B S R & Co. LLP
Chartered Accountants

Embassy Golf Links Business Park
Pebble Beach, B Block, 3rd Floor
No. 13/2, off Intermediate Ring Road
Bengaluru - 560 071, India
Telephone: +91 80 4682 3000
Fax: +91 80 4682 3999

Independent Auditor's Report

To the Members of Manipal Health Enterprises Limited (formerly known as Manipal Health Enterprises Private Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Manipal Health Enterprises Limited (formerly known as Manipal Health Enterprises Private Limited) (the "Company") which comprise the standalone balance sheet as at 31 March 2026, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including 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 standalone financial statements give the information required by the Companies Act, 2013 ("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 31 March 2026, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules 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 opinion on the standalone financial statements.

Management's and Board of Directors Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows 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. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

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

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31 March 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.

f. the modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. 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, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2026 on its financial position in its standalone financial statements - Refer Note 29 to the standalone financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 42 (vi) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 42 (vii) to the standalone financial statements, 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 directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

e. The Company has neither declared nor paid any dividend during the year.

f. Based on our examination which included test checks, except for the instance mentioned below, the Company has used accounting softwares for maintaining its books of account which have a feature of audit trail (edit log), and the same has operated throughout the year for all relevant transactions recorded in the respective accounting software:

– The feature of audit trail (edit log) facility was not enabled at the data base level to log any direct data changes in respective accounting softwares.

Further, where audit trail (edit log) feature was enabled and operated during the year for the respective accounting software, we did not come across any instance of the audit trail (edit log) being tampered with. Additionally, where the audit trail (edit log) feature was enabled in the previous years, the audit trail (edit log) has been preserved by the Company as per the statutory requirements for record retention.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid/payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid/payable to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Prakash

G Prakash

Partner

Place: Bangalore

Date: 15 July 2026

Membership No.: 009696

ICAI UDIN:26099696JRRCOM9772

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Manipal Health Enterprises Limited (formerly known as Manipal Health Enterprises Private Limited) for the year ended 31 March 2026

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Right of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value (Rs. in crore)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Leasehold Land	87.73	*Manipal Hospitals (Jaipur) Private Limited	No	Since 8 years	The property is transferred through NCLT order.

*During the financial year 2023-24, pursuant to the order of NCLT, Manipal Hospitals (Jaipur) Private Limited has merged with Manipal Hospitals (Dwarka) Private Limited. Refer Note 4 (a) of the standalone financial statements.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from bank on the basis of security of current assets, however as informed by management, no quarterly returns or statements are required to be filed by the Company with such bank.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments in and granted unsecured loans to companies and other parties. The Company has provided guarantees and security to companies. The Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to firms, limited liability partnerships. Additionally, the Company has not granted any secured loans or advances in the nature of loans (secured or unsecured) to companies or other parties, nor has it provided any guarantees or security to other parties. Details of the loans granted, guarantees given and securities provided during the year are stated in subclause (a) as below:

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans, stood guarantee and provided security to any other entity as below:

Particulars	Security (Rs. in crore)	Loans (Rs. in crore)	Guarantee (Rs. in crore)
Aggregate amount during the year			
Subsidiaries*	#	309.01	5,310
Others	-	3.23	-
Balance outstanding as at balance sheet date			
Subsidiaries*	#	234.03	5,310
Others	-	1.22	-

*As per Schedule III of the Companies Act, 2013

The Company, along with its subsidiaries, has provided security to various lenders in respect of term loans aggregating to Rs. 4,930.63 crores availed under a common lending arrangement. Refer Note 29(D) to the standalone financial statements.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided, security given during the year and the terms and conditions of the grant of loans and guarantees provided during the year are not prejudicial to the interest of the Company. Further, the Company has not given any advance in the nature of loan to any party during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Manipal Health Enterprises Limited (formerly known as Manipal Health Enterprises Private Limited) for the year ended 31 March 2026 *(Continued)*

party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 of the Companies Act, 2013 have been complied with. Further, there are no investments, loans, guarantees and security in respect of which provisions of section 186 of the Act are applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of healthcare services and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2026 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31 March 2026 on account of disputes are given below:

Name of the statute	Nature of the dues	Amount (Rs. In crores)	Period to which the amount relates	Forum where dispute is pending	Remarks
Income Tax Act, 1961	Income Tax	1.28	Financial Year 2010-11	Assessing Officer (AO)	ITAT has remanded the matter

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Manipal Health Enterprises Limited (formerly known as Manipal Health Enterprises Private Limited) for the year ended 31 March 2026 *(Continued)*

Name of the statute	Nature of the dues	Amount (Rs. In crores)	Period to which the amount relates	Forum where dispute is pending	Remarks
					back to AO
Income Tax Act, 1961	Income Tax	3.30	Financial Year 2013-14	Assessing Officer (AO)	Rectification application filed with AO
Income Tax Act, 1961	Income Tax	27.61	Financial Year 2016-17	Income Tax Appellate Tribunal (Bengaluru)	None
Income Tax Act, 1961	Income Tax	16.68*	Financial Year 2017-18	Income Tax Appellate Tribunal (Bengaluru)	None
Income Tax Act, 1961	Income Tax	8.42	Financial Year 2021-22	Income Tax Appellate Tribunal (Bengaluru)	None
Income Tax Act, 1961	Income Tax	6.42*	Financial Year 2022-23	Income Tax Appellate Tribunal (Bengaluru)	None
Goods and Services Tax Act. 2017	Goods and Services Tax	11.26	Financial Year 2020 -21 to Financial Year 2022-23	High Court of Karnataka	None
Customs Act, 1962	Duty of Customs	0.08	Financial Year 2012-13	Assistant Commissioner of Customs	None

*Amount is net of payment made under protest for the Financial Year 2017-18 of Rs. 4.52 crores and Financial Year 2022-23 of Rs. 1.61 crs.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment of shares or fully or partly convertible debentures during the year. In our opinion, in respect of private placement of equity shares made during the year, the Company has duly complied with the requirements of Section 42 and Section 62 of the Act. The equity shares have been issued for consideration other than cash and, accordingly, reporting on utilization of funds is not applicable.

(xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) The Company was a private limited company up to 23 December 2025 and, therefore, the provisions of Section 177 of the Companies Act, 2013 were not applicable to it during the period from 1 April 2025 to 23 December 2025. Pursuant to its conversion into a public limited company with effect from 24 December 2025, the Company has complied with the requirements of Section 177 of the Act. In our opinion and according to the information and explanations given to us, the related party transactions are in compliance with the provisions of Section 188 of the Act, wherever applicable, and the requisite disclosures have been made in the standalone financial statements in accordance with the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Manipal Health Enterprises Limited (formerly known as Manipal Health Enterprises Private Limited) for the year ended 31 March 2026 *(Continued)*

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations provided to us, the Company has entered into a non-cash transaction with a person connected with a director. In our opinion, the Company got brand rights for perpectual period, is covered under the provisions of Section 192 of the Act, and the Company has complied with the relevant requirements of this section.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as defined in the regulations made by the Reserve Bank of India). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, 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 the 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.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Manipal Health Enterprises Limited (formerly known as Manipal Health Enterprises Private Limited) for the year ended 31 March 2026 *(Continued)*

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

G Prakash
Partner
Membership No.: 009696
ICAI UDIN:26099696JRRCOM9772

Place: Bangalore
Date: 15 July 2026

Annexure B to the Independent Auditor's Report on the standalone financial statements of Manipal Health Enterprises Limited (formerly known as Manipal Health Enterprises Private Limited) for the year ended 31 March 2026

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Manipal Health Enterprises Limited (formerly known as Manipal Health Enterprises Private Limited) ("the Company") as of 31 March 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2026, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Annexure B to the Independent Auditor's Report on the standalone financial statements of Manipal Health Enterprises Limited (formerly known as Manipal Health Enterprises Private Limited) for the year ended 31 March 2026 *(Continued)*

Meaning of Internal Financial Controls with Reference to 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 include 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 controls 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.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

G Prakash

Partner

Place: Bangalore

Date: 15 July 2026

Membership No.: 009696

ICAI UDIN:26099696JRRCOM9772

Manipal Health Enterprises Limited (formerly known as Manipal Health Enterprises Private Limited)
CIN:U85110KA2010PLC052540
Standalone Balance sheet as at

	Note	March 31, 2026	March 31, 2025
			(₹ in crore)
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	2,053.23	1,511.20
Capital work-in-progress	3.2	561.24	582.75
Right-of-use assets	4	1,094.80	723.09
Goodwill	4	122.20	122.20
Other intangible assets	4	1,973.21	18.88
Financial assets			
Investments	5.1	3,568.67	3,563.51
Loans	5.2	-	215.56
Other financial assets	5.3	31.69	62.22
Income tax assets (net)	6	98.08	59.82
Other non-current assets	7	11.39	15.53
		9,514.51	**6,874.76**
Current assets			
Inventories	8	42.92	27.65
Financial assets			
Investments	9.1	1,320.94	1,072.16
Trade receivables	9.2	262.15	190.74
Cash and cash equivalents	9.3	101.70	127.82
Bank balances other than cash and cash equivalents	9.4	-	21.75
Loans	9.5	235.57	2.16
Other financial assets	9.6	51.67	29.72
Other current assets	10	61.39	22.60
		2,076.34	**1,494.60**
Total assets		**11,590.85**	**8,369.36**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	235.95	77.06
Other equity	12	7,087.52	5,137.51
Total equity		**7,323.47**	**5,214.57**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	13.1	1,920.99	1,671.54
Lease liabilities	13.2	1,057.97	654.49
Other financial liabilities	13.3	1.67	-
Provisions	14	3.00	1.60
Deferred tax liabilities (net)	15	145.65	88.17
		3,129.28	**2,415.80**
Current liabilities			
Financial liabilities			
Borrowings	16.1	154.40	155.28
Lease liabilities	13.2	32.45	34.87
Trade payables	16.2		
- total outstanding dues of micro enterprises and small enterprises		17.07	11.48
- total outstanding dues of creditors other than micro enterprises and small enterprises		516.88	400.56
Other financial liabilities	16.3	179.19	58.02
Other current liabilities	17	214.12	53.01
Provisions	18	23.99	25.77
		1,138.10	**738.99**
Total equity and liabilities		**11,590.85**	**8,369.36**
Material accounting policies	2.2		

The accompanying notes are an integral part of Standalone Financial Statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration number : 101248W/W - 100022

G Prakash
Partner
Membership number 099696

Place : Bengaluru
Date : July 15, 2026

For and on behalf of the Board of Directors of
Manipal Health Enterprises Limited (formerly known as Manipal Health Enterprises Private Limited)

H Sudarshan Ballal

Dilip Jose
Managing Director & CEO
DIN: 03591692

Dr. H Sudarshan Ballal
Chairman & Director
DIN 01195055

Sameer Agarwal
Chief Financial Officer

Sathish Kolar Ramamoorthy
Company Secretary
Membership No A15203

Place Bengaluru
Date July 15, 2026

Manipal Health Enterprises Limited (formerly known as Manipal Health Enterprises Private Limited)
CIN:U85110KA2010PLC052540
Standalone Statement of Profit and Loss for the year ended

	Note	March 31, 2026	March 31, 2025
			(₹ in crore)
Income			
Revenue from operations	19	3,584.13	3,104.10
Other income	20	117.44	100.66
Total income		**3,701.57**	**3,204.76**
Expenses			
Purchase of medical consumables and pharmacy items		717.88	604.46
Changes in inventories of medical consumables and pharmacy items	21	(15.27)	3.30
Employee benefits expense	22	593.05	493.16
Finance costs	23	203.37	149.02
Depreciation and amortisation expense	24	222.70	148.99
Other expenses	25	1,394.42	1,157.18
Total expenses		**3,116.15**	**2,556.11**
Profit before tax and exceptional item		**585.42**	**648.65**
Exceptional items	26	(21.64)	-
Profit before tax		**563.78**	**648.65**
Tax expense			
Current tax	15	76.02	155.47
Deferred tax	15	57.79	(42.12)
Tax expense		**133.81**	**113.35**
Profit for the year		**429.97**	**535.30**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss:			
Re-measurement of defined benefit plans		(1.21)	(3.35)
Income tax effect on above		0.31	0.84
OCI for the year (net of tax)		**(0.90)**	**(2.51)**
Total comprehensive income for the year		**429.07**	**532.79**
Earnings per equity share ('EPS')	27		
[nominal value of share ₹ 2]			
Basic (₹)		3.72	4.65
Diluted (₹)		3.70	4.65
Material accounting policies	2.2		

The accompanying notes are an integral part of Standalone Financial Statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration number : 101248W/W - 100022

G Prakash
Partner
Membership number: 099696

Place : Bengaluru
Date : July 15, 2026

For and on behalf of the Board of Directors of Manipal Health Enterprises Limited (formerly known as Manipal Health Enterprises Private Limited)

H. Sudarshan Ballal

Dilip Jose
Managing Director & CEO
DIN: 03591692

Dr. H. Sudarshan Ballal
Chairman & Director
DIN: 01195055

Sameer Agarwal
Chief Financial Officer

Sathish Kolar Ramamoorthy
Company Secretary
Membership No: A15203

Place : Bengaluru
Date : July 15, 2026

Manipal Health Enterprises Limited (formerly known as Manipal Health Enterprises Private Limited)
CIN:U85110KA2010PLC052540
Standalone Statement of changes in equity for the year ended March 31, 2026

(a) Equity share capital #

	Nos.	₹ in crore
Balance as at April 01, 2025	7,70,62,434	77.06
Change in equity share capital during the year	-	-
Balance before share split and bonus issue (Equity shares of ₹ 10 each)	7,70,62,434	77.06
Increase in equity shares on sub-division of 1 equity share of face value of ₹ 10 each into 5 equity shares of face value of ₹ 2 each (refer note 27.1.1)	30,82,49,736	-
Increase in equity shares on bonus issue of 2 equity share for every 1 equity shares held (refer note 27.1.2)	77,06,24,340	154.13
Issue of equity shares during the year [refer note (11.2.9)]	2,38,20,811	4.76
Balance as at March 31, 2026	**1,17,97,57,321**	**235.95**
Balance as at April 01, 2024	7,56,30,045	75.63
Change in equity share capital during the year (refer note 43)	14,32,389	1.43
Balance as at March 31, 2025	**7,70,62,434**	**77.06**

Also, refer note 11

(b) Other equity **

(₹ in crore)

	Reserves and surplus				Other comprehensive income	
	Securities premium	Employee stock option outstanding	General reserve	Retained earnings	Re-measurement of defined benefit plans	Total other equity
Balance as at April 01, 2025	3,414.21	33.94	2.80	1,689.40	(2.84)	5,137.51
Profit for the year	-	-	-	429.97	-	429.97
OCI for the year (net of tax)	-	-	-	-	(0.90)	(0.90)
Total comprehensive income	-	-	-	429.97	(0.90)	429.07
Transaction with owners						
Utilised for issue of bonus shares (refer note 27.1.2)	(154.13)	-	-	-	-	(154.13)
Issue of shares [refer note (11.2.9)]	1,645.26	-	-	-	-	1,645.26
Share based payments	-	29.81	-	-	-	29.81
Balance as at March 31, 2026	4,905.34	63.75	2.80	2,119.37	(3.74)	7,087.52

(₹ in crore)

	Reserves and surplus				Other comprehensive income	
	Securities premium	Employee stock option outstanding	General reserve	Retained earnings	Re-measurement of defined benefit plans	Total other equity
Balance as at April 01, 2024	2,665.64	-	2.80	1,154.10	(0.33)	3,822.21
Profit for the year	-	-	-	535.30	-	535.30
OCI for the year (net of tax)	-	-	-	-	(2.51)	(2.51)
Total comprehensive income	-	-	-	535.30	(2.51)	532.79
Transaction with owners						
Proceeds from right issue	748.57	-	-	-	-	748.57
Share based payments	-	33.94	-	-	-	33.94
Balance as at March 31, 2025	3,414.21	33.94	2.80	1,689.40	(2.84)	5,137.51

** Also, refer note 12

Nature and purpose of each reserve:

1 **Securities premium -** Securities premium is used to record the premium received on issue of shares. Also, includes surplus received on sale of treasury shares. However, out of this ₹ 96.09 crore can only be used in accordance with the trust deed's terms and conditions

2 **Employee stock option outstanding -** Employee stock option outstanding reserve is used to record the fair value of equity-settled share based payment transactions with employees

3 **General reserve -** General reserve represents appropriation of profits

4 **Retained earnings -** Retained earnings comprises of prior and current year's undistributed earnings after tax

5 **Re-measurement of defined benefit plans -** Represents remeasurement gains / (losses) on defined benefit plans (net of tax)

Material accounting policies (refer note 2.2)

The accompanying notes are an integral part of Standalone Financial Statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration number : 101248W/W - 100022

Prakash

G Prakash
Partner
Membership number: 099696

Place : Bengaluru
Date : July 15, 2026

For and on behalf of the Board of Directors of Manipal Health Enterprises Limited (formerly known as Manipal Health Enterprises Private Limited)

H. Sudarshan Ballal

Dilip Jose
Managing Director & CEO
DIN: 03591692

Dr. H. Sudarshan Ballal
Chairman & Director
DIN: 01195055

Sameer Agarwal
Chief Financial Officer

Sathish Kolar Ramamoorthy
Company Secretary
Membership No. A15203

Place : Bengaluru
Date : July 15, 2026

Manipal Health Enterprises Limited (formerly known as Manipal Health Enterprises Private Limited)
CIN:U85110KA2010PLC052540
Standalone Statement of Cash Flow for the year ended

