

INDEPENDENT AUDITOR'S REPORT

To the Members of KIMS Hospital Kurnool Private Limited

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

We have audited the financial statements of KIMS Hospital Kurnool Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2026, 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, 2026, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

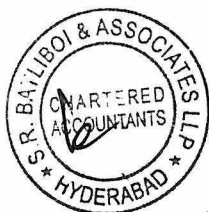
We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section 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.



Responsibilities 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. 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 charged with governance 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.



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- 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;
 - (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;
 - (e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 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;



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- (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2026;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.22 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a) The management has represented that, to the best of its knowledge and belief, , 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 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.



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- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account 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 (refer note 2.36 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. Additionally, the audit trail of prior years 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**

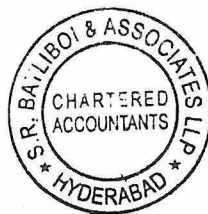
Partner

Membership Number: 102328

UDIN: 26102328NECNCZ3354

Place of Signature: Hyderabad

Date: May 13, 2026



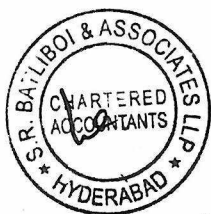
ANNEXURE '1' REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

RE: KIMS HOSPITAL KURNOOL 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.

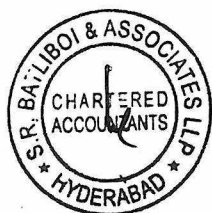
B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) Some of the Property, Plant and Equipment have been physically verified by the management during the year in accordance with a planned programme of verifying them once in three years which, in our opinion, 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, 2026.
- (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) Physical verification of inventory has been conducted at reasonable intervals during the year by management. In our opinion, the coverage and the procedure of such verification by the management is appropriate. There were no discrepancies of 10% or more noticed, in the aggregate for each class of inventory.
- (b) As disclosed in note 2.9 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company. The Company does not have sanctioned working capital limits in excess of Rs. five crores in aggregate from financial institutions during the year on the basis of security of current assets of the Company.



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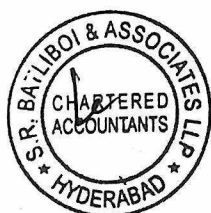
- (iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to 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. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
- (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.



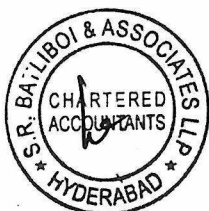
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- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues applicable 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, customs duty, 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 does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(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 material fraud by the Company and no 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 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 is 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 is 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 is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 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.
- (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) 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) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 2.33 to the financial statements.
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 2.33 to the financial statements.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



Per Navneet Rai Kabra

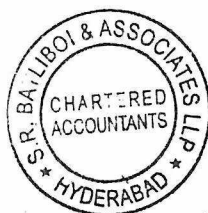
Partner

Membership Number: 102328

UDIN: 26102328NECNCZ3354

Place of Signature: Hyderabad

Date: May 13, 2026



**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
FINANCIAL STATEMENTS OF KIMS HOSPITAL KURNOOL 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 KIMS Hospital Kurnool Private Limited ("the Company") as of March 31, 2026 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

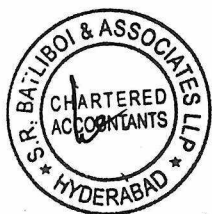
The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial 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 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, 2026, 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: 26102328NECNCZ3354

Place of Signature: Hyderabad

Date: May 13, 2026



KIMS Hospital Kurnool Private Limited
CIN: U85110AP2012PTC083865
Balance sheet as at 31 March 2026

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

	Note	As at 31 March 2026	As at 31 March 2025
ASSETS			
Non-current assets			
Plant, property and equipment	2.1(a)	629	582
Capital work-in-progress	2.1(b)	39	9
Intangible assets	2.1(c)	1	2
Right-of-use assets	2.24	39	17
Financial assets			
(i) Other financial assets	2.2(a)	7	5
Non-current tax assets (net)	2.7	4	25
Other non-current assets	2.3(a)	5	14
Total non-current assets		724	654
Current assets			
Inventories	2.4	22	19
Financial assets			
(i) Trade receivables	2.5	180	165
(ii) Cash and cash equivalents	2.6(a)	1	2
(iii) Other financial assets	2.2(b)	8	6
Other current assets	2.3(b)	3	3
Total current assets		214	195
Total assets		938	849
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	2.8 (a)	60	60
Other equity	2.8 (b)	1	(119)
Total equity		61	(59)
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	2.9(a)	559	672
(ii) Lease liabilities	2.24	38	17
Provisions	2.11	15	10
Deferred tax liabilities (net)	2.31	23	11
Total non-current liabilities		635	710
Current liabilities			
Financial liabilities			
(i) Borrowings	2.9(b)	121	74
(ii) Lease liabilities	2.24	7	1
(iii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	2.12	15	2
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2.12	65	96
(iv) Other financial liabilities	2.10	12	10
Provisions	2.13	13	9
Other current liabilities	2.14	9	6
Total current liabilities		242	198
Total equity and liabilities		938	849
Material accounting policies	1.3		

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

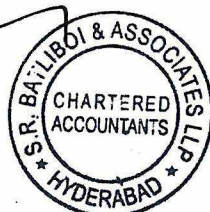
As per our report of even date attached

for S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration no.: 101049W/ E300004


 per Navneet Rai Kabra
 Partner
 Membership no.: 102328

 Place: Hyderabad
 Date: 13 May 2026

 for and on behalf of the Board of Directors of
KIMS Hospital Kurnool Private Limited


 Dr Rafiq Ahmed K
 Managing Director
 DIN: 07932674

 Place: Hyderabad
 Date: 13 May 2026


 Dr. B Abhinay
 Director
 DIN: 01681273



KIMS Hospital Kurnool Private Limited

CIN: U85110AP2012PTC083865

Statement of profit and loss for the year ended 31 March 2026

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

	Note	For the year ended 31 March 2026	For the year ended 31 March 2025
Income			
Revenue from operations	2.15	1,168	983
Other income	2.16	5	3
Total Income		1,173	986
Expenses			
Purchase of medical consumables, drugs and surgical instruments		217	177
(Increase) / Decrease in inventories of medical consumables, drugs and surgical instruments	2.17	(3)	3
Employee benefits expense	2.18	258	228
Finance costs	2.19	58	82
Depreciation and amortisation expense	2.20	56	50
Other expenses	2.21	422	365
Total expenses		1,008	905
Profit before tax and exceptional items		165	81
Exceptional items			
Statutory impact of new Labour Codes	2.23	(5)	-
Profit before tax		160	81
Tax expense			
- Current tax expense	2.31	28	-
- Deferred tax charge	2.31	12	27
- Adjustment of tax relating to earlier year	2.31	-	(16)
Total tax expense		40	11
Profit for the year (A)		120	70
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit and loss			
- Re-measurement gain/(loss) on defined benefit plans		0	(1)
- Income tax effect		(0)	0
Other comprehensive income/(loss), net of tax (B)		0	(1)
Total comprehensive income for the year (A+B)		120	69
Earning per share (face value of share Rs.10 each)	2.26		
- Basic (Rs.)		19.98	11.67
- Diluted (Rs.)		19.98	11.67

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

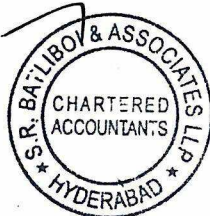
ICAI Firm Registration no.: 101049W/ E300004

per Navneet Rai Kabra
Partner

Membership no.: 102328

Place: Hyderabad

Date: 13 May 2026

for and on behalf of the Board of Directors of
KIMS Hospital Kurnool Private LimitedDr Rafiq Ahmed K
Managing Director
DIN: 07932674Place: Hyderabad
Date: 13 May 2026Dr. B Abhinay
Director
DIN:01681273

KIMS Hospital Kurnool Private Limited

CIN: U85110AP2012PTC083865

Statement of cash flows for the year ended 31 March 2026

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

I. Cash flows from operating activities:

Profit before tax for the year

Adjustments for operating activities:

