

INDEPENDENT AUDITOR'S REPORT

To the Members of Arunodaya Hospitals Private Limited

Report on the Audit of the Financial Statements**Opinion**

We have audited the financial statements of Arunodaya Hospitals Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2025, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information .

In our opinion and to the best of our information and according to the explanations given to us , the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its profit/loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, 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;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(i)(vi) below on reporting under Rule 11(g)
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;



- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended, specified under section 133 of the Act;
- (e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 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 these financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2025 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(i)(vi) below on reporting under Rule 11(g);
- (i) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
 - 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, , no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, no funds 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



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otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except in respect of one accounting software where audit trail feature is not enabled for direct changes to data when using certain access rights from April 01, 2024 to March 25, 2025, as described in note 2.38 to the financial statements. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with in respect of the accounting software used where the audit trail has been enabled. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective year.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per **Navneet Rai Kabra**

Partner

Membership Number: 102328

UDIN: 25102328BMOPZI4564

Place of Signature: Hyderabad

Date: May 10, 2025



ANNEXURE '1' REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

RE: ARUNODAYA HOSPITALS PRIVATE LIMITED ('THE COMPANY')

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.

B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) All Property, plant and equipment have not been physically verified by the management during the year but there is a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including right-of-use assets) or intangible assets during the year ended March 31, 2025.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and the procedure of such verification by the management is appropriate. There were no discrepancies of 10% or more in aggregate for each class of inventory.
- (b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company
- (iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other



parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

- (b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
- (d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to medical and healthcare services, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



- (b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, service tax, cess, and other statutory dues which have not been deposited on account of any dispute.
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix)
 - (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
 - (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
 - (c) Term loans were applied for the purpose for which the loans were obtained.
 - (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
 - (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
 - (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x)
 - (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
 - (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi)
 - (a) No fraud/material fraud by the Company or no fraud/ material fraud on the Company has been noticed or reported during the year.
 - (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor, secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.



- (xii) (a) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order are not applicable to the Company.
- (b) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order are not applicable to the Company.
- (c) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order are not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.
- (xiv) (a) The Company has implemented internal audit system on a voluntary basis which is commensurate with the size of the Company and nature of its business though it is not required to have an internal audit system under section 138 of the Companies Act 2013.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) There is no core Investment Company as a part of the group, hence requirement to report on clause 3(xvi)(d) of the order is not applicable to the Company.



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- (xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 2.34 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 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) (a) The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility are not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) of the Order is not applicable to the Company.
- (b) The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility are not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(b) of the Order is not applicable to the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per **Navneet Rai Kabra**

Partner

Membership Number: 102328

UDIN: 25102328BMOPZI4564

Place of Signature: Hyderabad

Date: May 10, 2025



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ARUNODAYA HOSPITALS PRIVATE LIMITED**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of Arunodaya Hospitals Private Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 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 these financial statements 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") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these 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 these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these 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 these financial statements.

Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and



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fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Navneet Rai Kabra

Partner

Membership Number: 102328

UDIN: 25102328BMOPZI4564

Place of Signature: Hyderabad

Date: May 10, 2025



Arunodaya Hospitals Private Limited
CIN: U85110AP2008PTC058016
Balance sheet as at 31 March 2025

(All amounts are in millions of Indian Rupees except share data or unless otherwise stated)

	Note	As at 31 March 2025	As at 31 March 2024
ASSETS			
Non-current assets			
Property, plant and equipment	2.1 (a)	182	196
Capital work-in-progress	2.1 (b)	862	203
Intangible assets	2.1 (c)	1	1
Right-of-use assets	2.24	10	13
Financial assets			
(i) Other financial assets	2.2(a)	5	5
Deferred tax assets (net)	2.32	14	10
Non-current tax assets (net)	2.7	15	23
Other non-current assets	2.3	52	8
Total non-current assets		1,141	459
Current assets			
Inventories	2.4	8	8
Financial assets			
(i) Trade receivables	2.5	160	100
(ii) Cash and cash equivalents	2.6 (a)	1	3
(iii) Other financial assets	2.2(b)	3	2
Other current assets	2.8	2	5
Total current assets		174	118
Total assets		1,315	577
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	2.9 (a)	20	20
Other equity	2.9 (b)	258	262
Total equity		278	282
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	2.10 (a)	676	150
(ii) Lease liabilities	2.24	8	11
(iii) Other financial liabilities	2.11 (a)	35	6
Provisions	2.12	15	11
Total non-current liabilities		734	178
Current liabilities			
Financial liabilities			
(i) Borrowings	2.10 (b)	100	33
(ii) Lease liabilities	2.24	3	2
(iii) Trade payables	2.13		
(a) Total outstanding dues of micro enterprises and small enterprises		9	11
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		66	51
(iv) Other financial liabilities	2.11 (b)	115	12
Other current liabilities	2.15	4	3
Provisions	2.14	6	5
Total current liabilities		303	117
Total liabilities		1,315	577

Material accounting policies

1.3

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

As per our report of even date attached

 for S.R. Batliboi & Associates LLP
 Chartered Accountants
 ICAI Firm Registration no.: 101049W/ E300004

 Namat Rai
 per Navneet Rai Kabra
 Partner

Membership no.: 102328

 Place: Hyderabad
 Date: 10 May 2025

 for and on behalf of the Board of Directors of
 Arunodaya Hospitals Private Limited

 S. Rani Mohan
 Director
 DIN: 06779750

 Dr. G. Someswara Rao
 Director
 DIN: 02221280

 Place: Hyderabad
 Date: 10 May 2025


Arunodaya Hospitals Private Limited
CIN: U85110AP2008PTC058016
Statement of profit and loss for the year ended 31 March 2025

(All amounts are in millions of Indian Rupees except share data or unless otherwise stated)

	Note	For the year ended 31 March 2025	For the year ended 31 March 2024
Income			
Revenue from operations	2.16	414	381
Other income	2.17	1	2
Total Income		415	383
Expenses			
Purchase of medical consumables, drugs and surgical instruments		83	77
Decrease in inventories of medical consumables, drugs and surgical instruments	2.18	0	1
Employee benefits expense	2.19	111	97
Finance costs	2.20	10	2
Depreciation and amortisation expense	2.21	34	21
Other expenses	2.22	178	167
Total expenses		416	365
(Loss)/Profit before tax		(1)	18
Tax expense			
- Current tax	2.32	5	3
- Deferred tax (charge)/credit	2.32	(4)	2
- Adjustments of tax relating to earlier year		-	0
Total tax expense		1	5
(Loss)/Profit for the year (A)		(2)	13
Other comprehensive (loss) / income			
Items that will not be reclassified subsequently to profit and loss			
- Re-measurement (loss)/gain on defined benefit plans		(2)	0
- Income tax effect		0	0
Other comprehensive (loss)/income, net of tax (B)		(2)	0
Total comprehensive income for the year (A+B)		(4)	13
Earning per share (face value of share INR 10 each)	2.27		
- Basic and Diluted (Rs.)		(1.09)	6.57
"0" represents less than Rs.1 million.			
Material accounting policies	1.3		

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

As per our report of even date attached

for S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration no.: 101049W/ E300004

Navneet Rai Kabra
per Navneet Rai Kabra
Partner

Membership no. 102328

Place: Hyderabad

Date: 10 May 2025



for and on behalf of the Board of Directors of

Arunodaya Hospitals Private Limited

S. Ram Mohan
S. Ram Mohan
Director

Director

DIN: 06779750

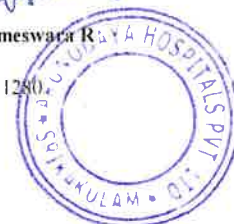
Place: Hyderabad

Date: 10 May 2025

Dr. G. Someswara R.
Dr. G. Someswara R.
Director

Director

DIN: 02221280



Arunodaya Hospitals Private Limited

CIN: U85110AP2008PTC058016

Statement of Cash Flows for the year ended 31 March 2025

(All amounts are in millions of Indian Rupees except share data or unless otherwise stated)

I. Cash flows from operating activities:

(Loss)/Profit before tax

Adjustments for operating activities:

Depreciation and amortisation expense

Gain on sale of property, plant and equipment

Provision/(reversal) of expected credit loss for trade receivables (including bad debts)

Interest income

Interest on income-tax refund

Finance costs

Operating cash flows before working capital changes

Adjustments for:

(Increase)/decrease in trade receivables

Increase in inventories

Decrease/(increase) in loans and other assets

Increase/(decrease) in liabilities and provisions

Cash generated from operations

Income-taxes paid, net of refund

Net cash flow generated from operating activities (A)

II. Cash flows from investing activities

Acquisition of property, plant and equipment and intangible assets

Proceeds from sale of property, plant and equipment

Investment in bank deposits (having original maturity of more than three months)

Interest received

Net cash generated (used in) investing activities (B)

III. Cash flows from financing activities

Proceeds from long-term borrowings

Repayment of long-term borrowings

Proceeds from short-term borrowings (net)

Payment of interest portion of lease liabilities

Payment of principal portion of lease liabilities

Finance Costs paid

Net cash flows used in financing activities (C)

Net (decrease)/ increase in cash and cash equivalents (A+B+C)

Cash and cash equivalents at the beginning of the year

Cash and cash equivalents at the end of the year

Note:

a) The statement of cash flows has been prepared under the "Indirect Method" as set out in the Indian accounting Standard (Ind AS 7)- Statement of cash flows

b) Cash and cash equivalents comprises of:

Cash on hand

Balances with banks

- On current accounts

Total

"0" represents less than Rs.1 million

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

As per our report of even date attached

for **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration no.: 101049W/ E300004

per Navneet Rai Kabra
Partner

Membership no.: 102328

Place: Hyderabad

Date: 10 May 2025



for and on behalf of the Board of Directors of
Arunodaya Hospitals Private Limited

S. Ram Mohan
Director
DIN: 06779750

Place: Hyderabad
Date: 10 May 2025

Dr. G. Someswara Rao
Director
DIN: 02221280



	For the year ended 31 March 2025	For the year ended 31 March 2024
(Loss)/Profit before tax	(1)	18
Adjustments for operating activities:		
Depreciation and amortisation expense	34	21
Gain on sale of property, plant and equipment	(0)	(1)
Provision/(reversal) of expected credit loss for trade receivables (including bad debts)	6	(1)
Interest income	(0)	(1)
Interest on income-tax refund	(1)	-
Finance costs	10	2
Operating cash flows before working capital changes	48	38
Adjustments for:		
(Increase)/decrease in trade receivables	(66)	21
Increase in inventories	(1)	1
Decrease/(increase) in loans and other assets	2	(5)
Increase/(decrease) in liabilities and provisions	20	(9)
Cash generated from operations	4	46
Income-taxes paid, net of refund	4	(11)
Net cash flow generated from operating activities (A)	8	35
II. Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets	(593)	(211)
Proceeds from sale of property, plant and equipment	1	2
Investment in bank deposits (having original maturity of more than three months)	-	(1)
Interest received	1	1
Net cash generated (used in) investing activities (B)	(591)	(209)
III. Cash flows from financing activities		
Proceeds from long-term borrowings	583	160
Repayment of long-term borrowings	-	(10)
Proceeds from short-term borrowings (net)	10	33
Payment of interest portion of lease liabilities	(1)	(1)
Payment of principal portion of lease liabilities	(2)	(1)
Finance Costs paid	(9)	(6)
Net cash flows used in financing activities (C)	581	175
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(2)	1
Cash and cash equivalents at the beginning of the year	3	2
Cash and cash equivalents at the end of the year	1	3

	As at 31 March 2025	As at 31 March 2024
Cash on hand	1	0
Balances with banks		
- On current accounts	0	3
Total	1	3

Arunodaya Hospitals Private Limited
CIN: U85110AP2008PTC058016
Statement of Changes in Equity for the year ended 31 March 2025
(All amounts are in millions of Indian Rupees except share data or unless otherwise stated)

a) Equity share capital

Equity shares of Rs. 10 each issued, subscribed and fully paid

At 01 April 2023

Add: Shares issued during the year

At 31 March 2024

Add: Shares issued during the year

At 31 March 2025

Number of shares	Amount
2,027,027	20
-	-
2,027,027	20
-	-
2,027,027	20

b) Other equity

Particulars	Other equity		Total of Other equity
	Reserve and surplus		
	Securities premium	Retained earnings	
Balance as at 1 April 2023	10	239	249
Profit for the year	-	13	13
Re-measurement of defined benefit liability (net of tax)	-	0	0
Balance as at 31 March 2024	10	252	262
Loss for the year	-	(2)	(2)
Re-measurement of defined benefit liability (net of tax)	-	(2)	(2)
Balance as at 31 March 2025	10	248	258

"0" represents less than Rs. 1 million.

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

As per our report of even date attached

for S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration no.: 101049W/ E300004

Navneet Rai

per Navneet Rai Kabra

Partner

Membership no.: 102328

Place: Hyderabad

Date: 10 May 2025



for and on behalf of the Board of Directors of
Arunodaya Hospitals Private Limited

S. Ram Mohan

Director

DIN: 06779750

Place: Hyderabad

Date: 10 May 2025

Dr. G. Someswara Rao

Director

DIN: 02221280



Arunodaya Hospitals Private Limited

CIN: U85110AP2008PTC058016

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in millions of Indian Rupees, except share data or unless otherwise stated)

1.1 Company Overview

Arunodaya Hospitals Private Limited ('the Company') is a private company domiciled in India and was incorporated on 06 March 2008 under the provisions of Companies Act, 1956. The registered office of the company is located at New Bridge Road, Near Datta Temple, PN Colony Junction, Srikakulam, Andhra Pradesh, India – 532 001.

The Company is primarily engaged in the business of rendering medical and healthcare services.

The financial statements were authorised for issue by the Company's Board of Directors on 10 May 2025.

1.2 Basis of preparation of financial statements

a) Statement of Compliances:

The financial statements of the Company as at and for the year ended 31 March 2025, have been prepared in accordance with requirements of Indian Accounting Standards ("Ind AS"), as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India and presentation requirements of Division II of Schedule III of the Act.

All amounts are in Indian Rupees millions, except share data, unless otherwise stated.

b) 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 - refer accounting policy regarding financial instruments
Net defined benefit (asset)/ liability	Defined benefit plan - plan assets measured at fair value

c) Functional and presentation currency:

These financial statements are presented in Indian Rupees (Rs.) which is also the Company's functional currency. All amounts are in Indian Rupees millions, except share data and per share data, unless otherwise stated.

d) New and amended standards

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2024. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

- Ind AS 117 Insurance Contracts
- Amendment to Ind AS 116 Leases – Lease Liability in a Sale and Leaseback

These amendments had no impact on the financial statements of the company.



e) Standards notified but not yet effective

There are no standards that are notified and not yet effective as on the date.

f) Significant accounting judgement, estimates and assumptions:

The preparation of Company's financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, estimates and assumptions that affect the reported balances of revenue, expenses, assets and liabilities, accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Provision for expected credit losses of trade receivables and unbilled revenue

The Company uses a provision matrix to calculate ECLs for trade receivables and unbilled revenue. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by product type, customer type and other forms of credit insurance).

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.

At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The disclosures of significant estimates and assumptions relating to the ECLs for trade receivables and unbilled revenue are provided in Note 2.5 & Note 2.31.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer Note 2.32 – Recognition of deferred tax assets, availability of future taxable profit against which tax losses carried forward can be used.



Arunodaya Hospitals Private Limited

CIN: U85110AP2008PTC058016

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in millions of Indian Rupees, except share data or unless otherwise stated)

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Refer Note 2.25 - Measurement of defined benefit obligations, key actuarial assumptions.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

1.3 Material accounting policies

A. Current and non-current classification

The Company presents assets and liabilities in the balance sheet based current and non-current classification.

Assets

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

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

All other assets are classified as non-current.

Liabilities

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

- i. it is expected to be settled in the company's normal operating cycle;
- ii. it is held primarily for the purpose of being traded;
- iii. it is due to be settled within 12 months after the reporting date; or
- iv. the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.