	March 31, 2026	March 31, 2025
		(₹ in crore)
A. Cash flows from operating activities		
Profit before tax	563.78	648.65
Adjustments:		
Depreciation and amortisation expense	222.70	148.99
Share based payments	29.81	33.94
Bad debts/ advances written off	15.67	8.53
Loss allowance/ (reversal) on trade receivables	14.66	13.37
Loss allowance/ (reversal) on other receivables	0.38	(0.53)
Profit on sale of investments in mutual funds (net)	(31.76)	(26.87)
Fair value (gain) on financial instruments at FVTPL	(37.36)	(44.15)
Profit on sale of property plant and equipment (net)	(0.89)	(0.33)
Reversal of impairment on investments in subsidiaries	-	(2.60)
Interest income	(44.10)	(26.67)
Interest income on income tax refund	(1.29)	-
Loss/ (Gain) on lease liability reversal	-	(0.05)
Finance costs	196.45	138.70
Foreign exchange loss/ (gain)	1.21	(0.04)
Operating profit before working capital changes	**929.26**	**890.94**
Movements in working capital :		
Change in inventories	(15.27)	3.30
Change in trade receivables	(101.74)	(79.26)
Change in loans	0.62	(0.81)
Change in other financial assets	8.77	(9.34)
Change in other assets	(39.07)	6.06
Change in trade payables	120.70	(20.98)
Change in provisions	(1.92)	3.23
Change in other financial liabilities	3.67	5.76
Change in other current liabilities	161.11	0.15
Cash generated from operations	**1,066.13**	**799.05**
Income tax paid (net)	(112.99)	(154.77)
Net cash generated from operating activities	**953.14**	**644.28**
B. Cash flow from investing activities		
Acquisition of property, plant and equipment and intangible assets	(862.59)	(705.22)
Proceeds from sale of property, plant and equipment	1.86	1.66
Loans given to related parties	(309.01)	(169.81)
Loans repaid by related parties	290.54	203.23
Investment made in bank deposits (having original maturity of more than three months)	(0.51)	(75.14)
Maturity of bank deposits (having original maturity of more than three months)	21.75	35.00
Investment in equity instruments of a subsidiary	-	(1,012.86)
Investment in equity instruments of other companies	-	(0.01)
Proceeds from redemption of Investment in preference shares in subsidiary	13.96	-
Purchase of investments in mutual funds and others	(2,577.56)	(2,911.35)
Proceeds from the sale of investments in mutual funds	2,378.78	2,753.07
Interest received	40.03	29.85
Net cash used in investing activities	**(1,002.75)**	**(1,851.58)**
C. Cash flow from financing activities		
Repayment of long-term borrowings	(156.48)	(130.37)
Proceeds of long-term borrowings	402.53	645.75
Proceeds from issuance of equity share capital	-	750.00
Interest and processing charges paid	(112.86)	(101.39)
Interest paid on loan for purchase of capital asset	(0.91)	(1.03)
Payment of lease obligations	(28.97)	(20.67)
Interest paid on lease liabilities	(79.82)	(35.10)
Net cash generated from financing activities	**23.49**	**1,107.19**
Net decrease in cash and cash equivalents	**(26.12)**	**(100.11)**
Cash and cash equivalents at the beginning of the year	127.82	227.93
Cash and cash equivalents at the end of the year (refer note 9.3)	**101.70**	**127.82**

BSR & Co. LLP

Manipal Health Enterprises Limited

Manipal Health Enterprises Limited (formerly known as Manipal Health Enterprises Private Limited)
CIN:U85110KA2010PLC052540
Standalone Statement of Cash Flow for the year ended

	March 31, 2026	March 31, 2025
		(₹ in crore)
Components of cash and cash equivalents for the purpose of statement of cash flow statement		
Cash on hand	1 31	1 09
With banks - on current accounts	100 39	68 03
- deposits with original maturity of less than three months	-	58 70
Total cash and cash equivalents	**101.70**	**127.82**

Refer note 38 for reconciliation of movement of liabilities to cash flows arising from financing activites

Material accounting policies 2.2

The above Standalone Cash flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows"

The accompanying notes are an integral part of Standalone Financial Statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration number 101248W/W - 100022

G Prakash
Partner
Membership number: 099696

Place Bengaluru
Date July 15, 2026

For and on behalf of the Board of Directors of
Manipal Health Enterprises Limited (formerly known as Manipal Health Enterprises Private Limited)

Dilip Jose
Managing Director & CEO
DIN: 03591692

Dr. H Sudarshan Ballal
Chairman & Director
DIN 01195055

Sameer Agarwal
Chief Financial Officer

Sathish Kolar Ramamoorthy
Company Secretary
Membership No: A15203

Place : Bengaluru
Date July 15, 2026

1 Corporate information

Manipal Health Enterprises Limited (formerly known as Manipal Health Enterprises Private Limited) (the Company or 'MHE' or 'MHEL') is a private limited Company domiciled in India and incorporated on February 15, 2010 under the provisions of the Companies Act, 1956 applicable in India. The registered office of the Company is located at The Annexe, #98/2, Rustam Bagh Road, HAL Airport Road, Bengaluru, 560017. The Company is engaged in the business of running/managing hospitals, and providing healthcare services. The Company operates through various Hospitals/Clinics providing Healthcare services, primarily in South India.

The Company has converted from Private Limited Company to Public Limited Company, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on November 20, 2025 and consequently the name of the Company has changed to Manipal Health Enterprises Limited pursuant to a fresh certificate of incorporation issued by the Registrar of Companies on December 24, 2025.

2.1 Basis of preparation of the Standalone financial statements

(a) Statement of compliance

The Standalone Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, notified under section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act

The Standalone financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest crores and decimals thereof, except when otherwise indicated.

The Standalone Financial Statements were approved for issue by the Company's Board of Directors on July 15, 2026

Details of the material accounting policies are included in Note 2.2

(b) Functional and presentation currency

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

(c) Basis of measurement

The Standalone financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement
Certain financial assets and liabilities (refer note 33)	Fair Value
Share based payments	Fair Value
Net defined asset / liability (refer note 31)	Fair Value of plan asset less present value of defined benefit obligation

(d) Use of estimates and judgements

In preparing these Standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements, assumptions and estimation uncertainties

Information about judgments made in applying accounting policies, assumption and estimation uncertainties that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Judgements:

Note 13.2 - Determining the lease term of contracts with renewal and termination options

Estimates (including assumptions)

Note 2.2 (d), (e) and (h) - useful life of property, plant and equipment, intangible assets and right of use assets
Note 4(b) - Impairment assessment of goodwill
Note 5.1, 5.2, 9.2 and 9.6 - Impairment of financial assets
Note 6, 15, and 29 - Recognition of deferred tax, provisions and other contingencies
Note 14 and 18 - Provisions
Note 22, 31 - Employee benefits expense, wages and bonus; key actuarial assumptions
Note 33 - Financial instruments
Note 32 - Employee Stock option plans
Note 5.1 - Investments in subsidiaries, associates and Joint venture

(e) Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.
Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

– Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
– Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
– Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company 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 the note 33 & 34 – financial instruments.

BSR & Co. LLP

Manipal Health Enterprises Limited

2.2 Summary of material accounting policies

(a) Business combinations

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in Other Comprehensive Income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred.

Common control transactions
Common control business combinations include transactions, such as transfer of subsidiaries or business, between entities within a group. Business combinations involving entities or businesses under common control are accounted for using the pooling of interests method. Under pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts, the only adjustments that are made are to harmonise accounting policies

Financial information in the Standalone financial statements in respect of prior years is restated as if the business combination had occurred from the beginning of the preceding year in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information is restated only from that date.
The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and presented separately from other General reserves with disclosure of its nature and purpose in the notes.

(b) Investment in subsidiaries and joint ventures

A subsidiary is an entity that is controlled by another entity. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement/entity have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The investments in subsidiaries, associates and Joint ventures are carried at cost as per IND AS 27. Investment carried at cost is tested for impairment as per IND AS 36. On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(c) Current versus non-current classification

Based on the time involved between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has identified twelve months as its operating cycle for determining current and non-current classification of assets and liabilities in the Standalone Balance sheet.

(d) Property plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, cost of replacing part of the plant and equipment, borrowing costs if the recognition criteria are met and directly attributable cost of bringing the asset to its location and condition necessary for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. 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. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on 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.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

Property, plant and equipment under installation or construction as at the balance sheet date is shown as capital work-in-progress and the related advances are shown as under Non current assets.

On transition to Ind AS (i.e. April 01, 2015), the Company has elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Category of assets	Useful life estimated by management	Useful life as per Schedule II
Building	23 - 60 years	30 years
Equipments	13 years	10 - 15 years
Electrical installations	7 years	10 years
Furniture and fixtures	7 years	10 years
Other fixtures (included in Building)	2 years	10 years
Computers	3 years	3 - 6 years
Vehicles	3-7 years	6 - 10 years

Leasehold land is amortised over the remaining lease year (refer note 3.1)

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).
Second hand assets are depreciated over the estimated useful life as per technical estimates.

Leasehold land/Leasehold improvements/Leasehold Building are depreciated over the primary lease period or useful life, whichever is shorter, on a straight line basis

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.

Assets having the value upto ₹10,000 is fully depreciated in the period/year of purchase.

The management had estimated, supported by technical advice, the useful life of the category of assets, which are lower than those indicated in Schedule II to the Companies Act 2013. 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.

(e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

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.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

A summary of amortization policies applied to the Company's intangible assets is as below:

Category of assets	Useful life estimated by management
Computer software - application	3-5 years
Computer software - generic	1 year
M-Brand [refer note (11.2.9)]	Indefinite

(f) 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. Where 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. This recognition criteria is not applicable to non-financial assets such as deferred tax assets and inventories.

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 fair value less costs of disposal, recent market transactions are taken into account. 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 CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years For longer periods, a long term growth rate is calculated and applied to project future cash flows till perpetuity.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination

Impairment losses of continuing operations, including impairment of inventories, are recognised in the statement of profit and loss.

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

Goodwill and intangible assets with indefinite useful life is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the assets in the CGU on a pro rata basis. Impairment losses relating to goodwill cannot be reversed in future years.

(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.

BSR & Co. LLP

Manipal Health Enterprises Limited

(h) Leases

A contract is, or contains, a lease 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 accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. 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. Right of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

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 are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short term leases of all assets that have a lease term of 12 months or less, except where it anticipates renewals and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant yearly rate of return on the lessor's net investment in the lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

Asset retirement obligation

The Company had recognised certain asset retirement costs which were classified as leasehold improvement and provision for decommissioning liability on the same.

Company as a lessor

The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub-lease. The Company accounted for its leases in accordance with Ind AS 116 from the date of initial application. The Company does not have any significant impact on account of sub-lease on the application of this standard.

(i) 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. Refer to the accounting policies in section (k) Revenue from contracts with customers.

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.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

BSR & Co. LLP

Manipal Health Enterprises Limited

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:
i) Financial assets at amortised cost (debt instruments)
ii) Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
iii) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
iv) Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)
A 'financial asset' is measured at the amortised cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) 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 finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The Company's financial assets at amortised cost includes trade receivables, and loan to an associate and loan to a director included under other non-current financial assets For more information on receivables, refer to Note 9.2

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss

This category includes quoted investments in mutual funds of the Company. These investments are restated to its fair value at the end of every financial year. Unrealised gain/loss on such restatement and realised gain or loss on sale of investments in mutual funds are recognised in the standalone statement of profit and loss.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's consolidated balance sheet) when:
i) The rights to receive cash flows from the asset have expired, or
ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. 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

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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).

For trade receivables and other financial assets, 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.

In certain cases, the Company may also consider 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.

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, or as derivatives designated as hedging instruments in an effective hedge, 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, financial guarantee contracts and derivative financial instruments.

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

B S R & Co. LLP

Manipal Health Enterprises Limited

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 are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the 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 P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

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

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

This category generally applies to borrowings.

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

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.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the standalone 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.

(j) Inventories

Inventories of pharmacy items and medical consumables are valued at lower of cost or net realizable value. The comparison of cost and net realisable value is made on an item-by-Item basis. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location after adjusting for Goods and Services Tax (GST) wherever applicable, applying the first in first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs to be incurred to make the sale. Adequate provision is made for slow moving, non-moving and expired inventory, as determined necessary.

(k) Total Income

(i) Revenue recognition
Revenue from contracts with customers is recognised as per Ind AS 115, "Revenue from contract with customers", 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, taking into consideration defined terms of payment and excluding taxes or duties collected on behalf of the government.

Disaggregation of revenue
The Company disaggregates revenue into revenue from rendering hospital services, pharmacy sales and other operating income. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of Company's revenues and cash flows are affected by industry, market and other economic factors.

The specific recognition criteria described below must also be met before revenue is recognised:

Operating Income
Revenue from Hospital services is recognised as and when the services are performed, unless significant future uncertainties exists, while revenue from sale of pharmacy items is recognised when the control of the goods have passed to the buyer, usually on delivery of the goods. The Company assesses the distinct performance obligations in the contract and measures to at an amount that reflects the consideration it expects to receive, net of Goods and Services Tax and adjusted for discounts and concessions.

Management fee from hospital management agreement with entities is recognised as and when the services are rendered as per the terms of the agreement.

Income from occupational health centre and ambulance service are recorded as and when rendered.

Rental Income
Rental Income is recognised on an accrual basis and over the year of tenancy.

BSR & Co. LLP

Manipal Health Enterprises Limited

Contract balances

Trade receivables

Unbilled revenue represents the Company's right to 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 (i) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs its obligation under the contract.

(ii) Other income

Interest Income

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

Dividend income

Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

(l) Foreign currencies

Items included in the Standalone financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (i.e. the "functional currency"). The Company's Standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency.

Transactions and balances

Foreign currency transactions are recorded on initial recognition in the functional currency using the exchange rate prevailing at the date of the transaction. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on the settlement or translation of monetary items are recognised in the statement of profit or loss

(m) Retirement and other employee benefits

Defined contribution plan

Retirement benefit in the form of Provident Fund and Pension Fund are defined contribution schemes. The Company recognizes contribution payable to the schemes as an expense, when an employee renders the related service. The Company has no obligation, other than the contribution payable to the fund.

Defined benefit plan - gratuity

The Company operates a defined benefit plan for its employees for gratuity. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at each year end using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability (excluding amounts included in net interest on the net defined benefit liability), 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 the statement of profit and loss in subsequent years.

Past service costs are recognised in the statement of profit or loss on the earlier of:
- The date of the plan amendment or curtailment and
- The date that the Company recognises related restructuring costs

Interest is calculated by applying the discount rate to the defined benefit liability. The Company recognises the following changes in the defined benefit obligation as an expense in the statement of profit and loss:

(i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

(ii) Interest expense

Other long-term employee benefits - compensated absences

Accumulated leave, which is expected to be utilized within the next 12 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 treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date.

The Company recognizes termination benefit as a liability and an expense when the Company has a present obligation as a result of 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. If the termination benefits fall due more than 12 months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

BSR & Co. LLP

Manipal Health Enterprises Limited

(n) Taxes

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 in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI 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:

- where 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.
- 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
- 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 the statement of profit or loss is recognised outside the statement of profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and to the same taxation authority.

Goods and Services Tax (GST) paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of GST 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.

(o) Share-based payments ('ESOP') *

Employees (including senior executives and directors) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share option outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

The vesting needs to be done as per defined in the Grant Letter. There will be two categories of the vesting rights:

Time options – This will be vested on time basis subject to meeting the terms and conditions mentioned in the Employment Letter.

Performance options - The performance options vesting will be done on achievement of the performance figures as per the budget approved by the board of the previous year of the Company. In case, the same has not been achieved there will be no grant under this for that year. However, there will be a catch up period of one year wherein if the shortfall of the previous year is made up, then the options will be vested of the previous year.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

In case, the amount of the liability recognised on the date of modification is greater than the amount previously recognised as an increase in equity, the Company is following the accounting policy to recognise such excess as an expense in the statement of profit or loss at the date of modification.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

* Refer note 32

BSR & Co. LLP

Manipal Health Enterprises Limited

(p) Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the net profit/(loss) for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit/(loss) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, using the treasury stock method for options and warrants, except where the results would be antidilutive.

(q) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of 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. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss net off 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. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Onerous contracts
A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

(r) 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 Standalone financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent liabilities and commitments are reviewed by the management at each balance sheet date.

(s) 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, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(t) Segment accounting policies

The Company prepares its segment information based on its reporting to Chief Operating Decision Maker (refer note 36 on segment reporting).

(u) Corporate Social Responsibility (CSR) expenditure

CSR expenditure as per provisions of section 135 of Companies Act, 2013 read with The Companies (Corporate Social Responsibility Policy) Rules, 2014, is charged to the statement of profit and loss as an expense as and when incurred.

(v) Share capital

i. Equity shares
Incremental costs directly attributable to the issue of equity shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with Ind AS 12.

ii. Treasury shares
The Company has created Manipal Health Employee Welfare Trust (MHEWT) for providing share-based payment to its employees. The Company uses MHEWT as a vehicle for distributing shares to employees under the employee stock option schemes. The Company treats MHEWT as its extension and shares held by MHEWT are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in Securities premium. Share options exercised during the reporting period are satisfied with treasury shares.

As and when treasury shares are transferred to employees on exercise after satisfaction of the vesting condition the balance lying in treasury share reserve is transferred to retained earnings

(w) Cash flow statement

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

BSR & Co. LLP

Manipal Health Enterprises Limited

(x) 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.

(i) Amendments to Ind AS 21 - Lack of exchangeability

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2025, which amend Ind AS 21, The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 April 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments do not have a material impact on the Company's financial statements.

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

In August 2025, the MCA notified amendments to paragraphs 69 to 76 of Ind AS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement.
- That a right to defer must exist at the end of the reporting period.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

If there is a breach of a material covenant of a long term loan arrangement on or before the end of the reporting period, resulting in the liability becoming payable on demand as at the reporting date, and the lender agrees—after the reporting period but before the financial statements are approved for issue—not to demand repayment for at least 12 months as a consequence of the breach, this shall be treated as an adjusting event. Accordingly, the entity is not required to classify the liability as current.

The amendments are effective for annual reporting periods beginning on or after 1 April 2026 retrospectively in accordance with Ind AS 8.

The amendment does not have a material impact on the Company's Standalone Financial Statements.

(iii) Amendments to Ind AS 7 and Ind AS 107 - Supplier Finance Arrangements

In August 2025, the MCA notified amendments to Ind AS 7 Statement of Cash Flows and Ind AS 107 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendment does not have a material impact on the Company's Standalone Financial Statements.

(iv) International Tax Reform—Pillar Two Model Rules – Amendments to Ind AS 12

In August 2025, the MCA notified amendments to Ind AS 12 Income Taxes in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 April 2025, but not for any interim periods ending on or before 31 March 2026.

The amendment does not have a material impact on the Company's Standalone Financial Statements.

(xi) Standards notified but not yet effective

The new and amended standards that are notified by the Ministry of Corporate Affairs (MCA), but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company will adopt these new and amended standards, when they become effective

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

In accordance with Ind AS 1 currently applicable, breach of an immaterial covenant is ignored deciding in current vs. non-current classification of liabilities. Also, in case of breach of a material covenant of a non-current loan on or before the reporting date, the entity can obtain waiver from the lender after the reporting date and continue to classify the loan as non-current liability. In accordance with changes to Ind AS 1 already notified by the MCA, the above relaxations to classify loan as non-current liability will not be available from FY 2026-27 onward and need to be applied retrospectively. Consequently:

- A breach of either material or immaterial covenant will trigger current classification of liability
- To continue classifying loan as non-current liability, entities will need to obtain waiver from the breach on or before the reporting date.