Depreciation and amortisation expenses

Expected credit loss for trade receivable (including bad debts)

Loss on sale of property, plant and equipment

Rental income

Guarantee commission expense

Liabilities no longer required written back

Interest income on fixed deposits and security deposits

Interest on income tax refund

Finance costs

Operating cash flows before working capital changes

Adjustments for:

Increase in trade receivables

(Increase)/decrease in inventories

(Increase)/decrease in other financial assets and other assets

(Decrease)/increase in trade payables, other financial liabilities, provisions and other liabilities

Cash generated from operations

Income-taxes paid, net of refund

Net cash flows generated from operating activities (A)

II. Cash flows from investing activities

Purchase of property, plant and equipment and intangible assets, including capital work-in-progress and capital advances

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

Rental income received

Interest received

Net cash flows used in investing activities (B)

III. Cash flows from financing activities

Repayment of long-term borrowings

Proceeds from long-term borrowings

Repayment of loan taken from related party

Proceeds from loan taken from related party

Proceeds from/(repayment) of short-term borrowings (net)

Payment of interest portion of lease liabilities

Payment of principal portion of lease liabilities

Finance costs

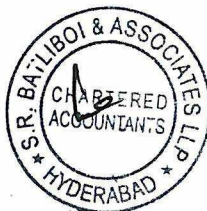
Net cash flows (used in) / generated from financing activities (C)

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

	For the year ended 31 March 2026	For the year ended 31 March 2025
	160	81
	56	50
	8	8
	-	3
	(1)	(1)
	-	17
	(0)	(0)
	(0)	(0)
	(1)	(1)
	58	65
	280	222
	(23)	(56)
	(3)	3
	(4)	6
	(5)	5
	245	180
	(7)	4
	238	184
	(116)	(204)
	0	0
	1	1
	1	1
	(114)	(202)
	(46)	(43)
	20	113
	(42)	(20)
	-	35
	7	(4)
	(3)	(2)
	(0)	(3)
	(62)	(58)
	(125)	18
	(1)	0
	2	2
	1	2



KIMS Hospital Kurnool Private Limited

CIN: U85110AP2012PTC083865

Statement of cash flows for the year ended 31 March 2026

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

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

	For the year ended 31 March 2026	For the year ended 31 March 2025
	1	2
	-	-
	1	2

Refer Note 2.6(b) for changes in liabilities arising from financing activities

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: 13 May 2026

for and on behalf of the Board of Directors of
KIMS Hospital Kurnool Private Limited



Dr Rafiq Ahmed K

Managing Director

DIN: 07932674

Place: Hyderabad

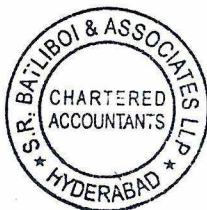
Date: 13 May 2026



Dr. B Abhinay

Director

DIN:01681273



KIMS Hospital Kurnool Private Limited

CIN: U85110AP2012PTC083865

Statement of changes in equity for the year ended 31 March 2026

(All amounts are in million 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	No of shares	Amount
At 1 April 2024	6,000,000	60
Add: Shares issued during the year	-	-
At 31 March 2025	6,000,000	60
Add: Shares issued during the year	-	-
At 31 March 2026	6,000,000	60

b) Other Equity

b) Other Equity		Other equity		Total of Other equity
Particulars	Reserve and surplus			
	Retained earnings	Capital contribution		
Balance as at 1 April 2024	(223)	35	(188)	
Profit for the year	70	-	70	
Other comprehensive loss for the year	(1)	-	(1)	
Balance as at 31 March 2025	(154)	35	(119)	
Profit for the year	120	-	120	
Other comprehensive income for the year	0	-	0	
Balance as at 31 March 2026	(34)	35	1	

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

for and on behalf of the Board of Directors of
KIMS Hospital Kurnool Private Limited

Navneet Rai Kabra
per Navneet Rai Kabra
Partner
Membership no.: 102328

Place: Hyderabad
Date: 13 May 2026

Dr Rafiq Ahmed K
Dr Rafiq Ahmed K
Managing Director
DIN: 07932674

Place: Hyderabad
Date: 13 May 2026

Dr. B Abhinay
Dr. B Abhinay
Director
DIN:01681273



KIMS Hospital Kurnool Private Limited**CIN: U85110AP2012PTC083865****Notes to the financial statements for the year ended 31 March 2026****(All amounts are in millions of Indian Rupees, except share data or unless otherwise stated)****1.1 Company Overview**

KIMS Hospital Kurnool Private Limited ('the Company') is a private company domiciled in India and is incorporated on 29 October 2012 under the provisions of Companies Act 2013 in India. The Registered office of the Company is located at P.No. 27 & 28, Sy no 931/J1& 2B, Joharapuram Road, Kurnool, Andhra Pradesh-518002.

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 13 May 2026.

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 2026, 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:

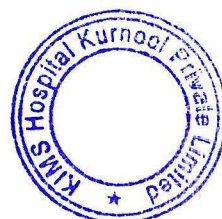
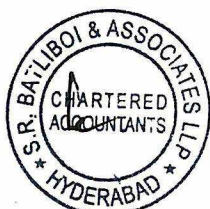
Items	Measurement basis
Certain financial assets and liabilities	Fair value - refer accounting policy regarding financial instruments
Net defined benefit (asset)/ liability	Defined benefit plan - plan assets measured at fair value

c) Functional and presentation currency:

These financial statements are presented in Indian Rupees (Rs.) which is also the Company's functional currency. All financial information presented, except information related to share and per share data, in Indian rupees has been rounded to the nearest million.

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 2025. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.



KIMS Hospital Kurnool Private Limited

CIN: U85110AP2012PTC083865

Notes to the financial statements for the year ended 31 March 2026

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

Amendments to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current.

e) 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

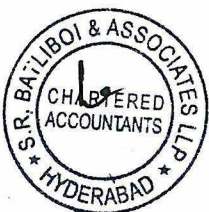
The Company uses a provision matrix to calculate ECLs for trade receivables and unbilled revenue. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by product type, customer type and other forms of credit insurance).

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 and 2.30.



KIMS Hospital Kurnool Private Limited**CIN: U85110AP2012PTC083865****Notes to the financial statements for the year ended 31 March 2026****(All amounts are in millions of Indian Rupees, except share data or unless otherwise stated)****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 2.31 – Recognition of deferred tax assets, availability of future taxable profit against which tax losses carried forward can be used.

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 2.23 - 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.

Leases - Estimating the incremental borrowing rate

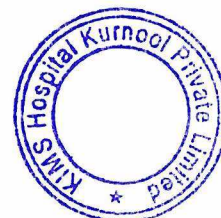
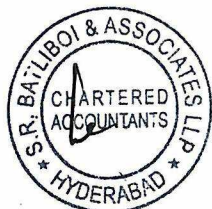
The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The disclosures of significant estimates and assumptions relating to the Leases are provided in Note 2.24.



Fair Value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 2.30 for further disclosures.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted cash flow model ("DCF model"). The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

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.

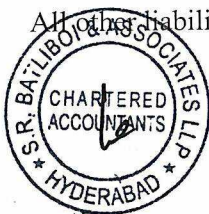
All other assets are classified as non-current.

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.



KIMS Hospital Kurnool Private Limited

CIN: U85110AP2012PTC083865

Notes to the financial statements for the year ended 31 March 2026

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

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.

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.

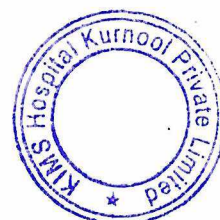
The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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.



KIMS Hospital Kurnool Private Limited

CIN: U85110AP2012PTC083865

Notes to the financial statements for the year ended 31 March 2026

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

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.

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 2.30 – 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. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

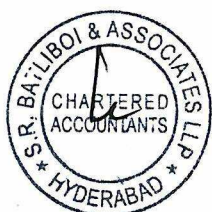
Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

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.

