ 1.11 million ) has been recognised in the books of accounts. The loan is fully repaid in the current year.
- Term loan from CDC group PLC: ₹ NIL (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 fully repaid in the current year.

## 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 ₹ 101.66 million (previous year: ₹ 89.66 million) carry interest rate of 0.30% above the 3 months MCLR(previous year:0.3% 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.

\* Statements of current assets filed by the Company with its bankers are in agreement with books of accounts.

# Notes

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

## 18 Lease liabilities

Particulars	(₹ in million)	
	As at March 31, 2023	As at March 31, 2022
<b>(a) Non-current</b>		
Opening Lease liability	1,785.64	2,078.51
Additions/(deletions) during the period	(116.07)	100.40
Finance cost accrued during the period	121.78	155.37
Lease payment	(571.99)	(548.64)
Closing Lease liability	<b>1,219.36</b>	<b>1,785.64</b>
Less: Current lease liability	(333.35)	(436.01)
	<b>886.01</b>	<b>1,349.63</b>
<b>(b) Current</b>		
Lease liability	333.35	436.01
	<b>333.35</b>	<b>436.01</b>

## 19 Other financial liabilities

Particulars	(₹ in million)	
	As at March 31, 2023	As at March 31, 2022
<b>(a) Non-current</b>		
Payable towards share purchased for Employee Stock Option Plan (ESOP) Trust	12.91	14.05
Creditors for capital goods	3.00	9.28
Liability towards business acquisition	647.51	750.90
Liability towards assets replacement cost	104.85	101.02
<b>Derivatives designated and effective as hedging instruments carried at fair value</b>		
Interest rate swap	-	27.69
	<b>768.27</b>	<b>902.94</b>
<b>(b) Current</b>		
To parties other than related parties		
Liability towards business acquisition	80.26	80.26
Interest accrued but not due on borrowings	22.04	12.51
Creditors for capital goods	317.91	258.52
Other financial liabilities	18.92	17.12
	<b>439.13</b>	<b>368.41</b>

## 20 Provisions

Particulars	(₹ in million)	
	As at March 31, 2023	As at March 31, 2022
<b>(a) Non-current</b>		
Provision for employee benefits (Refer note 32)		
Gratuity	351.35	299.19
	<b>351.35</b>	<b>299.19</b>
<b>(b) Current</b>		
Provision for employee benefits (Refer note 32)		
Gratuity	141.95	104.50
Compensated absences	337.76	282.72
	<b>479.71</b>	<b>387.22</b>

# Notes

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

## 21 Other liabilities

Particulars	(₹ in million)	
	As at March 31, 2023	As at March 31, 2022
<b>(a) Non-current</b>		
<b>To parties other than related parties</b>		
Unearned revenue	11.44	12.72
Deferred liability for assets funding	2.01	2.45
Others	2.51	2.51
Deferred grant - Others ***	54.93	54.11
Deferred government liability for EPCG Licence**	124.16	31.57
Deferred government grant*	1,089.18	1,123.50
	<b>1,284.23</b>	<b>1,226.86</b>
<b>(b) Current</b>		
<b>To parties other than related parties</b>		
Deferred liability for assets funding	0.36	0.38
Contract liabilities	603.31	588.95
Unearned revenue	15.66	12.60
Deferred government grant*	34.32	35.23
Deferred government liability for EPCG Licence **	38.54	28.42
Deferred grant - Others ***	6.06	5.48
Advance Received	10.84	9.88
Balances due to statutory/ government authorities	233.51	193.14
Other liabilities	27.85	7.84
<b>To related parties</b>		
Other payables	95.70	88.35
	<b>1,066.15</b>	<b>970.27</b>

### Summary of the government grant received by the Group

Nature	(₹ in million)	
	As at March 31, 2023	As at March 31, 2022
Opening Balance	1,278.31	1,282.38
Add: Grants during the year	146.56	65.45
Less: Released to profit and loss	(77.68)	(69.52)
Closing Balance	<b>1,347.19</b>	<b>1,278.31</b>
Non Current	1,268.27	1,209.18
Current	78.92	69.13

\*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 (Refer note.44).

\*\*During the financial year 2017-18, 2018-19 & 2022-23 the Company had received capital grant in the form of EPCG licence from Government of India amounting to ₹ 6.10 million, ₹ 89.65 million ₹ 146.56 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 March 31, 2023

## 22 Trade payables

Particulars	(₹ in million)	
	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (refer note 38)	297.33	279.89
Total outstanding dues of creditors other than micro enterprises and small enterprises*	5,853.02	4,210.41
	<b>6,150.35</b>	<b>4,490.30</b>

\*includes payables to related parties (refer note 34)

The Group's exposure to currency and liquidity risks related to trade payable is disclosed in note 50

### Trade payables ageing schedule

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	
<b>As at March 31, 2023</b>						
a) Undisputed-MSME	43.78	250.23	2.35	0.37	0.60	297.33
b) Undisputed -Others	3,134.73	2,479.30	100.89	76.34	61.76	5,853.02
(c) Disputed dues - MSME	-	-	-	-	-	-
(d) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>3,178.51</b>	<b>2,729.53</b>	<b>103.24</b>	<b>76.71</b>	<b>62.36</b>	<b>6,150.35</b>
<b>As at March 31, 2022</b>						
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	-	-	-	-	-	-
<b>Total</b>	<b>1,535.38</b>	<b>2,702.18</b>	<b>133.65</b>	<b>18.36</b>	<b>100.73</b>	<b>4,490.30</b>

\*Includes provision for expenses.

## 23 Revenue from operations

Particulars	(₹ in million)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Income from medical and healthcare services	43,272.11	34,751.05
Sale of medical consumables and drugs	1,638.50	1,693.48
Other operating revenue:		
Other healthcare services (refer note 53)	284.48	498.81
Teleradiology income	27.72	31.42
Income from patients amenities	24.84	38.41
	<b>45,247.65</b>	<b>37,013.17</b>

Refer notes below

(i) Category of Customer	(₹ in million)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash*	22,916.13	19,094.45
Credit	22,331.52	17,918.72
	<b>45,247.65</b>	<b>37,013.17</b>

\* Includes receipts through digital/electronic mode

# Notes

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

(ii) Nature of treatment	(₹ in million)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
In-patient	36,057.34	27,568.52
Out-patient	7,214.77	7,182.53
Sale of medical consumables and drugs	1,638.50	1,693.48
Others	337.04	568.64
	<b>45,247.65</b>	<b>37,013.17</b>

(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

Particulars	(₹ in million)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Contract Liabilities	603.31	588.95
	<b>603.31</b>	<b>588.95</b>

## 24 Other income

Particulars	(₹ in million)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income on		
- Bank deposits	31.30	7.21
- Others	69.18	13.24
Interest income from financial asset at amortised cost	51.25	58.25
Liabilities / Provision no longer required written back	9.96	90.82
Export incentive	48.90	-
Grant income	77.68	69.52
Profit on sale of investment	5.15	0.27
Foreign exchange gain	71.50	37.75
Income from derecognition of finance lease	158.57	-
Miscellaneous income	130.96	68.53
	<b>654.45</b>	<b>345.59</b>

## 25 Changes in inventories of medical consumables, drugs and surgical instruments (increase)/ decrease

Particulars	(₹ in million)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventory at the beginning of the year	593.76	478.39
Inventory at the end of the year	704.70	593.76
	<b>(110.94)</b>	<b>(115.37)</b>



# Notes

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

## 26 Employee benefits expense

Particulars	(₹ in million)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	8,162.13	7,155.35
Contribution to provident and other funds (refer note 32)	448.52	381.35
Share based payment to employees (refer note 41)	-	2.57
Staff welfare expenses	181.36	145.44
	<b>8,792.01</b>	<b>7,684.71</b>

During the financial year 2022-23, project salary cost amounting to Nil (previous year : ₹ 25.64 million) has been capitalised through intangible assets under development.

## 27 Other expenses

Particulars	(₹ in million)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Hospital operating expenses</b>		
Power and fuel	940.41	836.33
Hospital general expenses	476.93	384.17
House keeping expenses	1,080.78	918.01
Patient welfare expenses	489.54	394.93
Rent	454.63	322.82
Medical gas charges	115.58	136.76
Biomedical wastage expenses	37.05	28.92
Repairs and maintenance		
- Hospital equipments	712.75	591.89
- Buildings	334.86	226.70
- Others	874.65	681.33
<b>Total (A)</b>	<b>5,517.18</b>	<b>4,521.86</b>
<b>Administrative expenses</b>		
Travel and conveyance	227.07	160.00
Security charges	291.11	245.71
Printing and stationery	209.18	165.24
Rent	146.77	164.41
Advertisement and publicity	805.43	494.93
Legal and professional fees	450.84	154.31
Payment to auditors (refer note (i) below)	11.67	9.62
Business promotion	361.34	336.20
Telephone and communication	123.77	110.49
Bank charges	146.32	97.97
Insurance	175.88	138.82
Corporate social responsibility (refer note (ii) below)	18.89	9.15
Rates and taxes	90.62	84.82
Books and periodicals	30.80	23.10
Provision for loss allowance and doubtful advances	256.37	167.34
Bad receivables written off	4.47	68.29
Provision for remeasurement of financial liability	-	14.51
Loss on sale/disposal of Property, plant and equipment	66.24	31.06
Foreign exchange loss	-	23.03
Net loss from financial asset at amortized cost	-	57.73
Miscellaneous expenses	42.75	20.27
<b>Total (B)</b>	<b>3,459.52</b>	<b>2,577.00</b>
<b>Total (A+B)</b>	<b>8,976.70</b>	<b>7,098.86</b>

# Notes

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

## (i) Payment to auditors\*

Particulars	(₹ in million)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
As an auditor		
(i) Audit fee	8.70	7.35
(ii) Limited review	1.80	1.20
(iii) Other attest services	0.90	0.90
(iv) Reimbursement of expenses	0.27	0.17
<b>Total</b>	<b>11.67</b>	<b>9.62</b>

\*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 ₹ 18.61 million (previous year: ₹ 8.84 Million)

b) Amount spent during the year ended March 31, 2023 on corporate social responsibility activities:

Particulars	(₹ in million)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Amount required to be spent by the Group during the year	18.61	8.84
b) Amount of expenditure incurred on purpose other than construction/ acquisition of any asset	18.89	9.15
c) Excess spend of prior years set off during the year	-	-
d) Shortfall / (excess) at the end of the year [(d)=(a)-(b)-(c)]	(0.28)	(0.31)
e) Total of previous years shortfall	-	-
f) Reason for shortfall	NA	NA
g) Nature of CSR activities	Promoting healthcare facilities for the upliftment of people at large, Promoting educational facilities to deserved children and amateurs	
h) Details of related party transactions	NA	NA
i) Where a provision is made with respect to a liability incurred by entering	NA	NA

## 28 Finance costs

Particulars	(₹ in million)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense		
-term loans from banks	409.02	334.86
-bank overdraft	9.64	9.31
-others	23.98	17.64

# Notes

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

Particulars	(₹ in million)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense on lease liabilities	121.78	155.37
Interest expense on business acquisition	126.34	138.53
Unwinding of asset replacement cost	3.84	7.24
	<b>694.60</b>	<b>662.95</b>

## 29 Depreciation and amortisation expense

Particulars	(₹ in million)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment (refer note 4)	1,411.58	1,286.92
Depreciation of Right of use Assets (refer note 5)	431.61	416.09
Amortisation of intangible assets (refer note 4)	257.21	131.83
	<b>2,100.40</b>	<b>1,834.84</b>

## 30 Contingent liabilities and commitments

### (i) Contingent liabilities:

Particulars	(₹ in million)	
	As at March 31, 2023	As at March 31, 2022
Claims against the Group not acknowledged as debts in respect of:		
a) Customs Duty (refer note A below)	1.74	1.74
b) Income tax (refer note B below)	30.19	64.31
c) Goods and Service Tax (refer note C below)	18.75	-
d) Others (refer note D below)	5.41	-

#### 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. 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). ITAT had issued an order in favour of the Company and referred to Assessing office. The assessing officer issued revised assessment order u/s.143(3)r.w.s 254 on 27/09/2022 for disallowing of unpaid leave encashment of ₹ 8.19 million. The company may have an additional liability of ₹.2.57 million as per the assessment order received however while issuing the assessment order the assessing officer has not given benefit of MAT credit of ₹ 1.58 million. The company is planning to file rectification against the assessment order.
- 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)).
- 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

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

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 March 31, 2023.
  - 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 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, 2023.
  - 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. During this financial year the company received revised assessment order for the AY 2012-13 and AY 2014-15 in which the Assessing Officer has allowed expenditures which was disallowed in previous assessment orders. Hence the contingent liability of ₹ 4.71 million is not required to recognise
  - g) For assessment year 2020-21 the Company has received an assessment order under section 143 (3) of the Income Tax Act, 1961 on 23/09/2022. 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, 2023.
- C.** For the period July 2017 to March 2018 the company has received assessment order from the GST authority of West Bengal state under section 73(5) under GST Act, 2017. As per the order the company may have additional liability ₹18.75 million on account of differential tax provisions. The company is planning to file appeal against the assessment order.
- D.** NVDSHPL has a contingent liability of ₹5.41 million as on March 31, 2023 on account of penalty raised by SHA (State Health Agency- Government of Jammu & Kashmir) against which the company has filed appeals (previous year - Nil).
- E.** 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, 2023 will not have any material adverse effect on its financial statements for the year ended March 31, 2023.

## (ii) Commitments

Estimated amounts of contracts remaining to be executed on capital account (net of advances) and other commitments not provided for, amounts to ₹ 1,766.50 million (previous year: ₹ 1,543.82 million).

## 31 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 March 31, 2023

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

Particulars	(₹ in million)	
	As at March 31, 2023	As at March 31, 2022
Current lease liabilities	333.35	436.01
Non-current lease liabilities	886.01	1,349.63
	<b>1,219.36</b>	<b>1,785.64</b>

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

Particulars	(₹ in million)	
	As at March 31, 2023	As at March 31, 2022
Opening lease liability	1,785.64	2,078.51
Additions/(Deletions)*	(116.07)	100.40
Finance cost accrued during the year	121.78	155.37
Payment of lease liabilities	(571.99)	(548.64)
	<b>1,219.36</b>	<b>1,785.64</b>

\*includes lease modification relating to one hospital resulting in reversal of lease liability amounting to ₹245.06 million.

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

Particulars	(₹ in million)				
	Less than 1 year	1-2 years	2-5 years	More than 5 years	Total
Contractual rental payments	344.52	169.88	371.94	912.41	1,798.75
	<b>344.52</b>	<b>169.88</b>	<b>371.94</b>	<b>912.41</b>	<b>1,798.75</b>

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

Particulars	(₹ in million)				
	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
	<b>564.92</b>	<b>425.23</b>	<b>557.20</b>	<b>1,419.41</b>	<b>2,966.76</b>

Rental expense recorded for short-term leases for the year ended March 31, 2023 was ₹ 601.40 Million (previous year: ₹ 487.23 Million).

## 32 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 ₹ 363.57 million (previous year: ₹ 309.06 million)

### 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.

# Notes

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

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:

Particulars	(₹ in million)	
	As at March 31, 2023	As at March 31, 2022
Defined benefit obligations liability	547.85	442.70
Plan assets	54.55	39.01
<b>Net defined benefit liability</b>	<b>493.30</b>	<b>403.68</b>
Full and final settlement cases	-	-
Liability for compensated absences	337.76	282.72
<b>Total employee benefit liability</b>	<b>831.06</b>	<b>686.40</b>
<b>Non-current</b>	<b>351.35</b>	<b>299.19</b>
<b>Current</b>	<b>479.71</b>	<b>387.22</b>

## 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:

Particulars	(₹ in million)	
	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation as at 1 April	442.70	369.56
Benefits paid		
- by the Fund	(41.16)	(38.67)
- by the Group	(2.48)	(2.90)
Current service cost	66.30	57.73
Interest cost	20.79	16.05
Acquisition / Divestiture	0.42	-
Actuarial (gains) / losses recognised in other comprehensive income		
- changes in demographic assumptions	1.51	(1.38)
- changes in financial assumptions	(24.08)	(5.26)
- experience adjustments	83.85	47.57
<b>Defined benefit obligations as at 31 March</b>	<b>547.85</b>	<b>442.70</b>

### ii) Reconciliation of the present values of plan assets

Particulars	(₹ in million)	
	As at March 31, 2023	As at March 31, 2022
<b>Plan assets at beginning of the year</b>	39.01	52.32
Adjustments	(3.00)	1.02
Contributions paid into the plan	57.24	23.20
Interest income	2.14	1.49
Benefits paid	(41.16)	(38.67)
Return on plan assets recognised in other comprehensive income	0.32	(0.35)
<b>Plan assets at the end of the year</b>	<b>54.55</b>	<b>39.01</b>
<b>Net defined benefit liability</b>	<b>493.30</b>	<b>403.69</b>

# Notes

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

## D. i) Expense recognised in consolidated statement of profit and loss

Particulars	(₹ in million)	
	Year ended March 31, 2023	Year ended March 31, 2022
Current service cost	66.30	57.73
Interest cost	20.79	16.05
Interest income	(2.14)	(1.49)
	<b>84.95</b>	<b>72.29</b>

## ii) Remeasurements recognised in other comprehensive income

Particulars	(₹ in million)	
	Year ended March 31, 2023	Year ended March 31, 2022
Actuarial (gain) loss on defined benefit obligation	61.28	40.93
Return on plan assets excluding interest income	(0.32)	0.35
	<b>60.96</b>	<b>41.28</b>

## E. Plan Assets

Plan assets comprises of the following:

Particulars	(₹ in million)	
	Year ended March 31, 2023	Year ended March 31, 2022
Government securities & debt instruments	54.55	39.01
	<b>54.55</b>	<b>39.01</b>

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):

Particulars	As at March 31, 2023	As at March 31, 2022
Attrition rate	Upto Level 6 =25%-36% Level7&above=27%-75%	Upto Level 6 =38%-41% Level7&above=19%-57%
Discount rate	7.30%	5.41%-5.54%
Expected return on plan assets	6.7	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, 2023, the plan assets have been invested in insurer managed funds and the expected contributions to the fund during the year ending March 31, 2024, will be approximately ₹ 171.64 million (previous year: ₹ 129.95 million).



# Notes

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

## Maturity profile of defined benefit obligation

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	₹ in million	
	Amount	
1st following year	171.64	
2nd following year	132.09	
3rd following year	95.89	
4th following year	72.23	
5th following year	52.81	
Year 6 to 10	103.56	
More than 10 years	22.67	

As at March 31, 2023, Average expected future working life was 4.64 years (previous year: 2.13 years)

As at March 31, 2023, Average past service was 2.81 years (previous year: 3.12 years)

## (ii) Sensitivity analysis

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(11.60)	1.32	(11.16)	0.66
Future salary increase (0.5% movement)	2.22	(12.56)	(0.67)	(9.83)
Attrition rate (0.5% movement)	(7.66)	(4.95)	(5.79)	(4.92)
Mortality rate (0.10% movement)	(5.11)	(5.25)	(5.39)	(5.32)

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.