The Company is currently assessing the impact the amendments will have on its Standalone Financial Statements.

BSR & Co. LLP

Manipal Health Enterprises Limited

3.1 Property, plant and equipment

(₹ in crore)

	Land	Buildings	Leasehold improvements	Electrical installations	Equipments	Furniture and fixtures	Computers	Vehicles	Total
Note		3(a)							
Cost									
At April 01, 2024	580.79	640.71	211.34	116.85	737.33	57.44	101.79	27.74	2,473.99
Additions	19.00	6.87	14.51	15.27	52.54	10.22	40.16	7.00	165.57
Disposals	-	-	-	(0.60)	(10.99)	(0.62)	(5.40)	(2.05)	(19.66)
At March 31, 2025	599.79	647.58	225.85	131.52	778.88	67.04	136.55	32.69	2,619.90
Additions	-	9.33	152.20	135.27	331.83	27.58	40.19	5.05	701.45
Disposals	-	-	(0.50)	(0.81)	(9.66)	(1.14)	(1.67)	(1.46)	(15.24)
At March 31, 2026	599.79	656.91	377.55	265.98	1,101.05	93.48	175.07	36.28	3,306.11
Depreciation									
At April 01, 2024	-	183.37	183.80	62.33	448.67	43.64	80.58	14.02	1,016.41
Charge for the year	-	18.89	6.83	12.70	41.82	6.18	19.81	4.39	110.62
Disposals	-	-	-	(0.58)	(10.57)	(0.59)	(5.38)	(1.21)	(18.33)
At March 31, 2025	-	202.26	190.63	74.45	479.92	49.23	95.01	17.20	1,108.70
Charge for the year	-	18.55	11.75	24.35	58.11	10.85	29.57	5.27	158.45
Disposals	-	-	(0.50)	(0.68)	(9.07)	(1.13)	(1.67)	(1.22)	(14.27)
At March 31, 2026	-	220.81	201.88	98.12	528.96	58.95	122.91	21.25	1,252.88
Net book value									
At March 31, 2025	599.79	445.32	35.22	57.07	298.96	17.81	41.54	15.49	1,511.20
At March 31, 2026	599.79	436.10	175.67	167.86	572.09	34.53	52.16	15.03	2,053.23

Refer note 13.1 for details of property, plant and equipment provided as security for borrowings

Notes:
(a) Building includes those constructed on leasehold land
Gross Block: ₹ 167.88 crore (March 31, 2025 ₹ 166.94 crore)
Depreciation charge for the year: ₹ 8.53 crore (March 31, 2025 ₹ 8.34 crore)
Accumulated depreciation: ₹ 70.71 crore (March 31, 2025 ₹ 62.37 crore)
Net book value: ₹ 88.64 crore (March 31, 2025 ₹ 96.23 crore)

3.2 Capital work in progress

(₹ in crore)

Cost	March 31, 2026	March 31, 2025
Opening	582.75	19.73
Additions during the year	679.94	728.59
Less: Transferred to Property, plant and equipment	(701.45)	(165.57)
At March 31, 2026	561.24	582.75

(a) During the year, the Company has capitalised an aggregate borrowing cost of ₹ 34.02 crore (March 31, 2025: ₹ 4.54 crore), on assets lying in capital work in progress. The rate used to determine the amount of borrowing costs eligible for capitalisation was ranging from 7.17% - 8.25% (March 31, 2025: 8.17% - 9.00%) which is the effective interest rate of the specific borrowings.

Capital work in progress ageing schedule

As at March 31, 2026

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	136.50	424.38	0.36	-	561.24
Projects temporarily suspended	-	-	-	-	-
Total	136.50	424.38	0.36	-	561.24

At March 31, 2025

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	575.82	5.13	1.80	-	582.75
Projects temporarily suspended	-	-	-	-	-
Total	575.82	5.13	1.80	-	582.75

There are no capital work-in-progress for which the completion is overdue or has exceeded its cost compared to its original budget.
Refer note 13.1 for details of capital work in progress provided as security for borrowings.

BSR & Co. LLP

Manipal Health Enterprises Limited

4 Right-of-use assets, Goodwill and Other intangible assets

(₹ in crore)

	Right-of-use assets [refer note 2.2(h)]							Goodwill 4 (b)	Other intangible assets		
Note	Leasehold land 4 (a)	Buildings	Electrical installations	Equipments	Computers	Computer software	Total		Computer software	Brand *	Total
Cost											
At April 01, 2024	103.17	289.33	-	97.93	10.09	16.97	517.49	122.47	74.02	-	74.02
Additions	-	358.41	21.42	20.60	-	-	400.43	-	16.57	-	16.57
Disposals/ adjustments	-	(0.72)	-	-	-	-	(0.72)	-	(0.28)	-	(0.28)
At March 31, 2025	103.17	647.02	21.42	118.53	10.09	16.97	917.20	122.47	90.31	-	90.31
Additions	-	392.90	12.67	27.95	2.35	-	435.87	-	17.24	1,947.11	1,964.35
Disposals/ adjustments	-	(0.62)	(3.26)	(6.19)	(7.03)	-	(17.10)	-	(0.12)	-	(0.12)
At March 31, 2026	103.17	1,039.30	30.83	140.29	5.41	16.97	1,335.97	122.47	107.43	1,947.11	2,054.54
Depreciation / amoritsation											
At April 01, 2024	17.06	77.30	-	45.96	4.50	14.89	159.71	0.27	64.89	-	64.89
Charge for the year	1.33	17.95	1.14	6.97	3.15	1.01	31.55	-	6.82	-	6.82
Disposals/ (Adjustments)	-	(0.29)	-	-	-	-	(0.29)	-	(0.28)	-	(0.28)
Charge for the year transferred to CWIP	-	3.14	-	-	-	-	3.14	-	-	-	-
At March 31, 2025	18.39	98.10	1.14	52.93	7.65	15.90	194.11	0.27	71.43	-	71.43
Charge for the year	1.33	36.26	3.93	9.83	2.26	0.62	54.23	-	10.02	-	10.02
Disposals/ adjustments	-	(0.61)	(0.41)	(1.61)	(6.84)	-	(9.47)	-	(0.12)	-	(0.12)
Charge for the year transferred to CWIP	-	2.30	-	-	-	-	2.30	-	-	-	-
At March 31, 2026	19.72	136.05	4.66	61.15	3.07	16.52	241.17	0.27	81.33	-	81.33
Net book value											
At March 31, 2025	84.78	548.92	20.28	65.60	2.44	1.07	723.09	122.20	18.88	-	18.88
At March 31, 2026	83.45	903.25	26.17	79.14	2.34	0.45	1,094.80	122.20	26.10	1,947.11	1,973.21

Refer note 13.1 for details of immovable assets provided as security for borrowings.

4 (a) All right-of-use assets are held in the name of the Company, except following:

Particulars of the Property	Held in the Name of	Gross Carrying amount (₹ in crore)	Whether title deed holder is a promoter,director or relative of promoter / director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Leasehold land	Manipal Hospitals (Jaipur) Private Limited ('MHJPL')	87.73	No. The Property is transferred from MHJPL to the Company through NCLT Order in petition under sections 230 to 232 read with section 66 of The Companies Act, 2013	Since 8 years	The property is transferred through NCLT Order

The leasehold rights of the land which was acquired through Business Transfer Agreement, is currently held by the Company by virtue of orders of National Company Law Tribunal (NCLT).

* The Company amended and restated its Brand License Agreement dated March 06, 2026 with MEMG International India Private Limited ("Licensor"), under which the Company ("Licensee") received a perpetual licence to the "M" brand for its hospital and healthcare service business. The value of the "M" brand and the fair value of the equity shares were supported by valuation reports from a Registered Valuer as required under the applicable provisions of the Companies Act, 2013. The brand value of the licence has been computed aggregating to ₹ 1,650.02 crore. The Company has capitalised the applicable GST on the above consideration to the Brand. (refer note 28)

4 (b) Impairment testing of goodwill and intangible assets with indefinite lives

For impairment testing, goodwill acquired through business combinations has been allocated to the CGUs and brand acquired during the year has been considered as corporate asset and is tested for impairment at the Company level as mentioned below

Carrying amount of goodwill allocated to each of the CGUs

	Corporate	South cluster	North cluster	East cluster	West cluster	Total
At April 01, 2024	-	81.35	40.85	-	-	122.20
Additions during the year	-	-	-	-	-	-
At March 31, 2025	-	81.35	40.85	-	-	122.20
Acquisition of Brand during the year [refer note (11.2.9)]	1,947.11	-	-	-	-	1,947.11
At March 31, 2026	1,947.11	81.35	40.85	-	-	2,069.31

The Company performed its annual impairment test for years ended March 31, 2026 and March 31, 2025. The Company estimates recoverable amount of CGU basis value-in-use method. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount. As at year ended March 31, 2026, the Company has not identified any indication for impairment of assets. Key assumptions upon which the Company has based its determinations of value-in-use include :

a) Estimated cash flows based on internal budgets and industry outlook for a period of five years and a terminal growth rate thereafter
- The estimated value-in-use of this investment is based on the future cash flows using a 5.00% (March 31, 2025: 5.00%) annual growth rate for periods subsequent to the forecast period of 5 years (March 31, 2025: 5 years). This long term growth rate takes into consideration external macroeconomic sources of data. Such long-term growth rate considered does not exceed that of the relevant business and industry sector
- Pre-tax Discount rate of 11.81% (March 31, 2025: 11.65%), which reflect current market assessment of the risks
- The Company believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount.

BSR & Co. LLP

Manipal Health Enterprises Limited

5 Non-current financial assets

5.1 Investments

(₹ in crore)

	No of units		Amounts	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Investments carried at cost (unquoted)				
A) Investment in equity shares of subsidiary companies				
Manipal Health Enterprises International Pte Ltd ('MHEIPL Singapore') (net of impairment charge amounting to ₹ 5.13 crores) (March 31, 2025: ₹ 5.13 crores) # [shares of USD 1 each fully paid-up]	15,00,041	15,00,041	5.34	5.34
Manipal Hospitals (Dwarka) Private Limited ('MHDPL') # [shares of ₹ 10 each fully paid-up, refer note (5.1.1) below]	28,19,483	28,19,483	248.58	248.58
Healthmap Diagnostics Private Limited ('HDPL') (net of impairment charge amounting to ₹ 63.20 crores) (March 31, 2025: ₹ 63.20 crore) # [shares of ₹ 10 each fully paid-up, refer note (5.1.1 and 5.1.3) below]	6,87,74,115	6,87,74,115	123.43	123.43
Manipal Hospitals Private Limited ('MHPL') # [shares of ₹ 10 each fully paid-up]	1,02,52,87,268	1,02,52,87,268	1,734.92	1,734.92
Manipal Hospital (Bengaluru) Private Limited ('MHBPL') # [shares of ₹ 100 each fully paid-up]	1,69,37,134	1,69,37,134	359.77	359.77
Manipal Hospitals Synergic Private Limited ('MHSPL') (formerly known as 'Medica Synergie Private Limited') ('MHSPL') # [shares of ₹ 10 each fully paid-up, refer note (5.1.2) below]	15,16,25,085	15,16,25,085	1,012.86	1,012.86
(A)			3,484.90	3,484.90
B) Investment in equity instruments of associate Company				
IGenetic Diagnostics Private Limited [shares of ₹ 100 each fully paid-up in refer note (5.1.3) below]	73,496	73,496	0.73	0.73
(B)			0.73	0.73
C) Investment in equity instruments of a joint venture Company				
Terrals Technologies Private Limited (net of impairment charge amounting to ₹ 0.50 crore (March 31, 2025: ₹ 0.50 crore)) [shares of ₹10 each fully paid-up, refer note (5.1.4 and 5.1.9) below]	100	100	-	-
(C)			-	-
D) Investment in preference shares of joint venture Company				
Terrals Technologies Private Limited (net of impairment charge amounting to ₹ 69.49 crore (March 31, 2025: ₹ 69.49 crore))				
[0.01% Series A Compulsorily Convertible Preference shares ('Series A CCPS') of 100 Rs each fully paid-up in refer note (5.1.4 and 5.1.9) below]	7,845	7,845	-	-
[0.01% Series B Compulsorily Convertible Preference shares ('Series B CCPS') of 100 Rs each fully paid-up in refer note (5.1.4 and 5.1.9) below]	2,197	2,197	-	-
(D)			-	-
Aggregate value of unquoted investments carried at cost (E = A+B+C+D)			3,485.63	3,485.63
Investments at fair value through Profit or Loss *				
Investment in equity instruments of the other Companies / Foundation				
Renew Wind Energy (Karnataka) Private Limited ('Renew') [shares of ₹ 100 each fully paid-up in refer note (5.1.5) below]	18,600	18600	0.57	0.57
Swasth Digital Health Foundation [shares of ₹ 100 each fully paid-up in refer note (5.1.6) below]	5,000	5000	0.05	0.05
Arctern Healthcare Private Limited ('Arctern') (net of impairment charge amounting to ₹ 5.00 crore) (March 31, 2025: ₹ 5.00 crore) [shares of ₹ 10 each fully paid-up in refer note (5.1.7) below]	4,968	4,968	-	-
Atria Wind Power (Basavana Bagewadi) Private Limited ('Atria') [shares of ₹ 100 each fully paid-up in refer note (5.1.8) below]	500	500	0.01	0.01
(A)			0.63	0.63
Investments in mutual funds (quoted) ^ *			82.41	77.25
(B)			82.41	77.25
Aggregate book value/ market value of quoted investments (F = A+B)			83.04	77.88
Aggregate value of investments (E + F)			3,568.67	3,563.51
Aggregate value of provision for impairment			143.32	143.32

^ Refer note 13.1 for details of Investments provided as security for borrowings

* Also, Information about the Company's exposure to fair value measurement, credit and market risks is included in Note 33 and 34

Notes:

5.1.1 The equity share holding of the Company in HDPL is 50.08% (March 31, 2025: 50.08%) and of NH Fund is 29.82% (March 31, 2025: 29.82%)

5.1.2 On July 01, 2024, the Company had acquired 82.65% shareholding and voting shares of MHSPL for an equity value consideration of ₹ 985.53 crores. Further during the year ended March 31, 2025, the Company acquired further 2.29% shareholding and voting shares of MHSPL for an equity consideration of ₹ 27.33 crore

5.1.3 During the year ended March 31, 2022, the Company acquired 73,496 shares of Igenetic Diagnostics Private Limited for a total consideration of ₹ 47.80 crore. During the year ended March 31, 2025, pursuant to NCLT order, the business of Igenetic was demerged into Healthmap Diagnostics Private Limited

During the year ended March 31, 2026, IGenetic has filed for liquidation as on March 17, 2026

5.1.4 MHEL signed a Share Subscription Agreement on December 22, 2020 to invest an amount of upto ₹ 80 crore in Terrals Technologies Private Limited (Phable) in upto three tranches. The first tranche of ₹ 40 Crores was invested on February 26, 2021 by subscribing to 100 equity shares of ₹ 10 each and 7,845 compulsorily convertibles preference shares of ₹ 100 each. In the year ended March 31, 2022 a further ₹ 29.99 crore was invested for 2,197 compulsorily convertibles preference shares of ₹ 100 each

During the year ended March 31, 2023, the Company had made provision for impairment of its investment in Terrals Technologies Private Limited (Phable) of ₹ 69.99 crores

5.1.5 The Company entered into an agreement on October 20, 2015 with Renew, to invest in its equity share capital as a captive power consumer. Accordingly, on November 27, 2015, the Company invested ₹ 0.03 crore in 3,000 equity shares of ₹ 100 each at face value towards acquisition of 0.90% stake in equity share capital. During the year 2016-17, 2017-18 and 2019-20 the Company invested ₹ 0.05 crore in 5,000 equity shares, ₹ 0.06 crore in 5,600 equity shares and ₹ 0.15 crore in 5000 equity shares of ₹ 100 each at face value, includes fair valuation through profit and loss of ₹ 0.28 crore

5.1.6 MHEL had on September 30, 2020 invested an amount of ₹ 0.05 crore in Swasth Digital Health Foundation by subscribing to 5,000 equity shares of ₹ 100 each

5.1.7 During the year ended March 31, 2024, loan given to Arctern has been converted into equity shares for a consideration of ₹ 5.00 crores and made provision for impairment of its investment amounting to ₹ 5.00 crores

5.1.8 MHEL on January 16, 2025 has invested an amount of ₹ 0.01 crore in Atria by subscribing to 500 equity shares as a captive power consumer

5.1.9 Investment in Terrals Technologies Private Limited ('Terrals') is fully impaired with no further funding obligation as on date

BSR & Co. LLP

Manipal Health Enterprises Limited

Investments are tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of each investment. When the recoverable amount of the investment is less than its carrying amount, an impairment loss is recognized. The recoverable amounts of the above investments have been assessed using a value-in-use model. Key assumptions upon which the Company has based its determinations of value-in-use include:

- Estimated cash flows based on internal budgets and industry outlook for a period of five years and a terminal growth rate thereafter.
- The estimated value-in-use of this investment is based on the future cash flows using a 5.00% (March 31, 2025: 5.00%) annual growth rate for periods subsequent to the forecast period of 5 years. This long term growth rate takes into consideration external macroeconomic sources of data. Such long-term growth rate considered does not exceed that of the relevant business and industry sector.
-Pre-tax discount rate of 11.81% (March 31, 2025: 11.65%), which reflect current market assessment of the risks specific to the investment. The Company believes that any reasonably possible change in the key assumptions on which a recoverable amount of value in use is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the investment.

5.2 **Loans (Unsecured considered good unless otherwise stated)**

(₹ in crore)

	March 31, 2026	March 31, 2025
Inter Corporate Deposit given to related parties (refer note 28) (refer note 5.2.1)	-	221.55
Less: Interest accrued on inter corporate deposits to related parties - disclosed under Other financial assets (refer note 5.3)	-	(5.99)
	-	215.56

There are no loans which have significant increase in credit risk nor which are credit impaired.

5.2.1 Terms of loan given as below:

Name of the loanee	Rate of Interest *	Repayment	Secured/ unsecured	March 31, 2026	Movement during the year	March 31, 2025
Inter Corporate Deposit ('ICD')						
Manipal Hospitals (Dwarka) Private Limited	8.50%	August 29, 2026	Unsecured	234.03	12.48	221.55
Manipal Hospitals Bengal Private Limited ("MH Bengal")	8.50%	May 28, 2028	Unsecured	-	#	-

* Upto June 30, 2025 rate of interest was 9.00%

During the year ended March 31, 2026, the Company had given inter-corporate deposit to MH Bengal amounting to ₹ 36.00 crores and the same was repaid along with interest during the current year.