Revenue from admission fees, tuition fees and other fees for academic courses are recognised on the due date for the receipt of fees and apportioned over the academic term on a time proportion basis. Fee waivers, discounts, rebates provided to students are reduced from fee received.



KIMS Hospital Kurnool Private Limited**CIN: U85110AP2012PTC083865****Notes to the financial statements for the year ended 31 March 2026****(All amounts are in millions of Indian Rupees, except share data or unless otherwise stated)**

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.

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

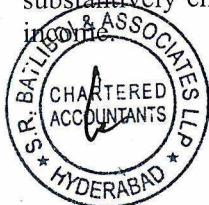
Interest on deposits are measured at amortized cost. Interest income is recorded using the Effective Interest Rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to 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.



KIMS Hospital Kurnool Private Limited

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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.

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.

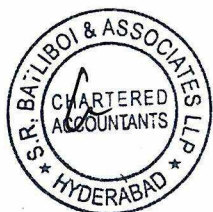
Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences,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



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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
- 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

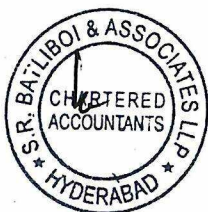
Freehold land is carried at cost net of accumulated impairment, if any. All other items of property, plant and equipment are stated at cost, net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises 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.



KIMS Hospital Kurnool Private Limited**CIN: U85110AP2012PTC083865****Notes to the financial statements for the year ended 31 March 2026****(All amounts are in millions of Indian Rupees, except share data or unless otherwise stated)****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:

Category of Assets	Useful life (In years)
Buildings	60
Medical and surgical equipment	2-14
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.

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.



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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

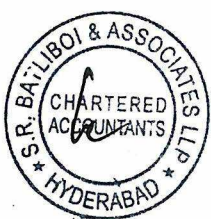
The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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.



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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

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

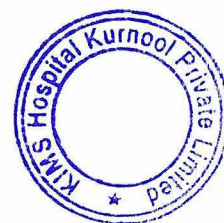
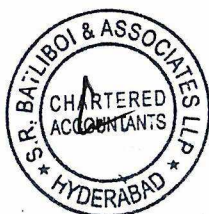
The Company applies the short-term lease recognition exemption for those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option.

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. 5 Mn on date of recognition. In making this assessment, the Company 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 Company 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.



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Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

I. Inventories

The inventories comprising of medical consumables, drugs and surgical instruments are measured at the lower of cost and net realisable value. The cost of inventories is based on the monthly moving weighted average method. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition and also includes expenditure incurred towards Goods and Services Tax (GST) wherever credit is not available. The comparison of cost and net realisable value is made on an item by item basis.

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

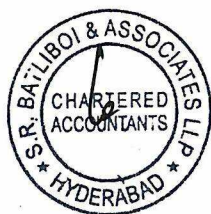
The factors that the Company considers in determining the allowance for slow moving, obsolete and other non-saleable inventory include estimated shelf life and price changes. The Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

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.



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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.

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.

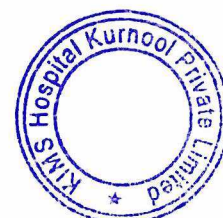
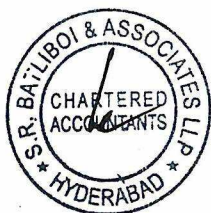
A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

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.



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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.

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

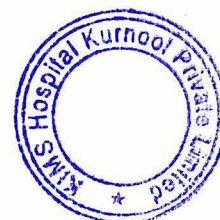
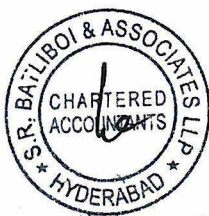
Short term employee benefits

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.



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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

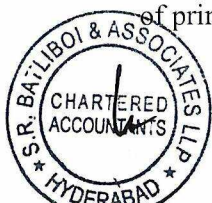
On initial recognition, a financial asset is classified as measured at

- 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 under other non-current financial assets. For more information on receivables, refer to Note 2.30.

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.

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.

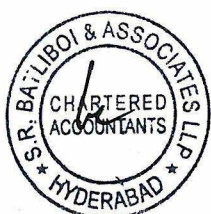
Impairment of financial assets

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.



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

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.

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

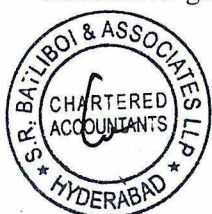
For purposes of subsequent measurement, financial liabilities are classified in two categories:

- 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



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

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.

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.

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

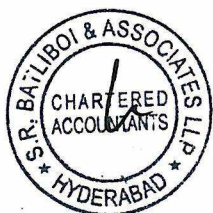
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such 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.



KIMS Hospital Kurnool Private Limited

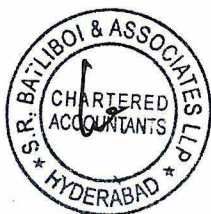
CIN: U85110AP2012PTC083865

Notes to the financial statements for the year ended 31 March 2026

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

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 changes and developments.



2.1 (a) Property, plant and equipment

Particulars	Free hold 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 2024	16	217	266	15	4	50	25	36	0	629
Additions	52	74	57	0	0	2	2	2	-	189
Disposals	-	-	(7)	-	-	-	-	-	-	(7)
Balance as at 31 March 2025	68	291	316	15	4	52	27	38	-	811
Balance as at 1 April 2025	68	291	316	15	4	52	27	38	-	811
Additions	-	39	39	0	2	5	4	4	3	96
Balance as at 31 March 2026	68	330	355	15	6	57	31	42	3	907
Accumulated depreciation										
Balance as at 1 April 2024	-	21	85	6	3	31	20	23	0	189
Depreciation charge for the year	-	7	23	1	0	6	2	5	-	44
Disposals	-	-	(4)	-	-	-	-	-	-	(4)
Balance as at 31 March 2025	-	28	104	7	3	37	22	28	-	229
Balance as at 1 April 2025	-	28	104	7	3	37	22	28	-	229
Depreciation charge for the year	-	10	26	1	0	6	2	4	-	49
Balance as at 31 March 2026	-	38	130	8	3	43	24	32	-	278
Net block value										
At 31 March 2025	68	263	212	8	1	15	5	10	-	582
At 31 March 2026	68	292	225	7	3	14	7	10	3	629

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 2.9 for details of assets pledged as security.
4. "0" represents less than Rs. 1 million



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Notes to the financial statements for the year ended 31 March 2026

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

2.1(b) Capital Work in Progress

	As at 31 March 2026	As at 31 March 2025
Gross Carrying amount		
Balance as at beginning of the year	9	5
Additions	39	77
Capitalised during the year	(9)	(73)
Balance as at end of the year	39	9

a) For capital work in progress, ageing Schedule as on 31 March 2026

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

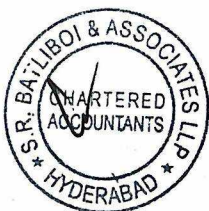
b) For capital work in progress, ageing Schedule as on 31 March 2025

CWIP	Amount in CWIP for a period of			Total
	< 1 year	1-2 years	more than 3 years	
-Projects in Progress	9	-	-	9
-Projects temporally suspended	-	-	-	-
Total	9	-	-	9

There are no capital work in progress projects, whose completion is overdue or has exceed its cost compared to its original plan as at 31 March 2026 and 31 March 2025.

2.1(c) Intangible assets

Particulars	Software	Total of intangible assets
Gross carrying amount		
Balance as at 1 April 2024	9	9
Additions	1	1
Balance as at 31 March 2025	10	10
Balance as at 1 April 2025	10	10
Additions	-	-
Balance as at 31 March 2026	10	10
Accumulated amortisation		
Balance as at 1 April 2024	6	6
Amortisation charge for the year	2	2
Balance as at 31 March 2025	8	8
Balance as at 1 April 2025	8	8
Amortisation charge for the year	1	1
Balance as at 31 March 2026	9	9
Net block value		
At 31 March 2025	2	2
At 31 March 2026	1	1



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Notes to the financial statements for the year ended 31 March 2026

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

2.2 Other financial assets (at amortised cost)*(unsecured, considered good)***(a) Non-current**

Deposits with remaining maturity more than 12 months*

Security deposits

Total

	As at 31 March 2026	As at 31 March 2025
	0	0
	7	5
	<u>7</u>	<u>5</u>

* Includes Rs. 0 (31 March 2025: Rs. 0) deposits placed which are restrictive in nature as it pertains to bank guarantee. These guarantees are maturing after 12 months of the reporting date. Includes interest accrued but not due of Rs 0 (31 March 2025: Rs. 0) reclassified to deposits for better presentation.