## 33 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

Particulars	₹ in million	
	Year ended March 31, 2023	Year ended March 31, 2022
India	36,174.65	29,665.87
Rest of the world - Cayman Islands & St Lucia	9,073.00	7,347.30
	<b>45,247.65</b>	<b>37,013.17</b>

# Notes

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

## (ii) Non-current assets \*

Particulars	(₹ in million)	
	As at March 31, 2023	As at March 31, 2022
India	20,418.17	16,790.05
Rest of the world - Cayman Islands	6,821.21	4,953.37
	<b>27,239.38</b>	<b>21,743.42</b>

\*Non-current assets exclude financial instruments, deferred tax assets and equity accounted investees

## (iii) Investment in associates accounted for by the equity method

Particulars	(₹ in million)	
	As at March 31, 2023	As at March 31, 2022
Mauritius	-	6.47
	-	<b>6.47</b>

## 34 Related party disclosures

### (a) Details of related parties:

Nature of relationship	Name of related parties
Key Management Personnel (KMP)	Dr. Devi Prasad Shetty - Chairman & Whole time Director Viren Prasad Shetty- Whole Time Director and Executive Vice Chairman Dr. Emmanuel Rupert-Managing Director and Group CEO Sandhya Jayaraman- Chief Financial Officer Sridhar S - Company Secretary
Relatives of KMP	Dr. Varun Shetty Dr. Anesh Shetty Ms.Ameya Shetty Dr. Vivek Shetty Mrs.Shakuntala Shetty
Associates of subsidiary	Reya Health Inc (formerly known as Cura Technologies Inc) ISO Healthcare
Enterprises under control/ 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 March 31, 2023

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

(₹ in million)					
Transactions	Key Management Personnel	Relative of KMP	Associate/ Associates of subsidiary	Entity under control/joint control of KMP and their relatives	Total
<b>Rent expense</b>					
NHF	-	-	-	26.06	26.06
	(-)	(-)	(-)	(26.06)	(26.06)
AHF	-	-	-	3.12	3.12
	(-)	(-)	(-)	(9.16)	(9.16)
Charmakki Infrastructures	-	-	-	7.48	7.48
	(-)	(-)	(-)	(7.10)	(7.10)
MSMF	-	-	-	29.50	29.50
	(-)	(-)	(-)	(29.50)	(29.50)
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>66.16</b>	<b>66.16</b>
	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(71.82)</b>	<b>(71.82)</b>
<b>Interest income on security deposit</b>					
Charmakki Infrastructures	-	-	-	11.07	11.07
	(-)	(-)	(-)	(10.10)	(10.10)
<b>Reimbursement of expenses</b>					
AHF	-	-	-	0.05	0.05
	(-)	(-)	(-)	(0.01)	(0.01)
NHF	-	-	-	6.08	6.08
	(-)	(-)	(-)	(0.57)	(0.57)
Hrudayalaya Pharmacy	-	-	-	0.01	0.01
	(-)	(-)	(-)	(0.16)	(0.16)
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6.14</b>	<b>6.14</b>
	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(0.74)</b>	<b>(0.74)</b>
<b>Revenue from healthcare services</b>					
NHF	-	-	-	0.27	0.27
	(-)	(-)	(-)	(2.10)	(2.10)
AHF	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
MSMF	-	-	-	6.27	6.27
	(-)	(-)	(-)	(-)	(-)
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6.54</b>	<b>6.54</b>
	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(2.10)</b>	<b>(2.10)</b>
<b>Advance on account of discount entitlement</b>					
NHF	-	-	-	7.32	7.32
	(-)	(-)	(-)	(7.32)	(7.32)
AHF	-	-	-	1.42	1.42
	(-)	(-)	(-)	(3.04)	(3.04)
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8.74</b>	<b>8.74</b>
	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(10.36)</b>	<b>(10.36)</b>
<b>Interest income on promissory note</b>					
Reya Health Inc (formerly known as Cura Technologies Inc)	-	-	-	-	-
	(-)	(-)	(6.99)	(-)	(6.99)
<b>Purchase of medical stores and Consumables</b>					
Hrudayalaya Pharmacy	-	-	-	0.09	0.09
	(-)	(-)	(-)	(0.25)	(0.25)

# Notes

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

(₹ in million)					
Transactions	Key Management Personnel	Relative of KMP	Associate/ Associates of subsidiary	Entity under control/joint control of KMP and their relatives	Total
AHPL	-	-	-	166.91	166.91
	(-)	(-)	(-)	(175.68)	(175.68)
<b>TOTAL</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>167.00</b>	<b>167.00</b>
<b>Hospital General Expenses</b>					
AHPL	-	-	-	33.58	33.58
	(-)	(-)	(-)	(30.11)	(30.11)
<b>Lab outsourcing expenses</b>					
MSMF	-	-	-	3.88	3.88
	(-)	(-)	(-)	(2.61)	(2.61)
<b>Short term employee benefit*</b>					
Dr. Devi Prasad Shetty	151.43	-	-	-	151.43
	(90.35)	(-)	(-)	(-)	(90.35)
Dr. Emmanuel Rupert	94.67	-	-	-	94.67
	(42.00)	(-)	(-)	(-)	(42.00)
Viren Prasad Shetty	27.60	-	-	-	27.60
	(20.93)	(-)	(-)	(-)	(20.93)
Kesavan Venugopalan	-	-	-	-	-
	(22.27)	(-)	(-)	(-)	(22.27)
Sandhya Jayaraman	25.61	-	-	-	25.61
	(8.00)	(-)	(-)	(-)	(8.00)
Sridhar S	6.62	-	-	-	6.62
	(6.66)	(-)	(-)	(-)	(6.66)
Dr. Vivek Shetty	-	7.27	-	-	7.27
	(-)	(6.54)	(-)	(-)	(6.54)
Dr. Varun Shetty	-	8.29	-	-	8.29
	(-)	(7.94)	(-)	(-)	(7.94)
<b>TOTAL</b>	<b>305.93</b>	<b>15.56</b>	<b>-</b>	<b>-</b>	<b>321.49</b>
	<b>(190.21)</b>	<b>(14.48)</b>	<b>(-)</b>	<b>(-)</b>	<b>(204.69)</b>
<b>Other Professional Fees</b>					
Dr. Vivek Shetty	-	1.97	-	-	1.97
	(-)	(0.85)	(-)	(-)	(0.85)
Dr. Varun Shetty	-	10.37	-	-	10.37
	(-)	(3.06)	(-)	(-)	(3.06)
<b>TOTAL</b>	<b>-</b>	<b>12.34</b>	<b>-</b>	<b>-</b>	<b>12.34</b>
	<b>(-)</b>	<b>(3.91)</b>	<b>(-)</b>	<b>(-)</b>	<b>(3.91)</b>
<b>Share based payments</b>					
Dr. Emmanuel Rupert	1.14	-	-	-	1.14
	(9.20)	(-)	(-)	(-)	9.20

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 March 31, 2023

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

(₹ in million)				
Balances	Key Management Personnel	Associate/ Associates of subsidiary	Entity under control/ joint control of KMP and their relatives	Total
<b>Trade payables</b>				
AHPL	-	-	12.38	12.38
	(-)	(-)	(13.00)	(13.00)
MSMF	-	-	14.14	14.14
	(-)	(-)	(0.04)	(0.04)
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>26.52</b>	<b>26.52</b>
	(-)	(-)	(13.04)	(13.04)
<b>Other financial assets- Due for reimbursement of expense</b>				
NHF	-	-	1.30	1.30
	(-)	(-)	(1.29)	(1.29)
Narayana Hrudayalaya Pharmacy	-	-	-	-
	(-)	(-)	(0.02)	(0.02)
AHF	-	-	-	-
	(-)	(-)	(0.69)	(0.69)
NHEBT ESOP Trust	(-)	(-)	0.13	0.13
	(-)	(-)	(-)	(-)
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>1.43</b>	<b>1.43</b>
	(-)	(-)	(2.00)	(2.00)
<b>Financial assets- non-current - Security deposit</b>				
Charmakki Infrastructures	-	-	126.35	126.35
	(-)	(-)	(115.29)	(115.29)
<b>Other non-current assets - Prepaid rent</b>				
Charmakki Infrastructures	-	-	0.84	0.84
	(-)	(-)	(7.83)	(7.83)
AHF	(-)	(-)	7.45	7.45
	(-)	(-)	(8.21)	(8.21)
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>8.29</b>	<b>8.29</b>
	(-)	(-)	(16.04)	(16.04)
<b>Other current assets - Prepaid rent</b>				
Charmakki Infrastructures	-	-	6.99	6.99
	(-)	(-)	(6.97)	(6.97)
<b>Trade receivables</b>				
NHF	-	-	0.02	0.02
	(-)	(-)	(0.09)	(0.09)
MSMF	-	-	0.49	0.49
	(-)	(-)	(-)	(-)
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>0.51</b>	<b>0.51</b>
	(-)	(-)	(0.09)	(0.09)
<b>Other liabilities (current) - Other payables</b>				
AHF	-	-	95.70	95.70
	(-)	(-)	(88.35)	(88.35)
<b>Share based payments</b>				
Dr. Emmanuel Rupert	1.14	-	-	1.14
	(9.20)	(-)	(-)	(9.20)

Figures in brackets are for the previous year.

# Notes

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

## 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.

## 35 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, 2023	March 31, 2022
Narayana Institute for Advanced Research Private Limited (NIARPL)*	Medical and Healthcare services	India	-	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%
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%
NH Integrated Care Private Limited (NHIC)	Medical and Healthcare services	India	100.00%	-
Athma Healthtech Private Limited (AHPL)	Medical and Healthcare services	India	100.00%	-
Health City Cayman Islands Ltd. (HCCI)	Medical and Healthcare services	Cayman Islands	100.00%	100.00%
ENT in Cayman Ltd. (EICL)	Medical and Healthcare services	Cayman Islands	100.00%	-
Cayman Integrated Healthcare Limited (CIHL)	Medical and Healthcare services	Cayman Islands	100.00%	-
Narayana Holdings Private Limited (NHPL, Mauritius)	Investment Company	Mauritius	100.00%	100.00%
NH Health Bangladesh Private Limited. (NHDPL)	Medical and Healthcare services	Bangladesh	100.00%	100.00%
Narayana Health North America LLC (NHNA)	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, 2023	March 31, 2022
ISO Healthcare	Medical and Healthcare services	Mauritius	20.00%	8.72%
Reya Health Inc (formerly known as Cura Technologies Inc)	IT Services related to Healthcare	United States of America	43.58%	43.58%

\*During the year, Narayana Institute for Advanced Research Private Limited (NIARPL) the wholly owned subsidiary of the company is under liquidation as per Section 59 of the Insolvency and Bankruptcy Code, 2016.

Narayana Health Institutions Private Limited (NHIPL) the wholly owned subsidiary of the Company was dissolved under Section 248 of the Companies Act, 2013. The said wholly owned subsidiaries were neither carrying on any operations nor there was any intention to carry on any operations or business of the Company.

# Notes

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

## 36 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, 2023	March 31, 2022
ISO Healthcare	Medical and Healthcare services	Mauritius	20.00%	8.72%
Reya Health Inc (formerly known as Cura Technologies Inc)	IT Services related to Healthcare	United States of America	43.58%	43.58%

## 37 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, 2022	Allotment / (buyback) during the year	Share of gain / (loss) of equity accounted investees	Exchange fluctuation	Carrying value as at March 31, 2023
Reya Health Inc (formerly known as Cura Technologies Inc)	9.27	-	-	-	-	-
ISO Healthcare	44.62	6.47	-	(1.94)	(4.53)	-
	<b>53.89</b>	<b>6.47</b>	<b>-</b>	<b>(1.94)</b>	<b>(4.53)</b>	<b>-</b>

### (b) The Group has given loans to the following entity:

(₹ in million)

Entity	Purpose Of Loan	Initial Investment	Carrying value as at March 31, 2022	Accrued Interest	Share of loss of equity accounted investees	Exchange fluctuation	Carrying value as at March 31, 2023
Reya Health Inc (formerly known as Cura Technologies Inc)	Financial assistance	187.25	-	-	-	-	-
		<b>187.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 38 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, 2023 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The Company has not received any claim for interest from any supplier.

# Notes

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

Particulars	(₹ in million)	
	As at March 31, 2023	As at March 31, 2022
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
-Principal	291.19	276.33
-Interest	6.14	3.56
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	6.14	3.56
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	-	-

**39** 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:

<b>Commissioning timelines</b>	
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



# Notes

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

The Company commenced operations in its Ahmedabad unit on May 3, 2012. As of March 31, 2023, 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, 2023.

- 40** 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, 2023, NHPL had paid ₹ 54.44 million (March 31, 2022 : ₹ 54.44 million) to JDA and accrued the balance payable of ₹ 53.39 million (March 31, 2022 : ₹ 53.39 million). NHPL would capitalize this amount along with any other payment once NHPL gets the land registered in its name. As at March 31, 2023, 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.

## 41 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, 2023 (previous year: 988,787). The Stock compensation cost is computed under the Fair value method. For the year ended March 31, 2023, the Company has recorded stock compensation expenses of Nil (previous year: ₹ 2.57 million) and liability as on March 31, 2023 is ₹ 6.29 million (previous year: ₹ 31.73 million).

The activity in this stock option plan is summarized below:

Particulars	As at March 31, 2023	As at March 31, 2022
Outstanding as at the beginning of the year (Nos.)	1,43,917	1,83,117
Option granted during the year (Nos.)	-	-
Forfeited during the year( Nos.)	-	-
Exercised during the year( Nos.)	(1,13,917)	(39,200)
Expired during the year(Nos.)	-	-
Outstanding at the end of the year(Nos.)	30,000	1,43,917
Weighted average share price at the date of exercise (₹)	232.59	232.59

Plan-1:- The weighted average remaining contractual life for the stock options outstanding as at March 31, 2023 is Nil years (previous year: Nil years). The exercise price for the stock options outstanding as at March 31, 2023 is ₹ 10 (previous year : ₹ 10)

Plan-2:- The weighted average remaining contractual life for the stock options outstanding as at March 31, 2023 is Nil years (previous year: 0.50 years ). The exercise price for the stock options outstanding as at March 31, 2023 is ₹ 10 (previous year : ₹ 10)

# Notes

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

## 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, 2023	As at March 31, 2022
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

## 42 Earnings / (loss) per share (EPS)

### Basic earnings per share

The calculation of basic earnings per share for the year ended on March 31, 2023 was based on profit / (loss) attributable to equity shareholders of ₹ 6,062.48 million (previous year: ₹ 3,419.31 million) and weighted average number of equity shares outstanding 203,069,835 (previous year: 202,955,918).

### Diluted earnings per share

The calculation of diluted earnings per share for the year ended March 31, 2023 was based on profit / (loss) attributable to equity shareholders of ₹ 6062.48 million (previous year: ₹ 3419.31 million) and weighted average number of equity shares outstanding after adjustment for effects of all the dilutive potential equity shares.

Earnings	(₹ in million)	
	As at March 31, 2023	As at March 31, 2022
Profit after tax	6,062.48	3,419.31

### Weighted average number of equity shares (basic)

Shares		
	As at March 31, 2023	As at March 31, 2022
Total no. of shares outstanding	20,43,60,804	20,43,60,804
Effect of Treasury shares	(12,90,969)	(14,04,886)
<b>Weighted average number of equity shares (basic) for the year</b>	<b>20,30,69,835</b>	<b>20,29,55,918</b>

# Notes

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

## Weighted average number of equity shares (diluted)

Shares	As at March 31, 2023	As at March 31, 2022
Weighted average number of equity shares for the year (basic)	20,30,69,835	20,29,55,918
Weighted average number of equity shares from assumed exercise of stock options	29,579	1,41,262
<b>Weighted average number of equity shares (diluted) for the year</b>	<b>20,30,99,414</b>	<b>20,30,97,180</b>
Basic earnings per share (₹)	29.85	16.85
Diluted earnings per share (₹)*	29.85	16.84

\*Impact of potential dilutive equity shares is not considered as they are anti-dilutive in nature

## 43 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 ('NHSPL') entered into Healthcare Services Agreement ("Agreement") with Dharamshila Cancer Foundation and Research Centre ("Society"). Accordingly, NHSPL 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 NHSPL with the Society attracts the application of business combination as per IndAS103. NHSPL 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 NHSPL 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 NHSPL uses in exercise control over the operations of the Hospital, has been attributed towards goodwill.

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

Component	(₹ in million) Acquisition date fair value
Property, plant and equipment	357.68
Property usage right	163.94
Intangible assets	463.70
<b>Total</b>	<b>985.32</b>
Goodwill	79.00
<b>Total purchase price</b>	<b>1,064.32</b>

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.

NHSPL 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.

# Notes

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

## 44 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 speciality 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.

### (b) Narayana Vaishno Devi Specialty Hospitals Private Limited ("NVDSHPL")

NVDSHPL entered into a Concessionaire Agreement with Shri Mata Vaishno Devi Shrine Board ("the trust") to operate, maintain and manage a 230 bed multi speciality 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 speciality 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 .

In the current year, NVDSHPL has earned a surplus of ₹ 880.90 lakhs from its operations. As per 67th Governing Body meeting dated Nov 03, 2022, It was agreed that the pooling of operational surplus generated by the hospital shall be used for the growth of the hospital itself and both Narayana Hrudayalaya Limited and the Shrine Board have expressed their commitment to consider clause 29 of the concessionaire agreement relating to Free cash for distribution for the period upto 31 March 2024.

## 45 Acquisition of Orthopaedic and Trauma Hospital ("Sparsh Hosur Road" Unit) from Shiva and Shiva Orthopaedic Hospital Private Limited

The Company has signed a Business Transfer Agreement (BTA) on September 5, 2022 with Shiva and Shiva Orthopaedic Hospital Private Limited to acquire its Orthopaedic and Trauma Hospital ("Sparsh Hosur Road" Unit), effective from October 1, 2022 mainly engaged in providing Orthopaedic and Trauma healthcare services as a going concern on slump sale basis for an aggregate cash consideration of ₹ 2,000 million.

This acquisition will enable the Company to foray into the Orthopaedic and Trauma specialty at the Narayana Health City Campus, housing two flagship hospitals, namely the cardiac sciences - focussed Narayana Institute of Cardiac Sciences (NICS) and the multispecialty unit i.e., Mazumdar Shaw Medical Centre (MSMC). The acquisition also reinforces the Company's focus on multispecialty care, especially orthopaedics and associated trauma and neurosciences segments and further augment its core Bangalore regions to derive synergies from our existing operations.

# Notes

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

## a) Business Combination

The above transaction qualifies for the Business Combination as per Ind AS 103 - 'Business Combination' and has been accounted by applying the acquisition method wherein identifiable assets acquired and liabilities assumed are fair valued against the fair value of the consideration transferred and resultant intangibles including goodwill recognised.