Arunodaya Hospitals Private Limited

CIN: U85110AP2008PTC058016

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in millions of Indian Rupees, except share data or unless otherwise stated)

B. Fair value measurement:

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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).

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Board of directors determine the policies and procedures for both recurring fair value measurement and for other non-recurring measurement.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be re measured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.



Arunodaya Hospitals Private Limited

CIN: U85110AP2008PTC058016

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in millions of Indian Rupees, except share data or unless otherwise stated)

Periodically, the Management present the valuation results to the Board of Directors/ Audit Committee and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in Note 2.31 – financial instruments.

C. Revenue from contract with customer

The Company's revenue from medical and healthcare services comprises of revenue from hospital services and revenue from pharmacy.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue from hospital services comprises of fees charged for inpatient and outpatient hospital services. The performance obligations for this stream of revenue include accommodation, surgery, medical/clinical professional services, food and beverages, investigation and supply of pharmaceutical and related products.

Revenue is measured based on the transaction price, which is the fixed consideration adjusted for components of variable consideration which constitutes discounts, estimated disallowances and any other rights and obligations as specified in the contract with the customer. Revenue also excludes taxes collected from customers and deposited back to the respective statutory authorities. With respect to the inpatients hospital services who are undergoing treatment/ observation on the balance sheet date, revenue is recognised over the period to the extent of services rendered.

Revenue from pharmacy (other than hospital services), where the performance obligation is satisfied at a point in time, is recognised when the control of goods is transferred to the customer.

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Company applies the most likely amount method or the expected value method to estimate the variable consideration in the contract. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The most likely amount is used for those contracts with a single volume threshold, while the expected value method is used for those with more than one volume threshold. The Company then applies the requirements on constraining estimates in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue.



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Notes to the financial statements for the year ended 31 March 2025

(All amounts are in millions of Indian Rupees, except share data or unless otherwise stated)

Contract balances

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.

Unbilled revenue are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (m) Financial instruments – initial recognition and subsequent measurement.

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (m) Financial instruments – initial recognition and subsequent measurement.

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

Other Income

Interest on deposits, loans and debt instruments are measured at amortized cost. Interest income is recorded using the Effective Interest Rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

D. Income tax

The Income-tax expense comprises current tax and deferred tax. It is recognised in profit and loss except to the extent that is relates to an item recognised directly in equity or in other comprehensive income.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.



Arunodaya Hospitals Private Limited

CIN: U85110AP2008PTC058016

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in millions of Indian Rupees, except share data or unless otherwise stated)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Goods and Service taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of Goods and service taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable



Arunodaya Hospitals Private Limited

CIN: U85110AP2008PTC058016

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in millions of Indian Rupees, except share data or unless otherwise stated)

- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

E. Property, plant and equipment

Freehold land is carried at cost net of accumulated impairment, if any. All other items of property, plant and equipment are stated at cost, net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it located. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the consolidated statement of profit and loss as incurred.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

The cost of self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other cost directly attributable to bringing the item to working conditions for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date are recognised 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.

The entity has elected to continue with the carrying value for all of its Property, Plant and Equipment recognised as of April 01, 2016 (date of transition to Ind AS) measured as per the previous GAAP and used that carrying value as its deemed cost as at the date of transition.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

Depreciation

Depreciation/Amortisation is provided on the straight-line method, based on the useful life of the assets as estimated by the management. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The Company has estimated the following useful lives to provide depreciation on its Property, plant and equipment which are in compliance with the Schedule II of Companies Act, 2013:



Arunodaya Hospitals Private Limited**CIN: U85110AP2008PTC058016****Notes to the financial statements for the year ended 31 March 2025****(All amounts are in millions of Indian Rupees, except share data or unless otherwise stated)**

Category of Assets	Useful life (In years)
Buildings	60
Medical and surgical equipment	10-13
Plant and equipment	15
Office equipment	5
Electrical equipment	10
Computers	3-6
Furniture and fixtures	10
Vehicles	8

Based on the planned usage of certain specific assets and technical assessment, the management has estimated the useful lives of Property, plant and equipment which are different from the useful life prescribed in Schedule II to the Companies Act, 2013 for the following:

- Individual asset not exceeding Rs. 5,000 have been fully depreciated in the year of purchase.
- Leasehold land is in the nature of perpetual lease without any limited useful life and hence is not amortised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. In particular, the Company considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values.

F. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Derecognition

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss. when the asset is derecognised.

The entity has elected to continue with the carrying value for all of its Property, Plant and Equipment recognised as of April 01, 2016 (date of transition to Ind AS) measured as per the previous GAAP and used that carrying value as its deemed cost as at the date of transition.



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:

Category of Assets	Useful life (In years)
Software	6

G. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

H. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies of Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease



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payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption for those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option.

The Company also applies the low-value asset recognition exemption on a lease-by-lease basis, if the lease qualifies as leases of low-value assets, with a value of up to Rs. 10 mn on date of recognition. In making this assessment, the Group also factors below key aspects:

- The assessment is conducted on an absolute basis and is independent of the size, nature, or circumstances of the lessee.
- The assessment is based on the value of the asset when new, regardless of the asset's age at the time of the lease.
- The lessee can benefit from the use of the underlying asset either independently or in combination with other readily available resources, and the asset is not highly dependent on or interrelated with other assets.
- If the asset is subleased or expected to be subleased, the head lease does not qualify as a lease of a low-value asset.

Based on the above criteria, the Group has classified multiple leases such as IT equipment, office equipments, accommodations for hospital and nursing staff etc. as leases of low value assets.

Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

I. Inventories

The inventories comprising of medical consumables, drugs and surgical instruments are valued at lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. The comparison of cost and net realisable is made on an item-by-item basis.

Net realisable value is the estimated selling price in the ordinary course of business.

The factors that the Company considers in determining the allowance for slow moving, obsolete and other non-saleable inventory include estimated shelf life and price changes. The Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.



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J. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are 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 asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries in which the Company operates, or for the market in which the asset is used.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

K. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.



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Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

L. Retirement and other employee benefits

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

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

The gratuity scheme is administered by third party. Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

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 to the defined benefit liability (asset) as a result of contribution and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss. The Company recognises 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 account on the earlier of amendment or curtailment.



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The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Short term employee benefits

Short term employee benefits are measured on an undiscounted basis and are expensed as the relative service is provided. A liability is recognised for the amount expected to be paid e.g., under short term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of the past service provided by the employee, and the amount of obligation can be estimated reliably.

Compensated Absences

As per the leave encashment policy of the Company, the employees have to utilise their eligible leave during the financial year and lapses at the end of the financial year. Accrual towards compensated absences at the end of the financial year are based on last salary drawn and outstanding leave absence at the end of the financial year.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The company recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the Balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

M. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115.



In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement

On initial recognition, a financial asset is classified as measured at

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss (FVTPL)

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions:

- 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.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the profit or loss. The Company's financial assets at amortised cost includes trade receivables and loan to subsidiaries included under other non-current financial assets. For more information on receivables, refer to Note 2.31.

Financial assets at fair value through profit or loss

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.

Derecognition

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.



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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. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

For trade receivables and unbilled revenue, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

The Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Company considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.



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ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to Statement of Profit and Loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

Financial instruments are classified as a liability or equity components based on the terms of the contract and in accordance with Ind AS 32 (Financial instruments: Presentation). Financial instrument issued by the Company classified as equity is carried at its transaction value and shown within "equity". Financial instrument issued by the Company classified as liability is initially recognised at fair value (issue price). Subsequent to initial recognition, such Financial instrument is fair valued through the statement of profit or loss. On modification of Financial instrument from liability to equity, the Financial instrument is recorded at the fair value of Financial instrument classified as equity and the difference in fair value is recorded as a gain/ loss on modification in the Statement of Profit and Loss.



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Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

N. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

O. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of Directors is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

1.4 Climate – related matters

The Company considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Company due to both physical and transition risks. Even though climate-related risks might not currently have a significant impact on measurement, the Company is closely monitoring relevant standards and developments.