"0" represents less than Rs. 1 million

(b) Current

Unbilled revenue (refer note 2.32)

Security deposits

Total

	8	6
	0	0
	<u>8</u>	<u>6</u>

"0" represents less than Rs. 1 million

2.3 Other assets*(unsecured, considered good)***(a) Non-current**

Capital advances

Prepaid expenses

Total

	5	13
	0	1
	<u>5</u>	<u>14</u>

(b) Current

Advance to suppliers

Prepaid expenses

Staff advances

Total

	1	0
	2	2
	0	1
	<u>3</u>	<u>3</u>

"0" represents less than Rs. 1 million

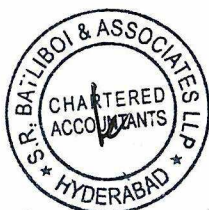
2.4 Inventories*(Valued at lower of cost or net realisable value)*

Medical consumables, drug and surgical instruments

Total

	22	19
	<u>22</u>	<u>19</u>

Inventories are hypothecated against the loans taken by the company from banks. Refer note 2.9 for details. The quarterly returns or statements of the current assets filed by the company with banks are in agreement with the books of accounts.



2.5 Trade receivables (at amortised cost)
(Unsecured)

	As at 31 March 2026	As at 31 March 2025
Trade receivables - Considered good - Unsecured	199	177
Less: Allowance for expected credit loss	(19)	(12)
	180	165
Trade receivables - credit impaired - Unsecured	-	-
Less: Allowance for credit impairment	-	-
Total	180	165

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

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

Trade Receivables ageing schedule as on 31 March 2026

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	55	85	38	15	4	2	199
(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							199
Less: Allowance for expected credit loss							(19)
Balance at the end of the year							180

Trade Receivables ageing schedule as on 31 March 2025

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	44	102	23	5	2	1	177
(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							177
Less: Allowance for expected credit loss							(12)
Balance at the end of the year							165

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Notes to the financial statements for the year ended 31 March 2026

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

2.6 Cash and bank balances

a) Cash and cash equivalents

Cash on hand

Total

As at 31 March 2026	As at 31 March 2025
1	2
1	2

b) Changes in liabilities arising from financing activities

Particulars	1 April 2025	Cash flows	Others	31 March 2026
Short term borrowings	27	7	-	34
Long term borrowings (including current maturities)	719	(68)	(5)	646
Current and Non- Current lease liabilities	18	(3)	30	45
Total liabilities from financing activities	764	(64)	25	725

Particulars	1 April 2024	Cash flows	Others	31 March 2025
Short term borrowings	31	(4)	-	27
Long term borrowings (including current maturities)	624	85	10	719
Current and Non- Current lease liabilities	-	(5)	23	18
Total liabilities from financing activities	655	76	33	764

The 'Other' column includes the addition in the lease liabilities of Rs. 27 (31 March 2025: 21) and effect of interest accrued there on.

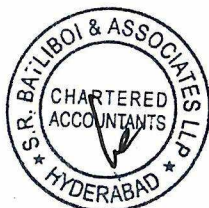
2.7 Non-current tax assets (net)

Non-current

Advance tax (net of provision for taxation)

Total

4	25
4	25



2.8 (a) Equity share capital

Authorised share capital

Equity shares

6,000,000 (31 March 2025: 6,000,000) equity shares of Rs. 10 each

Issued, subscribed and paid-up

6,000,000 (31 March 2025: 6,000,000) equity shares of Rs. 10 each

	As at 31 March 2026	As at 31 March 2025
	60	60
	60	60
	60	60
	60	60

i) Reconciliation of number of equity shares of Rs. 10 each, fully paid up outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of shares	Amount	No. of shares	Amount
At the commencement of the year	6,000,000	60	6,000,000	60
Add : Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	6,000,000	60	6,000,000	60

ii) Rights, preferences and restrictions attached to equity shares of Rs. 10 each, fully paid up:

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 of Rs. 10 each, fully paid up

Name of shareholder	As at 31 March 2026		As at 31 March 2025	
	No. of shares	% of Holding	No. of shares	% of Holding
Krishna Institute of Medical Sciences Limited	3,300,000	55%	3,300,000	55%
Dr P Govardhan Reddy	496,000	8%	496,000	8%
Dr G Sudhakar	495,000	8%	495,000	8%
Dr H Abdul Naveed	495,000	8%	495,000	8%

iv) Shares of the Company held by holding company

Name of shareholder	As at 31 March 2026		As at 31 March 2025	
	No. of shares	% of Holding	No. of shares	% of Holding
Krishna Institute of Medical Sciences Limited	3,300,000	55%	3,300,000	55%

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*

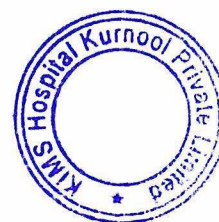
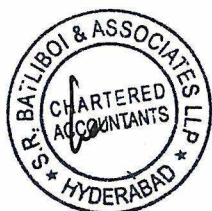
As at 31 March 2026

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	3,300,000	-	3,300,000	55%	0%
2	Equity shares of Rs. 10 each fully paid	G Sudhakar	495,000	-	495,000	8%	0%
3	Equity shares of Rs. 10 each fully paid	K Rafiq Ahmed	270,000	-	270,000	5%	0%
Total			4,065,000	-	4,065,000	68%	0%

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	3,300,000	-	3,300,000	55%	0%
2	Equity shares of Rs. 10 each fully paid	G Sudhakar	495,000	-	495,000	8%	0%
3	Equity shares of Rs. 10 each fully paid	K Rafiq Ahmed	270,000	-	270,000	5%	0%
Total			4,065,000	-	4,065,000	68%	0%

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



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Notes to the financial statements for the year ended 31 March 2026

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

2.8 (b) Other equity

(A) Capital contribution (Refer Note (i) below)

Balance as per last financial statements

Closing balance

(B) Retained earnings (Refer Note (ii) below)

Balance as per last financial statements

Add: Profit for the year

Add: Other comprehensive loss for the year

Closing balance

	As at 31 March 2026	As at 31 March 2025
	35	35
	35	35
	(154)	(223)
	120	70
	0	(1)
	(34)	(154)
	1	(119)

"0" represents less than Rs. 1 million

Nature and purpose of reserves:

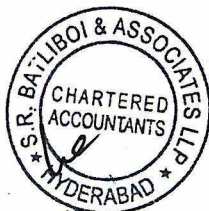
(i) Capital contribution

Financial guarantee contracts are recognised as a financial liability at the time of issue of guarantee. The liability is measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation, where appropriate.

Where guarantee in relation to loans or other payables of subsidiary is provided for no compensation by the shareholder, fair values of such guarantees are accounted as capital contribution in the books of the Company.

(ii) Retained earnings

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



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Notes to the financial statements for the year ended 31 March 2026

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

2.9 Borrowings (at amortised cost)

	As at 31 March 2026	As at 31 March 2025
(a) Non-current borrowings		
Secured		
Term loans from bank		
- HDFC Bank (refer note i)	553	622
Total loans from bank	553	622
Unsecured		
Loans from related parties (refer note iii)	6	50
Total unsecured loans	6	50
Total non-current borrowings	559	672
(b) Current borrowings*		
Secured		
Loan repayable on demand (from bank)		
- Cash credit (refer note ii)	34	27
Current maturity of long term borrowings		
- HDFC Bank (refer note i)	85	41
Total loans from bank	119	68
Unsecured		
Loans from related parties (refer note iii)	2	6
Total unsecured loans	2	6
Total current borrowings	121	74

*Includes interest accrued but not due of Rs. 4 (31 March 2025: Rs. 10) reclassified to borrowings for better presentation.