## b) Identifiable Assets and Liabilities

Particulars	(₹ in million)
Fair value of the consideration transferred	
Cash Consideration	2,000.00
<b>Total (A)</b>	<b>2,000.00</b>
<b>Assets Acquired</b>	
Property, Plant and Equipment	376.52
Intangibles Assets	1,401.92
Current Assets	36.38
<b>Total Assets Acquired (B)</b>	<b>1,814.82</b>
<b>Liabilities assumed</b>	
<b>Trade Payables and other liabilities (C)</b>	<b>35.41</b>
<b>Net Assets acquired [D = B - C]</b>	<b>1,779.41</b>
Goodwill [A - D]#	220.59

# Goodwill represents residual consideration attributable to unidentified intangible assets acquired by acquiror.

# Notes

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

46 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, 2023

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
<b>Parent</b>								
Narayana Hrudayalaya Limited	37.73	8,048.07	32.26	1,956.72	(16.94)	(96.15)	28.06	1,860.57
<b>Subsidiaries</b>								
<b>Indian subsidiaries</b>								
Narayana Hospitals Private Limited	4.39	935.56	0.20	11.84	-	-	0.18	11.84
Narayana Hrudayalaya Surgical Hospital Private Limited	3.24	691.19	4.45	270.10	(0.28)	(1.58)	4.05	268.52
Narayana Vaishno Devi Specialty Hospitals Private Limited	0.51	108.01	1.29	78.53	(0.12)	(0.66)	1.17	77.87
Meridian Medical Research & Hospital Limited	5.72	1,220.63	3.87	234.50	(0.47)	(2.65)	3.50	231.85
Athma Healthtech Private Limited	-	0.04	(0.02)	(1.25)	-	-	(0.02)	(1.25)
NH Integrated Care Private Limited	0.46	98.51	(0.26)	(15.96)	-	-	(0.24)	(15.96)
<b>Foreign subsidiaries</b>								
Health City Cayman Islands Limited	47.46	10,120.27	58.03	3,519.75	116.85	662.28	63.05	4,182.03
Narayana Holdings Private Limited	0.05	9.61	0.02	1.44	0.25	1.44	0.04	2.88
NH Health Bangladesh Private Limited	0.01	1.74	(0.07)	(4.45)	(0.92)	(5.21)	(0.15)	(9.66)
ENT in Cayman Islands Ltd	0.33	70.28	0.15	9.20	1.62	9.20	0.28	18.40
CIHL	0.04	8.22	-	-	-	-	-	-
Narayana Health North America LLC	0.01	1.69	-	0.14	0.02	0.12	-	0.26
<b>Associates (Investment as per the equity method)</b>								
<b>Foreign associates</b>								
ISO Healthcare	-	-	0.03	1.92	-	-	0.03	1.92
Reya Health Inc (formerly known as Cura Technologies Inc)	-	-	-	-	-	-	-	-
<b>Non-controlling interests in Indian subsidiary</b>								
Meridian Medical Research & Hospital Limited	0.05	10.46	0.05	3.18	(0.01)	(0.03)	0.05	3.15
	<b>100.00</b>	<b>21,324.28</b>	<b>100.00</b>	<b>6,065.66</b>	<b>100.00</b>	<b>566.76</b>	<b>100.00</b>	<b>6,632.43</b>

# Notes

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

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	
									2
<b>1</b>									
<b>Parent</b>									
Narayana Hrudayalaya Limited	39.73	5,909.34	5.18	177.33	(6.43)	(16.82)	4.36	160.51	
<b>Subsidiaries</b>									
<b>Indian subsidiaries</b>									
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 Speciality 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	
<b>Foreign subsidiaries</b>									
Health City Cayman Islands Limited	45.75	6,813.93	83.77	2,866.45	109.35	285.98	85.60	3,152.43	
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	
<b>Associates (Investment as per the equity method)</b>									
<b>Foreign associates</b>									
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)	
<b>Non-controlling interests in Indian subsidiary</b>									
Meridian Medical Research & Hospital Limited	-	7.31	0.06	1.89	(0.01)	(0.02)	0.05	1.87	
	<b>100.00</b>	<b>14,893.68</b>	<b>100.00</b>	<b>3,421.20</b>	<b>100.00</b>	<b>261.52</b>	<b>100.00</b>	<b>3,682.72</b>	

# Notes

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

## 47 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, 2023 and March 31, 2022 was as follows:

Particulars	(₹ in million)	
	As at March 31, 2023	As at March 31, 2022
Total Equity attributable to owners of the Company	21,313.82	14,886.37
<b>As a percentage of total capital</b>	<b>74%</b>	<b>73%</b>
Long-term borrowings	6,264.30	4,321.11
Short-term borrowings	1,358.05	1,127.49
<b>Total borrowings</b>	<b>7,622.35</b>	<b>5,448.60</b>
<b>As a percentage of total capital</b>	<b>26%</b>	<b>27%</b>
<b>Total capital (Equity and Borrowings)</b>	<b>28,936.17</b>	<b>20,334.97</b>

## 48 Income tax

### (a) Amounts recognised in profit and loss

Particulars	(₹ in million)	
	As at March 31, 2023	As at March 31, 2022
<b>Current tax</b>		
- Current year*	1,404.79	500.41
- Prior year	-	-
<b>MAT credit entitlement**</b>	(34.43)	(13.30)
<b>Deferred tax charge/ (credit), net</b>		
Origination and reversal of temporary differences	79.75	389.47
<b>Tax expense for the year</b>	<b>1,450.11</b>	<b>876.58</b>

\*Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. The provision for tax for the year ended March 31, 2023 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

Particulars	(₹ in million)					
	For the year ended March 31, 2023			For the year ended March 31, 2022		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
<b>Items that will not be reclassified subsequently to profit or loss</b>						
Re-measurement of defined benefit plans	(60.96)	20.46	(40.50)	(41.28)	12.48	(28.80)
<b>Items that will be reclassified subsequently to profit or loss</b>						
The effective portion of gains / (loss) on hedging instruments in a cash flow hedge	55.07	(9.21)	45.86	136.95	(19.90)	117.05
The effective portion of gains / (loss) on hedging instruments in a foreign operation	(77.44)	-	(77.44)	(32.57)	-	(32.57)
	<b>(83.33)</b>	<b>11.25</b>	<b>(72.08)</b>	<b>63.10</b>	<b>(7.42)</b>	<b>55.68</b>



# Notes

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

## (c) Reconciliation of effective tax rate

Particulars	(₹ in million)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Profit before tax</b>	<b>7,515.77</b>	<b>4,297.78</b>
Tax using the Company's domestic tax rate (current year 34.94% and previous year 34.94%)	2,626.01	1,501.64
<b>Tax effect of:</b>		
Non-deductible tax expenses	9.00	4.34
Tax-exempt income	(1,098.72)	(860.75)
Others	(66.87)	144.47
Deduction under Section 80M	(71.40)	-
Deduction under Section 80JJA	(9.68)	-
Current year losses of subsidiaries for which no deferred tax asset is recognised	61.10	57.09
Share of loss of equity accounted investees on which no deferred tax was recognised	0.67	29.79
	<b>1,450.11</b>	<b>876.58</b>

## 49 Recognised deferred tax assets and liabilities

### (a) Narayana Hrudayalaya Limited :-

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

Particulars	(₹ in million)	
	As at March 31, 2023	As at March 31, 2022
<b>Deferred tax asset</b>		
Provision for doubtful receivables	126.57	93.75
Provision for gratuity	156.46	129.94
Provision for compensated absences	84.23	71.15
Provision for slow and non moving inventory	6.45	9.96
Impact on account of adoption of Ind AS 116	151.51	201.27
On land indexation of freehold land	18.91	18.91
Others	(2.35)	(6.20)
<b>Total deferred tax asset</b>	<b>541.78</b>	<b>518.78</b>
<b>Deferred tax liability</b>		
Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act.	(1,331.24)	(1,226.34)
<b>Total deferred tax liability</b>	<b>(1,331.24)</b>	<b>(1,226.34)</b>
<b>Minimum alternative tax assets*</b>	<b>-</b>	<b>228.78</b>
<b>Deferred tax liability (net)</b>	<b>(789.46)</b>	<b>(478.78)</b>

\*\* The company is liable to pay tax as per normal provisions under Income Tax Act, 1961 and the Company has availed entire MAT credit available in the books of accounts towards payment of tax as per normal provisions.

(ii) Movement in temporary differences

Particulars	(₹ in million)				
	Balances as at 1 April 2022	Adjustment to retained earnings	Recognised in Profit or loss during 2022-23 (charge)/credit	Recognise in OCI during 2022-23	Balances as at March 31, 2023
Provision for doubtful receivables	93.75	-	32.82	-	126.57
Provision for gratuity	129.94	-	7.63	18.89	156.46
Provision for compensated absences	71.15	-	13.08	-	84.23
Provision for slow and non moving inventory	9.96	-	(3.51)	-	6.45
Impact on account of adoption of Ind AS 116	201.27	-	(49.76)	-	151.51
On land indexation of freehold land	18.91	-	-	-	18.91

# Notes

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

(₹ in million)					
Particulars	Balances as at 1 April 2022	Adjustment to retained earnings	Recognised in Profit or loss during 2022-23 (charge)/credit	Recognise in OCI during 2022-23	Balances as at March 31, 2023
Others	(6.20)	-	13.06	(9.21)	(2.35)
Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act.	(1,226.34)	-	(104.90)	-	(1,331.24)
MAT Credit Entitlement	228.78	-	(228.78)	-	-
<b>Deferred tax liability (net)</b>	<b>(478.78)</b>	<b>-</b>	<b>(320.36)</b>	<b>9.68</b>	<b>(789.46)</b>

## (b) Meridian Medical Research & Hospital Limited :-

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

(₹ in million)		
Particulars	As at March 31, 2023	As at March 31, 2022
<b>Deferred tax asset</b>		
Provision for doubtful receivables	8.28	12.39
Provision for gratuity	5.50	3.52
Provision for compensated absences	4.36	3.60
Provision for slow moving and non moving inventory	0.70	0.82
Others	8.13	8.65
<b>Total deferred tax asset</b>	<b>26.97</b>	<b>28.98</b>
Deferred tax liability		
Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act.	(88.94)	(90.13)
<b>Total deferred tax liability</b>	<b>(88.94)</b>	<b>(90.13)</b>
Minimum alternative tax assets**	-	48.80
<b>Deferred tax asset / (liability) (net)</b>	<b>(61.97)</b>	<b>(12.35)</b>

\*\*The company is liable to pay tax as per normal provisions under Income Tax Act, 1961 and the Company has availed entire MAT credit available in the books of accounts towards payment of tax as per normal provisions.

(ii) Movement in temporary differences

(₹ in million)					
Particulars	Balances as at April 1, 2022	Other Adjustment	Recognised in Profit or loss during 2022-23 (charge)/credit	Recognised in OCI during 2022-23	Balances as at March 31, 2023
Provision for doubtful receivables	12.39	-	(4.11)	-	8.28
Provision for gratuity	3.52	1.02	(0.40)	1.35	5.50
Provision for compensated absences	3.60	-	0.76	-	4.36
Provision for slow moving and non moving inventory	0.82	-	(0.12)	-	0.70
Others	8.65	-	(0.52)	-	8.13
Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act.	(90.13)	-	1.19	-	(88.94)
Minimum alternative tax assets	48.80	(48.80)	-	-	-
<b>Deferred tax asset / (liability) (net)</b>	<b>(12.35)</b>	<b>(47.78)</b>	<b>(3.19)</b>	<b>1.35</b>	<b>(61.97)</b>

# Notes

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

## (c) Narayana Vaishno Devi Specialty Hospitals Private Limited

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

Particulars	(₹ in million)	
	As at March 31, 2023	As at March 31, 2022
<b>Deferred tax asset</b>		
Provision for doubtful receivables	7.40	4.42
Provision for gratuity	2.12	1.70
Provision for compensated absences	1.72	1.49
Impact on account of adoption of Ind AS 116	0.16	-
Provision for slow moving and non moving inventory	0.33	0.22
Others	2.97	2.76
<b>Total deferred tax asset</b>	<b>14.70</b>	<b>10.59</b>
<b>Deferred tax liability</b>		
Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act.	(0.51)	(0.05)
<b>Total deferred tax liability</b>	<b>(0.51)</b>	<b>(0.05)</b>
<b>Deferred tax asset / (liability) (net)</b>	<b>14.19</b>	<b>10.54</b>

(ii) Movement in temporary differences

Particulars	(₹ in million)				
	Balances as at April 1, 2022*	Other Adjustment	Recognised in Profit or loss during 2022-23 (charge)/credit	Recognised in OCI during 2022-23	Balances as at March 31, 2023
Provision for doubtful receivables	-	-	7.40	-	7.40
Provision for gratuity	-	-	1.90	0.22	2.12
Provision for compensated absences	-	-	1.72	-	1.72
Provision for slow moving and non moving inventory	-	-	0.33	-	0.33
Others	-	-	2.97	-	2.97
Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act.	-	-	(0.51)	-	(0.51)
Impact on account of adoption of Ind AS 116	-	-	0.16	-	0.16
<b>Deferred tax asset / (liability) (net)</b>	<b>-</b>	<b>-</b>	<b>13.97</b>	<b>0.22</b>	<b>14.19</b>

\*During FY 2021-22, Deferred tax assets has not been recognised because it was not probable that future taxable profit will be available against which the Company can use the benefits thereon and In FY 2022-23, there is a virtual certainty based on the operations of the Company to recognise the deferred tax asset.

## (d) Narayana Hrudayalaya Surgical Hospital Private Limited and others:-

### (i) Minimum Alternate Tax Credit

During the FY 2022-23, 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 ₹ 30.93 million (previous year ₹ 10.68 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.

# Notes

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

## (ii) Current Tax Liabilities (Net)

Particulars	(₹ in million)	
	As at March 31, 2023	As at March 31, 2022
Opening Balance	22.71	-
Add: Current tax payable of the year	30.94	61.68
Less: Taxes paid(net of TDS receivable)	(7.70)	(38.97)
	<b>45.95</b>	<b>22.71</b>

## 50 Financial instruments: Fair value and risk managements

### A. Accounting classification and fair values

As at March 31, 2023	FVOCI	FVTPL	Amortised cost	Total	(₹ in million)			
					Fair value			
					Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Investments	-	2,513.46	5.11	2,518.57	2,513.46	-	-	2,513.46
Trade receivables	-	-	4,315.00	4,315.00	-	-	-	-
Cash and cash equivalents	-	-	1,547.60	1,547.60	-	-	-	-
Bank balances other than above	-	-	2,251.27	2,251.27	-	-	-	-
Loans	-	-	820.00	820.00	-	-	-	-
Interest rate swap	38.24	-	-	38.24	-	38.24	-	-
Other financial assets	-	-	1,392.31	1,392.31	-	-	-	-
	<b>38.24</b>	<b>2,513.46</b>	<b>10,331.29</b>	<b>12,882.99</b>	<b>2,513.46</b>	<b>38.24</b>	<b>-</b>	<b>2,513.46</b>
<b>Financial liabilities</b>								
Borrowings	-	-	7,622.35	7,622.35	-	-	-	-
Lease liabilities	-	-	1,219.36	1,219.36	-	-	-	-
Trade payables	-	-	6,150.35	6,150.35	-	-	-	-
Other financial liabilities	-	-	1,207.40	1,207.40	-	-	-	-
	<b>-</b>	<b>-</b>	<b>16,199.46</b>	<b>16,199.46</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

As at March 31, 2022	FVOCI	FVTPL	Amortised cost	Total	(₹ in million)			
					Fair value			
					Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
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	-	-	-	-
	<b>-</b>	<b>1,312.26</b>	<b>7,153.28</b>	<b>8,465.54</b>	<b>1,312.26</b>	<b>-</b>	<b>-</b>	<b>1,312.26</b>
<b>Financial liabilities</b>								
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
	<b>27.69</b>	<b>-</b>	<b>12,968.20</b>	<b>12,995.89</b>	<b>-</b>	<b>27.69</b>	<b>-</b>	<b>27.69</b>

### Measurement of fair values

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

# Notes

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

## 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.

### (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 ₹ 5,165.31 million (previous year: ₹ 4,958.09 million). The movement in allowance for impairment in respect of trade and other receivables during the year was as follows:

Allowance for credit loss	(₹ in million)	
	As at March 31, 2023	As at March 31, 2022
Opening balance	589.44	502.33
Foreign currency translation	-	(25.21)
Credit loss recognised /(reversed)	260.87	112.32
<b>Closing balance</b>	<b>850.31</b>	<b>589.44</b>

No single customer accounted for more than 10% of the revenue as of March 31, 2023 and March 31, 2022. 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 17.

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

Particulars	(₹ in million)				
	Less than 1 year	1 - 2 years	2-5 years	more than 5 years	Total
Borrowings	1,500.05	1,399.84	4,127.96	594.50	7,622.35
Lease liabilities	361.49	122.96	210.43	524.48	1,219.36
Trade payables	6,150.35	-	-	-	6,150.35
Other financial liabilities	485.45	105.76	498.43	117.76	1,207.40
<b>Total</b>	<b>8,497.34</b>	<b>1628.56</b>	<b>4836.82</b>	<b>1236.74</b>	<b>16,199.47</b>

# Notes

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

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
<b>Total</b>	<b>6,608.80</b>	<b>2,894.40</b>	<b>2,193.81</b>	<b>1,298.88</b>	<b>12,995.89</b>

## (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, 2023 and March 31, 2022 are as follows:

Particulars	As at March 31, 2023 (USD in Million)	As at March 31, 2022 (USD in Million)
<b>Financial assets</b>		
Trade receivables	21.78	26.23
Cash and cash equivalents	13.03	5.80
Other financial assets (current)	4.36	2.99
Other current assets	4.99	5.62
<b>Financial liabilities</b>		
Borrowings	32.01	29.83
Trade payables	15.65	6.27
Other financial liabilities	3.36	0.14
<b>Net assets / (liabilities)</b>	<b>(6.86)</b>	<b>4.40</b>

## 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 March 31, 2023	As at March 31, 2022
<b>USD Sensitivity</b>		
INR/USD - Increase by 1%	(5.64)	3.34
INR/USD - Decrease by 1%	5.64	(3.34)

## 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 March 31, 2023

## (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, 2023		As at March 31, 2022	
		Amount Hedged (in USD million)	Fair Value (₹ in million)	Amount Hedged (in USD million)	Fair Value (₹ in million)
Interest rate swap	3	48.08	38.24	47.95	(27.69)

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, 2023 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:

Particulars	(₹ in million)	
	As at March 31, 2023	As at March 31, 2022
Variable rate long term borrowings including current maturities	4,789.75	2,886.83
<b>Total borrowings</b>	<b>4,789.75</b>	<b>2,886.83</b>

## (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.

Particulars	(₹ in million)	
	Impact on Profit or Loss	
	As at March 31, 2023	As at March 31, 2022
<b>Sensitivity</b>		
1% increase in interest rate	(47.90)	(28.87)
1% decrease in interest rate	47.90	28.87

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

## 51 Acquisition of ENT in Cayman Ltd (EICL)

The Company's wholly owned subsidiary Health City Cayman Islands Ltd (HCCI) has entered into a share purchase agreement on October 13, 2022, pursuant to which it acquired 50,000 ordinary shares of ENT in Cayman Ltd. (EICL), representing the entire share capital of EICL on March 3, 2023 for a consideration of USD 5.26 Million. EICL is a Cayman Islands resident company providing complete diagnosis and treatment of ear, nose, and throat conditions.

### a) Business Combination

The above transaction qualifies for the Business Combination as per Ind AS 103 - 'Business Combination' and indefinable assets acquired and liabilities assumed are fair valued against the fair value of the consideration transferred and resultant intangible of goodwill is recognised. Goodwill represents excess of purchase consideration over net assets acquired.

### b) Identifiable Assets and Liabilities

(Amount in million)

Particulars	Amount in USD	Amount in INR
Fair value of the consideration transferred		
Cash Consideration	5.26	432.81
<b>Total (A)</b>	<b>5.26</b>	<b>432.81</b>

# Notes

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

Assets Acquired		
Property, Plant and Equipment	0.22	17.75
other Assets	0.74	61.13
<b>Total Assets Acquired (B)</b>	<b>0.96</b>	<b>78.88</b>
<b>Liabilities assumed</b>		
<b>Trade Payables and other liabilities (C)</b>	0.22	18.01
<b>Net Assets acquired [D = B - C]</b>	<b>0.74</b>	<b>60.87</b>
<b>Goodwill [A - D]</b>	<b>4.52</b>	<b>371.94</b>

## 52 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 for indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate beneficiaries) or
  - (b) Provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries
- (v) The 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.

**53** The Company's wholly owned subsidiary Narayana Hrudayalaya Surgical Hospital Private Limited ('NHSPL') had entered into a consultancy contract with The Government of St. Lucia (GOSL) on October 7, 2020 for a period of 2 years to co-ordinate and share expertise on transition of Victoria Hospital to Owen king European Union Hospital (OKEUH) and provide advisory and consultancy services for management of operations of OKEUH with a view to ensuring that global best practices are adhered to. During the year the Company has completed the said contractual period and the entire revenue has been recognised in the books during the said contractual period.

**54** During FY 2022-23, the Company's wholly owned subsidiary Health City Cayman Islands limited (HCCI) has to had proposed a dividend distribution policy which states as follows:

- a) HCCI will distribute dividends to its parent company Narayana Hrudayalaya Limited(NHL) only out of profits of concerned financial year and not from past profits as may be decided by the Board of Directors of HCCI.
- b) HCCI shall not distribute dividends to NHL India in excess of USD 10 Million in any given financial year.



# Notes

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

- 55** a) The Company incorporated a wholly owned subsidiary, Athma Healthtech Private Limited (AHPL) on June 2, 2022 to engage in software development, sale and support services for healthcare service providers.
- b) The Company incorporated a wholly owned subsidiary, NH Integrated Care Private Limited (NHIC) on January 10, 2023 to carry on the business of healthcare services in the field of health and wellness management. The Company has transferred certain clinics on slump sale basis for a consideration of ₹ 101.48 million effective from close of business hours as on March 31, 2023.
- c) Health City Cayman Islands Ltd. (HCCI), wholly owned subsidiary of the Company, incorporated a wholly owned subsidiary, Cayman Integrated Healthcare Limited (CIHL) on September 28, 2022 to carry on integrated healthcare services business.

For and on behalf of the Board of Directors of  
**Narayana Hrudayalaya Limited**

**Dr. Emmanuel Rupert**  
Managing Director  
DIN: 07010883

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

**Sandhya Jayaraman**  
Chief Financial Officer

**Sridhar S**  
Company Secretary

Place: Bengaluru  
Date: May 19, 2023

Place: Bengaluru  
Date: May 19, 2023



# Health for All

Nurturing a Healthy Planet,  
Society and Institution

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# Chairman's Letter



**We aim to be a pioneer and trusted partner in the healthcare industry underpinned by a sustainable, robust & quality healthcare delivery model.**

## EXPANSION IN INDIA'S MEDICAL CAPABILITIES

During the COVID -19 pandemic, when countries across the world were struggling with controlling the virus, India was one of the leading countries that managed COVID-19 better than any other developed country and this was possible because of the phenomenal increase in the number of doctors in the country.

In the last 6 - 7 years, there has been a substantive increase in the number of medical seats at both undergraduate and postgraduate levels, from 82,000 seats in the year 2014 to 1.48 lakhs in 2022. This increase in the strength of doctors and medical professionals was one of the greatest supporting pillars of the Indian healthcare system which helped us fight the pandemic.