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2.1 (a) Property, plant and equipment

Particulars	Freehold land	Buildings	Medical and surgical equipment	Plant and equipment	Office equipment	Electrical equipment	Computers	Furniture and fixtures	Vehicles	Total of Property, plant and equipment
Gross carrying amount										
Balance as at 1 April 2023	48	70	111	16	2	8	7	7	7	276
Additions	-	31	23	1	1	0	1	0	2	59
Disposals	-	-	(8)	-	-	-	-	-	(1)	(9)
Balance as at 31 March 2024	48	101	126	17	3	8	8	7	8	326
Balance as at 1 April 2024	48	101	126	17	3	8	8	7	8	326
Additions	1	-	13	0	0	1	1	0	1	17
Disposals	-	-	-	-	-	0	-	-	(2)	(2)
Balance as at 31 March 2025	49	101	139	17	3	9	9	7	7	341
Accumulated depreciation										
Balance as at 1 April 2023	-	16	71	10	2	6	5	5	4	119
Depreciation charge for the year	-	3	10	1	0	1	2	1	1	19
Disposals	-	-	(7)	-	-	-	-	-	(1)	(8)
Balance as at 31 March 2024	-	19	74	11	2	7	7	6	4	130
Balance as at 1 April 2024	-	19	74	11	2	7	7	6	4	130
Depreciation charge for the year	-	13	12	1	1	1	1	-	1	30
Disposals	-	-	-	-	-	0	-	-	(1)	(1)
Balance as at 31 March 2025	-	32	86	12	3	8	8	6	4	159
Carrying amounts (net)										
At 31 March 2024	48	82	52	6	1	1	1	1	4	196
At 31 March 2025	49	69	53	5	0	1	1	1	3	182

"0" represents less than Rs 1 million

Notes:

1. The title deeds of immovable properties (other than properties where the Company is the lessee and the lease arrangements are duly executed in favour of the lessee) are held in the name of the Company and the Company does not have any investment property
2. The Company has not revalued any of its Property, Plant and Equipment during the year
3. Refer note 2.10 for details of assets pledged as security



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2.1(b) Capital work in progress

	As at 31 March 2025	As at 31 March 2024
Gross carrying amount		
Balance as at	203	42
Additions	659	192
Capitalised during the year	-	(31)
Balance as at	862	203

i) For capital work in progress, aging Schedule as on 31 March 2025

CWIP	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	more than 3 years	
-Projects in Progress	659	163	40	-	862
-Projects temporarily suspended	-	-	-	-	-
Total	659	163	40	-	862

ii) For capital work in progress, aging Schedule as on 31 March 2024

CWIP	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	more than 3 years	
-Projects in Progress	163	39	-	-	203
-Projects temporarily suspended	-	-	-	-	-
Total	163	39	1	-	203

There are no capital work in progress projects, whose completion is overdue or has exceeded its cost compared to its original plan as at 31 March 2025 and 31 March 2024.

The amount of borrowing costs capitalised during the year ended 31 March 2025 is Rs 27 (31 March 2024: 4). The rate used to determine the amount of borrowing costs eligible for capitalisation is 8.25% (31 March 2024: 8.25%), which is the effective interest rate of the specific borrowing.

2.1 (c) Intangible assets

	Software	Total of Intangible assets
Gross carrying amount		
Balance as at 1 April 2023	5	5
Additions	-	-
Disposals	-	-
Balance as at 31 March 2024	5	5
Balance as at 1 April 2024	5	5
Additions	1	1
Disposals	-	-
Balance as at 31 March 2025	6	6
Accumulated amortization		
Balance as at 1 April 2023	3	3
Amortisation charge for the year	1	1
Disposals	-	-
Balance as at 31 March 2023	4	4
Balance as at 1 April 2024	4	4
Amortisation charge for the year	1	1
Disposals	-	-
Balance as at 31 March 2025	5	5
Carrying amounts (net)		
At 31 March 2024	1	1
At 31 March 2025	1	1



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2.2 Other financial assets (at amortized cost)**(a) Non-current****-To parties other than related parties**

(Unsecured, considered good)

Bank deposits (due to mature after 12 months of reporting date)*

Interest accrued on bank deposits

Security deposits

Total

"0" represents less than Rs.1 million.

* Includes Rs. 1 (31 March 2024: Rs. 1) deposits placed which are restrictive in nature as it pertains to bank guarantee. These guarantees are maturing after 12 months of the reporting date.

(b) Current**-To parties other than related parties**

(Unsecured, considered good)

Unbilled revenue (refer note 2.33)

Security deposits

Total**2.3 Other non-current assets****-To parties other than related parties**

(Unsecured, considered good)

Capital advances

Prepaid expenses

Total

"0" represents less than Rs.1 million.

2.4 Inventories*

(Valued at lower of cost or net realizable value)

Medical consumables, drug and surgical instruments

Total

* Inventories are hypothecated against the loans taken by the company from banks and financial institutions. Refer note 2.10 for details.

	As at 31 March 2025	As at 31 March 2024
2.2 Other financial assets (at amortized cost)		
(a) Non-current		
-To parties other than related parties		
(Unsecured, considered good)		
Bank deposits (due to mature after 12 months of reporting date)*	1	1
Interest accrued on bank deposits	0	1
Security deposits	4	3
Total	5	5
"0" represents less than Rs.1 million.		
* Includes Rs. 1 (31 March 2024: Rs. 1) deposits placed which are restrictive in nature as it pertains to bank guarantee. These guarantees are maturing after 12 months of the reporting date.		
(b) Current		
-To parties other than related parties		
(Unsecured, considered good)		
Unbilled revenue (refer note 2.33)	2	1
Security deposits	1	1
Total	3	2
2.3 Other non-current assets		
-To parties other than related parties		
(Unsecured, considered good)		
Capital advances	52	7
Prepaid expenses	0	1
Total	52	8
"0" represents less than Rs.1 million.		
2.4 Inventories*		
(Valued at lower of cost or net realizable value)		
Medical consumables, drug and surgical instruments	8	8
Total	8	8



(All amounts are in millions of Indian Rupees except share data or unless otherwise stated)

	As at 31 March 2025	As at 31 March 2024
	173 (13)	107 (7)
	160	100
	-	-
	160	100

Trade receivables are non-interest bearing and generally on terms of 30 to 90 days.

Particulars	Current but Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables-considered good	90	51	25	6	1	-	173
(ii) Undisputed Trade receivables- significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables-credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables-considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables- significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables-credit impaired	-	-	-	-	-	-	-
Total							173
Less: Allowance for expected credit loss							(13)
Balance at the end of the year							160

Particulars	Current but Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables-considered good	35	63	3	4	1	1	107
(ii) Undisputed Trade receivables- significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables-credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables-considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables- significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables-credit impaired	-	-	-	-	-	-	-
Total							107
Less: Allowance for expected credit loss							(7)
Balance at the end of the year							100



Arunodaya Hospitals Private Limited

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Notes to the financial statements for the year ended 31 March 2025

(All amounts are in millions of Indian Rupees except share data or unless otherwise stated)

2.6 Cash and bank balances

a) Cash and cash equivalents

Cash on hand

Balances with banks

- on current accounts

Total

"0" represents less than Rs.1 million.

	As at 31 March 2025	As at 31 March 2024
Cash on hand	1	0
Balances with banks	0	3
Total	1	3

b) Changes in liabilities arising from financing activities

Particulars	1 April 2024	Cash flows	Other	31 March 2025
Short term borrowings	33	10	57	100
Lease liabilities	14	(2)	(1)	11
Non- current borrowings	150	583	-	676
Total liabilities from financing activities	197	591	56	787

Particulars	1 April 2023	Cash flows	Other	31 March 2024
Short term borrowings	-	33	-	33
Lease liabilities	-	(1)	15	14
Non- current borrowings	-	150	-	150
Total liabilities from financing activities	-	182	15	197

Others in non-current borrowings includes effect of amortization cost. Others in lease liabilities is towards addition of lease liability and interest accrued thereon on adoption of Ind AS 116.

2.7 Non-current tax assets (net)

Advance tax (net of provision for taxation)

	15	23
Total	15	23

2.8 Other current assets

(Unsecured, considered good)

Advance to suppliers

Prepaid expenses

Staff reimbursement liabilities

Total

"0" represents less than Rs.1 million.