The intercorporate deposit has been made available for general corporate purpose.

Provisions of section 186 of the Companies Act, 2013, except sub section (1), are not applicable, as the Company is engaged in the business of providing infrastructural facilities as specified in Schedule VI of the Companies Act, 2013.

5.3 **Other financial assets (Unsecured considered good unless otherwise stated)**

(₹ in crore)

	March 31, 2026	March 31, 2025
Margin money deposit with banks (refer note 5.3.1)	1.14	1.27
Deposits with banks due to mature after twelve months from the reporting date (refer note 5.3.2)	5.74	22.64
Interest accrued on inter corporate deposits to related parties (refer note 5.3.3)	-	5.99
Security deposits (refer note 28)	24.81	32.32
	31.69	62.22

(5.3.1) Margin money deposits with a carrying amount of ₹ 1.14 crore (March 31, 2025: ₹ 1.27 crore) are subject to charge to secure the Company's margins against performance guarantee.
(5.3.2) It includes to Debt Service Reserve Account maintained by the Company with Banks amounting to ₹ 5.74 crore (March 31, 2025: ₹ 5.44 crore)
(5.3.3) Receivables from related parties (refer note 28)

6 **Income tax assets (net)**

(₹ in crore)

	March 31, 2026	March 31, 2025
Income tax assets (net of provision for income tax)	98.08	59.82
	98.08	59.82

7 **Other non-current assets (Unsecured considered good unless otherwise stated)**

(₹ in crore)

	March 31, 2026	March 31, 2025
Capital advances	0.86	5.28
Prepaid expenses	2.41	5.28
Balances with statutory/ government authorities	8.12	4.97
	11.39	15.53

8 **Inventories (valued at lower of cost and net realizable value)**

(₹ in crore)

	March 31, 2026	March 31, 2025
Pharmacy items	25.87	16.54
Medical consumables	17.05	11.11
	42.92	27.65

Refer note 13.1 for details of Inventories provided as security for borrowings.

9 **Current financial assets**

9.1 **Investments**

(₹ in crore)

	No of units		Amounts	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Investments carried at cost (unquoted)				
Investment in preference shares of subsidiary Company				
Manipal Hospital (Bengaluru) Private Limited ('MHBPL') [10% Redeemable Preference shares ('RPS') of ₹ 100 each fully paid-up] (refer note 28)	-	13,95,356	-	13.96
Investments at fair value through Profit or Loss ^				
Investments in mutual funds (quoted) *			871.39	765.37
Investments at amortised cost (unquoted) ^				
Investment in commercial papers *			449.55	292.83
Aggregate book value/ market value of quoted and unquoted investments			1,320.94	1,072.16
Aggregate value of provision for impairment			-	-

* Information about the Company's exposure to fair value measurement, credit and market risks, is included in Note 33 and 34
^ Refer note 13.1 for details of Investments provided as security for borrowings

9.2 Trade receivables (Unsecured considered good unless otherwise stated) *

(₹ in crore)

	March 31, 2026	March 31, 2025
Considered good	316.57	230.50
Less Loss allowance on trade receivables	(54.42)	(39.76)
	262.15	190.74

Refer note 13.1 for details of trade receivables provided as security for borrowings

* Refer note 28 for receivables from related parties

(9.2.1) There are no trade receivables which have significant increase in credit risk

(9.2.2) Ageing for trade receivables and unbilled revenue due from the due date of payment for each of the category is as follows

As at March 31, 2026

Particulars	Outstanding for following periods from due date of payment						
	Not due *	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables- considered good	158.85	120.13	29.65	6.30	1.63	-	316.57
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable - credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Total	158.85	120.13	29.65	6.30	1.63	-	316.57
Excepted credit allowance %	0.00%	16.86%	88.64%	100.00%	100.00%	-	17.19%

As at March 31, 2025

Particulars	Outstanding for following periods from due date of payment						
	Not due *	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables- considered good	106.16	99.47	19.32	5.55	-	-	230.50
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable - credit impaired	-				-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Total	106.16	99.47	19.32	5.55	-	-	230.50
Excepted credit allowance %	0.00%	15.79%	95.75%	100.00%	-	-	17.25%

* includes unbilled revenue of ₹ 26.87 crore (March 2025: ₹ 23.26 crore)

9.3 Cash and cash equivalents

(₹ in crore)

	March 31, 2026	March 31, 2025
Balances with banks:		
- On current accounts	100.39	68.03
- Deposits with original maturity of less than three months	-	58.70
Cash on hand	1.31	1.09
	101.70	127.82

Refer note 13.1 for details of cash and cash equivalents provided as security for borrowings

9.4 Bank balances other than cash and cash equivalents

(₹ in crore)

	March 31, 2026	March 31, 2025
Deposits with banks original maturity with more then three months but less than twelve months	-	21.75
	-	21.75

Refer note 13.1 for details of bank balances other than cash and cash equivalents provided as security for borrowings

9.5 Loans (Unsecured considered good unless otherwise stated)

(₹ in crore)

	March 31, 2026	March 31, 2025
Inter Corporate Deposit given to related parties (refer note 28) (refer note 5.2.1)	234.03	-
Loans to employees	1.54	2.16
	235.57	2.16

There are no loans which have significant increase in credit risk nor which are credit impaired
Refer note 13.1 for details of loans provided as security for borrowings

9.6 Other financial assets (Unsecured considered good unless otherwise stated)

(₹ in crore)

	March 31, 2026	March 31, 2025
Margin money deposit with banks	2.02	1.68
Bank deposits with remaining maturity less than twelve months	17.20	-
Interest accrued on fixed deposits	2.29	1.22
Interest accrued on commercial papers	9.87	2.32
Other receivables (refer note 9.6.1)		
Considered good	20.29	24.50
Considered doubtful	0.52	0.14
Less loss allowance on other receivables	(0.52)	(0.14)
Net other receivables	20.29	24.50
	51.67	29.72

(9.6.1) includes receivables from related parties (refer note 28)
Refer note 13.1 for details of other financial assets provided as security for borrowings

10 Other current assets (Unsecured considered good unless otherwise stated)

(₹ in crore)

	March 31, 2026	March 31, 2025
Prepaid expenses	52.02	16.05
Advances to suppliers (refer note 28)	7.87	4.92
Balance with government authorities	1.50	1.63
	61.39	22.60

Refer note 13.1 for details of other assets provided as security for borrowings

BSR & Co. LLP

Manipal Health Enterprises Limited

11 Equity Share capital

(₹ in crore)

	March 31, 2026	March 31, 2025
11.1 Authorised shares (Nos.)		
1,500,000,000 Equity Shares of ₹ 2/- each (March 31, 2025: 135,000,000 Equity Shares of ₹ 10/- each)	300.00	135.00
11.2 Issued, subscribed and fully paid-up shares (Nos.)		
1,179,757,321 Equity Shares of ₹ 2/- each (March 31, 2025: 77,062,434 Equity Shares of ₹ 10/- each)	235.95	77.06
Total issued, subscribed and fully paid-up share capital	235.95	77.06

Notes:

(11.2.1) During the year ended March 31, 2025, the Company offered 1,432,389 equity shares (includes Imperius Healthcare Investments Pte Ltd : 259,739 equity shares; Kabru Investments Pte. Ltd : 111,998 equity shares, Kangto Investments Pte. Ltd : 386,745 equity shares; TPG SG Magazine Pte. Ltd : 157,563 equity shares) on rights basis to its existing shareholders for raising upto ₹ 750 crore. The rights issue was fully subscribed and allotment concluded on June 20, 2024. *

(11.2.2) On July 13, 2023, Kabru Investments Pte Ltd (Kabru) acquired 2,535,477 equity shares (3.35%) and 7,940,048 equity shares (10.50%) from Cypress Holdings and Manipal Global Health Services ('MGHS') respectively. On January 10, 2024, Phoenix Bear Investments LLC acquired 787,278 equity shares (1.04%) and Novo Holdings Invest Asia A/S acquired 944,734 equity shares (1.25%) from Kabru. On January 31, 2024, Seventy Second Investment Company LLC acquired 2,830,015 equity shares (3.74%) from Kabru. On August 20, 2024 Ammar Sdn Bhd acquired 1,476,535 equity shares (1.92%) from Kabru. Therefore, as of March 31, 2026 Kabru holds 5.78% (March 31, 2025 5.90%) in the Company. *

(11.2.3) On July 13, 2023, Kangto Investments Pte Ltd (Kangto) acquired 2,04,20,112 equity shares (27.00%) of the Company from MGHS. *

(11.2.4) Kabru, Kangto and Imperius Healthcare Investments Pte Ltd (collectively referred to be as Temasek Group) collectively holds 50.01% shareholding of the Company as of March 31, 2026 (March 31, 2025: 51.03%)

(11.2.5) On July 14, 2023 TPG Asia VI SF Pte Ltd ('TPG') transferred 7,952,578 equity shares of the Company to MGHS. Further, on July 19, 2023 TPG transferred 8,319,305 equity shares of the Company to Manipal Research and Management Services International ('MRMSI'). On July 19, 2023 MRMSI transferred 8,319,305 equity shares amounting to 11% shareholding of the Company to TPG SG Magazine Pte Ltd. *

(11.2.6) On July 14, 2023 National Investment Infrastructure Fund - II transferred its entire shareholding of 6,390,739 equity shares to MGHS. *

(11.2.7) Pursuant to the share transfers between MGHS and Kabru, Kangto, TPG, NIIF and MHEWT, the shareholding of MGHS stood at 20.46% as of March 31, 2024. Cypress Holdings held 3.87% as of March 31, 2024. MGHS did not participate in the rights issue and renounced its rights in favour of Cypress Holdings. MGHS holds 19.68% as of March 31, 2026 (March 31, 2025: 20.08%) and Cypress Holdings hold 4.17% as of March 31, 2026 (March 31, 2025 4.25%).

(11.2.8) During the year ended March 31, 2026, the authorised share capital of the Company was increased by ₹ 165.00 crore

(11.2.9) The Company amended and restated its Brand License Agreement dated March 6, 2026 with MEMG International India Private Limited ("Licensor"), under which the Company ("Licensee") received a perpetual licence to the "M" brand for its hospital and healthcare service business. The value of the "M" brand and the fair value of the equity shares were supported by valuation reports from a Registered Valuer as required under the applicable provisions of the Companies Act, 2013. The brand value of the licence has been computed aggregating to ₹ 1,650.02 crore (excluding Goods and Services tax) and the same was discharged through issuance of 23,820,811 equity shares of face value ₹2 each at a premium of ₹ 690.68 per share, on a preferential basis by way of private placement to the Licensor

* Number of equity shares presented are before sub-division and bonus issue

11.3 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year:

	March 31, 2026		March 31, 2025	
	Nos.	₹ in crore	Nos.	₹ in crore
At the beginning of the year	77,062,434	77.06	75,630,045	75.63
Add : Issued during the year	-	-	1,432,389	1.43
Balance before share split (Equity shares of ₹ 10 each)	**77,062,434**	**77.06**	**77,062,434**	**77.06**
Increase in equity shares on sub-division of 1 equity share of face value of ₹ 10 each into 5 equity shares of face value of ₹ 2 each (refer note 27.1.1)	308,249,736	-	-	-
Increase in equity shares on bonus issue of 2 equity share for every 1 equity shares held (refer note 27.1.2)	770,624,340	154.13	-	-
Issue of equity shares [refer note (11.2.9)]	23,820,811	4.76	-	-
At the end of the year	**1,179,757,321**	**235.95**	**77,062,434**	**77.06**

11.4 Terms/ rights attached to equity shares:

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2 each (March 31, 2025: ₹ 10 each-refer note 27.1.1). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year, the Company has not declared any dividend

In the event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by shareholders

11.5 Shares held by holding / ultimate holding company and / or their subsidiaries / associates

As of March 31, 2026 and March 31, 2025 there is no holding / ultimate holding company and / or their subsidiaries / associates for the Company

11.6 Details of shareholders holding more than 5% shares in the company:

	March 31, 2026		March 31, 2025	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Equity shares of ₹ 2 each (March 31, 2025: ₹ 10 each) fully paid				
Kabru Investments Pte. Ltd.	68,234,415	5.78%	4,548,961	5.90%
Kangto Investments Pte. Ltd.	312,102,855	26.45%	20,806,857	27.00%
TPG SG Magazine Pte. Ltd.	127,153,020	10.78%	8,476,868	11.00%
Manipal Global Health Services, Mauritius	232,147,755	19.68%	15,476,517	20.08%
Imperius Healthcare Investments Pte Ltd	209,609,340	17.77%	13,973,956	18.13%
Manipal Education and Medical Group India Private Limited	63,384,915	5.37%	4,225,661	5.48%

As per the records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

11.7 Details of shareholding by the promoters of the company

As at March 31, 2026

Promoter Name	No. of shares as at March 31, 2026 #	% of Total Shares
Dr. Ranjan Ramdas Pai	21,80,790	0.18%
Manipal Global Health Services	23,21,47,755	19.68%
MEMG International Limited	-	0.00%
Kangto Investments Pte. Ltd.	31,21,02,855	26.45%
Imperius Healthcare Investments Pte. Ltd	20,96,09,340	17.77%
Kabru Investments Pte. Ltd.	6,82,34,415	5.78%

The Company has filed Draft Red Herring Prospectus with Securities Exchange Board of India on March 23, 2026 wherein Dr. Ranjan Ramdas Pai, Manipal Global Health Services, MEMG International Limited, Kangto Investments Pte. Ltd., Imperius Healthcare Investments Pte. Ltd. and Kabru Investments Pte. Ltd. have been identified as promoters pursuant to First Amendment Agreement dated March 6, 2026 to the Shareholders' Agreement dated April 6, 2023 approved by the Board of directors of the Company on March 4, 2026

11.8 Shares allotted for consideration other than cash

Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

	March 31, 2026	March 31, 2025
Equity shares allotted as fully paid bonus shares by capitalization of securities premium	770,624,340	-
Equity shares isssued on account of acquisition of Brand	23,820,811	-

11.9 As at March 31, 2026 and March 31, 2025 the Company does not have any shares reserved for issue under options and contracts or commitments for the sale of shares except Employee Stock Option Plans (refer note 52)

12 Other equity

(₹ in crore)

	March 31, 2026	March 31, 2025
12.1 Securities premium		
Balance at the beginning of the year	3,414.21	2,665.64
Utilised for issue of bonus shares (refer note 27.1.2)	(154.13)	-
Add: Issue of equity shares during the year [refer note (11.2.9)]	1,645.26	748.57
Balance at the end of the year	**4,905.34**	**3,414.21**
12.2 Share options outstanding account		
Balance at the beginning of the year	33.94	-
Add: Share based payments for the year (refer note 22)	29.81	33.94
Balance at the end of the year	**63.75**	**33.94**
12.3 General reserve		
Balance at the beginning of the year	2.80	2.80
Add: Addition during the year	-	-
Balance at the end of the year	**2.80**	**2.80**
12.4 Retained earnings		
Balance at the beginning of the year	1,689.40	1,154.10
Add: Profit for the year	429.97	535.30
Balance at the end of the year	**2,119.37**	**1,689.40**
12.5 Re-measurement of defined benefit plans		
Balance at the beginning of the year	(2.84)	(0.33)
Add: OCI for the year (net of tax)	(0.90)	(2.51)
Balance at the end of the year	**(3.74)**	**(2.84)**
Total of other equity	**7,087.52**	**5,137.51**

13 Non-current financial liabilities

13.1 Borrowings (secured unless other-wise stated)

(₹ in crore)

		March 31, 2026	March 31, 2025
Non-current Borrowings			
Term loan from banks (refer note 13.1.1 to 13.1.2)		1,373.35	1,092.73
Term loan from financial institutions (refer note 13.1.1 to 13.1.2)		690.84	721.81
Loan for purchase of assets from banks (refer note 13.1.3 and 13.1.4)		10.03	12.28
	(A)	2,074.22	1,826.82
Less: Current maturities - disclosed under the head short term borrowings			
Term loan from banks		114.62	119.94
Term loan from financial institutions		35.00	31.50
Loan for purchase of assets from banks		3.61	3.84
	(B)	153.23	155.28
	(A-B)	1,920.99	1,671.54

13.1.1 Details of principal outstanding, effective interest rate and repayment terms for borrowings from bank and financial institutions:-

As at March 31, 2026

Particulars	Interest Rate as on March 31, 2026	Frequency	Number of structured installments	Year of Maturity	Principal Outstanding (net of transaction cost)
Secured Term loan (Bank 1)	7.07% - 7.17%	Quarterly	Upto 52 Installments	Upto September 30, 2040	605.57
Secured Term loan (Bank 2)	6.87% - 7.22%	Quarterly	Upto 41 Installments	Upto March 31, 2040	422.83
Secured Term loan (Bank 3)	7.12%	Quarterly	Upto 40 Installments	Upto October 31, 2033	98.22
Secured Term loan (Bank 4)	7.15%	Quarterly	Upto 40 Installments	Upto February 06, 2033	64.25
Secured Term loan (Bank 5)	7.25%	Quarterly	Upto 40 Installments	Upto March 31, 2036	182.48
Secured Term loan (Financial instituion 1)	8.75%	Quarterly	Upto 40 Installments	Upto September 30, 2032	281.75
Secured Term loan (Financial instituion 2)	7.85%	Quarterly	Upto 80 Installments	Upto December 31, 2049	409.09
Total					**2,064.19**

As at March 31, 2025

Particulars	Interest Rate as on March 31, 2025	Frequency	Number of structured installments	Year of Maturity	Principal Outstanding (net of transaction cost)
Secured Term loan (Bank 1)	8.17% -8.19%	Quarterly	Upto 52 Installments	Upto March 31, 2040	317.24
Secured Term loan (Bank 2)	8.10% - 8.22%	Quarterly	Upto 41 Installments	Upto March 31, 2040	406.53
Secured Term loan (Bank 3)	8.25%	Quarterly	Upto 40 Installments	Upto October 31, 2033	110.01
Secured Term loan (Bank 4)	8.15%	Quarterly	Upto 40 Installments	Upto February 06, 2033	76.47
Secured Term loan (Bank 5)	8.25%	Quarterly	Upto 40 Installments	Upto March 31, 2036	182.48
Secured Term loan (Financial instituion 1)	8.75%	Quarterly	Upto 40 Installments	Upto September 30, 2032	312.77
Secured Term loan (Financial instituion 2)	8.25%	Quarterly	Upto 80 Installments	Upto December 31, 2049	409.04
Total					**1,814.54**

13.1.2 The terms and conditions of all the term loans from banks and financial institutions are similar and are as follows:

During the year ended March 31, 2026 and March 31, 2025, the Company entered into facility agreement with its lenders and offered consolidated security as below:-

a) first ranking pari passu Security Interest over all movable fixed assets and current assets of the Company along with MHEIPL, MHDPL, MHBPL & MHPL including but not limited to movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, intangible assets (including goodwill, trademarks and patents) and all other movable properties of whatsoever nature (both present and future) (other than any debt service reserve amounts (including in the form of fixed deposits or lien marked mutual funds) or debt service reserve accounts required to be maintained or maintained with respect to the Facilities) as per the facility agreement.

b) first ranking pari passu Security Interest over specific Immovable Properties of the Company, MHEIPL, MHDPL, & MHPL

c) first ranking pari passu Security Interest, by way of hypothecation, over all leasehold improvements of all Immovable Properties and Excluded Properties

d) exclusive Security Interest over the debt service reserve amounts (including in the form of fixed deposits or lien marked mutual funds) or debt service reserve accounts required to be maintained or maintained with respect to such Facility)

13.1.3 Details of principal outstanding, rate of interest and repayment terms for loan for purchase assets:-

	March 31, 2026	March 31, 2025
Principal outstanding (₹ in crores)	10.03	12.28
Rate of interest	(7.05% to 8.50%)	(7.35% to 9.75%)
Year of repayment	2026 to 2032	2025 to 2033

13.1.4 The Company obtained vehicle under financing arrangements from Bank and secured against such vehicle.

BSR & Co. LLP

Manipal Health Enterprises Limited

13.2 **Lease liabilities**

(₹ in crore)

	March 31, 2026	March 31, 2025
Opening balance	689.36	330.88
Add: New leases during the year	431.86	372.55
Add: Interest accrued	79.82	35.10
Add: Interest capitalised	5.78	7.08
Less: Interest paid	(79.82)	(35.10)
Less: Lease rent paid *	(28.97)	(20.67)
Less: Lease reversals/ adjustments	(7.61)	(0.48)
	1,090.42	689.36
Non-current	1,057.97	654.49
Current	32.45	34.87

* includes lease rent paid to related parties (refer note 28)

The Company had total cash outflows for short term leases and low value leases of March 31, 2026: ₹ 25.57 crore (March 31, 2025 ₹ 20.16 crore) (refer note 25)

13.2.1 Notes

The Company has taken on lease certain building for hospital operations, hostels for staff, equipments, office spaces and certain software for use in the course of its business

Refer notes 2.2(h) in relation to accounting policy for leases

Refer note 4 for depreciation charge for right-of-use assets by class of underlying asset and additions to right-of-use assets and the carrying amount of right-of-use assets at the end of the reporting year by class of underlying asset

Refer note 25.1 in relation to short term leases and leases of low-value assets accounted for applying paragraph 6 of Ind AS 116

Refer note 34(e) disclosure on maturity analysis of lease payments

Refer note 38 disclosure on cash outflows for lease liabilities

13.3 **Other financial liabilities**

(₹ in crore)

	March 31, 2026	March 31, 2025
Fair value of financial guarantee (refer note 28)	1.67	-
	1.67	-

14 **Provisions**

(₹ in crore)

	March 31, 2026	March 31, 2025
Non-current		
Provision for employee benefits		
Provision for gratuity (refer note 31)	3.00	1.60
	3.00	1.60

15 **Taxes**

The major components of income tax expense for the years ended March 31, 2026 and March 31, 2025 are

(₹ in crore)

	March 31, 2026	March 31, 2025
Statement of Profit and loss:		
Current income tax:		
Current income tax charge	76.55	155.47
Adjustment of tax relating to earlier years	(0.53)	-
	76.02	155.47
Deferred tax:		
Origination and reversal of temporary differences	57.79	(42.12)
	57.79	(42.12)
Tax expense reported in the statement of profit or loss	133.81	113.35
OCI section		
Deferred tax related to items recognised in other comprehensive income during the year		
Tax on net loss on remeasurement of defined benefit plan	(0.31)	(0.84)
Tax credit reported in other comprehensive income	(0.31)	(0.84)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

(₹ in crore)

	March 31, 2026	March 31, 2025
Profit before tax	563.78	648.65
Statutory income tax rate of 25.17%	141.90	163.27
Impact of statutory tax rate changes on capital gains	-	(46.62)
Tax effect of non-deductible expenses	(2.24)	2.37
Tax effect of difference in rate between statutory income tax and long term capital gain tax	(4.85)	-
Deferred tax recognised basis resonable certainty	-	(3.18)
Others	(1.00)	(2.49)
	133.81	113.35

BSR & Co. LLP

Manipal Health Enterprises Limited

Deferred tax

(₹ in crore)

	Recognised in balance sheet		Recognised in profit and loss and other comprehensive income	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Property plant equipment and Intangible assets: Impact of difference between tax depreciation as per Income Tax Act, 1961 over depreciation/ amortization as per Companies Act, 2013	(462.48)	(290.66)	(171.82)	52.92
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis *#	312.81	202.86	109.95	(102.37)
Provision for doubtful debts and advances	13.83	10.04	3.79	(3.23)
Fair valuation of investments in mutual funds	(11.25)	(16.52)	5.27	2.64
Deferred tax on short term capital loss	-	-	-	6.43
Deferred tax on long term capital loss	0.71	5.38	(4.67)	0.24
Provision for impairment of investment	0.73	0.73	-	0.41
Deferred tax expense	-	-	(57.48)	-
Net deferred tax (liabilities)	(145.65)	(88.17)	-	(42.96)

* Includes items under 43B such as Leave encashment, gratuity and bonus
\# Gratuity amount routed through Other Comprehensive Income pertaining to remeasurement of defined benefit plan

Reflected in the balance sheet as follows:

(₹ in crore)

	March 31, 2026	March 31, 2025
Deferred tax assets	328.08	219.01
Deferred tax liabilities	(473.73)	(307.18)
Deferred tax liabilities (net)	(145.65)	(88.17)

Reconciliation of deferred tax liability:

Deferred tax liabilities has not been recognised on temporary differences in relation to investment in subsidiaries, joint ventures and associates gross investment value amounting to ₹ 3,623.95 crore (March 31, 2025: ₹ 3,637.91 crore), as the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary differences will not reverse in foreseeable future

(₹ in crore)

	March 31, 2026	March 31, 2025
Opening balance	(88.17)	(131.13)
Tax charge during the year recognised in profit or loss	(57.79)	42.12
Subtotal	(57.79)	42.12
Tax charge during the year recognised in OCI	0.31	0.84
Closing balance	(145.65)	(88.17)

16 **Current financial liabilities**

16.1 **Borrowings (Short term)**

(₹ in crore)

	March 31, 2026	March 31, 2025
Term loan from banks (refer note 13.1.1 to 13.1.2)	114.62	119.94
Term loan from financial institutions (refer note 13.1.1 to 13.1.2)	35.00	31.50
Loan for purchase of assets from banks (refer note 13.1.3 and 13.1.4)	3.61	3.84
Interest accrued but not due on borrowings (refer note 13.1)	1.17	-
	154.40	155.28

16.2 **Trade payables**

(₹ in crore)

	March 31, 2026	March 31, 2025
Trade payables		
- total outstanding dues of micro enterprises and small enterprises (refer note 39)	17.07	11.48
- total outstanding dues of creditors other than micro enterprises and small enterprises	516.88	400.56
	533.95	412.04

(16.1.1) For details relating to payable to related parties refer note 28
(16.2.2) Ageing for trade payables from the due date of payment for each of the category mentioned above:

As at March 31, 2026

Particulars	Outstanding for following periods from due date of payment					
	Not due (including provision for expense)	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Outstanding dues of micro enterprises and small enterprises	14.81	2.26	-	-	-	17.07
Outstanding dues of creditors other than micro enterprises and small enterprises	449.70	48.77	6.70	1.26	10.45	516.88
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	464.51	51.03	6.70	1.26	10.45	533.95

As at March 31, 2025

Particulars	Outstanding for following periods from due date of payment					
	Not due (including provision for expense)	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Outstanding dues of micro enterprises and small enterprises	10.22	1.26	-	-	-	11.48
Outstanding dues of creditors other than micro enterprises and small enterprises	318.37	67.04	1.67	4.16	9.32	400.56
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	328.59	68.30	1.67	4.16	9.32	412.04

BSR & Co. LLP

Manipal Health Enterprises Limited

16.3 Other financial liabilities

(₹ in crore)

	March 31, 2026	March 31, 2025
Interest accrued but not due on borrowings (refer note 16.3.1)	-	1.33
Capital creditors (refer note 16.3.2)	159.86	46.04
Sundry deposits	0.67	1.08
Retention money	14.84	9.48
Other payables	0.10	0.09
Fair value of financial guarantee (refer note 28)	3.72	-
	179.19	**58.02**

(16.3.1) The details of interest rates, repayment and other terms are disclosed under note 13.1

(16.3.2) As at March 31, 2026, outstanding amount of ₹ 9.74 crore (March 31, 2025: ₹ 2.76 crore) is due to micro and small enterprises. There are no interest due or outstanding on the same. There were no amounts paid to micro and small enterprises beyond the appointed date during the current and the previous years

17 Other current liabilities

(₹ in crore)

	March 31, 2026	March 31, 2025
Statutory dues	186.51	17.59
Advance received from customer [refer note 19(b)]	7.30	11.64
Stamp duty payable	6.95	10.08
Donation and other funds	13.36	13.70
	214.12	**53.01**

18 Provisions

(₹ in crore)

	March 31, 2026	March 31, 2025
Current		
Provision for employee benefits		
Provision for compensated absences	23.99	25.77
	23.99	**25.77**

(This space has been intentionally left blank)

BSR & Co. LLP

Manipal Health Enterprises Limited

19 Revenue from operations

(₹ in crore)

	March 31, 2026	March 31, 2025
Revenue from goods and services *		
Hospital services	3,446.78	2,986.14
Pharmacy sales	169.15	143.19
	3,615.93	**3,129.33**
Less: Discounts #	(74.69)	(58.55)
Total revenue from contract with customers (A)	**3,541.24**	**3,070.78**
Other operating revenues		
Occupational health centre and ambulance service	23.36	20.73
Management fees from hospitals	0.11	0.10
Rental income *	4.63	4.06
Others	14.79	8.43
Total (B)	**42.89**	**33.32**
Total (A+B)	**3,584.13**	**3,104.10**

* includes transactions with related parties (refer note 28)
# primarily from hospital services

a) The revenue from contracts with customer at disaggregation is provided above.

b) Changes in contract liabilities- Advance received from customers

(₹ in crore)

	March 31, 2026	March 31, 2025
Balance at the beginning of the year	**11.64**	**8.80**
Less: Revenue recognised that was included in the balance at the beginning of the year (refer note 17)	(11.64)	(8.80)
Add: Increase due to advance from patients received, net of unbilled revenue (refer note 17)	7.30	11.64
Balance at the end of the year	**7.30**	**11.64**
Expected revenue recognition from remaining performance obligations:		
- Within one year	7.30	11.64

c) Contract balances

(₹ in crore)

	March 31, 2026	March 31, 2025
Receivables		
- Trade receivables	262.15	190.74
Contract liabilities		
- Advance received from customer	7.30	11.64

Unbilled revenue is relating to the service rendered where the invoicing is not done and Trade receivable are non-interest bearing and are generally on a terms of 30 to 120 days.

Contract liabilities relates to the advances received from the customers to deliver the hospital service. There is no significant changes in the contract liabilities during the year.

d) Timing of revenue recognition

(₹ in crore)

	March 31, 2026	March 31, 2025
Revenue recognised over the time	2,664.29	2,299.42
Revenue recognised at a point in time	951.64	829.91
Less: Discounts	(74.69)	(58.55)
Total revenue from contract with customers	**3,541.24**	**3,070.78**

20 Other income

(₹ in crore)

	March 31, 2026	March 31, 2025
Profit on sale of investments in mutual funds (net)	31.76	26.87
Fair value gain on financial instruments at FVTPL	37.36	44.15
Financial Guarantee contract (amortised)	2.04	-
Profit on sale of property, plant and equipment (net)	0.89	0.33
Reversal of impairment on investments in subsidiaries	-	2.60
Foreign exchange gain (net)	-	0.04
Interest income:-		
Interest on inter corporate deposit (refer note 28)	22.40	22.08
Interest income on financial assets at amortised cost	18.45	3.23
Interest income on bank deposits	3.25	1.28
Interest income on income tax refund	1.29	-
Interest income on defined benefit obligation (net) (refer note 31)	-	0.08
	117.44	**100.66**

BSR & Co. LLP

Manipal Health Enterprises Limited

21 Changes in inventories of medical consumables and pharmacy items

(₹ in crore)

	March 31, 2026	March 31, 2025
Pharmacy items		
Inventory at the beginning of the year	16.54	18.25
Less: Inventory at the end of the year	(25.87)	(16.54)
	(9.33)	1.71
Other medical consumables		
Inventory at the beginning of the year	11.11	12.70
Less: Inventory at the end of the year	(17.05)	(11.11)
	(5.94)	1.59
	(15.27)	**3.30**

22 Employee benefits expense

(₹ in crore)

	March 31, 2026	March 31, 2025
Salaries, wages and bonus	476.68	397.26
Contribution to provident and other funds (refer note 31)	28.53	22.68
Gratuity expenses (refer note 31)	7.28	5.66
Share based payments (refer note 32)	29.81	33.94
Staff welfare expenses	50.75	33.62
	593.05	**493.16**

23 Finance costs

(₹ in crore)

	March 31, 2026	March 31, 2025
Bank charges	6.92	10.32
Interest		
measured at amortised cost		
- on bank and financial institution loan	113.52	102.57
- on vehicle loan	0.91	1.03
Interest on lease liabilities (refer note 13.2)	79.82	35.10
Interest on defined benefit obligation (refer note 31) (net)	0.33	-
Loan processing fees		
- on financial liabilities measured at amortised cost	1.87	-
Total interest expense	**196.45**	**138.70**
	203.37	**149.02**

24 Depreciation and amortisation expense

(₹ in crore)

	March 31, 2026	March 31, 2025
Depreciation of property, plant and equipment (refer note 3.1)	158.45	110.62
Depreciation of right of use assets (refer note 4)	54.23	31.55
Amortisation of other intangible assets (refer note 4)	10.02	6.82
	222.70	**148.99**

(This space has been intentionally left blank)

BSR & Co. LLP

Manipal Health Enterprises Limited

25 Other expenses

		(₹ in crore)
	March 31, 2026	**March 31, 2025**
Doctors professional fees *	758.22	611.10
House keeping, including consumables	93.82	79.01
Power and fuel and other utilities	35.29	32.09
Security charges	23.66	18.74
Rent (refer note 25.1) *	25.57	20.16
Contractual manpower	50.55	37.26
Rates and taxes	4.71	2.79
Insurance *	4.74	4.91
Repairs and maintenance		
- Buildings	5.00	4.52
- Plant and machinery	30.26	31.19
- Others	65.54	58.64
Corporate social responsibility (refer note 37 & note 28) *	9.31	7.90
Advertising and sales promotion	169.75	143.71
Travelling and conveyance	14.98	14.06
Communication costs	2.73	2.59
Printing and stationery	12.40	10.73
Legal and professional fees *	46.87	47.71
Director sitting fee	0.10	-
Payment to auditors (refer note 25.2)	2.84	2.90
Bad debts/advances written off	15.67	8.53
Loss allowance/ (reversal) on trade receivables	14.66	13.37
Loss allowance/ (reversal) on other receivables	0.38	(0.53)
Foreign exchange loss (net)	1.21	-
Miscellaneous expenses	6.16	5.80
	1,394.42	**1,157.18**

* includes transactions with related parties (refer note 28)

25.1 Represents amounts incurred by the Company towards expenses relating to short-term leases, leases of low-value assets and ineligible GST on lease payments written off. Also refer note 2.2(h).

25.2 Payment to auditors*

		(₹ in crore)
	March 31, 2026	**March 31, 2025**
As auditor:		
Audit fees	1.46	1.80
Limited review	0.94	0.65
In other capacity:		
Reimbursement of expenses	0.44	0.45
	2.84	**2.90**

*Amount inclusive of Goods and Service Tax (GST).

(This space has been intentionally left blank)

BSR & Co. LLP

Manipal Health Enterprises Limited

26 Exceptional items

(i) On November 21, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws

The Company has assessed the financial implications of these changes, based on the best available information and in line with guidance provided by the Institute of Chartered Accountants of India, which has resulted in increase of provision for employee benefits by ₹ 10.80 crore. Considering the impact arising out of an enactment of the new legislation is an event of non-recurring nature, the Company has presented this incremental amount as "Impact of Labour Codes" under "Exceptional Item" in the Consolidated Statement of Profit and Loss for the year ended March 31, 2026.

The Company continues to monitor the finalisation of relevant rules and clarifications from the Government on all aspects of the labour codes and would accordingly take necessary steps for compliance thereof and also provide appropriate accounting effect on the basis of such developments, as needed

(ii) The Company has agreed for a discretionary one-time incentive to certain employees in recognition of their contribution to the Company's growth. The incentive is subject to a clawback condition linked to continued employment, as per the terms of the agreement. The Company has recognised expense of ₹ 10.84 crores for the amortised portion of incentive cost for the year ended March 31, 2026.

27 Earnings per share (EPS)

The following reflects the income and share data used in the basic and diluted EPS computations:

(₹ in crore)

	March 31, 2026	March 31, 2025
Profit attributable to the equity shareholders for basic EPS	429.97	535.30
Weighted average number of equity shares for calculating basic EPS	7,70,62,434	7,68,09,566
Effect of share split (refer note 27.1.1)	38,53,12,170	38,40,47,829
Effect of bonus issue (refer note 27.1.2)	77,06,24,340	76,80,95,658
Issue of equity shares during the year [refer note (11.2.9)]	13,05,250	-
Weighted average number of equity shares for calculating basic EPS considering share split and bonus issue	**1,15,72,41,760**	**1,15,21,43,487**
Effect of dilution:		
Stock option granted under ESOP Schemes	61,95,597	-
	1,16,34,37,357	**1,15,21,43,487**
Basic earnings per share (₹)	3.72	4.65
Diluted earnings per share (₹)	3.70	4.65

(27.1.1) During the year ended March 31, 2026, the Company sub-divided its equity shares by reducing the nominal value of each equity share from ₹ 10 to ₹ 2. Accordingly, each equity share of ₹ 10 was sub-divided into five equity shares of ₹ 2 each. As a result, the Authorised Capital of ₹ 135.00 crore which was earlier divided into 135,000,000 equity shares of ₹ 10 each was changed to 675,000,000 equity shares of ₹ 2 each and the Issued and Paid up Capital of ₹ 77.06 crore which was earlier divided into 77,062,434 equity shares of ₹ 10 each was changed to 385,312,170 equity shares of ₹ 2 each.