In a country like India, with a vast population of more than 1.4 billion, it is very crucial that medical specialists are deployed in every corner of the country, especially in rural areas, to ensure that the healthcare requirements of all citizens are met equally. To this end, two years ago, The National Board of Examination (NBE) launched a two-year diploma in medical courses like paediatrics, anaesthesia, gynaecology, and other basic specialties. This was a remarkable step that ensured that any hospital could become a medical academic institution and nurture qualified medical specialists. Another remarkable healthcare initiative implemented by the government in the past couple of years, is the establishment of National Medical Commission that has proved to be pivotal in selecting the right medical talent, which in turn ensures effective implementation of policies in the long run.

Throughout my professional life as a heart surgeon, I have made constant efforts to make healthcare affordable and accessible to all. I have also believed in a realistic dream that India will be the first country to dissociate healthcare from affluence and prove to the world that the wealth of a nation has nothing to do with the quality of healthcare its citizens can enjoy.

I am optimistic that this dream will be achieved in the next 5 - 10 years. The instrumental initiatives taken by the government in the past few years, especially during the unprecedented COVID crisis, reaffirm my hope for a healthier future.

## EMERGING STRONGER FROM THE COVID-19 CRISIS

The outbreak of the COVID-19 pandemic posed incredible challenges but also offered unique opportunities for the healthcare industry. Narayana Health's (NH) response to the pandemic aimed at reducing the healthcare infrastructure gap. During the onset of COVID-19, we arranged for 300 ICU beds, which went up to 800 ICU beds amidst the peak of the pandemic to meet any eventuality. We also converted the nursing college in Bengaluru associated with our hospitals, with a student capacity of 1,000, to an Intensive Care Unit (ICU). During the initial days of the lockdown as the cases were rising, we tried to gather useful insights from similar scenarios in countries like Europe & USA to gain a better understanding of the disease & coping mechanism. We also understood that for us to continue treating patients, the lives of our doctors and nurses need to be safeguarded as a priority. At a time when skepticism and apprehensions confounded decision making regarding the uptake of vaccines to prevent the COVID infection, we not just adopted a universal vaccination programme for all the healthcare workers but conducted clinical research to evaluate the efficacy of vaccination. In the largest study carried out in the country till date, we critically examined the effects of vaccination in 14,837 healthcare workers across 20 different hospitals. The findings of the research were duly acknowledged by one of the leading journals in the world - The American Journal of Infection Control. Being a member of the Supreme Court nominated National Task Force for COVID management, I observed that

what healthcare can offer today is nothing short of magic! COVID also sped up digital transformation in the healthcare industry, among many others, with the introduction of services like telemedicine. We have treated 53,000 patients at NH through teleconsultations, which was earlier not considered valid and acceptable.

## THE ADVENT OF DIGITAL HEALTHCARE

At Narayana Health we believe that with all the digitalisation that is happening, healthcare can also be delivered online. Just as Uber is the biggest rental transport business without owning a single vehicle, or Airbnb is the largest hotel provider without owning any property, the largest healthcare provider in the future will be a hospital without any beds and will use software for managing healthcare.

We have implemented several digital initiatives such as the AADI app for doctors, that enables them to monitor ICUs remotely, get real-time status of their patients, and deliver better patient experience.

At Narayana Health, we have tied up with Honeywell for easing the lives of our nurses by providing them with a patch for capturing patient parameters digitally. All parameters like BP, Respiration Rate, Oxygen saturation are displayed on the Nursing Station TV and an analytical tool is developed to show risk score of the patients.

We believe in the idea of developing technology for doctors, nurses and technicians to enable them in providing the best quality of healthcare while achieving time & cost efficiency and minimising clinical errors in healthcare delivery.

## ENGINEERING INNOVATION IN HEALTHCARE

About 14% of heart surgeries in India are being performed at Narayana Health. Heart failure is the common cause of death that can be prevented by implanting an artificial heart run by a rechargeable battery. 15 years ago, NH was the 1st Hospital in Asia to implant an artificial heart on a patient. The cost of normal artificial heart implant ranges between Rs. 50 - 100 lakhs and is beyond the reach of a common man. To ensure that artificial heart implants are affordable and accessible, Narayana Health with the help of IIT Kanpur, is in the process of developing affordable advanced artificial hearts. We firmly believe that the future of healthcare will be totally dependent on the interaction between man and the machine. Throughout history, when engineering students have worked closely with doctors, they have produced innovative technology that has transformed the medical profession.

With all these endeavors, we aim to be a pioneer and the trusted partner of choice in the healthcare industry underpinned by a sustainable, robust & quality healthcare delivery model. This can only be achieved with the concerted efforts of our stakeholders, employees, and leaders. I would like to use this opportunity to express my sincere gratitude to all our stakeholders for their incessant support and faith in us.

*Dr. Devi Prasad Shetty*  
Chairman



# CEO's Insight



**We care for the health of our communities and for the health of our planet.**

## OUR BEDROCK COMMITMENT TO ENVIRONMENTAL SUSTAINABILITY

We are aware that healthcare as a whole is an energy and water-intensive industry and therefore, efficient use of energy and water is imperative for us to reduce our environmental footprint and make meaningful progress in lowering emissions and transitioning to a low-carbon economy. Our interventions in the fields of water and energy efficiency have not just enhanced environmental performance but have had a positive impact on patient safety. We wish to lead by example, so that as the healthcare industry grows it can have the best possible impact economically, socially, and environmentally.

We, therefore, aim to continue to focus and invest in enhancing our renewable energy mix. Through the use of renewable energy across our hospitals, we have successfully sourced 27% of our energy requirements and have made further efforts towards adoption of alternate sources of energy in all our hospitals.

To deepen our positive impact on the environment, we have also made tangible efforts to ensure safe handling of waste. We have established an Environment Management System (EMS) across our hospitals to ensure proper processing, segregation, & disposal of waste in compliance with the applicable regulations.

While we move forward on our mission to provide quality healthcare that is accessible to all, we wish to achieve it in a manner that creates shared value for all our stakeholders, stimulates environmental and societal progress, and forges a cleaner energy future. Sustainability is inherent across our business strategy. By embracing responsible business practices, we aim to thrive on the benefits of a resilient business model so that we can continue to provide responsible and quality clinical care even in the face of disruption.

To fulfill and further our sustainability ambitions, we at Narayana Health have articulated goals within the frameworks of tangible metrics, established guidelines, set a clear roadmap, and adopted internationally benchmarked practices across our networks and lines of operation. We have long acknowledged the negative impact of climate change and incorporated Environmental, Social, and Governance (ESG) principles into our business model.



**INCLUSIVE HEALTHCARE FOR SOCIETAL WELL BEING**

Healthy people are the foundation of healthy economies and we at Narayana Health are making continuous and concerted efforts to ensure healthy lives and well-being at all ages. To progress on our vision of 'All for Health and Health for All', we search for new, improved, & innovative ways to engage with larger communities and raise awareness about the importance of good health, healthy lifestyles as well as people's right to quality healthcare services, especially for the most vulnerable sections of the society.

In line with our commitment, we have collaborated with Narayana Hrudayalaya Foundation as a knowledge partner for the community radio named Namma Nadi which focuses on health, education, environment, culture, and civic issues within the primary & secondary zones of NH Health City.

To further our dedication to improving people's access to health and healthcare, we have partnered with various government bodies, local leaders, and invested towards free COVID-19 vaccination drives for communities of all age group. Our commitment towards supporting the scholarship education programme for NEET aspirants continues and we have supported large volumes of students this year.

For patients who walk through our doors expecting a healthier and safer future, we are devoted to providing them with the highest standards of clinical care and services. We, therefore, continue to invest in cutting-edge technology and research to achieve the peak of clinical excellence.

Within our network, we are creating a safe, fair, equitable & inclusive working environment so that our people can

work towards reinforcing our commitment to make affordable healthcare a reality.

**A ROBUST GOVERNANCE FRAMEWORK TO FOSTER CLINICAL EXCELLENCE**

Providing the safest clinical care by upholding responsible business practices is at the core of everything we do at Narayana Health, supported by our clinical service excellence. Being one of the leading providers of quality healthcare in the country, we are cognizant of the onus of our responsibility when being trusted by millions of Indians with their lives and hence, are committed to the highest standards of clinical care & ethical business conduct. To deliver on the trust of our patients we have implemented a robust clinical governance structure through which hospitals are accountable for continually improving the quality of their services and safeguarding high standards of care through an environment which flourishes excellence in clinical care.

Adherence to the framework also helps us in enhancing our relationship with our stakeholders through transparent and timely disclosures of our progress as well as challenges.

Clinical Care for All is the cornerstone of our sustainability efforts, but at NH, the horizon of our sustainability actions expands way beyond.

We have a dedicated ESG Policy in place that captures our position and responsibilities related to Environmental Conservation, Community, Occupational Health & Safety (OHS) practices. We also have ESG Committees at the corporate and unit levels to ensure holistic implementation of ESG-focussed initiatives across NH.

I take great pride in our teams who relentlessly work toward our commitment to building a healthier and greener future. As we remain committed to achieving the goal of making high-quality healthcare accessible to all, I would like to extend my gratitude to all our stakeholders for their constant support and guidance in driving significant progress so far.

*Dr. Emmanuel Rupert*

Managing Director and Group CEO





# CFO's Insight



## INVESTMENT IN TECHNOLOGY FOR EFFICIENT HEALTHCARE DELIVERY

The integration of technologies across our day-to-day operations & clinical specialties has helped us provide quality & affordable healthcare services to our patients with enhanced clinical capabilities. To this end, we have made significant investments to integrate best-in-class technologies across our focussed specialties which include Oncology, Cardiac Sciences, and Robotics, among others. Adding to our pool of technological competence are our state-of-the-art equipment like Linear Accelerator (LINAC), Brachy Therapy, Robotic Surgery System, PET CT, Cath lab, etc.

We have invested in a state-of-the-art Hospital Information System (HIS) called ATHMA which demystifies, digitises, and democratizes care in a way that we believe healthcare must be delivered in the future. Our AADI App for doctors enables them to effectively monitor and manage patients in real time across various medical departments through a single platform.

As custodians of the environment, we emphasise minimising e-waste by exploring ways to extend the life of our equipment by bringing in advanced & robust technologies which would stay relevant till & beyond the life of the equipment. By upgrading the existing systems to their latest platforms, we extend the life of an equipment by an average of 5-8 years. We have been able to upgrade various radiation and radiotherapy equipment across our facilities. Recently, we upgraded our existing LINAC from ELEKTA to the Agility platform, and Brachytherapy from Varian to the latest platform.



**As a company, we don't just focus on financial metrics, but also on our social impact.**

Being a socially responsible organisation, we at Narayana Health are aware that measuring our performance solely against financial metrics does not provide a holistic view of our overall impact on the environment and society. Our values and the unwavering trust that our employees, community, and investors have placed in us have enabled us to make affordable healthcare a reality.

In our 20+ years of excellence in the healthcare industry, we have left no stone unturned to finding new, improved, and innovative ways to

enhance the effective use of our financial capital to achieve better health outcomes.

### FOSTERING CONSUMER TRUST THROUGH A COMMITMENT TO TRANSPARENCY

As an affordability-focussed business we believe that transparent pricing equips our consumers to make crucial healthcare decisions better. We follow a scientific process of price determination and disclose our service prices on our microsites on the first day of every year. This initiative has helped us bridge the trust deficit prevalent in the healthcare industry.



### TRANSFORMING HEALTHCARE ACCESSIBILITY

We play a meaningful role in the universal healthcare mission of the Government of India. In FY 2022~23, nearly one fourth of our patients were covered under the healthcare programmes of the Government of India. These programmes are significantly discounted with realisation at less than 50% of our regular tariffs.

We have also mobilised over Rs. 30 crores in funds from various donors to provide healthcare access to those who cannot afford treatments. All these treatments have been offered at a significant subsidy by the hospital with discounts ranging from 10 to 100%.

We have provided subsidies to our paediatric cardiac programme, bone marrow transplant programme and other economically weaker patients to the tune of approximately INR 100 Crores in FY23.

### PRIORITISING PATIENT FEEDBACK

We believe that the only way to improve is to listen. To date, we have collated feedback from over one hundred thousand patients and have been rated 4.8 out of 5 on Google ratings.

Our internal workflows are designed to address patients' grievances in a prompt fashion. Our average time for closure of all patient grievances raised is less than 24 hours and all the feedback is addressed & closed within 48 hours, in cases where no clinical interventions are required.

### POLICY ADVOCACY FOR DRIVING IMPACTFUL CHANGE

Narayana Health, being one of the largest healthcare providers in the country, is often consulted by various bodies and the government while making policy decisions.

We helped the Department of Health Research (DHR) to develop an exhaustive methodology to arrive at costs for various medical procedures. This exercise was conducted through CII on invitation from NHA.

Similarly, we helped AHPI develop a recommendation for AB PM-JAY package rationalisation.

We have also advised on CGHS related issues faced by hospitals. We have helped develop a pilot on easing the patient discharge process for the CII Taskforce on health insurance and the CII Payor Provider Execution Group enabling improvement in consumer experience.

In the insurance area, apart from helping the Government of Karnataka build and manage the successful Yeshasvini scheme, we are in discussion on bringing in a change in areas such as covering the missing middle population.

Narayana Health was also consulted for the National Digital Health Mission while developing the National Digital Health Blueprint document

We dream that India will be the first country in the world that will disassociate healthcare from affluence. Our sustainability centered business model is deeply rooted in the principles of conscious capitalism, and we believe that eventually this may be the only way to deliver healthcare in the future.

*Sandhya J*  
Group CFO



# ESG Governance Framework

Our ESG governance framework leverages the collective expertise of our Board of Directors, ESG Steering Committee, and Functional Committees. We have continued to expand our operational excellence while prioritising environmental and social aspects.



## Setting up the ESG Steering Committee

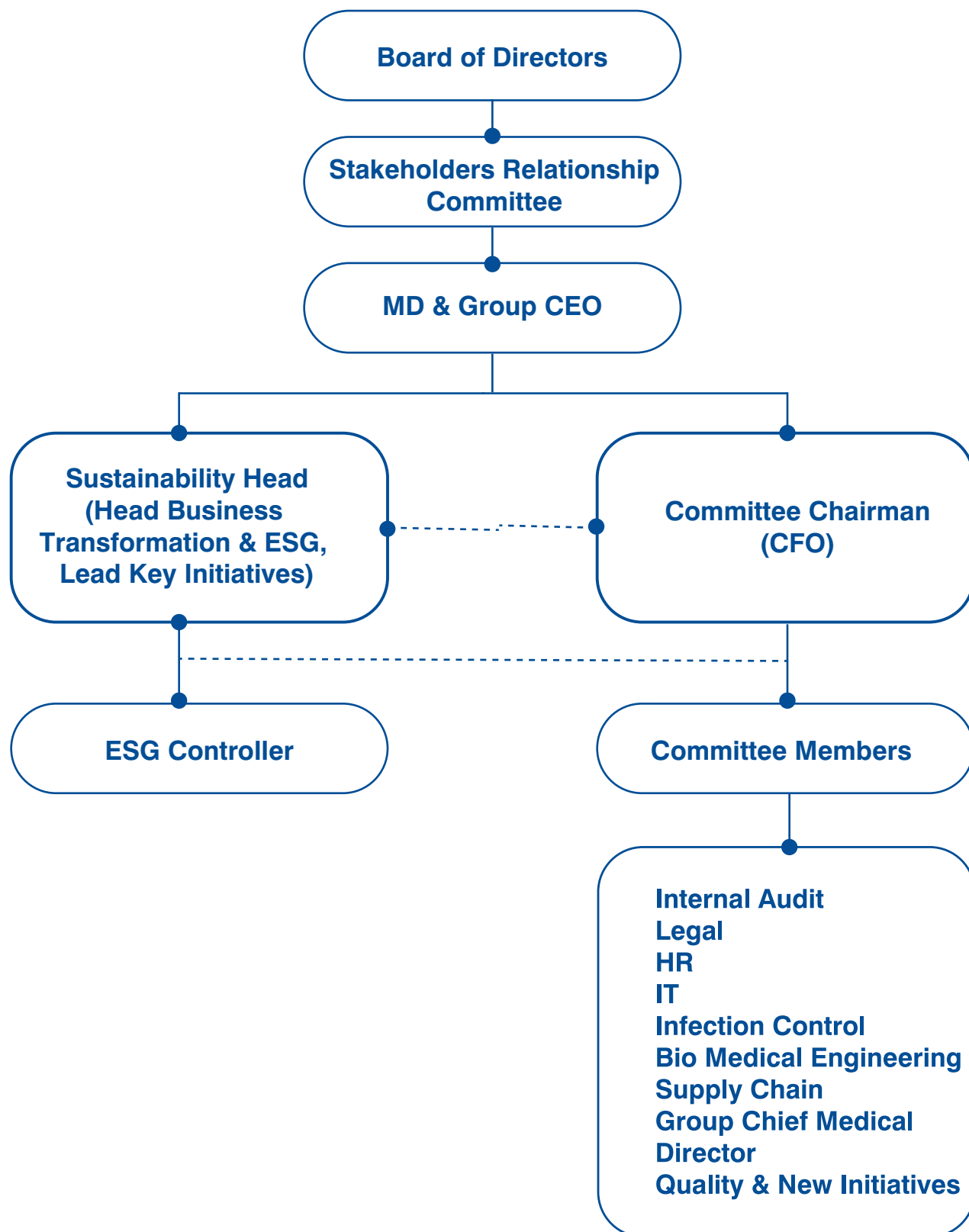
Since 2015, we have been committed to building a sustainable future by constantly monitoring our ESG performance. Our first E&S manager was appointed on the recommendation of our investor – CDC, to oversee ESG performance across all Narayana Health hospitals.

Since then, there has been no looking back. Fast forward to 2023, Narayana Health has a well-established ESG Policy and ESG Steering Committee with an E&S Manager, an Energy Manager, and a Fire Safety Officer reporting to the senior management.

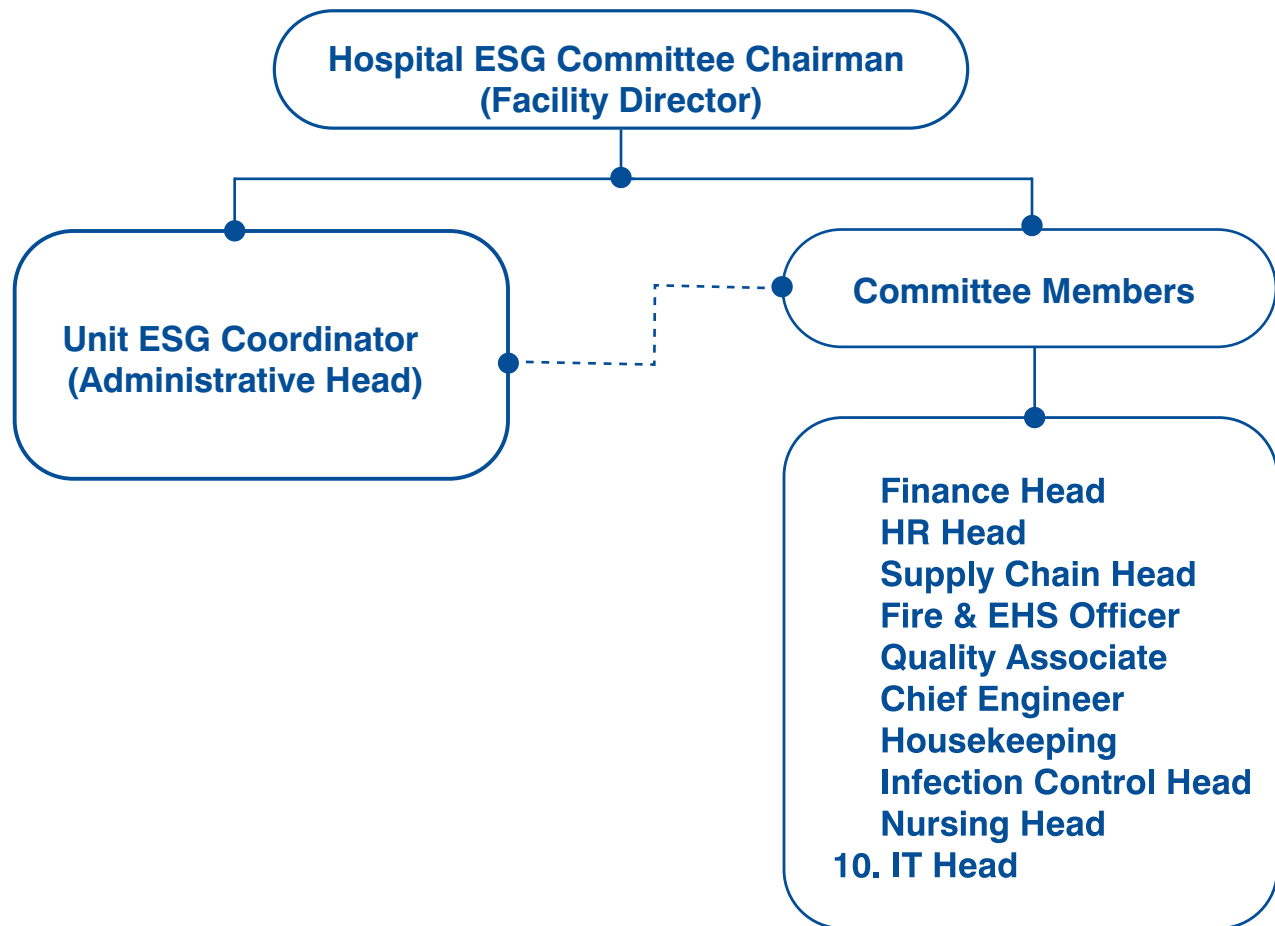
Our ESG Steering Committee is a cross-functional management committee that supports and reviews the organisation's sustainability progress and priorities, ensuring accountability at all levels. The committee holds a quarterly meeting to monitor ESG performance, discuss trends, and propose new initiatives to support the group's strategy. The team has been instrumental in developing and implementing a compelling environment and social management system across all 19 hospitals. To ensure performance-aligned implementation of plans, resolve teething issues, and strategise plans for upcoming activities, a monthly meeting is held by the ESG Functional Committees.