Advance to suppliers	1	3
Prepaid expenses	1	2
Staff reimbursement liabilities	-	0
Total	2	5



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Notes to the financial statements for the year ended 31 March 2025
(All amounts are in millions of Indian Rupees except share data or unless otherwise stated)

2.9(a) Equity share capital

Authorised
3,000,000 (31 March 2024: 3,000,000) equity shares of INR 10 each

Issued, subscribed and paid-up
2,027,027 (31 March 2024: 2,027,027) equity shares of INR 10 each fully paid-up

	As at 31 March 2025	As at 31 March 2024
	30	30
	30	30
	20	20
	20	20

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

Particulars	As at 31 March 2025		As at 31 March 2024	
	Number of shares	Amount	Number of shares	Amount
At the commencement of the year	2,027,027	20	2,027,027	20
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	2,027,027	20	2,027,027	20

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

The Company has only one class of equity shares having par value of Rs. 10/- each. Each equity share holder is entitled to one vote per equity share held. 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 the shareholders.

iii) Particulars of shareholders holding more than 5% equity shares

Name of shareholder	As at 31 March 2025		As at 31 March 2024	
	Number of shares	% of holding	Number of shares	% of holding
Krishna Institute of Medical Sciences Limited	1,432,415	71%	1,371,537	68%
Dr. G. Someswara Rao	243,176	12%	243,176	12%

iv) Shares held by holding company including shares held by subsidiaries or associates of the holding company

Name of shareholder	As at 31 March 2025		As at 31 March 2024	
	Number of shares	% of holding	Number of shares	% of holding
Krishna Institute of Medical Sciences Limited (Holding Company)	1,432,415	71%	1,371,537	68%

v) The Company has not issued bonus shares during the period of five years immediately preceding the reporting period.

vi) The Company has not bought back any shares during the period of five years immediately preceding the reporting period.

vii) Details of shares held by Promoters*
As at 31 March 2025

S. No.	Particulars	Promoter name	No of shares at beginning of the year	Change during the year	No of shares at end of the year	% of total shares	% change during the year
1	Equity shares of Rs. 10 each fully paid	Krishna Institute of Medical Sciences Limited	1,371,537	60,878	1,432,415	71%	3%
2	Equity shares of Rs. 10 each fully paid	Dr. G. Someswara Rao	243,176	-	243,176	12%	-
Total			1,614,713	60,878	1,675,591	83%	3%

As at 31 March 2024

S. No.	Particulars	Promoter name	No of shares at beginning of the year	Change during the year	No of shares at end of the year	% of total shares	% change during the year
1	Equity shares of Rs. 10 each fully paid	Krishna Institute of Medical Sciences Limited	1,371,537	-	1,371,537	68%	-
2	Equity shares of Rs. 10 each fully paid	Dr. G. Someswara Rao	243,176	-	243,176	12%	-
Total			1,614,713	-	1,614,713	80%	0%

* Promoters are as per the annual return filed by the Company.

2.9(b) Other equity

A) Retained earning (refer note (i) below)

Opening balance

Add: Profit/(Loss) for the period/year

Other comprehensive income:

Remeasurement gains on defined benefit plans (net of tax)

Closing balance (B)

	As at 31 March 2025	As at 31 March 2024
	252	239
	(2)	13
	(2)	0
	248	252
B) Securities premium (Refer note (ii) below)		
Opening balance	10	10
Add: Increase/(decrease) during the period/year	-	-
Closing balance (C)	10	10
Total other equity (A+B)	258	262

Nature and purpose of reserves:

(i) Retained earnings

Retained earnings are the profits/losses (net of appropriations) of the Company earned till date, including items of other comprehensive income.

(ii) Securities premium

Securities premium is used to record the premium received on issue of shares.



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Notes to the financial statements for the year ended 31 March 2025

(All amounts are in millions of Indian Rupees except share data or unless otherwise stated)

	As at 31 March 2025	As at 31 March 2024
2.10 Borrowings (at amortised cost)		
(a) Non-current borrowings		
Secured		
Term loans from bank		
- Indusind Bank (refer note i)	542	150
Total loans from bank	542	150
Unsecured		
Loans from related parties (refer note iii&iv)	134	-
Total unsecured loans	134	-
Total non-current borrowings	676	150
(b) Current borrowings		
Secured		
Working capital loan from bank (refer note ii)	43	33
Current maturity of long term debts (refer note i)	57	-
Total current borrowings	100	33

Notes

- i Indusind bank Term Loan Facility is secured by first and exclusive charge on movable and immovable fixed Assets / immovable properties of the company created out of the sanctioned facility. The loan is repayable in 84 equated monthly instalments after moratorium period of 2 years from the date of first disbursement and carries an interest rate of 8.25% per annum (31 March 2024: 8.25%).
- ii Working capital loan from Indusind bank is secured by first and exclusive charge on movable and immovable fixed Assets / immovable properties of the company created out of the sanctioned facility. Loan is repayable on demand and carries interest rate of 8.25% per annum (31 March 2024: 8.25%).
- iii Unsecured loan from the related party as at 31 March, 2025 represented loan obtained from Krishna Institute of Medical Sciences Limited (holding company) and carrying interest rate of 12% p.a. Loan is repayable in monthly instalments over a period of 1 to 3 years from the date of disbursement. (Refer note 2.26)
- iv Unsecured loan from the related party as at 31 March, 2025 represented loan obtained from Sarvejana Healthcare Private Limited and KIMS Hospital Enterprises Private Limited (fellow subsidiaries) and carrying interest rate of 12% p.a. Loan is repayable in monthly instalments over a period of 1 to 3 years from the date of disbursement. (Refer note 2.26)



2.11 Other financial liabilities (at amortized cost)

- (a) Non-current
Capital creditors
Interest accrued but not due

As at
31 March 2025

As at
31 March 2024

31
4
35

6
-
6

- (b) Current
Capital creditors
Employee benefits payable *
Security deposits

112
3
0

8
4
0

Total

115

12

*Includes payables to related parties. For details refer note 2.26

"0" represents less than Rs 1 million

2.12 Non-current provisions

- Provision for employee benefits
Gratuity (refer note 2.25)

15

11

Total

15

11

2.13 Trade payables (at amortized cost)

- Trade payables
- total outstanding dues of micro enterprises and small enterprises (refer note 2.29)
- total outstanding dues of creditors other than micro enterprises and small enterprises

9
66

11
51

Total

75

62

The above includes payable to related parties. For details refer note 2.26

Trade payables are non-interest bearing and are normally settled on 30-90 day terms

Trade Payable Ageing Schedule as on 31 March 2025

Particulars	Current but not due	Outstanding for following periods from due date of payment				Total
		< 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	-	9	-	-	-	9
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	22	42	2	0	0	66
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Balance at the end of the year						75

"0" represents less than Rs 1 million.

Trade Payable Ageing Schedule as on 31 March 2024

Particulars	Current but not due	Outstanding for following periods from due date of payment				Total
		< 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	-	11	-	-	-	11
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	25	26	0	0	0	51
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Balance at the end of the year						62

"0" represents less than Rs 1 million

2.14 Current provisions

- Provision for employee benefits
Gratuity (refer note 2.25)
Compensated absences

-
6

0
5

Total

6

5

"0" represents less than Rs 1 million

2.15 Other liabilities

Current

- Statutory dues payable
Contract liabilities (Refer note 2.33)
Other liabilities

4
0
0

3
0
0

Total

4

3

"0" represents less than Rs 1 million



Arunodaya Hospitals Private Limited**CIN: U85110AP2008PTC058016****Notes to the financial statements for the year ended 31 March 2025**

(All amounts are in millions of Indian Rupees except share data or unless otherwise stated)

2.16 Revenue from operations**Revenue from contract with customers****Revenue from medical and healthcare services (Refer note 2.33)**

	For the year ended 31 March 2025	For the year ended 31 March 2024
Revenue from hospital services	297	266
Revenue from pharmacy	117	115
Total	414	381

2.17 Other income**Interest on:**

- fixed deposits	0	0
- income-tax refunds	1	1
- security deposit	0	0

Other non operating income:

- Profit on sale of property, plant and equipment	0	1
-Miscellaneous income	0	0

Total

1	2
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"0" represents less than Rs.1 million.