(27.1.2) During the year ended March 31, 2026, bonus issue of equity shares in the ratio of 2:1, i.e., two equity shares for every one equity share held was issued and allotted to existing shareholders. To accommodate the bonus issue, the Authorised Share Capital was increased from ₹ 135.00 crore divided into 675,000,000 equity shares of ₹ 2 each to ₹ 255.00 crore divided into 1,275,000,000 equity shares of ₹ 2 each. Upon allotment of bonus shares, an amount of ₹ 154.13 crore have been capitalised from the Company's securities premium.

In compliance with IND AS - 33 Earnings Per Share, the disclosure of basic and diluted earnings per share for all years presented has been arrived at after giving effect to the above sub-division and bonus issue

(This space has been intentionally left blank)

BSR & Co. LLP

Manipal Health Enterprises Limited

28 Related party transactions

(a) Names of related parties where control exists irrespective of whether transactions have occurred or not.

Enterprises/Individuals having joint control over the Company	- Kabru Investments Pte. Ltd. - Kangto Investments Pte. Ltd. - Imperius Healthcare Investments Pte Ltd. - Manipal Global Health Services, Mauritius - Manipal Education and Medical Group India Private Limited - Cypress Holdings - Dr. Ranjan Pai - TPG SG Magazine Pte. Ltd. (upto March 05, 2026) @
Subsidiaries	- Manipal Health Enterprises International Pte. Ltd., Singapore - Manipal Hospitals (Dwarka) Private Limited ("MHDPL") - Healthmap Diagnostics Private Limited ("Healthmap") - Manipal Hospitals Private Limited ("MHPL") - Manipal Hospitals (Bengaluru) Private Limited ("MHBPL") - Manipal Hospitals Synergie Private Limited ("MHSPL") (formerly known as Medica Synergie Private Limited) (w.e.f July 01, 2024)
Stepdown Subsidiary	- Manipal Hospitals (East) India Private Limited ("MHEIPL") (formerly known as AMRI Hospitals Private Limited) - Medcis Pathlabs India Private Limited (upto December 22, 2024) - Manipal Hospitals Eastern India Private Limited ("MH Eastern") (formerly known as Medica Hospitals Private Limited) (w.e.f July 01, 2024) - Manipal Hospitals Bengal Private Limited ("MH Bengal") (formerly known North Bengal Clinic Private Limited) (w.e.f July 01, 2024) - North Bengal Oncology Centre Private Limited ('NBOCPL') (from July 01, 2024 to March 07, 2025) (On March 07, 2025, NBOCPL was voluntarily liquidated) -Sahyadri Hospitals Private Limited ("SHPL") (w.e.f October 03, 2025) -Sahyadri Karad Hospitals Private Limited ("Karad Hospitals") (w.e.f October 03, 2025) -Surya Hospitals Private Limited ("Surya Hospitals") (w.e.f October 03, 2025) -Saideep Healthcare and Research Private Limited ("Saideep") (w.e.f October 03, 2025)

(b) Names of other related parties as per Ind AS 24:

Associate	- Igenetic Diagnostics Private Limited [also, refer note 5.1(B)]
Joint venture	- Terrals technologies Private Limited [also, refer note 5.1(C)]
Other related parties (Enterprise over which KMP has significant influence)	- Manipal Health Systems Private Limited - MEMG International India Private Limited - Manipal Global Health Services, Mauritius - ManipalCigna Health Insurance Company Limited - Polaris Healthcare Investments Pte. Ltd. - Stempeutics Research Private Limited - Manipal Academy of Higher Education - Merittrac Services Private Limited - UNext Learning Private Limited - Manipal Foundation
Key Management Personnel	- Dr. H. Sudarshan Ballal, Director and Non-Executive Chairman - Mr. Dilip Jose, Managing Director and Chief Executive Officer - Dr. Ranjan R Pai, Director - Mr. Puneet Bhatia, Director - Mr. Vaitheeswaran Seetharaman, Director (upto January 23, 2026) - Mr. Narayanan Kumar, Nominee Director (upto January 21, 2026) - Mr. Syed Fidah Bin Ismail Alsagoff, Director (upto June 13, 2025) - Mr. Ved Prakash Kalanoria, Director - Mr. Ravi Lambah, Director - Mr. Kaikhushru Shiavax Nargolwala, Director (upto January 16, 2026) - Ms Varini Sharma, Director (upto March 18, 2026) - Mr. Subramaniam Somasundaram, Director (w.e.f February 18, 2026) - Ms Revathy Ashok, Director (w.e.f February 18, 2026) - Mr. Vinesh Kumar Jairath, Director (w.e.f February 18, 2026)

@ The Shareholders' Agreement dated 6 April 2023 between Temasek Group, TPG Group, MGHS Group (together, the "Shareholders"), read with the Deed of Adherence dated 18 July 2023, conferred certain reserved matters upon the Shareholders, which were regarded as substantive rights granting joint control in accordance with the applicable accounting standards, to the Shareholders over the Company.
The Shareholders executed an amendment to the Agreement on March 06, 2026, pursuant to which such reserved matters were amended solely with respect to TPG SG Magazine Pte. Ltd. "TPG", and the revised rights conferred upon TPG are considered protective in nature. In accordance with the principles of Ind AS 110, protective rights do not confer the ability to direct the relevant activities of the Company. Consequently, TPG no longer retains joint control in accordance with the applicable accounting standards, over the Company.

(c) Names of additional related parties as per Companies Act, 2013:

Chief Operating Officer	- Mr. Karthik Rajagopal (w.e.f November 25, 2025)
Chief Financial Officer	- Mr. Sameer Agarwal
Company Secretary	- Sathish Kolar Ramamoorthy

Transactions with the above related parties during the year ended:

(₹ in crore)

Name of related party	Nature of transaction	March 31, 2026	March 31, 2025
Manipal Hospitals (Dwarka) Private Limited	Recovery of expenses incurred on behalf of the related party	81.10	69.97
	Reimbursement of expenses incurred on behalf of the Company	0.51	0.65
	Amount received from related party #	88.69	77.53
	Inter corporate deposits (ICD) Given	273.01	169.81
	Inter corporate deposits (ICD) Repayment received	254.54	203.23
	Interest Income received on ICD repayment	25.50	27.07
	Amount paid to related party #	4.00	-
	Interest Income on ICD	21.68	22.08
	Sale of Equity shares of MHSPL	0.00*	-
	Sale of medical pharmacies/consumables (net of returns)	0.46	0.41
Manipal Health Systems Private Limited	Rent expense	0.26	0.26
	Amount paid to related party #	0.28	0.17
Healthmap Diagnostics Private Limited	Recovery of expenses incurred on behalf of the related party	0.03	-
	Amount paid to related party #	6.81	6.43
	Amount received from related party #	-	0.11
	Hospital Services rendered	-	0.05
	Hospital Services received	7.81	7.35
MEMG International India Private Limited	Hospital Services rendered	0.01	0.00*
	Amount paid to related party #	154.92	14.89
	Royalty charges (included under legal and professional expense)	16.16	15.64
	Purchase of "M" brand	1,947.02	-
	Issue of Equity shares for purchase of "M" brand	1,650.02	-
ManipalCigna Health Insurance Company Limited	Insurance expense	-	8.65
	Amount received from related party #	0.08	-
Polaris Healthcare Investments Pte. Ltd.	Payment made for acquisition of MHSPL	-	1,012.86
Kangto Investments Pte. Ltd.	Recovery of legal & professional expenses incurred on behalf of the related party	-	0.27
	Amount received from related party #	0.27	-
Stempeutics Research Private Limited	Rent income	0.23	0.23
	Amount received from related party #	0.22	0.23
	Hospital Services rendered	0.01	0.01
Remuneration to key management personnel (KMP)	Short-term employee benefits ^	21.92	9.71
	Other long-term benefits	-	0.01
	Director sitting fees (Independent directors)	0.10	-
	Doctors professional fees	10.44	4.59
Manipal Academy of Higher Education	Reimbursement of expenses incurred on behalf of the company	11.27	7.47
	Hospital Services rendered	60.62	50.99
	Purchase of medical pharmacies/consumables (net of returns)	0.05	-
	Lease rent expense	3.30	3.03
	Amount received from related party #	45.50	39.89
Manipal Hospitals Private Limited	Hospital Services rendered	8.35	9.85
	Hospital Services received	3.75	2.28
	Sale of medical pharmacies/consumables (net of returns)	7.54	1.80
	Recovery of expenses incurred on behalf of the related party	262.40	225.23
	Reimbursement of expenses incurred on behalf of the Company	10.87	3.16
	Corporate guarantee commission (including GST) &	26.55	-
	Amount received from related party #	295.16	262.04
	Amount paid to related party #	2.11	20.00
	Sale of Equity shares of MHSPL	0.00*	-
	Purchase of medical pharmacies/consumables (net of returns)	0.17	0.26

BSR & Co. LLP

Manipal Health Enterprises Limited

Manipal Hospitals (Bengaluru) Private Limited	Recovery of expenses incurred on behalf of the related party	32.62	25.20
	Amount received from related party #	27.61	21.79
	Amount paid to related party #	1.00	0.62
	Hospital Services rendered	0.43	0.82
	Hospital Services received	0.14	0.66
	Reimbursement of expenses incurred on behalf of the Company	6.82	3.81
	Sale of Equity shares of MHSPL	0.00*	-
	Proceeds from redemption of 10% Redeemable Preference shares	13.96	-
	Sale of medical pharmacies/consumables (net of returns)	0.13	0.03
UNext Learning Private Limited	Hospital Services rendered	0.62	0.86
	Amount received from related party #	0.50	0.81
Manipal Foundation	Corporate Social Responsibility expenditure	9.31	7.90
	Amount paid to related party #	9.31	7.90
Manipal Hospitals (East) India Private Limited	Reimbursement of expenses incurred on behalf of the Company	1.08	0.15
	Recovery of expense incurred on behalf of related party	167.55	143.00
	Sale of assets	0.02	
	Amount received from related party #	174.41	143.59
	Amount paid to related party #	10.81	1.14
	Purchase of medical pharmacies/consumables (net of returns)	0.05	-
	Sale of medical pharmacies/consumables (net of returns)	0.08	0.00*
Merittrac Services Private Limited	Staff welfare expenses	-	0.24
	Amount paid to related party #	-	0.24
Manipal Hospitals Bengal Private Limited	Recovery of expenses incurred on behalf of the related party	12.02	-
	Reimbursement of expenses incurred on behalf of the Company	0.03	
	Amount received from related party #	18.62	-
	Amount paid to related party #	8.11	-
	Sale of medical pharmacies/consumables (net of returns)	0.00*	-
	Inter corporate deposits (ICD) given	36.00	-
	Inter corporate deposits (ICD) repayment received	36.00	-
	Purchase of medical pharmacies/consumables (net of returns)	0.04	-
	Interest Income received on ICD repayment	1.18	-
	Interest Income on ICD	1.31	-
Manipal Hospitals Synergie Private Limited	Reimbursement of expense incurred on behalf of the company	0.14	-
	Amount paid to related party #	0.44	-
Manipal Hospitals Eastern India Private Limited	Recovery of expense incurred on behalf of related party	99.40	84.36
	Amount received from related party	97.84	85.56
	Sale of medical pharmacies	0.01	-
	Purchase of medical pharmacies/consumables (net of returns)	0.04	-
	Reimbursement of expense incurred on behalf of the company	0.39	-

* Represents value less than ₹ 0.01 crore

^ Short-term employee benefits to KMP and does not include the provisions made with respect of gratuity and compensated absences, as they are determined on the Company as a whole.

& MHPL has issued 5,31,000 denominated, senior, unsecured, rated and listed nonconvertible debentures, having a face value of ₹ 1,00,000 each aggregating to ₹ 5,310 crore for a term of 2 years. The coupon rate for the NCDs was determined at 9.03%. The NCDs are backed by corporate guarantee from MHEL.

\# Amount paid to related party/amount received from related party represents amounts remitted or received towards settlement of related party transactions (as detailed in the table above).

Balances payable to related parties are as follows:

(₹ in crore)

Name of related party	Nature of balances	March 31, 2026	March 31, 2025
MEMG International India Private Limited	Trade payables	2.21	6.11
Key Management Personnel	Trade payables	7.75	0.12
Health Map Diagnostics Private Limited	Trade payables	1.19	0.93
Manipal Health Systems Private Limited	Trade payables	0.06	0.09
Manipal Hospital Eastern India Private Limited	Other payables	-	0.88

Balances receivable from related parties are as follows:

(₹ in crore)

Name of related party	Nature of balances	March 31, 2026	March 31, 2025
Manipal Hospitals Private Limited	Other receivables	4.03	7.03
Manipal Hospitals (Bengaluru) Private Limited	Other receivables	0.51	0.47
Kangto Investments Pte. Ltd.	Other receivables	-	0.27
Manipal Hospitals Bengal Private Limited	Other receivables	1.43	-
Manipal Academy of Higher Education	Other receivables	4.76	4.25
Manipal Health Systems Private Limited	Security deposits	1.02	0.97
Manipal Hospitals (Dwarka) Private Limited	Other receivables	1.91	5.57
	Interest accrued on Inter Corporate Deposit	-	5.99
	Inter Corporate Deposit	234.03	215.56
ManipalCigna Health Insurance Company Limited	Advances to suppliers	-	0.02
Stempeutics Research Private Limited	Other receivables	0.11	0.09
Manipal Hospitals (East) India Private Limited	Other receivables	3.66	0.74
Manipal Hospitals Synergie Private Limited	Other receivables	0.30	-
Manipal Hospital Eastern India Private Limited	Other receivables	0.25	-
UNext Learning Private Limited	Other receivables	0.74	0.69

Terms and conditions of transactions with related parties

The above-mentioned transactions from / to related parties are made on terms equivalent to those that prevail in arm's length transactions. For the year ended March 31, 2026 and year ended March 31, 2025, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken at each financial year end through examining the financial position of the related party and the market in which the related party operates.

29 Contingent liabilities

(₹ in crore)

	March 31, 2026	March 31, 2025
(A) Claims against the Company not acknowledged as debts		
i) Patient Compensation	9.26	13.17
ii) Income Tax Demand	4.58	53.39
iii) Indirect Tax Demand	3.57	14.83
(B) Guarantees		
i) Bank guarantees	1.19	1.12
	18.60	**82.51**

(A)(i) Patient Compensation

There are certain claims made against the Company in respect of patient compensation. The cases are pending with various Consumer Disputes Redressal Commissions. Based, on the legal counsel's views, the management does not expect these claims to succeed. Accordingly, no provision for liability has been recognized in the standalone financial statements

There are certain litigations for the period prior to February 18, 2014 as stated in Annexure 23 of the BTA entered by Manipal Hospitals (Jaipur) Private Limited (merged with Manipal Hospitals (Dwarka) Private Limited) with Soni Hospital Private Limited amounting to ₹ 5.03 crores in respect of patient compensation. The cases are pending with various judicial authorities. Pursuant to Section 4.13 (iii and iv) of the BTA, any claims including penalties arising on these litigations shall be borne by Soni Hospital Private Limited.

The Company is confident that its position will be upheld for above litigations and accordingly the outcome of these will not have material effect on the Standalone Financial Statements.

(A)(ii) Income Tax Demand

The Company received two demand notices u/s 156 of the Income Tax Act, 1961 for Assessment Year ('AY') 2014-15 relating to disallowance of back-office charges, disallowance u/s 14A and demand of Dividend Distribution tax and non consideration of self-assessment tax paid . The Company filed an appeal before Commissioner of Income Tax ('CIT') (Appeals) and got favourable order for back-office charges. Subsequently, the Company filed an appeal with Income tax Appellate Tribunal ('ITAT') for disallowance u/s 14A and the Assessing Officer had filed an appeal with ITAT for back-office charges. Both matters were held in favour of the Company by the ITAT. In relation to demand of Dividend Distribution tax and non consideration of self assessment tax paid , the Company had filed a rectification request to the AO and the same is still pending disposal. Total contingency of ₹ 3.30 crore (March 31, 2025 ₹ 3.30 crore).

During the year ended March 31, 2019, the Company had received the ITAT order dated June 27, 2018, for AY 2011-12 in which ITAT had held that Manipal Health Systems Private Limited ('MHS ') and Manipal Health Enterprises Limited (formerly known as Manipal Health Enterprises Private Limited) ('MHE') demerger is not a slump sale and also allowed the back-office expenses, partial depreciation and remanded back one matter to Assessing Officer. Against ITAT order, the department had filed an appeal in the High Court of Karnataka. Karnataka HC held the matters in favour of the Company except one matter which was previously remanded back to Assessing Offer for reconsideration. The matters of one consultancy fee and 14A disallowance are with AO for reconsideration having a tax impact of ₹ 1.28 crore (March 31, 2025 ₹ 1.28 crore).

During the year ended March 31, 2020, the Company has received the order U/s 143(3) of the Income Tax Act, 1961 for AY 2017-18 as per which AO has not allowed short term capital loss on account of relinquishment of its investment in the shares of a subsidiary and disallowed certain other expense consisting demand of ₹ 27.61 crore. The Company had filed an appeal before CIT (Appeals) and on September 15, 2025, CIT(Appeals) held the matters in favour of the Company. The aforesaid appeal order has resulted in a tax impact of ₹ Nil (March 31, 2025: ₹ 27.61 crore). Against this CIT(Appeals) order, department has filed an appeal with ITAT and the Company is confident that its position will be upheld for above Income Tax litigations and the likelihood of an adverse outcome is remote.

During the year ended March 31, 2021, the Company has received demand notices under section 156 of the Income-tax Act, 1961 for AY 2018-19 towards disallowance of back-office expenses, provision for doubtful debts, Ind-AS adjustment, disallowance under section 14A and set off of brought forward capital loss consisting demand of ₹ 21.20 crore. The Company had filed an appeal before CIT (Appeals) against the demand notice. On September 15, 2025, CIT(Appeals) held the matters in favour of the Company. The aforesaid appeal order has resulted in a tax impact of ₹ Nil (March 31, 2025: ₹ 21.20 crore). Against this CIT(Appeals) order, department has filed an appeal with ITAT and the Company is confident that its position will be upheld for above Income Tax litigations and the likelihood of an adverse outcome is remote.

The Company is confident that its position will be upheld for above income tax litigations and accordingly the outcome of these will not have material effect on the Standalone Financial Statements.