This three-tier structure for ESG Governance ensures the development of our ESG strategy, setting up ESG Goals, measuring & monitoring progress, communicating our progress, and taking corrective action in line with our goals.

## Organizational Structure of the ESG Steering Committee



## Organizational Structure of the ESG Hospital Committee



### A story of achieving sustainable growth through strong governance

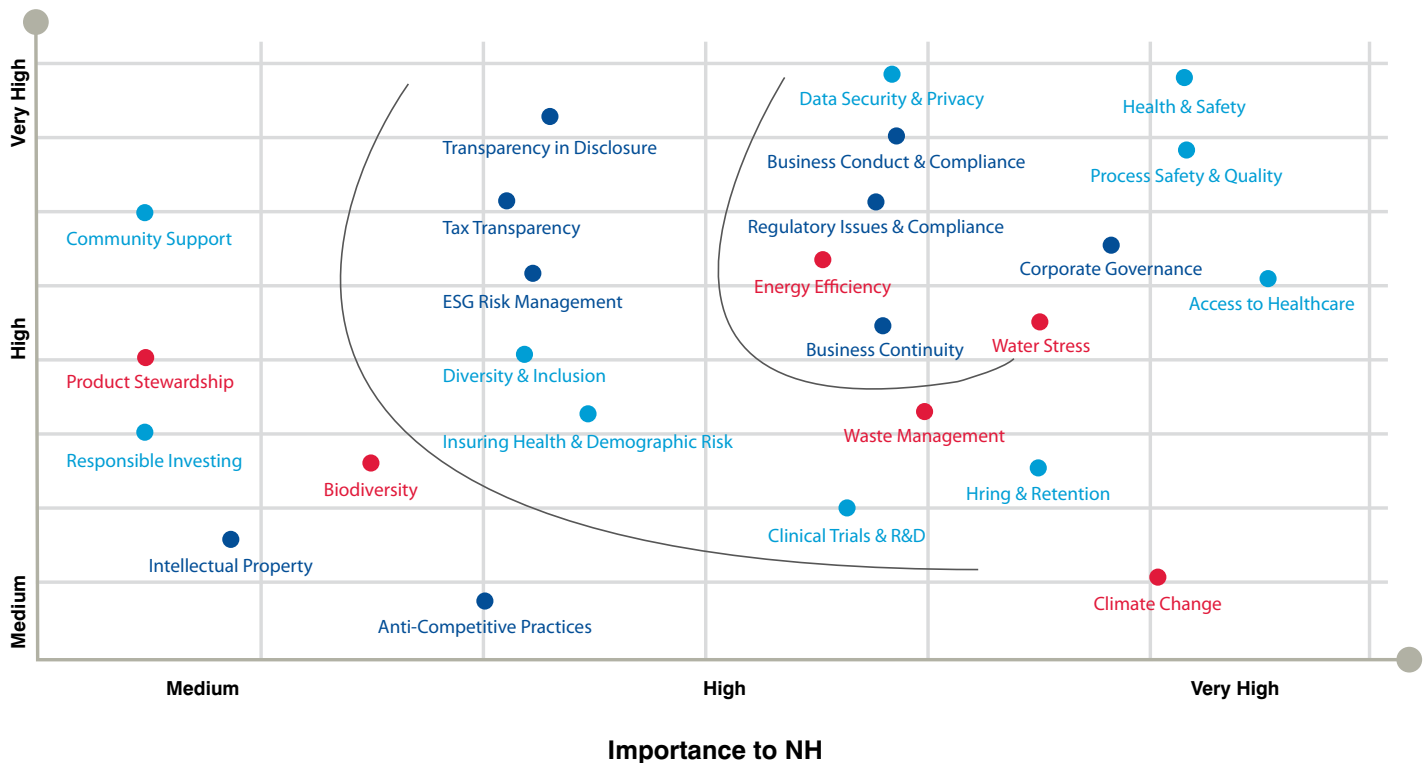
"In 2014, we invested in Narayana Health, which served around 1.5 million patients annually in 18 hospitals during our investment period. CDC's ESG Impact team worked closely with NH to implement high environmental and social (E&S) management standards across their hospitals.

Our investment required that NH create a dedicated ESG team to develop and deliver a comprehensive environmental management system. We worked closely with the senior management team at Narayana Health to increase awareness of the social, environmental, and business value of strengthening ESG capacity within the business. In 2015, we supported the appointment of an E&S manager to oversee ESG performance across all Narayana Health hospitals. By March 2020, when we exited the investment, Narayana Health had a well-established ESG team and ESG policy in place, treated over 2.5 million patients annually, and achieved recognitions through quality accreditations across its 21 hospitals. Narayana Health's ESG approach provides an example to other organisations in the sector, including companies in our portfolio whom we are working with to implement similar initiatives."

- CDC

# ESG Materiality Assessment

With demand for transparent & sustainable business practices at an all-time high, we carried out an exercise for the formulation of ESG Strategy for the organisation. For the identification of key ESG Topics, through an online survey, we engaged with different stakeholders, e.g., employees, senior management, board of directors, customers, suppliers, investors & the community, who are directly & indirectly involved with the organisation. The response of stakeholders helped NH identify & prioritise issues that are most material to the business & relevant to the stakeholders.



## Final Ranking of ESG Focus Areas for NH

Very High:

1. Health & Safety
2. Access to Healthcare
3. Process Safety & Quality
4. Corporate Governance
5. Business Conduct & Compliance
6. Business Continuity
7. Data Security & Privacy
8. Regulatory Issues & Compliance
9. Energy Efficiency
10. Water Stress

# ESG Targets

Going by the vision of “Health for all”, Narayana Health has established ESG targets in three categories, viz.:

**Healthy Planet:** We are conscious about our impact on the environment, prioritising consumption efficiency and resource optimisation for a healthy planet. Following are the targets for the Healthy Planet category-

**30% renewable energy mix by 2030:** At present 26% of energy is sourced from renewable sources

**Carbon neutral by 2040:** Established a base line for GHG Emissions for Scope 1 (Direct Emissions) for Stationary, Mobile Combustion & Scope 2 (Indirect Emissions) for purchased electricity.

**100% wastewater recycling by 2030:** Currently more than 95% of the wastewater is recycled across NH

**Optimised waste management process:** Following a sustainable approach to waste management

**50% less paper use by 2025:** By FY '23, achieved a significant reduction in paper use. We have moved from 11 pages being printed per patient to 5 pages per patient & continue to reduce it further through digital initiatives & awareness.

**Healthy Society:** Committed to building a healthy society by improving access to care, digitalising patient safety & experience and building the workforce for tomorrow. Following are the targets for the Healthy Society category -

**Support 4000+ underprivileged academically bright students, aspiring to become doctors by 2030:** Till date, through “UDAAN” Project, already supported 1000+ underprivileged academically bright students appearing for NEET & MBBS scholarships.

**Touching lives of 20000+ government school children through cleanliness and hunger eradication programmes by 2030:** In FY '23, supported 360 children through feeding programmes & benefitted 1,200 children through sanitation programmes constituting toilets redevelopments.

**25000+ Doctors, Nurses & Paramedical staff trained by 2030:** Till date, trained more than 10000+ Doctors, Nurses & Paramedical staff.

**Decreasing disparities in access to care for patients especially children and those with Thalassaemia and Blood Cancer:** To Serve 5,000+ Bone Marrow Transplants (BMTs) patients by 2030. To Save 5,000+ Children every year with our Paediatric Cardiac Programme. In FY '23, NH waived off 10-100% of the treatment costs for these and other economically weaker patients to the tune of approximately INR 100 Crores.

**560000+ person-hours investment in Associate Development Programmes, including up-skilling by 2030:** Invested 3.75 Lakh person-hours in training in FY 23 & will continue to invest in people across a variety of training initiatives

**Digitalisation for enhancing patient safety & experience:** Further consolidation of digital reports in ATHMA platform & clinical triggers digitalisation initiative to be achieved by Dec '25.

**Healthy Institution:** We are committed to building strong and sustainable institutions by fostering a culture of innovation and strong governance. Following are the targets for the Healthy Institution category -

**Industry Leader in Clinical Governance:** Implementation of a 5-layer NH Governance Framework (NHGF) to align the board, governance, clinical team, quality department, audit team, and front-line staff. 125+ KPIs monitored across 25+ specialties, measuring performance and monthly trends throughout the NH Group.

**100% NABH & Enterprise Level JCI Certified hospitals by 2025:** At present, 17 Hospitals are NABH accredited, 2 Hospitals are accredited by JCI (Narayana Institute of Cardiac Sciences, Bengaluru & Health City, Cayman islands), 10 Hospitals are accredited by NABL & 11 Hospitals are certified by Nursing Excellence.

**Investment in Clinical Research:** Investment in clinical research to enhance clinical excellence, pave the way for ground-breaking scientific discoveries, deepen our comprehension of the subject and generate path-breaking insights that enable us to expand our strategic vision and improve patient care. A total of 738 publications were done between 2016 to 2020. We aspire to reach over 1000 publications in Peer Reviewed Indexed Journals during the 5 years ending calendar year 2025.

**World Class Risk Management: We have Established World Class Risk Management Practices based on Strategic, Operational, Financial, Reputational & Compliance Risk.**

We have also ensured, high levels of preparedness during extreme risks including organisation-wide Business Continuity Plan for world class enterprise risk management. This will be sustained, improved and continued to be reviewed by the Audit and Risk Committee of the Board.

**Cyber Resilience: Through robust risk management practices.** Already achieved ISO 27001:2013 certification in early 2022, Enterprise IDAM and Governance, setting up of a Security Operating Centre and in the process of upgrading to ISO 27001 2022. We will continue to build on this and build a Zero Trust Architecture by Dec '25.



# Creating Shared Value through Robust Governance



## HOW OUR APPROACH TO GOVERNANCE ISSUES SUPPORT THE SDGs

We, at Narayana Health, foster a culture of trust and accountability. In our pursuit of responsible growth, we have been trusted by millions of Indians as a partner of choice for their healthcare needs. The trust and support of our stakeholders stand testimony to our commitment to protect their interest, underpinned by a robust corporate governance framework.

For us, wealth and value creation are mutually aligned. Our corporate governance framework ensures the highest standards of ethical conduct, integrity, transparency, and accountability in our operations, while avoiding potential conflicts of interest and mitigating actual/potential impacts on the environment and society.

## CORPORATE GOVERNANCE STRUCTURE

Our corporate governance framework runs on the guiding principles of the Board of Directors and charters of the Stakeholders' Relationship Committee, Audit, Risk and Compliance Committee, Nomination and Remuneration Committee, and Corporate Social Responsibility Committee.

## BOARD OF DIRECTORS

Our Board consists of global leaders and visionaries, acting as custodians of stakeholder interest and supporting NH's long-term goal of wealth and value creation. The Board is also responsible for steering our ESG strategy, the organisation's overall sustainability performance, and achieving targets.

## COMPOSITION OF BOARD OF DIRECTORS FY 2022~23

Our Board consists of global leaders and visionaries, acting as custodians of stakeholder interest and supporting NH's long-term goal of wealth and value creation. The Board is also responsible for steering our ESG strategy, the organisation's overall sustainability performance, and achieving targets.

Type of Directorship	No. of Directors	% of Board Strength
Executive Directors	3	25%
Non-Executive Non-Independent Director	1	8%
Non-Executive Independent Directors	8	67%
<b>TOTAL</b>	<b>12</b>	<b>100%</b>

## 17% WOMEN ON THE BOARD

Please refer to our Annual Report, FY 22-23 for more information regarding our board leadership structure, board nomination process, and other corporate governance policies and practices.



## RISK MANAGEMENT

NH recognises the significance of a risk management framework that identifies, analyses, assesses, monitors, and mitigates risks and potential threats that may impede the achievement of our sustainable growth. In the past three years, we have made concerted efforts to establish a robust Enterprise Risk Management (ERM) framework for the organisation.

A three-tiered approach (Corporate, Regional, and Unit Level) is followed for the identification, evaluation, mitigation, and resolution of strategic, operational, financial, reputational, and compliance risks. The process is overseen through half-yearly updates to the Audit, Risk & Compliance Committee. The ERM Policy and Framework are constantly updated by the committee members and the executive leadership team to address the varying nature and dynamics of risks faced by the company.

We have also taken the initiative to formulate a detailed SOP and action plan to effectively address potential risks/threats with minimal impact on all the stakeholders in case of critical external or internal risks. After due testing and fine-tuning, this would be formally adopted and deployed across all NH units.

## PARTNERSHIP FOR SUSTAINABILITY

At Narayana Health, we are constantly striving to use our position to benefit the communities in which we operate and the broader healthcare industry. We proactively engage in shaping the regulatory ecosystem in which we operate. Our Chairman and Founder, Dr. Devi Prasad Shetty, leads this culture by example by regularly

participating in various avenues to drive positive change in the healthcare sector, some of which are listed below

- (i) Medical Education Reforms have been made through continuous efforts towards generating more opportunities for creating specialists, a cadre of nurses, and nursing assistants.

- (ii) NH has been working with the Indian government and MCI to introduce technology in healthcare and create guidelines for teleconsultations, online consultations, and prescriptions.

- (iii) NH is also a part of the High-Level Group in the health sector constituted by the 15th Finance Commission, Government of India, and chairs the Academics Committee of the Health Sector Skills Council.

- (iv) We have also initiated the creation of courses for intermediate health workers to bridge the gaps in healthcare delivery.

- (v) Narayana Healthcare is a member of the XI CAG audit advisory board and the Rajasthan Chief Minister's Economic Transformation Advisory Committee

- (v) NH is a member of Health Insurance Consultative Committee (HICC) formed by the Chairman, Insurance Regulatory Development Authority of India (IRDAI), for a wider coverage of the population, complete cashless transactions, and technology enablement in health insurance administration.

## PAVING THE WAY FOR A HEALTHIER AND SUSTAINABLE FUTURE

As an organisation and employer, we prioritise sustainability and recognise the impact it has on our planet and people's lives. Our continued focus on sustainability is reflected in the organisation's growing understanding of this

evolving and impactful subject. Today, a robust corporate governance framework charts the best path forward for our environmental efforts while empowering us to improve people's lives everywhere.

Since 2015, we have appointed an Environment & Safety Manager to maintain our ESG vision and timely monitor our performance. To monitor and communicate our ESG progress we have further aligned our efforts with the United Nation's Sustainable Development Goals (UN SDGs). This has enabled us to advance in all our sustainability initiatives and make significant strides in the process.



# Our Bedrock Commitment to Environmental Sustainability



## HOW OUR APPROACH TO ENVIRONMENTAL ISSUES SUPPORTS THE SDGs

At Narayana Health, as we strive towards expanding our operational footprint to fulfill our commitment of making clinical care accessible to all, we are adopting practices that accelerate our progress toward our environmental aspirations.

We have long acknowledged climate change and its adverse effect on human health, and we are committed to taking initiatives to transition to a low-carbon economy, with the collective strength of our people, processes, and policies.

Healthcare is an energy and water-intensive industry. To reduce our environmental footprint, we ensure effective and efficient utilisation of resources and enhance our renewable energy mix. To further deepen our positive impact on the environment, we have implemented measures to ensure the safe handling of waste.

## WATER MANAGEMENT

Our day-to-day operational activities require intensive water usage, making water a major contributor to our environmental footprint. Our hospitals use water for distinct purposes such as cooling, cleaning, medical process rinses, drinking, etc. The availability of clean water is a basic human need and must be addressed by every enterprise. At NH, we understand the importance of responsible water usage and have implemented several measures to ensure water efficiency in our operations. These initiatives have not only inched us closer to a smaller water footprint, but have also helped us attain lower operational costs, and a positive social impact by mitigating water scarcity risks for local communities in water-stressed areas. We are guided by the 3R model that alleviates the burden on potable water supply and wastewater systems:



### REDUCE

Installation of water efficient taps and flushing systems  
Leak identification & rectification



### REUSE

Re-utilisation of RO rejected water for hospital inhouse purposes  
Rainwater Harvesting for restoring underground water table



### RECYCLE

Recycling procedure for alternative water sources like treated wastewater

Mitigating our impact on water resources includes ensuring wastewater discharges are managed responsibly so that they do not adversely affect human health or the environment. We have taken proactive steps to ensure responsible wastewater treatment which include the following:

Our hospitals treat their domestic wastewater using on-site treatment plants and repurpose it for suitable non-contact uses like flushing, gardening, green belt development, etc.

A third party agency regularly tests the performance of sewage treatment plants (STPs) to ensure the parameters are well within the standard prescribed limits set forth by the states' pollution control boards.

To ensure that wastewater parameters do not exceed the standard prescribed limits, we have installed online effluent monitoring systems at STP outlets at Dharamshila Narayana Superspeciality Hospital, Delhi and Narayana Superspeciality Hospital, Gurugram.

**MAPPING OUR PATH:**

5% reduction in water intensity (Water Consumed (KLs)/Occupied Bed/Day)

Recycled more than 95% of wastewater

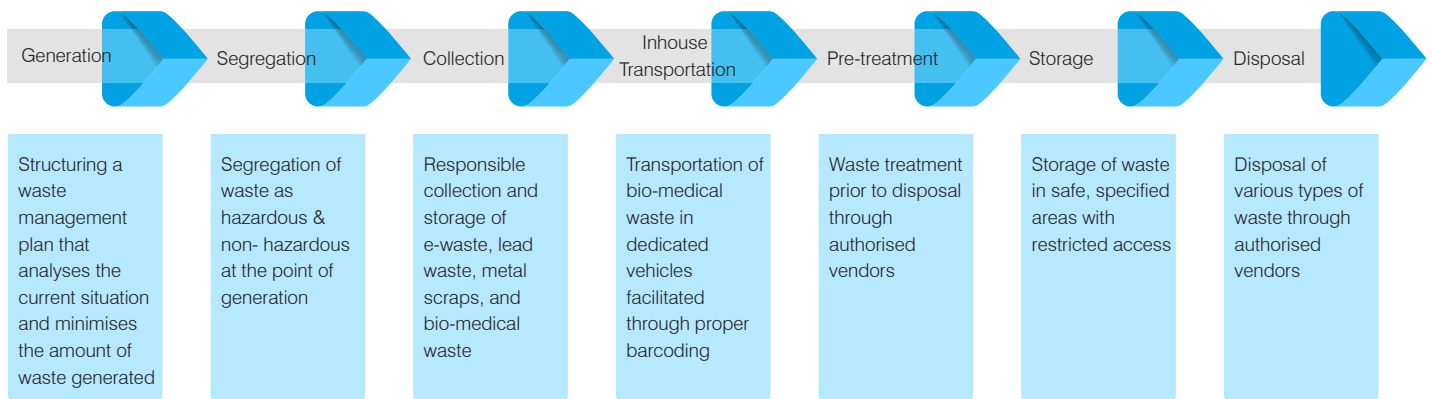
**WASTE MANAGEMENT**

NH understands that responsible waste management is essential to minimise our environmental impact. Organisational managing of waste generated through healthcare activities requires even more diligence and attention as it poses a potentially adverse impact on the environment and the health of our communities. Excess waste also represents an inefficient use of both business and natural resources.