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Notes to the financial statements for the year ended 31 March 2025

(All amounts are in millions of Indian Rupees except share data or unless otherwise stated)

	For the year ended 31 March 2025	For the year ended 31 March 2024
2.18 Decrease in inventories of medical consumables, drugs and surgical instruments		
Opening stock	8	9
Less: Closing stock	8	8
Total	0	1
"0" represents less than Rs. 1 million.		
2.19 Employee benefits expense		
Salaries, wages and bonus	100	88
Contribution to provident and other funds (Refer note 2.25)	10	8
Staff welfare expenses	1	1
Total	111	97
2.20 Finance costs		
Interest expense on		
- other loans from banks	4	1
- on related parties	5	0
Interest expense on lease liabilities (Refer note 2.24)	1	1
Others	-	0
Total	10	2
2.21 Depreciation and amortisation expense		
Depreciation of property, plant and equipment (refer note no 2.1(a))	30	18
Amortisation of intangible assets (refer note no 2.1(c))	1	1
Amortisation of Right-of-use assets (Refer note 2.24)	3	2
Total	34	21
2.22 Other expenses		
Consultancy charges	95	90
House keeping expenses	16	14
Power and fuel	13	13
Catering and patient welfare expenses	4	4
Rent (refer note 2.24)	2	1
Repairs and maintenance:		
- Medical equipment	9	8
- Hospital building and others	6	6
Printing and stationery	3	2
Audit fee (Refer Note A)	1	1
Legal and professional charges	1	1
Rates and taxes	1	1
Traveling and conveyance	2	3
Advertisement and publicity	15	19
Expected credit loss for trade receivables (including bad debts)	6	(1)
Insurance	0	1
Corporate Social Responsibility	0	0
Bank charges	0	0
Miscellaneous expenses	4	4
Total	178	167

Note A: Payment to auditors (excluding applicable taxes)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Audit fee	1	1
Out of pocket expenses	0	0

"0" represents less than Rs. 1 million



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Notes to the financial statements for the year ended 31 March 2025
(All amounts are in millions of Indian Rupees except share data or unless otherwise stated)

2.23 Contingent liabilities and commitments

a) Commitments

Particulars	As at	As at
	31 March 2025	31 March 2024
I) Capital commitment		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	184	42



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Notes to the financial statements for the year ended 31 March 2025

All amounts are in million of Indian Rupees except share data or unless otherwise stated

2.24 Lease

Company as a lessee

The Company has new OP building on lease w.e.f 5th July 2023 for a term of 5 years ending on 30 June 2028. The monthly lease rentals commenced from 1st July 2023. The rent will be enhanced after every 12 months by 5% of the rent paid in previous year.

The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The Company has lease contract that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Particulars	Leasehold Building	Total
As at 1 April 2023	-	-
Additions	15	15
Amortization expense	2	2
As at 31 March 2024	13	13
Additions	-	-
Amortization expense	3	3
As at 31 March 2025	10	10

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	As at 31 March 2025	As at 31 March 2024
Opening balance	13	-
Additions	-	14
Accretion of interest	1	1
Payments	(3)	(2)
As at 31 March	11	13
Current	3	2
Non-current	8	11

The following are the amounts recognised in profit or loss:

	As at 31 March 2025	As at 31 March 2024
Amortization expense of right-of-use assets	3	2
Interest expense on lease liabilities	1	1
Expense relating to short-term leases and low-value assets (included in other expenses)	2	1
Total amount recognised in profit or loss	6	4

The Company had total cash outflows for leases of Rs. 5 in 31 March 2025 (31 March 2024: Rs. 3).

The table below provides details regarding the undiscounted contractual maturities of lease liabilities:

	As at 31 March 2025	As at 31 March 2024
Within less than one year	4	3
Between one and five years	9	12
After more than five years	-	-
Total	13	15



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Notes to the financial statements for the year ended 31 March 2025

(All amounts are in millions of Indian Rupees except share data or unless otherwise stated)

2.25 Employee benefits

Defined benefit plan

The Company operate post-employment defined benefit plan that provides for gratuity. The Company accrues gratuity as per the provisions of the payment of Gratuity Act, 1972 as applicable as at the balance sheet date. The gratuity plan entitles an employee, who has rendered at least five years of continuous services, to receive one-half month's salary for each year of completed services at the time of retirement/exit. The gratuity fund is administered by trust formed for this purpose and is managed by Life Insurance Corporation of India. The Company's obligation in respect of 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.

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

Particulars	As at 31 March 2025	As at 31 March 2024
Defined benefit obligations	16	12
Fair value of plan assets	1	0
Net defined benefit obligation	15	12
Non-current	15	12
Current	-	0

"0" represents less than Rs.1 million.

B Reconciliation of net defined benefit obligation

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit obligation and its components.

i) Reconciliation of present value of defined benefit obligation

Particulars	As at 31 March 2025	As at 31 March 2024
Defined benefit obligation as at beginning of the year	12	11
Current service cost	2	2
Interest cost	1	1
Actuarial losses (gains) recognised in other comprehensive income due to:		
- changes in financial assumptions	1	0
- Changes in demographic assumptions	0	-
- experience adjustments	1	(1)
Benefits paid	(1)	(1)
Liabilities assumed/(settled)	0	-
Defined benefit obligation at the end of the year	16	12

"0" represents less than Rs.1 million.

ii) Reconciliation of fair value of plan assets

Particulars	As at 31 March 2025	As at 31 March 2024
Plan assets at beginning of the year	0	1
Contributions paid into the plan	1	-
Interest income	1	0
Benefits paid	(1)	(1)
Return on plan assets	0	(0)
Plan assets at end of the year	1	0

"0" represents less than Rs.1 million.

C i) Expenses recognized in statement of profit and loss

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Current service cost	2	2
Interest on net defined benefit obligation	0	1
Net gratuity cost, included in 'employee benefits expense'	2	3

"0" represents less than Rs.1 million.

C ii) Re-measurements recognized in other comprehensive income (OCI)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Actuarial (gain) / loss on defined benefit obligation	2	(1)

iii) Plan assets

Particulars	As at 31 March 2025	As at 31 March 2024
Fund managed by Insurer	1	-



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Notes to the financial statements for the year ended 31 March 2025

D Defined benefit obligation

i) Actuarial assumptions

Principal actuarial assumptions	As at	As at
	31 March 2025	31 March 2024
Discount rate	6.55%	7.15%
Salary escalation rate	8.00%	8.00%

Maturity profile of defined benefit obligation

Particulars	As at	As at
	31 March 2025	31 March 2024
1st following year	1	1
2 to 5 years	6	4
Year 6 to 9	4	4
10 years and above	29	18

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the Funds during the estimated term of the obligations.

Assumptions regarding future mortality and experience are set in accordance with published rates under Indian assured lives mortality 2012-2014. The discount rate is based on the prevailing market yield in Indian government securities as at balance sheet date for estimated term of obligation.

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (31 March 2024: 9 years).

ii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions would have affected the defined benefit obligation by the amounts shown below:

Particulars	For the year ended 31 March 2025		For the year ended 31 March 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(2)	2	(1)	1
Salary escalation rate (1% movement)	2	(2)	1	(1)

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

E Defined contribution plan

Particulars	For the year ended	For the year ended
	31 March 2025	31 March 2024
Amount recognized in the statement of profit and loss towards		
i) Provident fund	5	4
ii) Employee state insurance	2	2

- (iii) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. Certain sections of the Code came into effect on 03 May 2023. However, the final rules/interpretation have not yet been issued. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.