Notes:

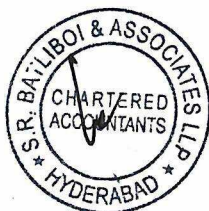
i) Term Loan-1 taken from HDFC Bank has a repayment term of 120 months and the last instalment in the said facility due in December 2031. The loan carries an interest rate of 3 month T-Bill + 1.88% p.a (31 March 2025: 3 months T-Bill + 1.88%) per annum. The same is secured by way of equitable mortgage on the property situated at Johrapuram Road, Kurnool and first and exclusive charge on entire movable fixed assets of the Company (both present and future) and current assets of the Company. Further loan is secured by Personal Guarantee of Dr. Bhaskar rao Bollineni.

Term Loan-2 taken from HDFC Bank has a repayment term of 96 months and the last instalment in the said facility due in July 2032. The loan carries an interest rate at 3 month T-Bill rate + 2.35% p.a (31st March 2025: 3 month T-Bill rate + 2.35% p.a). The same is secured by way of primary security of current assets of the Company and charge on medical equipments and secondary security on the property situated at Plot Nos. 27 & 28 (part) in Sy.No.931/J1B 931/J2B,931/15B,931/K1B and 931/K3 of Kallur, Johrapuram Road,Kurnool.Further loan is secured by Personal Guarantee of Dr. Bhaskar rao Bollineni.The last instalment is payable in October 2030.

ii) Working capital loan from HDFC bank is secured by way of equitable mortgage on the property situated at Johrapuram Road, Kurnool and first and exclusive charge on entire movable fixed assets of the Company (both present and future) and current assets of the Company. Loan is repayable on demand and carries interest rate of 3 months repo rate + 2% spread (31 March 2025 : 3 months repo rate + 2% spread)

iii) Unsecured loan from the related party as at 31 March 2026 represents loan obtained from Krishna Institute of Medical Sciences Limited and carrying interest rate of 12% p.a. (31st March 2025 : 12% p.a).The loans are repayable in monthly instalments over a period of 5 years after moratorium period of 24 months from the date of disbursement and carries interest at the rate of 12% (31 March 2025:12%).The last instalment is payable in November 2031.

iv) The quarterly returns or statements of the current assets filed by the company with banks are in agreement with the books of accounts.



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Notes to the financial statements for the year ended 31 March 2026

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

2.10 Other financial liabilities (at amortised cost)
Current

Capital creditors

Employee related liabilities

Total

	As at 31 March 2026	As at 31 March 2025
Capital creditors	3	1
Employee related liabilities	9	9
Total	12	10

2.11 Non-current provisions
Provision for employee benefits

Gratuity (Refer Note 2.23)

Total

Gratuity (Refer Note 2.23)	15	10
Total	15	10

2.12 Trade payables (at amortised cost)

- total outstanding dues of micro enterprises and small enterprises (Refer Note 2.28)

- total outstanding dues of creditors other than micro enterprises and small enterprises

Total

- total outstanding dues of micro enterprises and small enterprises (Refer Note 2.28)	15	2
- total outstanding dues of creditors other than micro enterprises and small enterprises	65	96
Total	80	98

The above includes payable to related parties. (Refer note 2.25)

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

Trade Payable Ageing Schedule as on 31 March 2026

Particulars	Current but not due including accrued expense	Outstanding for following periods from invoice date				Total
		< 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	-	15	-	-	-	15
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	28	36	0	1	-	65
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total						80

Trade Payable Ageing Schedule as on 31 March 2025

Particulars	Current but not due including accrued expense	Outstanding for following periods from invoice date				Total
		< 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	-	2	-	-	-	2
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	24	71	1	0	-	96
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total						98

2.13 Current provisions
Provision for employee benefits

Gratuity (Refer Note 2.23)

Compensated absences

Total

Gratuity (Refer Note 2.23)	3	-
Compensated absences	10	9
Total	13	9

2.14 Other liabilities
(a) Current

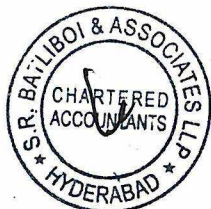
Statutory dues payable

Contract liabilities (Refer Note 2.32)

Other Liabilities

Total

Statutory dues payable	5	5
Contract liabilities (Refer Note 2.32)	4	1
Other Liabilities	0	0
Total	9	6



KIMS Hospital Kurnool Private Limited

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Notes to the financial statements for the year ended 31 March 2026

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

	For the year ended 31 March 2026	For the year ended 31 March 2025
2.15 Revenue from operations		
A Revenue from contract with customers		
Revenue from medical and healthcare services (Refer note 2.32)		
Revenue from hospital services	834	702
Revenue from pharmacy	334	279
Total	1,168	981
B Other operating income		
Income from academic courses	-	2
Total	-	2
Total Revenue from operations (A+B)	1,168	983
2.16 Other income		
Interest income on:		
- fixed deposits	0	0
- income-tax refunds	1	1
- security deposit	0	0
Other non operating income:		
- Rental income	1	1
- Liabilities no longer required written back	0	0
- Miscellaneous income	3	1
Total	5	3



KIMS Hospital Kurnool Private Limited

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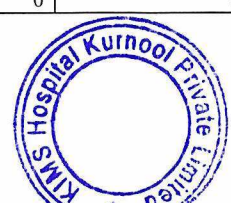
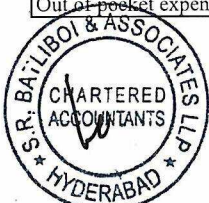
Notes to the financial statements for the year ended 31 March 2026

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

	For the year ended 31 March 2026	For the year ended 31 March 2025
2.17 (Increase)/decrease in inventories of medical consumables, drugs and surgical instruments		
Opening stock	19	22
Less: Closing stock	(22)	(19)
Total	(3)	3
2.18 Employee benefit expenses		
Salaries, wages and bonus	236	207
Contribution to provident and other funds (Refer note 2.23)	17	16
Staff welfare expenses	5	5
Total	258	228
2.19 Finance cost		
Interest from banks and financial institutions		
- Term loans	50	53
- Other loans	3	2
- Interest on loan from related parties (Refer note 2.25)	3	6
- Interest expense on lease liabilities (Refer note 2.24)	3	2
Guarantee commission expense	-	17
Other borrowing costs	0	2
Total	58	82
2.20 Depreciation and amortisation expense		
Depreciation of property, plant and equipment (Refer note 2.1(a))	49	44
Amortisation of intangible assets (Refer note 2.1(c))	1	2
Amortisation of Right-of-use assets (Refer note 2.24)	6	4
Total	56	50
2.21 Other expenses		
Consultancy charges	292	246
House keeping expenses	9	12
Power and fuel	26	25
Catering and patient welfare expenses	9	8
Rent (Refer note 2.24)	1	2
Repairs and maintenance:		
- Medical equipment	16	16
- Hospital building and others	17	11
Printing and stationery	6	5
Audit fee (Refer Note A)	1	1
Legal and professional charges	5	3
Rates and taxes	2	2
Travelling and conveyance	8	6
Advertisement and publicity	12	7
Expected credit loss for trade receivables (including bad debts)	8	8
Insurance	1	1
Contributions towards corporate social responsibility expenditure (Refer note 2.33)	1	-
Bank charges	2	2
Loss on sale of property, plant and equipment	-	3
Director sitting fee (Refer note 2.25)	0	0
Miscellaneous expenses	6	7
Total	422	365

Note A: Payment to auditors (excluding applicable taxes)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Audit fee	1	1
Out of pocket expenses	0	0



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Notes to the financial statements for the year ended 31 March 2026

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

2.22 Contingent liabilities and commitments

(a) Contingent liabilities

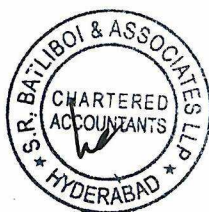
Particulars	For the year ended	For the year ended
	31 March 2026	31 March 2025
i) Medical claims (gross, excluding interest/costs) (Refer note (a) below)	10	10

Notes:

(a) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of the cash flow, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable in its financial statements. The Company does not expect the outcome of these proceeding to have a materially adverse effect on its financial position.