Therefore, as stewards of the environment, we have adopted a comprehensive approach to waste management, that prioritises the well-being of our patients and employees while ensuring the safe management of waste.

Our sustainable approach to waste management entails a clearly defined process for the safe, reliable, and appropriate handling, storage, & disposal of all types of waste.

**A SUSTAINABLE APPROACH TO HOSPITAL WASTE MANAGEMENT**



NH has a well-established environment management system in place under which we are implementing the below-mentioned initiatives to ensure the highest levels of waste management and undertaking recycling wherever possible:

We have installed organic waste converters for converting food and solid waste to compost. The compost is further utilised in our gardens for landscaping within the hospital grounds. In facilities where inhouse organic waste composters are not available, food waste is handed over to authorised vendors.

All records of individual waste generated, treated & disposed of are maintained regularly.

Our Waste Management Plan applies to all staff in the hospitals and defines the responsibilities of all healthcare personnel for identifying, storing, handling, disposing, and transporting hazardous materials in accordance with regulatory requirements. Regular training is provided to ensure adherence to the plan.

**MAPPING OUR PATH:**

Achieved a 5% reduction in biomedical waste generated (KG/Occupied Bed/Day)

## ENERGY MANAGEMENT

Hospitals, being complex facilities with unique engineering systems, rely on continuous and uninterrupted power supply to sustain high-end medical equipment, life-saving treatments, and access to critical patient data. At Narayana Health, we are aware of our high dependency on electricity and the associated costs. Hence, we are equally committed to protecting the environment by reducing our carbon footprint. With sustainable development and climate change gaining momentum, we are leading from the forefront in the healthcare industry by implementing energy efficiency and energy conservation initiatives such as the introduction of energy-efficient technologies and equipment, and the use of alternative renewable power sources such as solar, wind, and hydropower plants. As a responsible enterprise, we are making constant efforts to turn India's climate aspirations of becoming Net-Zero by 2070 into action.

### ENHANCING ENERGY EFFICIENCY

In our endeavor to curb our energy consumption, we have embraced many distinct energy efficient measures. These measures include replacing traditional technologies like boilers & CFL lights with new & efficient electric heat pumps, cooling towers, modifying and optimising chilled water lines for buildings & installation of LED lights at various units. Witnessing the positive outcomes in response to our energy efficiency initiatives, we aim to explore and invest in new avenues to attain the highest levels of energy efficiency. These include:

- Conducting evaluations of energy efficiency & lifecycle costs and exploring opportunities for technology upgrades or replacements as appropriate.

- Implementing an energy monitoring system to ensure efficient energy management.

### TOWARD A CLEANER ENERGY FUTURE

To fulfill and further our commitment to environmental stewardship, we recognise the need for robust investment in renewable energy. Renewable energy sources such as solar, wind & hydropower can help us collectively achieve reduced dependency on fossil fuels, reduced energy costs, and improved public health.

We have initiated efforts to integrate renewable sources of energy throughout our network. The renewable energy projects at different sites are tailored to suit the local climate & energy needs, viability, regulatory permissions, and compliance with the state electricity board RPO (Renewable Power Obligation) mandated by the Indian government.

#### CASE STUDY:

Narayana Health City, Bengaluru, demonstrates the organisation's commitment to sustainability through the development of a solar project from a solar park under a captive model. The health city now uses up to 77% renewable energy for its operations, with approximately 23% of its annual energy needs being met by non-renewable energy resources. The utilisation of 13.8 million units from a solar, wind & hydro farm has resulted in a reduction of 13.17 Kilotons of carbon emissions in FY 2022~23.

#### ASSURING STATEMENTS THAT REFLECT OUR COMMITMENT TO FORGING A CLEANER AND GREENER FUTURE

"India installed around 1.9 GW of open access solar capacity in the first nine months of the calendar year 2022, an increase of 96% year-over-year, with a majority of projects set up for units in the C&I segment. The commercial & industrial (C&I) segment in India has seen a rapid increase in renewables adoption to save on energy costs and to deliver on sustainability targets. The increased adoption of renewable sources of energy is a testament to the responsible change in business strategies.

These organisations are setting a positive example for other enterprises as to how a sustainable approach to business can foster wealth and value creation. One such notable organisation in the healthcare industry is Narayana Health, a multi-specialty hospital, heart centre & primary care facility chain with a presence across 18 cities in India. The enterprise has saved over 40 million (\$482,946) in 2021 by adopting renewable energy to power most operations in India."

- Mercom India

**MAPPING OUR PATH:**

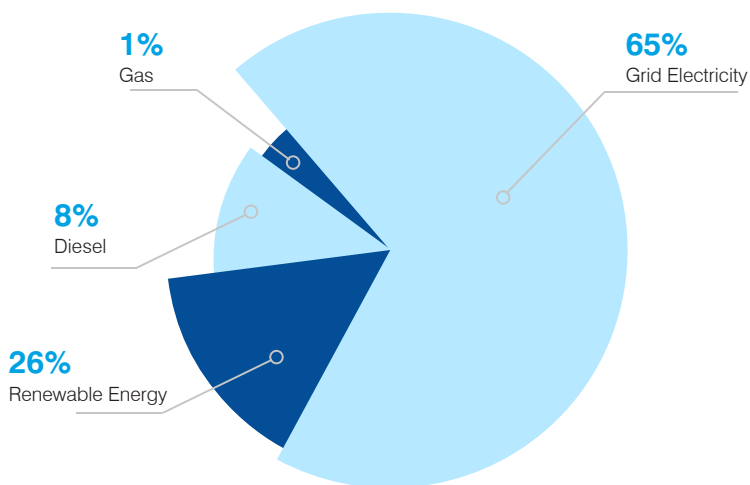
Reduction of **9%** energy cost compared to last year

Reduction of over **18,029** tons of carbon in the past year alone. This is equivalent 4,000 petrol-powered passenger vehicles driven for one year

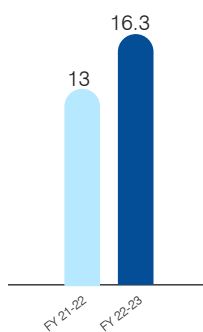
**26%** of our energy consumption is powered by renewable sources

An estimated INR **6.32** crores of energy-related savings realised for FY 2022~23

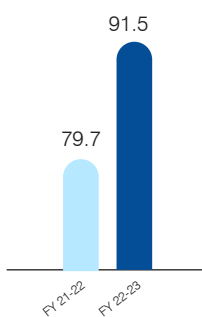
**ENERGY USE AT NH (FY 2022-23)**



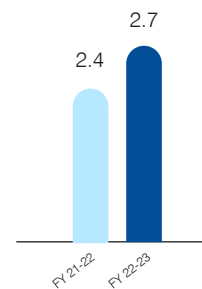
Renewable Energy Consumption (Million Units)



Deisel Conservation (Kilo Litres)

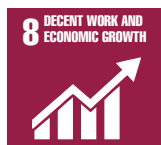


Energy Conservation though initiatives (Million Units)



Energy Source	Savings realized through reduction FY 23 (Lakhs)
Diesel	₹42.1
Grid Electricity	₹179
Renewable Energy	₹411
<b>TOTAL</b>	<b>₹632</b>

# Inclusive Healthcare for a Stronger and Healthier Society



## OUR APPROACH TO SOCIAL ISSUES AND ITS SUPPORT FOR THE SDGs

To stand true to our vision of, 'Health for All and All for Health', we continually seek out enhanced and innovative ways to engage with larger communities and raise awareness about the importance of good health, healthy lifestyle as well as people's rights to quality healthcare services, especially for the most vulnerable sections of the society. For patients who walk through our doors expecting healthier and longer lives, we are committed to providing them with the highest standards of clinical care and services. Within our network, we are creating a safe, fair, equitable and inclusive working environment so that our people can work towards reinforcing our commitment to make affordable and quality healthcare a reality.

## OUR COMMITMENT TO OUR PATIENTS

We strive to provide the best possible clinical care and experience to our patients, through our clinical excellence powered by cutting-edge technology, clinical research, a robust clinical governance framework, and our core values of innovation & efficiency, compassionate care, accountability, respect for all, and excellence. We aim to emerge as the leader in patient-centric care by fostering an environment that nurtures clinical excellence.

## MAPPING OUR PATH:

**10** Lakh patient bed days utilised

Conducted Over **1.2** Lakh health checkups

Performed **22** million+ laboratory tests

## EQUITABLE HEALTHCARE ACCESS

We strive to decrease disparities in access to care for patients, especially children and those with Thalassemia and Blood Cancer.

**Paediatric Cardiac Programme:** We have endeavoured to provide congenital heart surgery to children all over India and neighbouring countries from all sections of society. In FY23, we have treated more than 5000 children at subsidised charges as part of our congenital programme.

**Bone Marrow Transplant:** Bone marrow transplant is a highly specialised treatment for cancer, and we are committed to ensuring that patients from diverse socio-economic backgrounds can access this life saving procedure. These treatments require extensive hospitalisation and follow-up causing significant strain on the patients emotionally and financially. With the largest BMT Programme in the country, we are dedicated to ease the burden of this journey by enabling access to high quality care with needful financial support.

We have waived off 10-100% of the treatment cost for these and other economically weaker patients to the tune of approximately INR 100 Crores in FY23. In addition, we have also raised substantial funds from various sources to support patients from socio -economically weaker sections.

### COMMUNITY EDUCATION AND HEALTH

Through our Udaan Programme, we support underprivileged academically bright students aspiring to become doctors and appearing for NEET and help in reducing the financial cost of the MBBS course. We believe that these doctors will be motivated to practice in rural communities to give back to society.

Through our community health programmes, we provide government schools and orphanages with meals, safe drinking water and better toilet facilities. We believe that this will increase attendance in schools.

### CARE COMPANION PROGRAMME

NH launched a pilot programme in Mysore in September 2013 in collaboration with the Stanford University School of Design's course called the **Care Companion Programme (CCP)** which is designed to educate patient's family members with low or no prior medical knowledge on attending to the needs of the patient. Our nurses spend daily qualitative time educating care givers. This data is captured via the Care Companion app and close to an average of 4,000+ beneficiaries are educated on a monthly basis.

### EMPOWERING INNOVATION THROUGH CLINICAL ADVANCEMENT AND RESEARCH INITIATIVES - FY 2022~23

We have consistently prioritised providing our patients with the highest caliber of healthcare possible. This is achieved by leveraging the benefits of cutting-edge technology, ongoing clinical advancements, and the experience and knowledge of our doctors across the network.

With our clinical expertise, research advancements, and unwavering values, we have established our strong presence and grown stronger every day.



**2.6 million+**  
patients treated every year



**19** State-of- the- art  
hospitals



**18000+**  
Associates

Service	FY 23 Volume	% Growth Indicator
Liver Transplant	76	50%
Kidney Transplant	699	25%
Bone Marrow Transplant	300	39%
Advanced Electrophysiology	3927	46%
Heart Transplant & VAD	25	47%
Aortic Programme	407	24%
TAVI	158	100%
Robotics	581	156%
IR & Interventional Neurology	2123	45%



## CLINICAL GOVERNANCE FRAMEWORK

NH is committed more than ever to ensuring the highest possible quality and safety standards for our patients when they use our services. To live up to our commitment we have implemented a Clinical Governance Framework. The framework entails a variety of procedures and techniques intended to evaluate & enhance the standard of care delivered, recognise & reduce risks, and hold our hospitals accountable for ongoing service improvement.

Our 5-layer Governance Framework plays a critical role in assisting the organisation in taking a transparent and holistic approach to care. By developing transparent and rigorous review and assurance processes, the staff are provided with the data and feedback they require to engage better with their patients.

It also ensures that the board, governance, clinical team, quality department, audit team, and front-line workers are all moving in the same direction. The framework’s design focusses primarily on the engagement of stakeholders at all levels. We carefully select a range of appropriate parameters and data, which are presented in a format that all stakeholders can easily comprehend. Within the clinical governance structure, there are committees, sub-committees, and groups; each have designated responsibilities to deliver strategic goals and objectives.

Some of the initiatives taken under this framework are:

### 1. Monitoring Clinical Outcomes:

Attention to detail through a strengthened and tailor-made clinical KPI monitoring process has helped define specific measures for over 25+ clinical specialities at NH. Over 100+ speciality specific KPIs are clearly defined, benchmarked, and rolled out across the group. Performance is measured against these KPIs, including monthly trends across departments, units, and NH Group.

Overview of our performance across key Clinical Outcomes:

NAME OF PARAMETER	BENCHMARK (REFERENCE)	FY 2022~23 AVERAGE OUTCOME
Adverse Events of Anesthesia	(4.8%) American Society for Anesthesiologists	0.23%
2. Return to ER within 72 hours (with similar complaints)	(1.91%) Christian Medical College, Tamil Nadu, Vellore, India	0.2%
3. Return to ICU within 48 hours	(<5%) ISCCM guidelines for ICUs in India	1.12%
4. Re-intubation within 48 hours	(10%) United States Intensive Care Units Crit Care Med	2.3%
5. Standardised Mortality Ratio (SMR)	(1%) ISCCM guidelines for ICU in India	0.52%
6. Door to Balloon Time (in minutes)	(90 Mins) ST-Segment Elevation Myocardial Infarction	83 Mins
7. International Patient Safety Goals (IPSG)		

International Patient Safety Goals (IPSG) are global goals for accredited organisations aimed to enhance patient safety by addressing specific areas of concern in some of the most problematic areas of patient safety.



There is compliance monitoring for the six IPSGs as below: -

- IPSG 1 – Identify patient correctly
- IPSG 2 – Effective communication during verbal order, critical alert reporting and handover
- IPSG 3 – Improve the safety of high-alert medications
- IPSG 4 - Ensure correct site, procedure, and patient surgery
- IPSG 5 - Reduce the risk of healthcare-associated infections
- IPSG 6 - Reduce the risk of patient harm resulting from falls

The IPSGs aim to promote safe and high-quality healthcare and system-wide solutions to ensure patient safety by identifying problematic areas in healthcare and presenting evidence and expert-based consensus solutions for these concerns.

The adoption of IPSGs has helped us ensure the following:

- Group-wide process standardisation
- Regular audits to continuously monitor the process
- Data analysis to find gaps and potential for improvement
- Comparing data amongst groups and exchanging best practices

**100% implementation of the IPSG Initiative across NH Group with more than 95% compliance**

## 2. Venous Thrombo Embolism (VTE) Risk Assessment & Management

Venous Thrombo Embolism (VTE), which comprises Pulmonary Embolism (PE) and Deep Vein Thrombosis (DVT), is a significant reason for morbidity and mortality in surgical and medical patients in hospitals. 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 (preventive care) is often underused or used sub-optimally. We aim to ensure timely risk assessment and initiate preventive care right from the admission stage.

**VTE Risk Assessments are conducted across 95% of all new admissions across NH Group**

## 3. Mortality Review:

We have developed a mortality review tool using the Institute of Healthcare Improvement (IHI) references to identify causes for mortality as per the World Health Organisation’s classifications. This tool helps identify process gaps, enabling the implementation of evidence-based measures proven to reduce mortality.

**Group level mortality review compliance using the IHI tool is more than 95% and lessons learned are discussed on the forum in order to institutionalise the same across the group**

#### 4. Escalation Matrix:

To ensure nurses provide safe, quality, and timely patient care to the newly admitted, they are encouraged to escalate patient evaluation and re-evaluation to the highest level on a need basis. This process facilitates a prompt escalation with a primary goal to complete the initial assessment in under 60 minutes with a turnaround escalation response time of under 2 hours.

**98% of all newly admitted patients are seen within 2 hours across the NH Group**

#### 5. Safety Rounds (PSR)

This project aims to improve patient safety and satisfaction by implementing purposeful two hourly rounds by the nurse supervisor. It is an evidence-based model of care that entails patient evaluation against the 5P's, namely **P**ain, **P**otty, **P**ositioning, **P**ossessions, and **P**ersonal needs, every two hours.

Our inhouse learning and development team has trained senior nurses via script-assisted modules developed inhouse on specific nursing care related indicators to ensure programme effectiveness.

During the day, the nurse sees patients every two hours, and night visits are limited to every 4 hours. Each patient is visited ten times daily with the help of standard scripts to ensure safety throughout. This project has resulted in higher patient satisfaction, lower fall rates, and fewer call bells, enabling our nurses to provide enhanced care to all patients admitted to our wards.

**NH Group's compliance with Patient Safety Rounds is 98%**



## What do our nurses say?



*Patient Safety Rounds (PSRs) for nurse Shylaja have been revolutionary in scaling new heights in her patient safety performance.*

Ms. Shylaja S  
Nursing Superintendent  
Shri Mata Vaishno Devi Narayana  
Superspeciality Hospital, Jammu

"PSR is a highly meaningful strategic initiative that caters to multiple aspects of patient care through something as simple as hourly nursing rounds. PSRs have yielded numerous benefits related to patient care which our doctors and patients highly value.

Initiatives like pain management through maintaining a pain management score, optimal patient positioning, avoiding accidents such as patient falls, through constant monitoring, and maintaining the privacy and dignity of vulnerable patients by limiting unnecessary body exposure, have equipped us to deliver quality care and experience to our patients. We perform a simple check of the patient's surroundings to ensure the availability of necessities like filled water jugs, spectacles and hearing aids, and train the patient on call bells, all of which have assisted our nurses in developing a personal touch with the patients and their families.

Our two-hourly safety rounds, paired with ALERT (A-Assess, Look for comfort, Scan the environment, R-Remember to ask, T-Tackle the issue), have enhanced patient happiness and experience across our network. It has also contributed to an exceptional patient experience, as evidenced by positive feedback and a rating of 4.8 out of 5 on Google Review.

The capacity building of our nurses on IV Line and Catheter checks has enabled NH to detect and prevent the progression of the elusive Grade 1 Phlebitis. Our most current data reveals that 300 Grade 1 Phlebitis are detected each month with zero progression. This promising trend demonstrates that our efforts successfully ensure patient safety and quality."

Furthermore, our nurses across all wards have shared that the script and the checklist have been beneficial. Their patients felt reassured that someone was checking in on them regularly. The frequency of call bells has significantly declined as patients now know that a check-in by the nurse at NH is just around the corner.



*Nurse Amala is better equipped to handle critical medical cases with the Escalation Patient Care Matrix.*

Amala Samuel  
Nursing Superintendent  
NMH Ahmedabad

"Implementation of Escalation Matrix has instilled great confidence amongst the nurses. Our nurses feel empowered to use this matrix as they are now better equipped to handle critical situations without experiencing any fear.

The Escalation Patient Care Matrix approach defines the hospital's decision-making boundaries and channels. This matrix has proved to be even more helpful for nurses working night shifts because patient accountability now exclusively rests in the hands of the assigned nurses. Because we closely abide by the escalation matrix, the assigned nurses understand the first approach and how to manage patients' family expectations better.

These programmes have enhanced the detection of patients whose health has shown no significant improvement and the timely assessment of patients by doctors and nurses, resulting in high patient satisfaction by lowering the incidence of falls, pressure ulcers, medication errors, and call bell usage."



# Clinical Research

Clinical research is at the heart of development in healthcare services. Investment in clinical research is a catalytic force to further our clinical excellence. It leads to ground breaking scientific advances, deepens our understanding of the subject, and sometimes provides path-breaking insights that can help us expand our strategic vision and enhance patient care.

In the last 15 years, we have participated in over 600 sponsored studies.

During the COVID-19 pandemic, we undertook several independent and collaborative research projects. One of the largest studies by NH, acknowledged by the leading American Journal of Infection Control, was to examine the effects of the COVID-19 vaccine spanning across 20 hospitals and 15,000 healthcare workers in India.

The initial studies at Narayana Health included observational and registry studies that have expanded to randomised controlled trials, data management platforms, hospital based registries, and multicentric studies with global collaboration. Our research activities have included neurology, respiratory medicine, nephrology radiology, rheumatology, vascular surgery, paediatrics, endocrinology, cardiovascular sciences, oncology, and others. As a part of the research activities, we have published 1652 papers in peer reviewed journals since 2002.