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Notes to the financial statements for the year ended 31 March 2025

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2.26 Related party disclosures

(a) Parties where control exists or where significant influence exists and with whom transactions have taken place during the current year or previous year:

Nature of relationship	Name of related parties
Holding Company	Krishna Institute of Medical Sciences Limited
Key Managerial Personnel (KMP)	Dr. G. Someswara Rao (Whole-time director) Dr. S. Ram Mohan (Whole-time director)
Fellow Subsidiaries	Sarvejana Healthcare Private Limited KIMS Hospital Enterprises Private Limited
Enterprises under control or joint control of KMP and other relative (where transaction exists)	Aditya Educational Society

(b) Transaction with related parties

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Key Managerial Personnel *		
Dr. G. Someswara Rao		
Consultancy charges	11	11
Managerial remuneration	4	3
Dr. S. Ram Mohan		
Managerial remuneration	1	1
Aditya Educational Society		
Revenue from Test and investigations	1	0
Purchase of medical consumables	3	2
Sarvejana Healthcare Private Limited		
Loan taken	30	-
Interest Expenses	0	-
KIMS Hospital Enterprises Private Limited		
Loan taken	50	-
Interest Expenses	0	-
Krishna Institute of Medical Sciences Limited		
Purchase of medical consumables, drugs and surgical instruments	2	1
Interest on unsecured loan	4	0
Loan taken	84	10
Repayment of loan	30	10

*"0" represents less than Rs. 1 million.

(c) The balances payable to related parties

Particulars	As at 31 March 2025	As at 31 March 2024
i. Consultancy charges payable		
Dr. G. Someswara Rao	1	4
ii. Krishna Institute of Medical Sciences Limited		
Loan Payable	54	-
Interest Accrued on Loan	4	-
Trade Payable	3	1
iii. Sarvejana Healthcare Private Limited		
Loan Payable	30	-
Interest Accrued on Loan	-	-
iv. KIMS Hospital Enterprises Private Limited		
Loan Payable	50	-
Interest Accrued on Loan	-	-
v. Aditya Educational Society		
Trade Payable	2	2
Advance to supplier	-	-

Note: "0" represents less than Rs. 1 million.

Terms and conditions:

(i) Purchases/sales of healthcare services are made from related parties on arm's length basis and in the ordinary course of business. The Company mutually negotiates and agrees the prices and payment terms with the related parties by benchmarking the same to the transactions with non-related parties. These transactions generally include payment terms of 30 to 120 days (31 March 2024: 30 to 120 days) from the date of invoice.

(ii) Trade receivables / payables are unsecured, interest free and require settlement in cash. No guarantee or other security has been received against these. The amounts are recoverable / payable within 30 to 120 days from the reporting date (31 March 2024: 30 to 120 days). For the year ended 31 March 2025, the Company has not recorded any impairment on receivables due from related parties (31 March 2024: Nil).

(iii) The Company has taken loans from holding company and fellow subsidiaries for general corporate purposes. These loans have been utilized by the company for the purpose these were obtained. The loans are unsecured, repayable in monthly instalments over a period of 1 to 3 years from the date of disbursement and carries interest at the rate of 12% (31 March 2024: Nil).

(iv) The amounts disclosed in the table are the amounts recognised as an expense during the financial year related to KMP. The amounts do not include expense, if any, recognised toward post-employment benefits and other long-term benefits of key managerial personnel. Such expenses are measured based on an actuarial valuation. Hence, amounts attributable to KMPs are not separately determinable.



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2.27 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares

Particulars		For the year ended 31 March 2025	For the year ended 31 March 2024
Earnings			
Net (loss)/profit for the year attributable to equity shareholders	(A)	(2)	13
Shares			
Number shares at the beginning of the year		2,027,027	2,027,027
Add: Equity shares issued during the year		-	-
Total number of equity shares outstanding at the end of the year		2,027,027	2,027,027
Weighted average number of equity shares outstanding during the year - Basic and Diluted	(B)	2,027,027	2,027,027
Earnings per share of par value Rs. 10 each - Basic and Diluted (Rs.)	(A) / (B)	(1.09)	6.57

There are no potentially dilutive equity shares and therefore basic and diluted EPS are the same



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2.28 Segment information

The Board of Directors of the Company takes decision in respect of allocation of resources and assesses the performance basis the report/ information provided by functional heads and are thus considered to be Chief Operating Decision Maker

Based on the Company's business model, Medical and Healthcare services have been considered as a single business segment for the purpose of making decision on allocation of resources and assessing its performance. Accordingly, there are no separate reportable segments in accordance with the requirements of Ind AS 108 'Operating segment' and hence, there are no additional disclosures to be provided other than those already provided in the consolidated financial statements. Presently, the Company's operations are predominantly confined in India. There are no individual customer contributing more than 10% of Company's total revenue. All non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets of the Company are located in India.

2.29 Due to Micro and Small 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 amount payable to such enterprises as at 31 March 2025 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	As at	As at
	31 March 2025	31 March 2024
The amounts remaining unpaid to micro and small supplies as at end of the year		
- Principal	9	11
- Interest	-	-
The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which has 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, and	-	-
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 enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act.	-	-



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2.30 Capital management

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

*For this purpose, net debt is defined as total borrowings, less cash and cash equivalents. Total equity comprises of issued share capital and all other equity reserves.

The Company's net debt to equity ratio as of 31 March 2025 and 31 March 2024 was as follows:

Particulars*	As at	As at
	31 March 2025	31 March 2024
Total borrowings	776	183
Less: Cash and cash equivalents	1	3
Net debt	775	180
Total equity	278	282
Net debt to equity ratio	279%	64%

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2025 and 31 March 2024.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing during the current and previous year.



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2.31 Financial instruments : Fair value and risk management

A. Accounting classification and fair values

As at 31 March 2025	Carrying Value	Fair Value	Fair value level
Financial assets at amortised cost (Refer note below)			
Trade receivables	160	160	level 3
Cash and cash equivalents	1	1	
Other financial assets	8	8	
Total	170	170	
Financial liabilities at amortised cost (Refer note below)			
Long-term borrowings (including current maturities)	733	733	level 3
Current borrowings	43	43	
Lease liabilities	11	11	
Trade payables	75	75	
Other financial liabilities	150	150	
Total	1,012	1,012	

As at 31 March 2024	Carrying Value	Fair Value	Fair value level
Financial assets at amortised cost (Refer note below)			
Trade receivables	100	100	level 3
Cash and cash equivalents	3	3	
Other financial assets	7	7	
Total	110	110	
Financial liabilities at amortised cost (Refer note below)			
Long-term borrowings	150	150	level 3
Short-term borrowings	33	33	
Lease liabilities	13	13	
Trade payables	62	62	
Other financial liabilities	18	18	
Total	126	126	



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2.31 Financial instruments : Fair value and risk management (continued)

B. Measurement of fair values

The following methods and assumptions were used to estimate fair values

(a) The fair values of long term borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair value hierarchy due to the use of unobservable inputs including own credit risk.

(b) The fair values of trade receivables, trade payables, other financial assets, other financial liabilities, current borrowings and cash and cash equivalents and bank balances other than cash and cash equivalents are considered to be the same as their carrying amounts, due to their short-term nature.

(i) Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's board of directors oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The board of directors is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the board of directors.

(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 unbilled revenue) and from its investing activities, including deposits with banks and financial institutions and other financial instruments. The carrying amounts of financial assets represent the maximum credit risk exposure.

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 and unbilled revenue 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 receivables and unbilled revenue 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 Rs. 175 as on 31 March 2025 (31 March 2024: Rs. 108). The movement in allowance for credit loss in respect of trade receivables during the year was as follows:

	As at 31 March 2025	As at 31 March 2024
Allowance for credit losses:		
Opening balance	7	13
Credit loss added	6	(6)
Closing balance	13	7
Trade receivable write off not routed through the above movement	-	5

The Company uses a provision matrix to determine the expected credit loss on the portfolio of its trade receivables and unbilled revenue. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and unbilled revenue and is adjusted for forward looking estimates. The expected credit loss allowance is based on the ageing of the days the receivables are due in the provision matrix. Accordingly, the Company creates provision for past dues receivable less than one year ranging between 3% to 31% and beyond one year ranging between 45% to 100%. Set out below is the information about the credit risk exposure of the Company's trade receivables and unbilled revenue using provision matrix:

	Not past due	0-180 days due past due date	More than 180 days past due date	Gross trade receivables and unbilled revenue
For the year ended 31 March 2025	39	100	33	172
For the year ended 31 March 2024	36	63	9	108

Customer Concentration

No single customer represents 10% or more of the company's total revenue during the year ended 31 March 2025 and year ended 31 March 2024. Therefore the customer concentration risk is limited due to the large and unrelated customer base.