(b) Commitments

Particulars	As at	As at
	31 March 2026	31 March 2025
I) Capital commitment		
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	108	43



2.23 Employee benefits**Defined benefit plan**

The Company operates 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 recognised in the Company's financial statements as at the balance sheet date:

Particulars	As at 31 March 2026	As at 31 March 2025
Defined benefit obligations	18	11
Fair value of plan assets	0	1
Net defined benefit obligations	18	10
Non-current	15	10
Current	3	-

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 (assets)/liability and its components.

i) Reconciliation of present value of defined benefit obligation

Particulars	As at 31 March 2026	As at 31 March 2025
Defined benefit obligation as at beginning of the year	11	8
Current service cost	4	3
Past service cost	5	-
Interest cost	1	0
Actuarial (gains)/losses recognised in other comprehensive income		
- Changes in financial assumptions	(1)	1
- experience changes	1	0
Benefits paid	(1)	(1)
Liabilities assumed/(settled)	(1)	0
Defined benefit obligation at the end of the year	18	11

ii) Reconciliation to fair value of plan assets

Particulars	As at 31 March 2026	As at 31 March 2025
Plan assets at beginning of the year	1	2
Contributions paid into the plan	-	0
Interest income	0	0
Benefits paid	(1)	(1)
Return on plan assets	0	0
Plan assets at end of the year	0	1
Net defined benefit liability	18	10

C i) Expenses recognised in statement of profit and loss

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Current service cost	4	3
Past service cost	5	-
Interest on defined benefit obligation / plan assets (net)	1	0
Net gratuity cost, included in 'employee benefits'	10	3

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

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Actuarial gain/(loss) on net defined benefit obligation	0	(1)

D Plan assets

Particulars	As at 31 March 2026	As at 31 March 2025
Fund managed by Insurer	0	1



E Defined benefit obligation

i) Actuarial assumptions

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

Principal actuarial assumptions	As at 31 March 2026	As at 31 March 2025
Attrition rate	Medical - 20% to 32% Non-medical - 0% to 36%	Medical - 20% to 32% Non-medical - 14% to 36%
Discount rate	6.65%	6.55%
Salary escalation rate	7%	8%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Retirement age	58	58

Maturity profile of defined benefit obligation

Particulars	As at 31 March 2026	As at 31 March 2025
1st following year	3	2
Year 2 to 5	10	6
Year 6 to 9	6	4
Year 10 and above	10	6

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 6 years (31 March 2025: 6 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 2026		For the year ended 31 March 2025	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(0)	2	(1)	1
Future salary increase (1% movement)	2	(0)	(0)	(1)

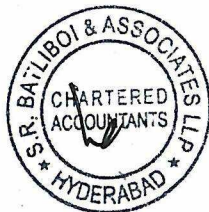
Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumption shown.

F Defined contribution plan

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Amount recognised in the statement of profit and loss towards		
i) Provident fund	9	9
ii) Employee state insurance	4	4

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

- (iii) Effective 21 November 2025, the Government of India consolidated multiple existing labour laws into a unified framework comprising four Labour Codes, collectively referred to as the "New Labour Codes". In accordance with Ind AS 19 - Employee Benefits, the impact of such legislative changes is treated as a plan amendment requiring immediate recognition of the resultant past service cost in the statement of profit and loss. The Company has assessed the impact of the changes in line with the Labour Codes, draft rules and FAQs. Based on this assessment, the Company has recognised a one-time increase in employee benefit provisions amounting to Rs 5, which has been presented as an "exceptional item" in the statement of profit and loss for the year ended 31 March 2026. The Company continues to monitor the finalisation of Central and State rules, as well as Government clarifications on other aspects of the New Labour Codes and will incorporate appropriate accounting treatment based on these developments as required



KIMS Hospital Kurnool Private Limited

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Notes to the financial statements for the year ended 31 March 2026

(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 lease contracts of buildings used in its operations with lease term between 5 to 9 years. The Company's obligations under its lease is secured by the lessor's title to the leased assets.

Leases of buildings with lease terms of 12 months or less and leases of office equipment with low value. 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 2024	-	-
Additions	21	21
Amortization expense	4	4
As at 31 March 2025	17	17
Additions	28	28
Amortization expense	6	6
As at 31 March 2026	39	39

The effective interest rate for lease liabilities ranges between 7.36%-8.64% (31 March 2025: 8.64%) with maturity between 2024-2034.

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

	As at 31 March 2026	As at 31 March 2025
Opening balance	18	-
Additions	27	21
Accretion of interest	3	2
Payments	(3)	(5)
Closing balance	45	18
Current	7	1
Non-current	38	17

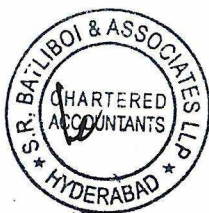
The following are the amounts recognised in profit or loss:

	As at 31 March 2026	As at 31 March 2025
Amortization expense of right-of-use assets	6	4
Interest expense on lease liabilities	3	2
Expense relating to short-term leases and low-value assets (included in other expenses)	1	2
Total amount recognised in profit or loss	10	8

The Company had total cash outflows for leases of Rs. 4 in 31 March 2026 (31 March 2025: 7).

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

	As at 31 March 2026	As at 31 March 2025
Within less than one year	10	2
Between one and five years	30	19
After more than five years	17	-
Total	57	21



KIMS Hospital Kurnool Private Limited

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Notes to the financial statements for the year ended 31 March 2026

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

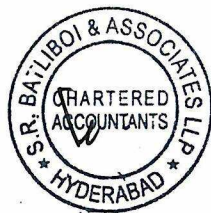
2.25 Related party disclosures

(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
Key management personnel (KMP)	Dr. Rafiq Ahmed Kodumuru-Managing Director
Directors	Dr. Gajjala Sudhakar Mr. Veera Kishore Reddy Sane Dr. Bollineni Abhinay Dr. Chebrolu Harini Mr. Kaza Ratna Kishore Mrs. Y Pramela rani
Close member of Key management personnel (KMP) and directors	Dr. Shruthi Vennela-Daughter of Dr. Sudhakar Gajjala Dr. P Kiran Kumar-Son in law of Dr. Sudhakar Gajjala Dr. C Phanibushan-Son in law of Dr. Sudhakar Gajjala Dr. Sahithi Teja-Daughter of Dr. Sudhakar Gajjala Dr. Junaid Ahmed - Son of Dr. Rafiq Ahmed Kodumuru
Fellow subsidiaries	Saveera Institute of Medical Sciences Private Limited
Holding Company	Krishna Institute of Medical Sciences Limited

(b) Transactions with related parties

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
i. Consultancy charges		
Dr. Gajjala Sudhakar	10	9
Dr. Rafiq Ahmed Kodumuru	14	13
Dr. Shruthi Vennela	3	1
Dr. P Kiran Kumar	5	5
Dr. Junaid Ahmed	-	0
Dr. Sahithi Teja	3	2
Dr. C Phanibushan	2	-
ii. Purchase of medical consumables, drugs and surgical instruments		
Saveera Institute of Medical Sciences Private Limited	0	0
Krishna Institute of Medical Sciences Limited	6	3
iii. Expenses of Test and Investigations		
Krishna Institute of Medical Sciences Limited	2	0
iv. Income from pharmacy		
Saveera Institute of Medical Sciences Private Limited	0	0
Krishna Institute of Medical Sciences Limited	0	-
v. Repayment of unsecured loan		
Krishna Institute of Medical Sciences Limited	42	20
vi. Loan received		
Krishna Institute of Medical Sciences Limited	-	35
vii. Interest on unsecured loan		
Krishna Institute of Medical Sciences Limited	3	6
viii. Corporate guarantee closed		
Krishna Institute of Medical Sciences Limited	-	640
ix. Director sitting fee		
Mrs. Y Pramela rani	0	0
Mr. Kaza Ratna Kishore	0	0