*At NH, we believe that the responsible conduct of any research rests on four essential pillars:*



*We obtain "informed consent" before clinical trials. We hold our patient's autonomy above everything else. The Hippocratic moral obligation to "do no harm" and the commitment to maintaining confidentiality are essential facets of our clinical research.*

## ADOPTION OF A RESPONSIBLE APPROACH TO CLINICAL RESEARCH

NH adopts a sustainable approach to clinical research. Our clinical research activities are centered on social equity, a transparent governance model, and an environmentally friendly enterprise. The clinical research department functions on a financially self-sustaining model. Financial independence, appropriate resource utilisation, research governance, and a patient-centric approach are key strengths of the department.

More than 80% of our clinical research staff are women

We offer a post-graduate research course (MSc) on clinical research under the Rajiv Gandhi University of Health Sciences, Karnataka

Trainees actively participate in our research activities

Clinical research advances our scientific knowledge, but executing the research is made possible only through patients' active and willing participation. At NH, protecting our patients' privacy and safeguarding their interests is our topmost priority. To this end, we have set up two independent ethics committees (institutional review boards) to oversee research activities and ensure that the autonomy and safety of the participants are protected at all times. All research proposals academic (Narayana Health Academic Ethics Committee) or sponsored (Narayana Health Medical Ethics Committee) must be mandatorily approved and monitored by these independent bodies. Both the ethics committees are registered with the Drug Controller General of India and accredited with the National Accreditation Board for Hospitals & Healthcare Providers (NABH). One of the other vital tasks entrusted to these Ethics Committees is to ensure that there is no duplication of research, thus preventing the wastage of resources.

# Driving Innovation Through Technology

At Narayana Health, we are revolutionising healthcare by harnessing the power of technology and digitisation. Our Founder and Chairman, Dr Devi Prasad Shetty, ardently advocates that a robust technology platform, intuitive persona focussed apps, advanced analytics, machine learning, and artificial intelligence are crucial to making healthcare more accessible, affordable, and safe for everyone.

## INTEGRATING TECHNOLOGY WITHIN OUR SPECIALITIES

Embracing sophisticated technology into our specialities enables a more efficient and responsible healthcare ecosystem sustained by improved patient care and innovative surgical/medical procedures.

### ONCOLOGY:

NH is one of India's foremost private cancer care providers. Oncology is, therefore, one of the most focussed specialities for us. We are expanding our capabilities and equipping our facilities with best-in-class technologies. We have integrated True Beam System from Varian for radiation therapy treatment, delivering various treatments like IMRT, 3DCRT, VMAT, and SRS. We also have a wide-bore treatment planning system that enables radiation therapy treatment planning for many patients. We have added PET CT and Discovery IQ 5 ring from Wipro GE to our pool for more accurate identification of the cancer tissues and their growth in the body. Our other technological capabilities for radiation therapy treatment include the Brachytherapy system, Gamma Med, and iX from Varian.

### MAPPING OUR PATH:

**2000+** Bone Marrow Transplants (BMT's) conducted to date

**9** comprehensive Cancer Centres established

**75,000** Chemotherapies administered

**1.5** lakhs Radiation fractions administered



**CARDIAC SCIENCES:**

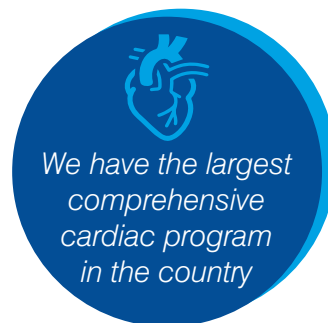
Our cardiac sciences are one of the world's largest and most comprehensive heart practices with a top-ranked team of cardiologists and technologies like Cardiac CT, PET CT, Cardiac Ultrasound, MRI, Cath lab and many more. We have recently added a multimodality Cath lab IGS 5 Auto right from Wipro GE to our facilities, focussing more on cardiac angioplasty and angiography procedures. We have also procured Somatom Force Cardiac CT from Siemens, which enables high-precision diagnosis, improved workforce performance and patient care, helping us serve more patients.

**MAPPING OUR PATH:**

**49** Cardiac Operation Theatres across the NH group

**38** Cath Labs across NH group

**16000+** Cardiac Surgical Procedures





**ROBOTIC SURGERY:**

The introduction of the Da Vinci Surgical system at two of our facilities recently, was a critical technological upgrade in our Robotic Surgery capability. The technology ensures improved patient care with fewer injuries, blood loss, and post-operation complications, making it one of the system's best features.

We strongly believe that a Robotic surgery system brings value addition to patient treatments allowing better clinical outcomes through precision, flexibility, reducing TAT (Turnaround Time) of the procedure and LOS (Length of Stay) for the patient. Further, it enables us to perform more procedures within the same time and provide quality service to the patient.

The Da Vinci Surgical System is designed to ensure ease of conducting surgeries through various instruments, including a surgeon's console. This feature helps the surgeon control the surgery procedures without requiring assistance from colleagues, unlike in traditional surgical procedures.

By introducing robotic surgery in our patient care model, we have been able to ease the medical process for our patients and our doctors, who can now perform complex operations with more precision and better results.



**Dr. Rohit Raghunath Ranade, Consultant Gynaecology-Oncology & Robotic Surgery at NH Health City, Bengaluru**

Dr. Rohit Raghunath Ranade had conducted our first successful robotic surgery in 2018. Since then, we have conducted numerous successful robotic surgeries and have been able to diagnose complex problems with more precision, helping us transform and touch many lives.

**MAPPING OUR PATH:**

**4** Centres with the Robotic Programme

Performed **2,000+** Robotic Procedures till date





## Digital Transformation

We are scaling innovation and driving change in our software platforms, which form an integral part of our healthcare system, by leveraging the power of Cloud Computing and other new technologies. We strive on the collective strength of our world class technology team that designs and develops transformational healthcare products, which has enabled us to create a state-of-the-art health ecosystem, streamline operations, reduce financial cost, minimise our carbon footprint and make informed decisions facilitated by improved patient records and Smart EMR.

Some of our recent digital initiatives include:

**ATHMA**, a comprehensive digital-led information management platform that offers secure and efficient management of health-related data. The platform manages records across distinct areas like billing, pharmacy, electronic health records, lab information systems, blood banks, nursing, admissions, etc.

The ATHMA platform supports **6,500+** concurrent users

Generates - **30,000** invoices per day

**7,500** appointments booked on the ATHMA platform per day

**700** admissions and discharges per day via the platform

**NH Care App**, an online platform enabling its users to access healthcare services from their homes. The platform offers a range of services such as online video consultations, remote access to medical records, online booking of medical tests, etc. It also enables patients' transition to digital health records from paper-based records.

**0.5** million NH Care App downloads

**3** million minutes of video consultation via the NH Care App

NH Care is rated **4.7** out of **5** on the app store



**AADI (ATHMA App for Doctor Insights)**, equips doctors to monitor and manage patients from anywhere, anytime, readily access diagnostic reports, communicate with patients' families, review/approve discharge summaries, and a host of other functionalities.

**Our clinicians have exchanged 10 million+ clinical messages**

**4,80,000** progress notes exchanged between NH Clinicians

**2.9** million lab reports generated

**62,000** Medication orders processed

**6,000** Investigation orders initiated

**AHAM (ATHMA Hospital Administration on Mobile) App**, a smart application to speed up discharges and the overall billing process.

**MEDHA, Advanced Analytics System**, provides insights to enable people at various levels in the organisation to make data driven decisions through gap assessments. This leads to improved patient outcomes, reduced costs, and increased access to care, ultimately helping the organisation in moving towards its objective of high-quality, affordable healthcare for all.

**Key Highlights of NH's Analytics Solutions:**

Reduced discharge turnaround time by **46%** in just 11 months

**84%** of patients' lab sample reports processed under 2 hours of submission - improved from 75%

**32%** decline in delays related to outpatient appointment consultation

While we are continuously working on several digital initiatives, our focus for next year is to drive the adoption of Digital Payments, Online Appointments, Queue Management, Self Service Counters, Digital Claims, Paper Optimisation and Electronic Health Records. These initiatives aim to ensure efficient patient care, improved infrastructure, ISO 27001:2013 grade security & privacy controls and better clinical care quality.



## Redefining Patient Care

At NH, customer experience & customer centricity are the cornerstones of providing the highest quality services. Staff are trained to deliver the services as per standardised scripts to ensure a unique delivery experience. All process workflows are regularly verified with the help of stakeholder feedback for customer friendliness.

All service and process outcomes are benchmarked to ensure that patients are serviced within the targeted time effectively, thus reducing the waiting time. These outcomes are further displayed as dashboards with the help of intelligent analytical tools for all the stakeholders to regularly monitor and make improvements.

NH focuses on the following fronts to deliver the utmost service excellence:

**Customer Communication:** All patients' contact points are well standardised with the help of standard operating documents. Staff are regularly trained and audited for quality-of-service delivery by a third party using digital means to avoid bias.

**Patient Registration:** 95% of patients complete registration within 7 minutes. The calibrated actions and continuous improvements, such as distributed service counters and automated self-check-in kiosks, make the registration process smooth and quick.

**Patients Consultation:** More than 78% of all our OPD patients are consulted within 30 minutes, and 81% of all lab tests were reported within 120 minutes, reflecting the agility and responsiveness of our hospital staff and systems.

**Digitalisation of Medical Records:** To improve patient and staff experiences, all medical information & its access, service delivery, and patient information are being converted to digital process flows in tandem with the digitalisation initiatives.

**Customer Feedback:** Patient feedback is of utmost value to us. Feedback is collected through digital triggers. The concerned team ensures the patients are contacted, and all their feedback is closed within 48 hours if no clinical intervention is required. Constructive feedback is analysed and resolved to make the service more patient-centric. Corrective and preventive actions (CAPA) are being taken to improve systems, procedures, and services. Team members are assigned to monitor the responses and resolution times for variations. Customer Satisfaction Score (CSAT), Net Promotion Score (NPS), and Google Scores are monitored regularly to improve the patient experience. As a testament to our commitment to service excellence over one lakh patients have rated us 4.8 out of 5 across Google Review.

**Grievance Mechanism:** Grievance redressals are done through e-mails, phone calls to the dedicated call centre numbers, and review sites. These grievances are addressed through a ticketing system with specific assignment and SLAs. Assigned team members monitor the response and provide resolutions within the scheduled time and any violation of the SLA is monitored and discussed for improvements. We have a 24/7 call cell centre manned by technology and tools to address all patient enquiries and grievances. We are handling more than 2.4 million calls across all units. All calls are recorded for quality reviews and trainings. Call holding time, clarity of communication, humanness, and timeliness of information are audited against the benchmark. All social media platforms are skimmed regularly to understand and pick positive & negative comments on us, to help us better train our staff and model our service lines to be more patient centric.

### MAPPING OUR PATH:

**95%** of patients complete registration within 7 minutes

**78%** of outpatients are consulted within 30 minutes

**81%** of all lab tests were reported within 120 minutes

Rated **4.8** out of **5** by ~ 1 Lakh patients across Google reviews



## Transparent Pricing

We maintain transparency for both internal and external stakeholders. Internally, our pricing methodology involves an annual systematic process of understanding our cost escalations, benchmarking data, discussion with key stakeholders while ensuring agreement from units & senior leadership and staying in accordance with the major aspects of what our brand stands for.

Transparency towards insurance and out-of-pocket payment patients is achieved by creating a comprehensive Schedule of Charges (SoC) containing detailed service prices and billing guidelines. This is shared with the insurance companies and is available for anyone to access directly on our microsite.

The process is further strengthened at the ground level with the hospital billing team being able to only bill through the chargemaster accessible on the Hospital Information System. The chargemaster is a comprehensive list of all the billable services and items, including procedures, prescription medicines, diagnostic tests, equipment fees, and room charges.

Finally, we have a price estimation desk at each location to address any individual patient concerns or queries. The central pricing team at the corporate level is available to answer any questions from insurance companies about the pricing methodology and Schedule of Charges. Additionally, the internal audit team can conduct compliance checks at any time during the year to ensure transparency from an assurance standpoint.

## Our Commitment to Our Employees

At Narayana Health, we have a pool of dynamic and dedicated professionals who collectively bring in a wide range of skill sets and diverse talent. Our employees are our most valuable asset, and we are committed to providing them with a safe and supportive work environment with the best working conditions. We strive to ensure that they are treated with respect, dignity, and fairness, regardless of their gender, race, ethnicity, sexual orientation, disability, or any other factor. We aim to equip them with the necessary tools and resources to make world class quality and affordable healthcare accessible to the majority of Indians.

### OUR ORGANISATIONAL COMPOSITION:

We believe maintaining high levels of diversity and inclusion to help us deliver the service excellence we commit to our patients. Our organisational composition reflects this as 60% of our workforce comprise of women. In addition, we aim for an inclusive work environment by hiring individuals with diverse abilities and placing them in positions that allow them to perform to the best of their ability.

Total employees	13702
No. of male employees	5509
No. of female employees	8193
No. of contractual employees	4200

Employee Stewardship at Narayana Health follows a two-pronged approach:

- Employee Safety & Organisational Compliance
- Learning & Development.

## EMPLOYEE SAFETY & ORGANISATIONAL COMPLIANCE

Ensuring a safe workplace reduces the organisation's total recordable incidents (TRIs) and makes employees happier and more productive. Our Code of Conduct and Business Ethics lays out key guidelines that direct the employees to act in the organisation's as well as stakeholders' best interests.

NH is committed to protecting and respecting human rights and remedying rights violations when they are identified. All our employees, including our contractual workers & trainees, are trained and covered under our POSH Policy, which has been designed as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. In addition, our organisation has a zero-tolerance policy towards any form of harassment in the workplace.

Narayana Health is committed to creating a secure physical, social, and psychological environment by raising awareness and educating employees against sexual harassment at the workplace through awareness programmes and workshops. We have also established an internal complaints committee to prevent and redress cases of sexual harassment, and to offer support and assistance to victims.

## OCCUPATIONAL HEALTH AND SAFETY OF EMPLOYEES

At Narayana Health, safeguarding the health, safety, and well-being of our employees is a fundamental aspect of our operations.

We have established a framework for assessing, evaluating, eliminating, and mitigating unforeseen risks to our employees across our various operations, which include initiatives like:

- Provision of safety training for all employees covering areas such as proper usage of equipment and protection against hazardous material.

- Identifying procedures to protect our employees in case of emergencies like natural disasters, fires, and hazardous material spills, and conducting continuous training on these to educate all our employees, contractual associates, trainees, and any other stakeholder, who is physically associated with the organisation.

- Hazard Identification and Risk Assessment (HIRA) is carried out annually to undertake control measures for each hazard.

- We conduct pre-construction risk assessments to provide guidelines for identifying potential risks associated with demolition, construction, and renovation projects.

- Implementation of safety codes to identify and develop safe practices against potential hazards, disasters, and other risks that can occur in the workplace.

## NON-CLINICAL EMERGENCY CODES:

Emergency Codes		
Codes	Raised During	When to Raise
Code Pink	Child abduction	A suspected or actual infant or child abduction
Code Orange	External disaster	External disasters include scenarios such as earthquakes, mass casualty events when the hospital itself may or may not be affected but is a critical part of the larger response
Code Red	Fire	An actual or suspected fire
Code Purple	Physical altercation	A combative or potentially combative person, a person with a weapon and/or active shooter and/or hostage situation
Code Hazmat	Hazardous material spill	An actual or suspected hazardous material spill or release
Code Yellow	Influx of communicable disease	Suspected communicable disease outbreak
Code Grey	Internal disaster	Bomb Threat/Internal Flooding/Building Collapse

**CLINICAL EMERGENCY CODES:**

Emergency Codes		
Codes	Raised During	When to Raise
Code Stroke	Acute Stroke	To prioritize the hyperacute assessment and care of a patient presenting with signs and symptoms concerning for stroke.
Code STEMI	ST-elevation myocardial infarction (STEMI)/ Acute Heart Attack	To immediately notify the hospitals specially trained cardiac team when a patient is experiencing an acute heart attack
Code Omega	Massive Blood transfusion	Response to a patient who is experiencing or perceived to be experiencing an out-of-control bleeding state requiring massive blood transfusion
Code Blue	Cardiac Emergency	A suspected or eminent cardiopulmonary arrest or a medical emergency for an adult or paediatric patient.
Code RRT	Escalation/Early warning sign recognition	Patient vital sign deterioration identified through MEWS monitoring
Code Recall	Drug, Medical Device /Equipment/CSSD items /Implant	This code shall be raised incase of recalls related to Drugs, Medical Device/ Equipment/CSSD items and implants





# Fire Safety

NH recognises the importance of fire safety in hospitals, given the presence of flammable materials. To ensure fire safety, we have implemented measures in adherence to the National Building Code 2016 guidelines that cover fire prevention, protection, and life safety.

These measures include fire emergency preparedness, active & passive fire protection systems, annual safety audits, and digital self-assessment of fire and electrical safety in each facility.

Fire safety training is provided by the internal Fire Safety Officer & government fire training department at all levels to reduce the risk related to any potential fire disasters. We carry out mock fire and evacuation drills periodically in the organization, to build readiness when faced with such emergencies. Induction & annual refresher training is provided on fire prevention to reduce fire risks. All our facilities have a Fire Safety Officer, Emergency Response Team (ERT) & Fire Marshals available around-the-clock, with defined individual roles & responsibilities during an incident.



Fire Drill from External Sources: Fire Brigade



Inhouse Fire Safety Training:

# Training and Development

At NH, we continue to invest significantly in the continuous holistic development of our workforce. Our training and development programmes provide learning opportunities for our employees and help them upskill, stay up-to-date on the latest advancements in the constantly evolving world of healthcare, and become more effective in their roles.

All new joinees must undergo a mandatory comprehensive orientation programme to understand the organisation's policies, safety, and compliance requirements. We conduct classroom training, virtual training, and digital learning, focusing on skill enhancement. We also encourage our employees to undergo external training & education programmes that sharpen their skills and help them perform better in their roles. All the training programmes are tracked to derive and analyse the final learning outcome.

NH's Learning & Development team in the Human Resources department collaborates closely with the business team to develop need-based and customised training programmes for all staff members.

Employees are invited to enroll in relevant training or education programmes to upskill themselves and advance their knowledge.

We also invest in developing senior and middle level leadership, focussing on operational excellence, cross-functional skill development, core leadership skill development, and interpersonal & communication skills. There are also many policy related mandatory training that all new hires must complete.

### Employees provided safety/skill upgradation training in the reporting period

Permanent employees

Permanent female employees

### Percentage

77% 

86% 





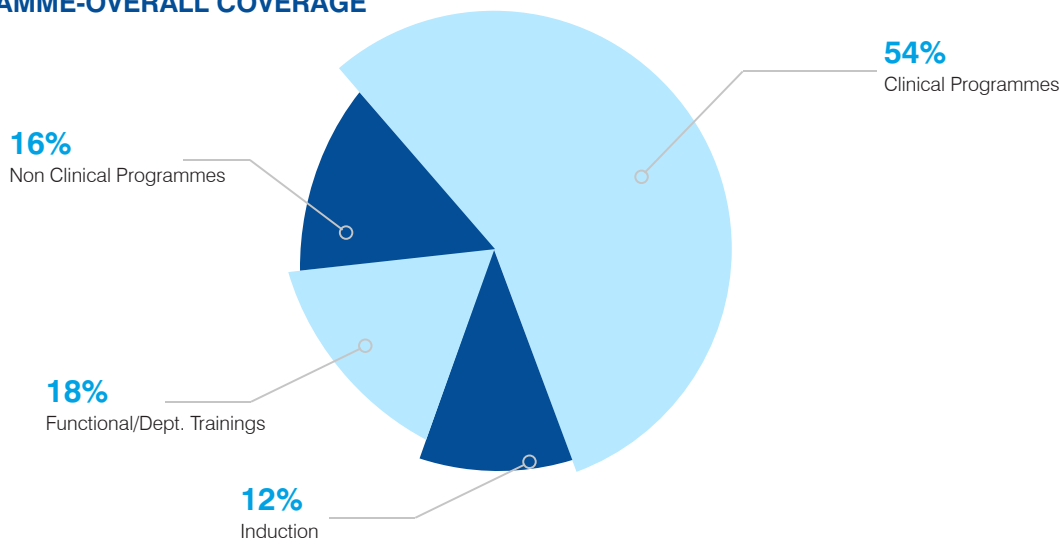
# NH Academic Programme

We proudly operate the country's largest academic programme, equipping over 10,000 doctors, nurses, and paramedics with exceptional training. Our commitment to excellence extends to offering more than 140 DNB programmes in collaboration with 35 esteemed affiliations.