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



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(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 has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2025

Particulars	Carrying value	Less than 1 year	1 - 5 years	More than 5 years	Total
Long-term borrowings (excluding current maturities)	733	57	428	248	733
Short-term borrowings	43	43	-	-	43
Trade payables	75	75	-	-	75
Lease liabilities	11	3	8	-	11
Other financial liabilities	150	115	35	-	150
Total	1,012	293	471	248	1,012

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2024

Particulars	Carrying value	Less than 1 year	1 - 5 years	More than 5 years	Total
Long-term borrowings (excluding current maturities)	150	-	79	71	150
Short-term borrowings	33	33	-	-	33
Trade payables	62	62	-	-	62
Lease liabilities	13	3	12	-	15
Other financial liabilities	18	12	6	-	18
Total	126	110	97	71	278

(iv) Market risk

(a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows

Particulars	As at 31 March 2025	As at 31 March 2024
Variable rate long term borrowings including current maturities and short term borrowings	776	183
Total borrowings	776	183

(b) Cash flow sensitivity analysis

Particulars	Impact on profit or loss		Equity, net of tax	
	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2025	For the year ended 31 March 2024
Sensitivity				
1% increase in MCLR	(8)	(2)	(6)	(1)
1% decrease in MCLR	8	2	6	1

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

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. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. The Company does not have any financial instruments which are affected by market risk.

(v) Currency risk

The Company is not exposed to currency risk.



2.32 Income tax

a. Amount recognised in statement of profit and loss

	For the year ended 31 March 2025	For the year ended 31 March 2024
Current year tax	5	3
Deferred tax attributable to temporary differences	(4)	2
Adjustments of tax relating to earlier year	-	0
Tax expenses for the year	1	5

*0" represents less than Rs.1 million.

b. Amount recognized in other comprehensive income

	For the year ended 31 March 2025			For the year ended 31 March 2024		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
Re-measurement on defined benefit plans	(2)	0	(2)	0	0	0

*0" represents less than Rs.1 million.

c. Reconciliation of effective tax rate

	For the year ended 31 March 2025	For the year ended 31 March 2024
Profit/ (loss) before tax	(1)	18
Enacted tax rates	25.17%	25.17%
Tax expense at enacted rates	-	5
Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income	-	-
Non-deductible expenses	1	1
Adjustment in respect of income-tax for earlier years	-	(1)
Total	1	5

d. Recognition of deferred tax assets and liabilities

(i) Deferred tax assets and liabilities are attributable to the following

Particulars	As at 31 March 2025	As at 31 March 2024
Deferred tax asset		
Property, plant and equipment	37	1
Provision for doubtful receivables	-	2
Provision for employee benefits	1	5
Others-liabilities	(24)	2
Total deferred tax asset	14	10

(ii) Movement in temporary differences

Particulars	Provision for doubtful receivables	Provision for employee benefits	Others-liabilities	Property, plant and equipment	Total
Balance as at 1 April 2023	3	4	2	2	12
Recognised in profit or loss	(2)	1	0	(1)	(2)
Recognised in OCI	-	0	-	-	0
Balance as at 31 March 2024	1	5	2	1	10
Recognised in profit or loss	(1)	(4)	(2)	3	4
Recognised in OCI	-	0	-	-	0
Balance as at 31 March 2025	-	1	(2)	3	14

*0" represents less than Rs.1 million



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2.33 Revenue from contracts with customers:

Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Revenue from hospital services	297	266
Revenue from pharmacy	117	115
Total revenue from contracts with customers	414	381
India	414	381
Outside India	-	-
Timing of revenue recognition		
Services transferred over time	297	266
Goods transferred at a point of time	117	115
Total revenue from contracts with customers	414	381
Reconciliation of revenue recognized with the contracted price is as follows:		
Contract price	435	412
Less: Discounts and disallowances	(21)	(31)
Total revenue from contracts with customers	414	381

Contract balances

Particulars	As at 31 March 2025	As at 31 March 2024	As at 1 April 2023
Trade receivables	160	100	121
Unbilled revenue	2	1	1
Contract liabilities	0	0	0

"0" represents less than Rs. 1 million.

Contract liabilities: During the financial year ended 31 March 2025, the Company has recognised revenue of Rs.0 from advance received from patients outstanding as on 31 March 2024. During the financial year ended 31 March 2024, the company has recognised revenue of Rs.0 from advance received from patients outstanding as on 31 March 2023.

Unbilled revenue: During the financial year ended 31 March 2025, the Company has transferred Rs. 1 of unbilled revenue as at 31 March 2024 to trade receivables on completion of performance obligation. During the financial year ended 31 March 2024, the company has transferred Rs. 1 of unbilled revenue as at 31 March 2023 to trade receivables on completion of performance obligation.



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2.34 Ratio Analysis and its elements

Particulars	Numerator	Denominator	As at 31 March 2025	As at 31 March 2024	% change
a) Current Ratio *	Current Assets	Current Liabilities	0.58	1.01	-43%
b) Debt-Equity ratio **	Total Debts ⁽¹⁾	Shareholder's Equity	2.83	0.69	308%
c) Debt service coverage ratio	Earnings for debts service ⁽²⁾	Debt service ⁽³⁾	4.25	4.02	6%
d) Inventory Turnover Ratio	Cost of Goods sold	Average Inventory	10.38	9.37	11%
e) Trade Receivable turnover Ratio	Net Credit Sales ⁽⁴⁾	Average Trade Receivables	3.18	3.45	-8%
f) Trade Payable turnover Ratio	Net credit Purchases ⁽⁵⁾	Average Trade Payables	3.81	3.73	2%
g) Net Capital turnover ratio *	Net Sales ⁽⁶⁾	Working capital ⁽⁷⁾	(3.21)	476.60	-101%
h) Return on Equity Ratio *	Net profits after taxes	Average Shareholder's equity	-0.79%	4.86%	-116%
i) Net Profit ratio *	Net profit	Net Sales ⁽⁶⁾	-1.01%	3.51%	-129%
j) Return on Capital employed *	Earnings before interest and taxes	Capital Employed ⁽⁸⁾	0.83%	4.29%	-81%
k) Return on Investment	Interest (Finance Income)	Time weighted average investment	5.90%	5.90%	0%

⁽¹⁾ Debt includes Lease Liabilities

⁽²⁾ Net profit after taxes + Non-Operating expenses

⁽³⁾ Interest and lease payments + Principal Repayments

⁽⁴⁾ Gross credit sales - sales return

⁽⁵⁾ Gross credit purchases - purchase returns + other expenses

⁽⁶⁾ Total sales - sales return

⁽⁷⁾ Current assets - Current liabilities

⁽⁸⁾ Tangible Net Worth + Total Debts + Deferred Tax Liabilities

* Changes in the ratios is due to change in the business operations during the year.
 ** Change is on account of new loans availed during the year.



2.35 The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses. The Company does not have any unhedged foreign currency exposure as at 31 March 2025 and 31 March 2024

2.36 Other Statutory Information

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property
- (ii) The Company do not have any transactions with companies struck off
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the 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
- (vi) 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 the Company shall:
 - (a) 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
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- (viii) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority
- (ix) The Company has not declared/paid any dividend during the year

2.37 The Company has used accounting softwares for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares, except that audit trail feature is not enabled at the database level insofar as it relates to one accounting software from 01 April 2024 to 25 March 2025. Further no instance of audit trail feature being tampered with was noted in respect of the accounting softwares where the audit trail has been enabled. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective year.

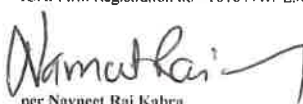
2.38 There were no significant adjusting events that occurred subsequent to the reporting year

As per our report of even date attached

for S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration no. 101049W/ E300004



per Navneet Rai Kabra
Partner

Membership no. 102328

Place: Hyderabad
Date: 10 May 2025



for and on behalf of the Board of Directors of
Arunodaya Hospitals Private Limited



S. Ram Mohan
Director
DIN: 06779750

Place: Hyderabad
Date: 10 May 2025



Dr. G. Someswara Rao
Director
DIN: 02221280