KIMS Hospital Kurnool Private Limited

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Notes to the financial statements for the year ended 31 March 2026

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

(c) The balances received from and payable to related parties

Particulars	As at	As at
	31 March 2026	31 March 2025
i. Consultancy charges payable		
Dr. Gajjala Sudhakar	1	1
Dr. Rafiq Ahmed Kodumuru	1	1
Dr. Shruthi Vennela	0	0
Dr. P Kiran Kumar	0	0
Dr. Junaid Ahmed	-	0
Dr. Sahithi Teja	0	-
Dr. C Phanibushan	0	-
ii. Unsecured loans payable		
Krishna Institute of Medical Sciences Limited	8	50
iii. Interest accrued		
Krishna Institute of Medical Sciences Limited	1	6
iv. Trade payables		
Krishna Institute of Medical Sciences Limited	2	2
v. Trade receivables		
Saveera Institute of Medical Sciences Private Limited	0	0

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

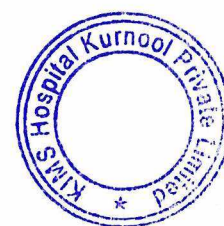
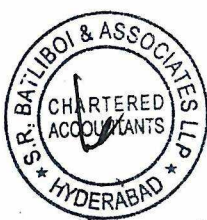
Terms and conditions:

(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 2025: 30 to 120 days) from the date of invoice.

(ii) Trade payables are unsecured, interest free and require settlement in cash. No guarantee or other security has been received against these. The amounts are payable within 30 to 120 days from the reporting date (31 March 2025: 30 to 120 days).

(iii) Dr Bhaskara Rao Bollineni, director of holding Company has provided personal guarantee against the term loan obtained by the company from HDFC bank.

(iv) The Company has taken loans from its holding company 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 5 years after moratorium period of 24 months from the date of disbursement and carries interest at the rate of 12% (31 March 2025: 12%).



KIMS Hospital Kurnool Private Limited

CIN: U85110AP2012PTC083865

Notes to the financial statements for the year ended 31 March 2026

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

2.26 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	As at 31 March 2026	As at 31 March 2025
Earnings		
Profit for the year attributable to equity shareholders (A)	120	70
Shares		
Number shares at the beginning of the year	6,000,000	6,000,000
Add: Equity shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	6,000,000	6,000,000
Weighted average number of equity shares outstanding during the year (B)	6,000,000	6,000,000
Weighted average number of equity shares outstanding during the year - Basic and Diluted (C)	6,000,000	6,000,000
Earnings per share of par value INR 10-Basic and Diluted (Rs.) (A) / (C)	19.98	11.67

2.27 Segment information

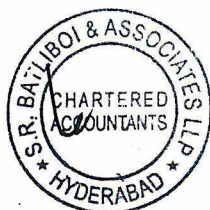
The Managing Director of the Company takes decision in respect of allocation of resources and assesses the performance basis the report/ information provided by functional heads and are thus considered to be Chief Operating Decision Maker.

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 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 and post-employment benefit assets of the Company are located in India.

2.28 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 2026 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 31 March 2026	As at 31 March 2025
The amounts remaining unpaid to micro and small supplies as at end of the year		
- Principal	15	2
- Interest	-	-
The amount of interest paid by the buyer as per the MSMED Act	-	-
The amount of payments made to micro and small suppliers beyond the appointed day during the year;	-	-
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 have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year, 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.	-	-



KIMS Hospital Kurnool Private Limited**CIN: U85110AP2012PTC083865****Balance sheet as at 31 March 2026**

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

2.29 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.

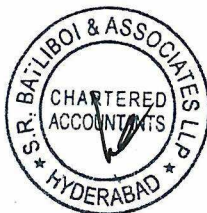
*For this purpose, adjusted net debt is defined as total borrowings, less cash and cash equivalents. Total equity comprises all components of equity excluding capital contribution.

The Company's net debt to equity ratio as of 31 March 2026 and 31 March 2025 was as follows:

Particulars*	As at	As at
	31 March 2026	31 March 2025
Total borrowings	680	746
Less: Cash and cash equivalents	(1)	(2)
Net debt	679	744
Total equity	26	(94)
Net debt to equity ratio - Gearing ratio	2621%	-791%

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2026 and 31 March 2025.

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 year which could result in the banks recalling the loans earlier.



KIMS Hospital Kurnool Private Limited

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Balance sheet as at 31 March 2026

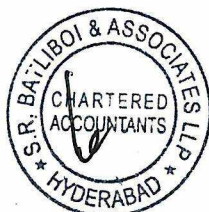
(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

2.30 Financial instruments : Fair value and risk management

A. Accounting classification and fair values

As at 31 March 2026	Carrying Value	Fair Value	Fair value level
Financial assets at amortised cost (Refer 2.30 (B))			NA
Trade receivables	180	180	
Cash and cash equivalents	1	1	
Other financial assets	15	15	
Total	196	196	
Financial liabilities at amortised cost (Refer 2.30 (B))			
Long-term borrowings (including current maturities)	646	646	NA
Short-term borrowings	34	34	
Lease Liabilities	45	45	
Trade payables	80	80	
Other financial liabilities	12	12	
Total	817	817	

As at 31 March 2025	Carrying Value	Fair Value	Fair value level
Financial assets at amortised cost (Refer 2.30 (B))			NA
Trade receivables	165	165	
Cash and cash equivalents	2	2	
Other financial assets	11	11	
Total	178	178	
Financial liabilities at amortised cost (Refer 2.30 (B))			
Long-term borrowings (including current maturities)	719	719	NA
Short-term borrowings	27	27	
Lease Liabilities	18	18	
Trade payables	98	98	
Other financial liabilities	10	10	
Total	872	872	



2.30 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 and lease liabilities are based on discounted cash flows using a short term borrowing rate.
- (b) The fair values of trade receivables, trade payables, other financial assets, other financial liabilities, short term 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 have 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 to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all the employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by the 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 audit committee.

(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 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 and unbilled revenue amounting to Rs.207 as on 31 March 2026 (31 March 2025: Rs.183). The movement in allowance for credit loss in respect of trade receivables and unbilled revenue during the year was as follows:

	As at 31 March 2026	As at 31 March 2025
Allowance for credit losses		
Opening balance	12	11
Credit loss added	7	1
Closing Balance	19	12
Trade receivable write off not routed through the above movement	1	7

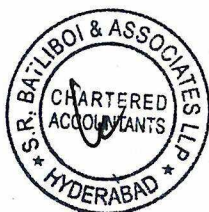
The Company uses a provision matrix to determine the expected credit loss on the portfolio of its trade receivables and unbilled revenue. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and Unbilled revenue and is adjusted for forward 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 due receivables less than one year ranging between 1% to 19% and beyond one year ranging between 28% 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
ECL Rate				
For the year ended 31 March 2026	63	85	59	207
For the year ended 31 March 2025	50	102	31	183

Customer Concentration

No single customer represents 10% or more of the Company's total revenue during the year ended 31 March 2026 and year ended 31 March 2025. 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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2.30 Financial instruments : Fair value and risk management (continued)

(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 2026:

Particulars	Carrying Value	Less than 1 year	1 - 5 years	More than 5 years	Total
Long term borrowings					
(including Current maturities)	646	87	475	84	646
Current borrowings	34	34	-	-	34
Lease Liabilities	45	10	30	17	57
Trade payables	80	80	-	-	80
Other financial liabilities	12	12	-	-	12
Total	817	223	505	101	829

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					
(including Current maturities)	719	47	398	274	719
Current borrowings	27	27	-	-	27
Lease Liabilities	18	2	19	-	21
Trade payables	98	98	-	-	98
Other financial liabilities	10	10	-	-	10
Total	872	184	417	274	875

The Company has secured loans from bank that contain loan covenants. A future breach of covenants may require the Company to repay the loan earlier than indicated in the above table.