(A)(iii) Indirect Tax Demand

(a) The Company has received a show cause notice under section 124 of the Customs Act, 1962, for the financial year 2012-13, from Assistant Commissioner of Customs, as to why customs duty of ₹ 0.08 crore (March 31, 2025 ₹ 0.08 crore) with interest and penalty should not be demanded with regard to short payment of customs duty due to incorrect classification of goods.

(b) The Company received a notice from the Commercial Tax officer, wherein a Luxury Tax adjustment of ₹ 2.40 crore (March 31, 2025 ₹ 2.40 crore) has been made on claim for improper exemption for financial years 2010-11, 2011-12 and 2012-13.

(c) During the year ended March 31, 2021, the Company has received proposition notice for an amount of ₹ 1.09 crore (March 31, 2025 ₹ 1.09 crore) (including interest) from the Assistant Commissioner of Commercial Taxes, (Luxury Tax) asking to furnish the details of accommodation charges collected in ICU as well as in ward for FY 2012-13. The Company has replied to the department stating that the case is time barred and requested to drop the proceedings. Further there is no communication from the department. However, the same has been disclosed as contingent liability.

(d) During the year ended March 31, 2025, the Company has received an order issued by Joint Commissioner for the period March'21 to September'22, wherein GST demand of ₹ 5.63 crore and equal amount of ₹ 5.63 crore as penalty with interest is raised towards Non- Payment of GST on Supply of COVID-19 vaccines and its related vaccination charges being preventive in nature, aggregating to ₹ 11.26 crore. Aggrieved by the impugned order, the Company has filed a Writ before Hon'ble High Court of Karnataka and obtained the stay

During the current year, the Hon'ble Supreme Court held that specialized medical services are preventive and curative in nature and is covered within the "Healthcare Services" exemption. Basis this allegation of the GST Deptt that Covid Vaccination would be subject to GST because it is preventive in nature, is nullified due to above SC judgement. The Company is confident that its position will be upheld for above litigations and the likelihood of an adverse outcome is remote.

Additionally, the Company is also involved in other disputes, lawsuits and claims, including commercial matters, which arise from time to time in the ordinary course of business. The Company believes that there are no such pending matters that are expected to have any material adverse effect on its Standalone Financial Statements.

Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums /authorities. The Company is confident that its position will be upheld for above Indirect tax litigations and accordingly the outcome of these will not have material effect on the Standalone Financial Statements.

BSR & Co. LLP

Manipal Health Enterprises Limited

(C) Indemnities for performance given on behalf of third parties

During the year ended March 31, 2021, the Company has given indemnity against performance of third parties to RSDH (Malaysia) Sdn Bhd, MYR 36.96 crore (March 31, 2025 MYR 36.96 crore) equivalent to ₹ 853.22 crore (March 31, 2025 ₹ 711.20 crore) relating to the sale of Manipal Hospitals Sdn. Bhd., Malaysia.

(D) The Company along with MHPL, MHBPL, MHDPL and MHEIPL have provided security to various lenders in the form of first ranking pari passu charge over Immovable properties including lease hold improvements, Movable Fixed Assets, Intangibles assets and Current Assets (as defined in the facility agreements) for the term loans amounting to ₹ 4,930.63 crore (March 31 2025: ₹ 4,663.53 crore) availed by the Company, MHPL, MHBPL, MHDPL, HCMCT (Silo), MHEIPL and MH Eastern.

(E) The Company, as per the Employees' provident Fund (EPF) and Miscellaneous provisions Act, 1952 ('the Act') is required to contribute provident fund at a certain defined percentage on basic wages (including certain allowances) and along with employee's contribution it has to be deposited with the EPF authorities. On February 28, 2019, the Supreme Court of India held that allowances meeting certain conditions paid by establishments to its employees should also be considered as "basic wages" while computing provident fund amounts for employees whose basic wages is less than certain statutory thresholds. This court ruling may have an impact of increasing Company's liability towards provident fund contributions which is a defined contribution plan. However, the Company based on the legal advice in this EPF matter believes that there is a considerable uncertainty due to which provision cannot be estimated reliably of the retrospective impact on EPF contribution.

30 Capital commitments and other commitments

As at March 31, 2026, the Company has a commitment towards purchase of capital assets of ₹ 938.60 crore (March 31, 2025 ₹ 993.65 crore) subject to fulfilment of certain conditions subsequent.

(This space has been intentionally left blank)

BSR & Co. LLP

Manipal Health Enterprises Limited

31 Employee benefit plan

(i) Defined contribution plan:
Amount recognised and included in note 22, 'Contribution to provident and other funds' in statement of profit and loss of ₹ 28.53 crore (March 31, 2025 ₹ 22.68)`

(ii) Defined benefit plan:
The Company has a defined benefit gratuity plan. Under this plan, every employees who are entitled as per the Gratuity Act, gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. The gratuity plan is a funded plan and the Company makes contributions to funds maintained with an insurance company. However, the Company has created a trust on March 30, 2013.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet.

(₹ in crore)

	March 31, 2026	March 31, 2025
a) Statement of profit and loss and other comprehensive income		
i) Net employee benefit expense recognized in the statement of profit or loss		
Current service cost	7.28	5.66
Past service cost	4.93	-
Interest cost on benefit obligation	0.33	(0.08)
Net benefit expense charged to statement of profit or loss	**12.54**	**5.58**
ii) Remeasurement		
Return on Plan Assets, Excluding Interest Income	(0.20)	(0.25)
Actuarial changes arising from changes in financial assumptions	(2.31)	1.96
Actuarial changes arising from changes in demographic assumptions	-	0.80
Experience adjustments	3.72	0.84
Total amount recognised in other comprehensive income	**1.21**	**3.35**
b) Balance Sheet		
Defined benefit (plan assets) / obligation		
Non current	3.00	1.60
Current	-	-
Plan (asset) / liability	**3.00**	**1.60**
c) Change in projected benefit obligations		
Defined benefit obligation at the beginning of the year	1.60	(0.21)
Fair value of plan assets at the beginning of the year	48.92	40.55
Current service cost	7.28	5.66
Past service cost	4.93	
Interest cost	3.48	2.79
Benefits paid	(3.32)	(2.56)
Remeasurement of (gain)/ loss in other comprehensive income:		
Actuarial loss / (gain) arising from change in financial assumptions	(2.31)	1.96
Actuarial loss/ (gain) arising from change in demographic assumptions	-	0.80
Actuarial loss/ (gain) on account of experience adjustments	3.72	0.84
Liabilities settled on account of intergroup transfer	(0.03)	0.69
Fair value of plan assets at the end of the year	(61.27)	(48.92)
Obligations at the end of the year	**3.00**	**1.60**
d) Movement in the fair value of plan assets		
Fair Value of Plan Assets at the Beginning of the year	48.92	40.55
Interest income	3.15	2.87
Contributions by the Employer	12.32	7.81
Benefit Paid	(3.32)	(2.56)
Return on Plan Assets, Excluding Interest Income	0.20	0.25
Fair value of plan assets at the end of the year	**61.27**	**48.92**
e) Investment details of plan assets:		
Insurer managed funds	61.27	48.92
Total	**61.27**	**48.92**

The Company expects to pay ₹ 1.80 crore in contributions to its defined benefit plans in FY 2026-27

BSR & Co. LLP

Manipal Health Enterprises Limited

32 Employee Stock option plans

The Company provides share-based payment schemes to its employees. The relevant details of respective schemes and grants are as below.

32.1 Manipal Health Enterprises Employee Stock Option Plan - 2024 ('New Scheme 2024')

During the year ended March 31, 2025, the board of directors approved equity settled Manipal Health Enterprises Employee Stock Option Plan - 2024 ('New Scheme 2024') for issue of stock options to the key employees and directors of the Company. According to the New Scheme 2024, the employee selected by the compensation committee from time to time are entitled to options, subject to satisfaction of the prescribed vesting conditions based on performance and passage of time. The contractual life (comprising the vesting period and the exercise period) of options granted is 11 years from the date of grant. The stock options granted under the scheme vest in a graded manner over the vesting period.

The relevant terms of the grant as per new Scheme are as below:

Vesting period	1 to 5 years
Exercise period	4 to 6 years
Expected Life	3.5 to 5 years
Exercise price	Ranges from ₹ 349.07 to ₹ 636 per option * (March 31, 2025: ₹ 5,236 per option)
Fair value of options as per Black Scholes model	Ranges from ₹ 51.60 to ₹ 244.31 per option * (March 31, 2025: Ranges from ₹ 802.36 to ₹ 1,173.86 per option)

	March 31, 2026		March 31, 2025	
	No. of options	Weighted Average Exercise Price (₹)	No. of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	7,86,350	5,236 #	-	-
Bonus and stock-split impact (refer note 27.1.1 and 27.1.2)	1,10,08,900	349*	-	-
Granted during the year	51,33,000	569*	7,99,950	5,236
Lapse/ forfeited during the year	(1,10,250)	349*	(13,600)	5,236
Outstanding at the end of the year	1,68,18,000	416*	7,86,350	5,236
Exercisable at the end of the year	-	-	-	-

Before sub-division and bonus issue
* Effect of bonus and share split
The weighted average remaining contractual life of the stock options outstanding as at March 31, 2026 is 3.82 years (March 31, 2025: 4 years)

The following tables list the inputs to the models used for the year ended March 31, 2026 and March 31, 2025.

	March 31, 2026	March 31, 2025
Weighted average fair values at the measurement date	₹ 96.46 *	₹ 860.58
Expected volatility (%)	24.30% to 26.48%	24.55%
Risk–free interest rate (%)	6.72% to 7.06%	7.06%
Dividend yield	Nil	Nil
Expected life of share options	6 years	6 years
Weighted average share price (₹)	₹ 375.92	₹ 4,188.00
Model used	Black Scholes	Black Scholes

* Effect of bonus and share split

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

The expense recognised for employee services received during the year is given below:

(₹ in crore)

	March 31, 2026	March 31, 2025
Expense (net of reversals) arising from equity settled share based payment transactions (refer note 22)	29.81	33.94

(This space has been intentionally left blank)

BSR & Co. LLP

Manipal Health Enterprises Limited

As at March 31, 2025 (₹ in crore)

	Note	Carrying value		
		FVTPL	**Amortised Cost**	**Total**
Financial assets: **				
Investments in other companies (unquoted)	5.1	0.63	-	0.63
Investment in mutual funds (quoted) (non-current)	5.1	77.25	-	77.25
Loans (non-current)	5.2	-	215.56	215.56
Other financial assets (non-current)	5.3	-	62.22	62.22
Investment in mutual funds (quoted) (current)	9.1	765.37	-	765.37
Investment in commercial papers (unquoted) (current)	9.1	-	292.83	292.83
Trade receivables	9.2	-	190.74	190.74
Cash and cash equivalents	9.3	-	127.82	127.82
Bank balances other than cash and cash equivalents	9.4	-	21.75	21.75
Loans (current)	9.5	-	2.16	2.16
Other financial assets (current)	9.6	-	29.72	29.72
		843.25	**942.80**	**1,786.05**
Financial liabilities:				
Borrowings (non-current and current)	13.1 and 16.1	-	1,826.82	1,826.82
Lease liabilities (non-current and current)	13.2	-	689.36	689.36
Trade payables	16.2	-	412.04	412.04
Other financial liabilities	16.3	-	58.02	58.02
		-	**2,986.24**	**2,986.24**

**excludes investment in subsidiaries, associate and joint venture

The Company does not have any financial instruments which are measured at FVTOCI

There have been no transfers among Level 1, Level 2 and Level 3 during the year ended As at March 31, 2026 and March 31, 2025

The Company considers that the carrying amounts of financial assets and financial liabilities recognised in the Standalone Financial Statements at amortised cost will reasonably approximate their fair values. The fair value of non-current financial assets and liabilities (Loans, other financial assets, borrowings and lease liabilities) has been measured based on the present value of expected payments, discounted using a risk-adjusted discount rate.

BSR & Co. LLP

Manipal Health Enterprises Limited

33 Fair values and hierarchy

Accounting classification and fair value of financial instruments is as follows. The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within 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 assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value:
- The fair value of the quoted mutual funds are at Level 1 of Fair value hierarchy and are measured based on Net Asset Value (NAV) in active markets at the reporting date.
- The fair value of the financial assets (other than mutual funds) and financial liabilities were based on amortised cost at the reporting date.

The following table provides the fair value measurement hierarchy of financial assets and liabilities of the Company:

Quantitative disclosures fair value measurement hierarchy valued as at

(₹ in crore)

As at March 31, 2026	Note No.	Level 1	Level 2	Level 3	Total
Financial assets (at FVTPL)					
Investment in mutual funds (quoted) (non-current)	5.1	82.41	-	-	82.41
Investment in mutual funds (quoted) (current)	9.1	871.39	-	-	871.39
Investments in other companies (unquoted)*	5.1	-	-	0.63	0.63
		953.80	**-**	**0.63**	**954.43**
Financial assets not measured at fair value					
Other financial assets (non-current)	5.3	-	31.69	-	31.69
		-	**31.69**	**-**	**31.69**
Financial liabilities not measured at fair value					
Borrowings	13.1 and 16.1	-	2,075.39	-	2,075.39
Other financial liabilities (non-current)	13.3	-	1.67	-	1.67
		-	**2,077.06**	**-**	**2,077.06**

Quantitative disclosures fair value measurement hierarchy valued as at

(₹ in crore)

As at March 31, 2025	Note No.	Level 1	Level 2	Level 3	Total
Financial assets (at FVTPL)					
Investment in mutual funds (quoted) (non-current)	5.1	77.25	-	-	77.25
Investment in mutual funds (quoted) (current)	9.1	765.37	-	-	765.37
Investments in other companies (unquoted)*	5.1	-	-	0.63	0.63
		842.62	**-**	**0.63**	**843.25**
Financial assets not measured at fair value					
Other financial assets (non-current)	5.3	-	62.22	-	**62.22**
		-	**62.22**	**-**	**62.22**
Financial liabilities not measured at fair value					
Borrowings	13.1	-	1,826.82	-	**1,826.82**
		-	**1,826.82**	**-**	**1,826.82**

* The impact of the senstivity analysis is not material for the Company's operations.

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

As at March 31, 2026

(₹ in crore)

	Note	Carrying value		
		FVTPL	Amortised Cost	Total
Financial assets: **				
Investments in other companies (unquoted)	5.1	0.63	-	0.63
Investment in mutual funds (quoted) (non-current)	5.1	82.41	-	82.41
Other financial assets (non-current)	5.3	-	31.69	31.69
Investment in mutual funds (quoted) (current)	9.1	871.39	-	871.39
Investment in commercial papers (unquoted) (current)	9.1	-	449.55	449.55
Trade receivables	9.2	-	262.15	262.15
Cash and cash equivalents	9.3	-	101.70	101.70
Loans (current)	9.5	-	235.57	235.57
Other financial assets (current)	9.6	-	51.67	51.67
		954.43	**1,132.33**	**2,086.76**
Financial liabilities:				
Borrowings (non-current and current)	13.1 and 16.1	-	2,075.39	2,075.39
Lease liabilities (non-current and current)	13.2	-	1,090.42	1,090.42
Trade payables	16.2	-	533.95	533.95
Other financial liabilities (non-current and current)	16.3	-	180.86	180.86
		-	**3,882.29**	**3,882.29**

BSR & Co. LLP

Manipal Health Enterprises Limited

f) The principal assumptions used in determining gratuity liability for the Company's plan are shown below:

Discount rate	7.15%	6.70%
Increase in compensation cost	6.00%	6.00%
Retirement Age	60 years	60 years
Employee turnover - for all age groups:		

Age (Years)		Rate (p.a.)	
March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
21 - 30	21 - 30	24.63%	24.63%
31 - 34	31 - 34	10.17%	10.17%
35 - 44	35 - 44	8.34%	8.34%
45 - 50	45 - 50	2.87%	2.87%
51 - 54	51 - 54	1.63%	1.63%
55 - 59	55 - 59	3.92%	3.92%

As per Indian Assured lives Mortality (2012-14) Ult [March 31, 2025: Indian Assured lives Mortality (2012-14) Ult]

The estimates of future salary increases, considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Sensitivity analysis

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

	0.5% Decrease		0.5% Increase	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Discount rate	4.01%	4.18%	(3.75)%	(3.90)%
Future salary growth	(3.81)%	(3.94)%	4.04%	4.19%

Maturity profile of defined benefit obligation:

(₹ in crore)

	March 31, 2026	March 31, 2025
Within 1 year	7.15	5.63
Between 2 and 5 years	27.18	18.71
Between 6 and 10 years	24.00	19.00
Beyond 10 years	69.97	54.84

The average duration of the defined benefit plan obligation at the end of the reporting period is 7.76 years (March 31, 2025: 8.07 years)

(This space has been intentionally left blank)

BSR & Co. LLP

Manipal Health Enterprises Limited

34 Financial risk management

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, investments, trade and other receivables, inter-corporate deposits and cash and cash equivalents that are derived directly from its operations.

The Company's activities expose it to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risk and works towards minimizing the potential adverse effects, if any, on its financial performance.

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk and currency rate risk. Financial instruments affected by market risk include borrowings, investments and bank and other deposits. The sensitivity analyses in the following sections relate to the position as at March 31, 2026 and March 31, 2025. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2026 and March 31, 2025.

(i) Interest rate risk

Interest rate risk is the risk that the fair value of 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 debt obligations with floating interest rates in form of Term loans. The Company monitors the movement in interest rates on an ongoing basis.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments are as follows:

(₹ in crore)

Fixed rate instruments	March 31, 2026	March 31, 2025
Financial asset		
Margin money deposit with banks	3.16	2.95
Deposits with banks due to mature after twelve months from the reporting date	5.74	22.64
Deposits with banks original maturity with more then three months but less than twelve months	-	21.75
Deposits with original maturity of less than three months	-	58.70
Bank deposits with remaining maturity less than twelve months	17.20	-
Other investments (unquoted)	449.55	292.83
Financial liability		
Borrowings	281.75	312.77

(₹ in crore)

Variable rate instruments	March 31, 2026	March 31, 2025
Financial asset		
Inter Corporate Deposit given to related parties	234.03	221.55
Investments in mutual funds (quoted)	953.80	842.62
Financial liability		
Borrowings	1,793.64	1,514.05

Sensitivity analysis for variable rate instruments

Based on the closing balance of variable rate instruments, an increase/ decrease in interest rate by 1%, with all other variables remaining constant would result in increase/ decrease in profit or loss and equity by ₹ 6.06 crore (year ended March 31, 2025: ₹ 4.5 crore)

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency), the Company's net investments in foreign subsidiaries and financial guarantees given to foreign subsidiaries. The Company monitors foreign exchange rates on an ongoing basis.