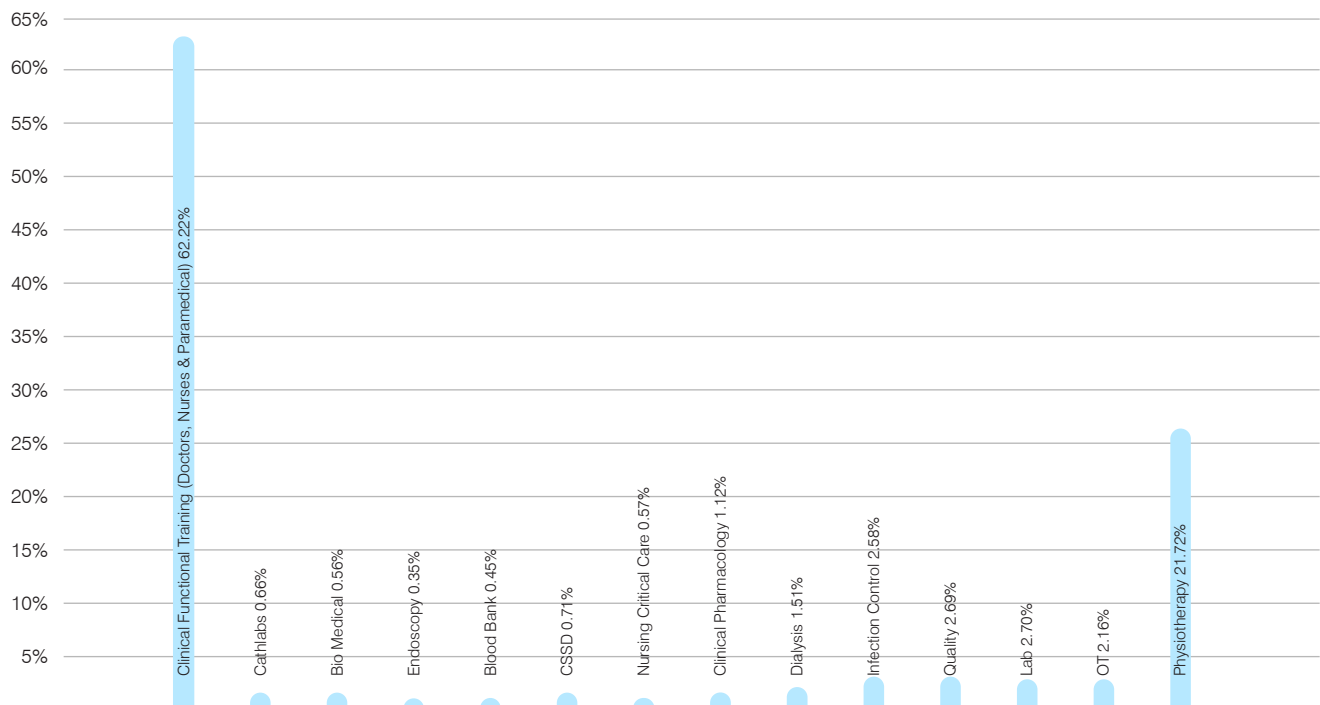
## CLINICAL LEARNING PROGRAMMES

Clinical learning programmes account for 54% of our various training programmes. Through audits within the functions, we continuously monitor the effectiveness of these programmes.

## L&D PROGRAMME-OVERALL COVERAGE



## BREAKDOWN OF CLINICAL PROGRAMMES

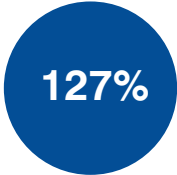


### SERVICE EXCELLENCE PROGRAMMES

Our Service Excellence Programmes offer specialised training to ensure the highest quality of service delivery to our patients.

### SERVICE EXCELLENCE PERSON HOURS

12,280



127%

Increase in Service Excellence Training Person hours in FY 2022-23 in comparison to FY 2021-22

### NURSING TRAINING PROGRAMMES

Additionally, we provide several clinical & non-clinical training courses to our nursing staff, which include behavioral, managerial, and people skills training. These are carefully curated and aimed at delivering better patient outcomes.



17102

Nursing Programmes Conducted Including Nursing Excellence Seminars

262484+

Person hours of Nursing Programmes

### TECHNICAL WEBINARS

We hold technical webinars regularly and encourage our employees to participate in various forums. One such forum is iNHouse, where an internal webinar is hosted every quarter. In these technical webinars, all NH doctors and paramedics gather on a digital platform to present interesting case studies, theses and the recent clinical development practices that are being carried out at our hospitals. These are then shared with the larger forum group. With more initiatives like this in the future, we hope to improve learning opportunities for all our employees.

### MAPPING OUR PATH:

Nearly **3,80,000** Person hours were invested in the training and development of people through various programmes

**90%** Employee Base Coverage for Training and Development

**TRAINING DURING COVID-19 COVID**

Due to the pandemic, we have had to completely rethink how training will be delivered. The team developed an e-Learning platform NH Excelerate that has been extensively used to support the development of skills and competency through 50+ courses on functional, behavioural, and compliance-related modules, as well as a wide range of learning articles, SOPs, clinical, and quality processes. During the pandemic, this tool was also used to deliver several safety and hygiene programmes.

**TACKLING THE UNPRECEDENTED CRISIS: COVID-19**

The first COVID case in India was discovered in Kerala in January 2020. We formed a committee almost immediately to develop a COVID-19 treatment protocol. To establish our COVID-19 protocol, this committee of over ten distinguished doctors gathered critical research from global teams and the Indian government’s clinical advisory team.

We understood that the central government’s announcement of a lockdown in March 2020 was the time to lay the groundwork. We directed our efforts to increase our operational capacity in preparation for the impending COVID-19 patient surge.

Our Bengaluru Health City facility, previously dedicated to international patients, was quickly transformed and diverted towards COVID-19 care.

Similarly, at our flagship hospital in Kolkata, the Rabindranath Tagore International Institute of Cardiac Sciences (RTIICS), one of our buildings was entirely dedicated to COVID-19 care.

Hospital floors were entirely converted to COVID-19 treatment facilities while maintaining maximum separation of shared resources.

**MAPPING OUR PATH:**

**2,40,000+** COVID-19 occupied bed days till date

**8** Lakhs + Vaccination shots registered till date

**TRAINING DURING COVID-19**



## TACKLING COVID WITH CARE

**Protecting Internal and External stakeholders;** During the pandemic shortage of PPE and N-95 masks, 3-ply masks, and sanitizers was observed. The NH team reached out with free of cost supplies for not only the internal clinical, nursing, paramedic and housekeeping team, but also towards external communities who were looking for support.

**Creating Isolation wards;** Within no time, the internal operations team established separate isolation wards at each hospital, ensuring that the operation theatres continued to function as usual. We made sure that non-COVID patients admitted for surgical or clinical procedures received the best services by providing doctors with special suits and installing proper screening kiosks for COVID-19 in hospitals.

**Society first approach and community development:** During the peak of the first wave, when the entire country struggled, NH took the initiative to distribute high-end ventilators to the local government hospitals, which had a huge load of critically ill patients and could not cater to their needs due to a lack of technology resources. NH units distributed 123 (Skanray model) ventilators to government hospitals in Delhi, Gurugram, Kolkata, Mumbai, Ahmedabad, Raipur and Jaipur. In locations like Raipur & Jaipur despite logistical challenges, we ensured timely delivery with installation.

**Free Vaccinations:** NH's CSR and community connect team worked extensively to take the free vaccination drive mission far and wide. We launched the Get1 Give1 Vaccination drive, which encouraged individuals from affluent families to donate the cost of one vaccine to someone from an underprivileged community. Thus, the CSR team inoculated 65,000+ individuals from underprivileged communities at all locations where NH is present. The vaccination drives required government permissions, managing crowds with social distancing norms, and maintaining databases for the second dosage. This was done in a streamlined, systemic way with zero casualty and no adverse effects. Most lives touched here were from old age homes, senior citizen forums, truck driver associations, slums, and people from marginalised communities.

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 teams, strengthened evidence-based protocols, ramped-up COVID-19 testing & isolation facilities, increased ICU facilities and technology usage.

## MAPPING OUR PATH:

**500** additional beds were upgraded to serve ICU patients in the second wave of the pandemic

Served **36,000+** ICU patients (COVID & Non COVID) annually

**7** Additional Oxygen Generator plants were added to the NH network of hospitals as a contingency measure



Free COVID-19 Vaccination Camp



COVID Care Centres



COVID Awareness Session with Karnataka Police



# Stories of Hope

## Remarkable Recovery: Master Charan's Arm Reattachment Surgery Inspires Hope and Resilience

In a touching story of bravery, Charan, an 11-year-old from Kuppam, Andhra Pradesh, encountered a tragic incident as his upper forearm was severed by a grass-cutting machine. However, the incredible skills of the surgeons at Narayana Health Orthopaedics, Spine and Trauma Care in Bengaluru, combined with Charan's resilience, led to an awe-inspiring arm replantation surgery.

As a farmer's son, Charan found himself in harm's way while assisting his parents with their cattle. In an attempt to dislodge a wooden stick from the operating grass-cutting machine, his left hand was tragically severed. Promptly receiving primary treatment at a local medical college, Charan was later referred to Narayana Health in Bengaluru for specialised care.

With his severed hand carefully preserved, Charan was rushed to the emergency department at Narayana Health. A collaborative effort led by Dr. Ravi D R, Dr. Mayur Shetty, Dr. Rakesh Koudki, Dr. Sudarshan Reddy from the

Plastic Surgery Department, Dr. Vikas Ellur from the Paediatric Orthopaedic Department, and Dr. Prasad from the Anaesthesia Department commenced a complex 6-hour surgery at noon on the same day.

Dr. Ravi D R explained, "Replantation of limbs has a higher success rate within the golden period of six hours. However, we faced the challenge of performing the replantation surgery on Charan's hand, which reached us after more than 6 hours from the time of injury. Determined to overcome this hurdle, our skilled team of plastic surgeons and orthopaedics embarked on the surgery."

During the extensive operation, the plastic surgery team meticulously repaired all injured structures of Charan's hand, re-establishing blood flow to the amputated portion of his upper forearm. The procedure, further complicated by the challenges presented by a child's small blood vessels and nerves, required several blood transfusions. Despite these obstacles, Charan's resilience shone

through.

Following the successful surgery, Charan underwent 10 days of intensive observation and medication to ensure a smooth recovery. Thankfully, he experienced no complications and was discharged from the hospital in stable condition, with full functionality restored to his arm.

Charan's inspiring journey of recovery serves as a testament to the remarkable advances in medical expertise and the indomitable spirit of individuals facing adversity, fostering hope in many.





**Little Fighter: Premature Baby's Inspiring Battle for Life and Triumph over Challenges**

Mrs. Manju delivered her baby prematurely at the 235th day, which is considered preivable as babies born before 24 weeks usually have little chance of survival outside the womb. Due to the baby's critical condition, they were referred to us for preterm care. At birth, the baby weighed a mere 665 grams and faced numerous health challenges including severe respiratory distress syndrome, renal immaturity, feeding intolerance, neonatal sepsis, and laryngomalacia.

Recognising the urgency, we immediately admitted the baby to the Neonatal Intensive Care Unit (NICU) for a duration of 6 months. Additionally, the baby also developed severe retinopathy of prematurity, which was

successfully treated with laser treatment by the skilled team at Narayana Nethralaya. Currently, the baby still requires minimal oxygen support due to chronic lung disease associated with prematurity. However, there has been a positive progress as the baby has gained 2.7 Kgs in weight and is now able to take oral feeds.

Considering the improvements observed, the baby has been referred back to the primary hospital and will be discharged with minimal oxygen support. It is important to note that survival at such an early gestation is extremely challenging.

Against all odds, with the dedicated

care of our medical teams and the unwavering support of their family, this little one has overcome numerous challenges. As they prepare to embrace the next chapter of their life, we celebrate their incredible progress and wish them a future filled with health and happiness.



**Her Trust, Our Expertise: Overcoming Abnormal Uterine Bleeding and Ovarian Cyst through Robotic Hysterectomy**

Mrs. Papiya Kundu Poddar approached Dr. Monika Meena, gynaecologist and expert in robotic surgery at Narayana Superspeciality Hospital, Howrah, seeking relief from her persistent abnormal uterine bleeding and the presence of an ovarian cyst. She had been enduring heavy bleeding for up to 12 days, requiring multiple pads daily, along with severe abdominal pain during menstruation. Additionally, she experienced discomfort during urination and bowel movements.

Upon evaluation, an ultrasound revealed the presence of multiple fibroids in her uterus, alongside normal ovaries. Considering the prolonged

nature of her condition and her desire for surgical intervention, Dr. Monika Meena recommended a robotic hysterectomy with bilateral salpingo-oophorectomy.

With access to state-of-the-art robotic surgical technology, the medical team performed the procedure with exceptional precision and minimal blood loss, completing it within a remarkably short time of one hour. Mrs. Poddar's post-operative recovery progressed smoothly, allowing her to be discharged on the same day. She experienced minimal pain and quickly resumed her regular daily activities.

This successful outcome showcases

the significant advantages of robotic surgery in gynaecological procedures. The advanced robotic platform facilitated precise surgical interventions, minimising trauma, reducing blood loss, and promoting faster recovery.

Mrs. Papiya Kundu Poddar's successful journey exemplifies the transformative impact of robotic surgery in resolving complex gynaecological conditions, offering patients improved outcomes and a return to normal life sooner.

**Breaking Boundaries: Robotic Surgery Unlocks a New Chapter of Health**

Mrs. Murshidha Begum, burdened by morbid obesity and a range of co-morbidities including uncontrolled diabetes, hypertension, osteoarthritis, and sleep apnea, suffered from frequent illnesses. Recognising the complexity of her condition, a local doctor in Bangladesh referred her to Narayana Health City in Bengaluru, renowned for its expertise in minimally invasive gastric bypass surgery.

Under the skilled guidance of Dr. Ashwini Kumar Kudari, consultant GI & Robotic Surgeon, Mrs. Murshidha underwent robotic mini gastric bypass

surgery, a procedure that reduces the size of the stomach and re-routes the digestive system. Remarkably, she was discharged on the third day after the surgery. During her one month follow-up, her markers and blood sugar levels were under control, and she required only minimal doses of oral hypoglycemic drugs. Within a month, she shed an impressive 8 to 10 kilograms and gained mobility with the aid of minimal support, significantly enhancing her quality of life.

This successful outcome was made possible by the collaborative efforts of

a highly qualified clinical and nursing team, working alongside an advanced technological setup. The synergy between medical expertise, cutting-edge robotics, and personalised care played a pivotal role in Mrs. Murshidha Begum's transformative journey towards improved health and well-being.





# Accreditations

Narayana Health upholds national and international healthcare standards securing us accreditations and certifications from various reputable agencies, including National Accreditation Board for Hospital and Healthcare Providers (NABH), National Accreditation Board for Testing and Calibration Laboratories (NABL), Joint Commission International (JCI) and Nursing Excellence Certification by NABH.

At present, 17 units are accredited by NABH, and 4 Hospitals and Heart Centres are accredited by NABH entry level. 2 Hospitals are JCI accredited (Narayana Institute of Cardiac Sciences, Bengaluru & Health City, Cayman islands), 10 Hospitals are accredited by NABL, and 11 Hospitals are certified by Nursing Excellence.



## ACCREDITATION STATUS – FY 2022-23



Unit	JCI	NABH	Nursing Excellence	NABL
Narayana Institute of Cardiac Sciences, Bommasandra, Bengaluru	✓	✓	✓	✓
Mazumdar Shaw Medical Center, Bommasandra, Bengaluru		✓	✓	✓
Narayana Superspeciality Hospital, HSR, Bengaluru		✓	✓	
Narayana Multispeciality Hospital, Mysore		✓	✓	✓
Sahyadri Narayana Multispeciality Hospital, Shimoga		✓	✓	
SRCC Children's Hospital, Mumbai		✓	✓	✓
Narayana Multispeciality Hospital, Ahmedabad		✓	✓	✓
NH Rabindranath Tagore International Institute of Cardiac Sciences, Kolkata		✓	✓	✓
Narayana Superspeciality Hospital, Howrah		✓		
Narayana Superspeciality Hospital, Guwahati		✓		✓
Narayana Multispeciality Hospital, Barasat		✓		
Brahmananda Narayana Multispecialty Hospital, Jamshedpur		✓		
MMI Narayana Superspeciality Hospital, Raipur		✓		✓
Dharamshila Narayana Superspeciality Hospital, Delhi		✓	✓	✓
Narayana Superspeciality Hospital, Gurugram		✓	✓	
Shri Mata Vaishno Devi Narayana Superspeciality Hospital, Jammu		✓	✓	
Narayana Multispeciality Hospital, Jaipur		✓		✓

# Awards and Accolades

Over the years, we have pioneered many innovative and responsible health-care models. We have been recognised on different platforms for our commitment to the highest standards of clinical care, community engagement, and named best hospital to work for & for our green initiatives.



## EXCELLENCE IN CARDIOLOGY

Excellence in Cardiology Award 2022 for the Multispeciality Hospital of Rajasthan for Excellence in Cardiac Surgery by The Times of India at Rajasthan Health Icons 2022

## EXCELLENCE IN CARDIOLOGY

Awarded the Healthcare Summit and Doctors Award for the best Multispecialty Hospital in Rajasthan at Rajasthan Healthcare Summit.



Excellence in Community Engagement awarded to MMI Narayana Super Speciality Hospital, Raipur.



Excellence in Community Engagement awarded to Dharamshila Narayana Super Speciality Hospital, Delhi.



Best Hospital to Work For awarded to Shri Mata Vaishno Devi Narayana Super Speciality Hospital, Katra, Jammu & Kashmir.



Team Nursing at Narayana Multispeciality Hospital, Jessore Road, Kolkata received appreciation for Nursing Excellence from the Confederation of Indian Industry (CII) in Kolkata.



Devraj Mukherjee of RN Tagore Hospital received the ET Inspiring Leaders Awards from the British Deputy High Commissioner, Nick Low (Feb'22).



AHPI Green Initiative Award for NICS 2022.

# Sustainability Highlights

## SOCIAL



Women constitute 60% of our workforce



Invested 3,75,000 + manhours in Training & Development including up-skilling



Supported six UN DSG's through our social impact investments via health and education



INR 100 Crore+ discount towards subsidised Cardiac Surgeries, BMT and support to under privileged patients



52,000+ patient families trained on providing patient care via Care Companion Programme (CCP)

## ENVIRONMENTAL



Reduction of carbon footprint by 18,029 tons



Sourced 26% of electricity from renewable energy sources



Wastewater from hospitals treated in onsite wastewater treatment plants & reused in the hospitals for suitable non-contact purposes like flushing, gardening, etc.



100% Segregation of waste at point of generation & safe disposal to authorised vendors



Presence of a comprehensive Environmental Management System (EMS) across all our hospitals & facilities



Narayana Institute of Cardiac Sciences, Bengaluru won the Green Hospital award from the Association of Healthcare Providers (AHPI)



50% reduction in paper usage through digital initiatives

**GOVERNANCE**



Board Stakeholder Relationship Committee to oversee ESG Performance



Deployed ESG Committees at a corporate and unit level to implement ESG activities across NH



Cross-functional ESG committee members under the direct purview of the ESG Committee chairman



A 5-layer Clinical Governance Framework that aligns the board, governance, clinical team, quality department, audit team and front-line staff to ensure highest safety standards



Dedicated ESG policy capturing the organisation's position and responsibilities related to Environmental Conservation, OHS, & Community Health & Safety practices

*"The only limit to our realisation of tomorrow will be our doubts of today." - Franklin D. Roosevelt*

For us, sustainability is not a separate theme but a way of doing business, it is embedded into our way of life

Our commitment to these ESG practices is a testament to our values and vision for a sustainable future. Through our various initiatives, we have made significant progress toward our goals of environmental stewardship, social responsibility, and governance excellence.

We are proud of our accomplishments so far and recognise that there is still much work to be done. Moving forward, we will continue to prioritise ESG considerations in all aspects of our operations, striving to create a positive impact and value for all stakeholders.

We thank our employees, partners, and communities for their support in this journey, and we look forward to a brighter, more sustainable tomorrow.





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**Narayana Hrudayalaya Limited**

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