(iv) Market risk

(a) Interest rate risk exposure

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term and short-term borrowings with variable interest rates.

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 2026	As at 31 March 2025
Variable rate borrowings including current maturities and short term borrowings	672	690

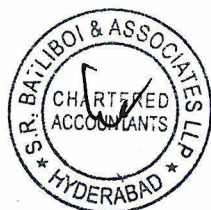
(b) Cash flow sensitivity analysis

Particulars	Impact on profit or loss		Impact on Equity, net of tax	
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
Sensitivity				
1% increase in MCLR	7	7	5	5
1% decrease in MCLR	(7)	(7)	(5)	(5)

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

(v) Currency risk

The Company is not exposed to currency risk.



2.31

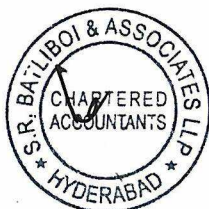
Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Current tax	28	-
Deferred tax attributable to temporary differences	12	27
Adjustment of tax relating to earlier years	-	(16)
	40	11

Particulars	For the year ended 31 March 2026			For the year ended 31 March 2025		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
Re-measurement on defined benefit plans	0	(0)	0	(1)	0	(1)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Profit before tax	160	81
Enacted tax rates	25.17%	25.17%
Tax expense at enacted rates	40	20
Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income		
Deferred tax asset not recognised on various items (net)*	1	5
Recognition of previously unrecognised tax losses	-	(16)
Others	(1)	2
	40	11
	24.70%	13.62%

Particulars	As at 31 March 2026	As at 31 March 2025
Deferred tax asset		
Expected credit loss for trade receivables	5	3
Provision for employee benefits	9	6
Others	-	0
Business loss	-	15
Total deferred tax asset	14	24
Deferred tax liability		
Property, plant and equipment	36	35
Others	1	-
Total deferred tax liability	37	35
Deferred tax liability	(23)	(11)

Particulars	Expected credit loss for trade receivables	Provision for employee benefits	Business loss	Property, plant and equipment	Others	Total
Balance as at 1 April 2024	3	4	25	(32)	-	-
Recognised in profit or loss^	-	2	(10)	(3)	0	(11)
Recognised in OCI	-	0	-	-	-	0
Balance as at 31 March 2025	3	6	15	(35)	0	(11)
Recognised in profit or loss	2	3	(15)	(1)	(1)	(12)
Recognised in OCI	-	(0)	-	-	-	0
Balance as at 31 March 2026	5	9	-	(36)	(1)	(23)



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2.32 Revenue from contracts with customers:

Disaggregated revenue information

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

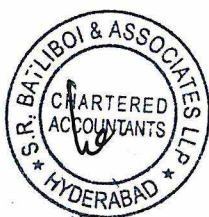
	For the year ended 31 March 2026	For the year ended 31 March 2025
Particulars		
Revenue from hospital services	834	702
Revenue from pharmacy	334	279
Total revenue from contracts with customers	1,168	981
India	1,168	981
Outside India	-	-
Timing of revenue recognition		
Services transferred over time	834	702
Goods transferred at a point of time	334	279
Total revenue from contracts with customers	1,168	981
Reconciliation of revenue recognised with the contracted price is as follows:		
Contract price	1,242	1,043
Less: Discounts and disallowances	(74)	(62)
Total revenue from contracts with customers	1,168	981

Contract balances

Particulars	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
Trade receivables	180	165	117
Unbilled revenue	8	6	10
Contract liabilities	4	1	5

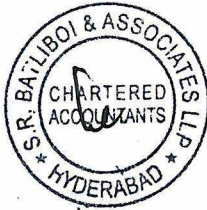
Contract liabilities: During the financial year ended 31 March 2026, the Company has recognised revenue of Rs. 1 from advance received from patients outstanding as on 31 March 2025. During the financial year ended 31 March 2025, the company has recognised revenue of Rs. 5 from advance received from patients outstanding as on 31 March 2024. It expects similarly to recognise revenue in year ended 31 March 2027 from the closing balance of advance from customers as at 31 March 2026.

Unbilled revenue: During the financial year ended 31 March 2026, the company has transferred Rs. 6 of Unbilled revenue as at 31 March 2025 to trade receivables on completion of performance obligation. During the financial year ended 31 March 2025, the company has transferred Rs. 10 of Unbilled revenue as at 31 March 2024 to trade receivables on completion of performance obligation.



- 2.33 Consequent to the requirements of Section 135 of the Companies Act 2013, the Company has made contributions as stated below. The same is in line with activities specified in Schedule III of the Companies Act, 2013 and activities approved by the CSR committee:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
a) Gross amount required to be spent by the Company during the year	1	-
b) Amount approved by the Board to be spent during the year	1	-
c) Amount spent during the year ending on 31 March 2026:		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	1	1
d) Amount spent during the year ending on 31 March 2025:		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	-	-
e) Details related to spent / unspent obligations:		
i) Contribution to Public Trust	-	-
ii) Contribution to Charitable Trust	1	-
iii) Unspent amount in relation to:		
- Ongoing project	-	-
- Other than ongoing project	-	-
	1	-
f) Details related to excess spent amount:		
Opening Balance	-	-
Amount required to be spent during the year	-	-
Amount spent during the year	-	-



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2.34 Ratio Analysis and its elements

Particulars		Numerator	Denominator	As at 31 March 2026	As at 31 March 2025	% change*
a)	Current Ratio [^]	Current Assets	Current Liabilities	0.88	0.98	-10%
b)	Debt-Equity ratio*	Total Debts ⁽¹⁾	Shareholder's Equity	11.90	(12.96)	-192%
c)	Debt service coverage ratio	Earnings for debts service ⁽²⁾	Debt service ⁽³⁾	1.57	1.99	-21%
d)	Inventory Turnover Ratio	Cost of Goods sold	Average Inventory	10.44	8.78	19%
e)	Trade Receivable turnover Ratio	Net Credit Sales ⁽⁴⁾	Average Trade Receivables	6.77	6.96	-3%
f)	Trade Payable turnover Ratio	Net credit Purchases ⁽⁵⁾	Average Trade Payables	7.18	5.62	28%
g)	Net Capital turnover ratio*	Net Sales ⁽⁶⁾	Working capital ⁽⁷⁾	(41.71)	(327.72)	-87%
h)	Return on Equity Ratio**	Net profits after taxes	Average Shareholder's equity	125.56	NA	NA
i)	Net Profit ratio*	Net profit	Net Sales ⁽⁶⁾	10.27%	7.12%	-44%
j)	Return on Capital employed	Earnings before interest and taxes	Capital Employed ⁽⁸⁾	27.60%	22.83%	21%
k)	Return on Investment	Interest (Finance Income)	Time weighted average investment	6.25%	5.01%	0%

⁽¹⁾ Debt includes Lease Liabilities

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

⁽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 Liability

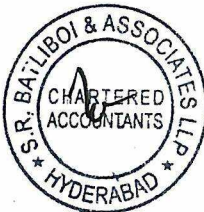
* Changes in the ratios is due to change in the business operations during the year.

** Not applicable for the year ended 31 March 2025 since shareholder's equity is negative as at 31 March 2025.

[^] The current liability of the Company exceeds its current assets. Based on projected cashflows of the Company, the management is confident 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.

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 2026 and 31 March 2025.

2.36 The Company has used accounting software 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 software. Further, there are no instance of audit trail feature being tampered with. Additionally, the audit trail of prior years 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.



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2.37 Other Statutory Information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions with companies struck off.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the current and previous financial year.
- (v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that 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 has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that 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 does not have 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.

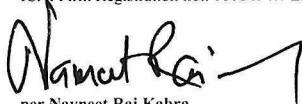
2.38 Events after the reporting period

There were no significant adjusting events that occurred subsequent to the reporting period.

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: 13 May 2026

for and on behalf of the Board of Directors of

KIMS Hospital Kurnool Private Limited



Dr Rafiq Ahmed K

Managing Director

DIN: 07932674



Dr. B Abhinay

Director

DIN:01681273

Place: Hyderabad

Date: 13 May 2026