Particulars of unhedged foreign currency exposure as at the reporting date:

Particulars	March 31, 2026		March 31, 2025	
	USD (million)	(₹ in crore)	USD (million)	(₹ in crore)
Import trade payable (USD)	0.74	6.88	0.00*	0.04
Capital creditors	4.91	45.89	-	-

* Represents value less than 0.01 million

Foreign currency risk sensitivity

The sensitivity of profit or loss to changes in exchange rates arises mainly from foreign currency denominated financial instruments and the impact on equity arises from changes in foreign exchange rates relating to the Company's net investments in foreign subsidiaries which are primarily in USD. The following table demonstrates the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant:

Depreciation of INR against USD by 1% results in decrease in profit before tax by ₹ 0.53 (March 31, 2025 by ₹ Nil) and appreciation of INR against USD by 1% results in increase by the same amount.

BSR & Co. LLP

Manipal Health Enterprises Limited

B. 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 trade receivables, cash and cash equivalents and financial assets.

Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the management.

(i) Trade receivables:

The Company's exposure to credit risk is influenced mainly by the characteristics of each customer. Credit risk is controlled by analyzing credit limits and creditworthiness of payors/customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

Loss rates are based on actual credit loss experience over the past few years, current conditions and forecasts of future economic conditions.
Refer note 9.2.2 for information about the exposure to credit risk and ECLs for trade receivables

The movement in the allowance for impairment in respect of trade receivables during the year is as follows:

(₹ in crore)

	March 31, 2026	March 31, 2025
Opening balance	39.76	26.39
Loss allowance/ (reversal) on trade receivables	14.66	13.37
Closing balance	**54.42**	**39.76**

There is no significant concentration of credit risk and no single customer accounted for more than 10% of the revenue as of March 31, 2026 and as of March 31, 2025

(ii) Other receivables:

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of other receivables based on the past and the recent collection trend. The maximum exposure to credit risk as at reporting date is primarily from other receivables amounting to ₹ 20.29 crore (March 31, 2025: ₹ 24.5 crore) The movement in allowance for impairment in respect of other receivables during the year was as follows:

(₹ in crore)

	March 31, 2026	March 31, 2025
Opening balance	0.14	0.67
Loss allowance/ (reversal) on other receivables	0.38	(0.53)
Closing balance	**0.52**	**0.14**

(iii) Financial instruments and deposits:

Credit risk on cash and cash equivalents including fixed deposits and inter-company deposits is limited as the Company generally transacts with banks with high credit ratings assigned by international and domestic credit rating agencies and its own subsidiaries. Investments of surplus funds, temporarily, are made only with approved counterparties, who meet the minimum threshold requirements under the counterparty risk assessment process

C. Liquidity risk

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

The table below summarises the maturity profile of the Company's financial liabilities based on undiscounted contractual payments:

(₹ in crore)

	March 31, 2026		
	Less than 1 year	More than 1 year	Total
Borrowings (refer note 13.1 and 16.1)	305.99	3,005.13	3,311.11
Lease liabilities (refer note 13.2)	110.15	3,348.92	3,459.07
Trade payables	533.95	-	533.95
Other financial liabilities	179.19	1.67	180.86
	March 31, 2025		
	Less than 1 year	**More than 1 year**	**Total**
Borrowings (refer note 13.1 and 16.1)	301.80	2,738.08	3,039.88
Lease liabilities (refer note 13.2)	77.32	2,031.02	2,108.34
Trade payables	412.04	-	412.04
Other financial liabilities	58.02	-	58.02

BSR & Co. LLP

Manipal Health Enterprises Limited

35 (A) Capital management

The primary objective of Company's capital management is to ensure that it maintains an optimum financing structure and healthy returns in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments, in light of the changes in economic conditions or business requirements.

The Company monitors capital using a gearing ratio which is net debt divided by total equity plus net debt as shown below.
- Net debt includes borrowings, lease liabilities (long term and short term) less cash and cash equivalents, investment in mutual funds and other investments and
- Total equity comprises of issued share capital and all other equity components attributable to equity share holder.

(₹ in crore)

	March 31, 2026	March 31, 2025
Borrowings (including current maturities) (note 13.1 and 16.1)	2,075.39	1,826.82
Lease liabilities (note 13.2)	1,090.42	689.36
Less: Cash and cash equivalents (refer note 9.3)	(101.70)	(127.82)
Less: Investment in mutual funds (quoted) and other investments (refer note 5.1 and 9.1)	(1,403.35)	(1,135.45)
Net debt (A) (including lease liabilities) #	**1,660.76**	**1,252.91**
Total equity attributable to the equity share holders of the Company (excluding share options outstanding account) (note 11 and note 12)	7,259.72	5,180.63
Total capital (B)	**7,259.72**	**5,180.63**
Capital and net debt (C = A+B)	**8,920.48**	**6,433.54**
Gearing ratio (D = A / C)	**19%**	**19%**

Investments in mutual funds and commercial papers are adjusted as the Company may use these investments for strategic purposes including payment of debt.

35 B During the year ended March 31, 2023, the Income Tax Department conducted a search under Section 132 of the Income Tax Act, 1961 at the registered office of the Company as well as certain hospital location. Pursuant to this search, the Company received assessment orders wherein certain expenses were disallowed, resulting in the issuance of demand notices under Section 156 of the Act for multiple assessment years.

In financial year 2024-25, assessment orders were received for Assessment Years (AY) 2019–20 to 2023–24. For AY 2022–23, AY 2021–22, and AY 2023–24, demands of ₹ 8.42 crores, ₹ 6.55 crores, and ₹ 8.03 crores respectively were raised. For AY 2019–20 and AY 2020–21, no demand was raised; however, the refunds claimed in the income tax returns for those years were reduced. Appeals relating to AY 2019–20, 2020–21, 2022–23, and 2023–24 have been filed by the Income Tax Department before the Income Tax Appellate Tribunal (ITAT).

Subsequently, in financial year 2025–26, further assessment orders were received for AY 2015–16 to 2018–19 and 2024–25. Demands aggregating to ₹ 39.66 crores were raised for these years, comprising ₹ 8.67 crores for AY 2015–16, ₹0.36 crores for AY 2016–17, ₹ 22.79 crores for AY 2018–19, and ₹ 7.84 crores for AY 2024–25, while no demand was raised for AY 2017–18 however, the refunds claimed in the income tax return was reduced.

The Company filed appeals before the Commissioner of Income Tax (Appeals) [CIT(A)] and received favourable orders for all the above assessment years during February 2026 and May 2026.
With specific reference to AY 2017–18 and AY 2018–19, the Company received favourable CIT(A) orders against the assessments originally passed under Section 143(3). However, while passing reassessment orders under Section 147, the Assessing Officer did not give effect to these favourable appellate orders. Accordingly, the Company has filed rectification applications under Section 154 of the Act for these two years. For AY 2021–22, the Company withdrew its appeal before the CIT(A) on August 29, 2025.

The Company is confident that its position will be upheld for above Income Tax litigations and the likelihood of an adverse outcome is remote. Accordingly, the outcome of these litigations are not expected to have a material effect on the Standalone Financial Statements.

(This space has been intentionally left blank)

BSR & Co. LLP

Manipal Health Enterprises Limited

36 Segment information:

The Board of Directors of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The Company operates in a single business and geographical segment (Healthcare services in India) and the CODM reviews the financial information at an entity level. Hence, the Company has determined that disclosures given at the entity level suffice the disclosure requirements of Ind AS 108.

Refer note 1.

37 Corporate Social Responsibility ('CSR') expenditure

Consequent to the requirements of Section 135 and Schedule VII of the Companies Act, 2013, the Company is required to contribute 2% of its average net profits during the immediately three preceding financial years in pursuance of its Corporate Social Responsibility Policy.

The Company has constituted a CSR committee in accordance with the provisions of the Companies Act, 2013. The focus of CSR activities of the Company comprise promotion of healthcare, education, gender equality, ensuring environment sustainability, training for rural sports and rural development objects. The amount required to be spent towards the CSR activities as per Section 135 and the CSR activities undertaken by the Company is given below:

(a) Gross amount approved and required to be spent by the Company for the year ended March 31, 2026 is ₹ 9.31 crore (March 31, 2025: ₹ 7.90 crore)

(b) Amount spent:
Promoting healthcare, education, gender equality, ensuring environment sustainability, training for rural sports and rural development objects

(₹ in crore)

	In cash	Yet to be paid in cash	Total
Year ended March 31, 2026	9.31	-	9.31
Year ended March 31, 2025	7.90	-	7.90

(c) Details related to spent / unspent obligations:

	March 31, 2026	March 31, 2025
(i) Contribution to Public Trust	-	-
(ii) Contribution to Charitable Trust (refer note 28)	9.31	7.90
(iii) Unspent amount in relation to:		
- Ongoing project	-	-
- Other than ongoing project	-	-
	9.31	**7.90**

Details of other than ongoing project

As at March 31, 2026

Opening balance	Amount deposited in Specified Fund of Sch. vii within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing balance
-	-	9.31	9.31	-

As at March 31, 2025

Opening balance	Amount deposited in Specified Fund of Sch. vii within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing balance
-	-	7.90	7.90	-

38 Reconciliation of movements of liabilities to cash flows arising from financial liabilities

(₹ in crore)

	Term loans	Lease liability	Loan for purchase of capital asset	Total
Debt as at April 01, 2025	**1,814.53**	**689.36**	**12.28**	**2,516.17**
Interest accrued but not due as at April 01, 2025	1.33	-	-	**1.33**
Addition during the year	-	431.86	-	**431.86**
Cash flows including interest paid				
- Proceeds from borrowings	399.81	-	2.72	**402.53**
- Repayment of borrowings / lease obligation	(151.51)	(28.97)	(4.97)	**(185.45)**
- Interest paid	(112.86)	(79.82)	(0.91)	**(193.59)**
Non-cash changes				
- Interest expense	115.39	79.82	0.91	**196.12**
- Interest capitalised	-	5.78	-	**5.78**
- Leases reversal	-	(7.61)	-	**(7.61)**
Debt as at March 31, 2026	**2,066.69**	**1,090.42**	**10.03**	**3,167.14**

(₹ in crore)

	Term loans	Lease liability	Loan for purchase of capital asset	Total
Debt as at April 01, 2024	**1,299.71**	**330.88**	**11.73**	**1,642.32**
Interest accrued but not due as at April 01, 2024	0.15	-	-	**0.15**
Addition during the year	641.27	372.55	4.48	**1,018.30**
Cash flows including interest paid				
- Repayment of borrowings	(126.45)	(20.67)	(3.93)	**(151.05)**
- Interest paid	(101.39)	(35.10)	(1.03)	**(137.52)**
Non-cash changes				-
- Interest expense	102.57	35.10	1.03	**138.70**
- Interest capitalised	-	7.08	-	**7.08**
- Leases reversal	-	(0.48)	-	**(0.48)**
Interest accrued but not due as at March 31, 2025	(1.33)	-	-	**(1.33)**
Debt as at March 31, 2025	**1,814.53**	**689.36**	**12.28**	**2,516.17**

BSR & Co. LLP

Manipal Health Enterprises Limited

39 Dues to Micro and Small Enterprises as per the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED):

(₹ in crore)

	March 31, 2026	March 31, 2025
(i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	17.07	11.48
(ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
(iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(iv) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(v) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(vi) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
(vii) Further interest remaining due and payable for earlier year	-	-

40 Below is the list of subsidiaries, joint ventures and associates along with proportion of ownership interest held and country of incorporation

Investment in subsidiaries:

The entities considered in the consolidated financial statements are listed below

Name of the Company	Country of Incorporation	Percentage of ownership interest held (directly and indirectly) and voting rights held as at	
		March 31, 2026	March 31, 2025
Manipal Health Enterprises International Pte. Ltd. ("MHEIPL") - Subsidiary	Singapore	100.00%	100.00%
Manipal Hospitals (Dwarka) Private Limited ("MHDPL") - Subsidiary	India	100.00%	100.00%
Healthmap Diagnostics Private Limited ("Healthmap") - Subsidiary	India	50.08%	50.08%
Manipal Hospitals Private Limited ("MHPL") - Subsidiary	India	100.00%	100.00%
Manipal Hospitals (Bengaluru) Private Limited ("MHBPL") - Subsidiary	India	100.00%	100.00%
Manipal Hospitals Synergie Private Limited ("MHSPL") (formerly known as Medica Synergie Private Limited - Subsidiary)	India	84.94%	84.94%

Joint venture in which the Company is a joint venture partner

Name of the Company	Country of Incorporation	Percentage of ownership interest held (directly and indirectly) and voting rights held as at	
		March 31, 2026	March 31, 2025
Terrals Technologies Private Limited ('Phable') - Joint Venture	India	20.59%	20.59%

Associate

Name of the Company	Country of Incorporation	Percentage of ownership interest held (directly and indirectly) and voting rights held as at	
		March 31, 2026	March 31, 2025
I-Genetics Diagnostics Private Limited	India	42.17%	42.17%

41 Accounting ratios

i) Current ratio
The current ratio is used to assess a company's short term liquidity. It is calculated by dividing the current assets by current liabilities

ii) Debt-equity ratio
"Total debt" is defined as aggregate of non-current borrowings and current maturities of long term-borrowings and total equity includes issued capital and all other equity reserves.

iii) Debt service coverage ratio
The Debt Service Coverage Ratio (DSCR) measures the ability of a company to use its operating income to repay all its debt obligations, including repayment of principal and interest on both short-term and long-term debt. It is calculated by dividing net operating income by the total debt service (Interest and principal).

iv) Return on equity ratio
Equal to profit for the year divided by the equity during that period, and is expressed as a percentage

v) Inventory turnover ratio
Inventory turnover indicates the rate at which a company sells and replaces its stock of goods during a particular period. The inventory turnover ratio formula is the cost of goods sold divided by the average inventory for the same period.

vi) Trade receivables turnover ratio
Accounts receivable turnover ratio is calculated by dividing your revenue from operations by your average accounts receivable. The ratio is used to measure how effective a company is at extending credits and collecting debts.

vii) Trade payables turnover ratio
This ratio is used to measure the number of times the business is paying off its creditors or suppliers in an accounting period. It is computed by dividing the total purchases by average accounts payable

viii) Net capital turnover ratio
It is calculated by dividing annual sales by average stockholder equity (net worth). The ratio indicates how much a company could grow its current capital investment level.

ix) Net profit ratio
The net profit percentage is the ratio of after-tax profits to net sales. It reveals the remaining profit after all costs of production, administration, and financing have been deducted from sales, and income taxes recognized

x) Return on capital employed
Return on Capital Employed is calculated by dividing our EBIT during a given period by Capital Employed (net worth, total debt, deferred tax liability) during that period.

xi) Return on investment
Return on investment (ROI) is a performance measure used to evaluate the efficiency or profitability of an investment or compare the efficiency of a number of different investments. To calculate ROI, the benefit (or return) of an investment is divided by the cost of the investment

BSR & Co. LLP

Manipal Health Enterprises Limited

Ratio	Numerator	Denominator	As at March 31, 2026	As at March 31, 2025	% change	Reason for variance
i) Current ratio	Current assets	Current liabilities	1.82	2.02	-10%	NA
ii) Debt-equity ratio	Total debt	Total Equity	0.28	0.35	-19%	NA
iii) Debt service coverage ratio	Earnings available for debt service= Net Profit after tax+ Non cash operating expenses+ Interest + Other adjustments like loss on sale of fixed assets, etc	Debt service= Interest & lease payments + Principal Repayments	2.08	2.68	-22%	NA
iv) Return on equity ratio %	Net Profit after tax	Average Shareholders equity	6.86%	11.75%	-42%	The change is due to increase in the equity share capital during the year.
v) Inventory turnover ratio	Cost of Goods sold = opening inventory + purchases - closing inventory (medical and pharmacy consumables)	Average Inventory	19.91	20.74	-4%	NA
vi) Trade receivables turnover ratio	Revenue from operations	Average Accounts Receivable	15.83	19.15	-17%	NA
vii) Trade payables turnover ratio	Total purchases	Average Trade Payables	1.49	1.43	4%	NA
viii) Net capital turnover ratio	Net sales	Average Shareholders equity	0.57	0.68	-16%	NA
ix) Net profit ratio %	Net Profit	Net Sales	12.00%	17.24%	-30%	The change is due to increase in Depreciation and Finance costs during the year.
x) Return on capital employed %	Earnings before interest and taxes	Capital Employed = Net Worth + Total Debt + Deferred Tax Liability	7.11%	11.04%	-36%	The change is due to increase in the issued capital and increase in borrowings during the current year.
xi) Return on investment %	Interest (Finance Income)	Investment	12.45%	1.21%	932%	The change is due to increase in interst income during the year.

42 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 has balance with below- mentioned companies struck off under section 248 of Companies Act, 2013

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding (₹ in crore)		Relationship with the Struck off company, if any, to be disclosed
		As at March 31, 2026	As at March 31, 2025	
T2K Fire & Security Private Limited	Capital creditors	0.01	0.01	None
	Retention money	-	0.02	None
Corporate Wellness Solutions Private Limited	Security deposits	0.02	-	None

(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 is in compliance with number of layers of companies, as prescribed under clause (87)of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(v) The Company has not traded or invested in Crypto currency or Virtual Currency during the year.

(vi) 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

(vii) 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,

(viii) 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

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

43 During the year ended March 31, 2025, the Company raised ₹ 750.00 crore through rights issue from the existing shareholders, the proceeds of the rights issue were utilised for the acquisition of 84.94% shareholding in Manipal Hospitals Synergie Private Limited (formerly known as Medica Synergie Private Limited)

B S R & Co. LLP

Manipal Health Enterprises Limited

44 Events after the reporting date

Subsequent to the balance sheet date, the Company has acquired the balance land measuring 752.77 square meters and building comprising service floor between 3rd and 4th floor, and 4th to 9th floors totally measuring 20,663.80 square meters in relation to its greenfield project at Juhu, Mumbai, for a total consideration of ₹ 495.00 crores, thereby completing the acquisition of the property. Out of the total consideration, ₹ 365.00 crores has been paid subsequent to the balance sheet date, and the remaining ₹ 130.00 crores is payable subject to the fulfilment of certain conditions subsequent

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration number : 101248W/W - 100022

G Prakash
Partner
Membership number: 099696

Date July 15, 2026
Place Bengaluru

For and on behalf of the Board of Directors of
Manipal Health Enterprises Limited (formerly known as Manipal Health Enterprises Private Limited)

Dilip Jose
Managing Director & CEO
DIN 03591692

Dr H. Sudarshan Ballal
Chairman & Director
DIN 01195055

Sameer Agarwal
Chief Financial Officer

Sathish Kolar Ramamoorthy
Company Secretary
Membership No A15203

Date July 15, 2026
Place Bengaluru