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 Hospitals (Bengaluru) Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Manipal Hospitals (Bengaluru) Private Limited (the "Company") which comprise the balance sheet as at 31 March 2026, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the 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 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 Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Management's and Board of Directors Responsibilities for the 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

Registered Office:
14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of 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 balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid 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 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) 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 financial statements - Refer Note 33.1 to the 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 41(vi) to the 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, as on the date of this audit report 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 41(vii) to the 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 softwares:

- 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 Company has not paid any remuneration to its directors during the year. 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: Bengaluru

Membership No.: 099696

Date: 12 June 2026

ICAI UDIN:26099696TZDGJK4434

Annexure A to the Independent Auditor's Report on the Financial Statements of Manipal Hospitals (Bengaluru) 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) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(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 not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from bank on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(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 security to companies. The Company has not made any investments in, granted any loans to or provided security to firms or limited liability partnerships. The Company has not provided security to any other parties. The Company has not stood guarantee or granted any advances in the nature of loans, secured or unsecured, to any companies, firms, limited liability partnerships, or other parties during the year. Details of the loans granted and security provided 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 granted loans and provided securities as below:

Particulars	Security (in Crores)	Loans (in Crores)
Aggregate amount during the year		
Fellow subsidiaries*	#	75.00
Holding company*	#	-
Others	-	0.26
Balance outstanding as at balance sheet date		
Fellow subsidiaries*	#	-
Holding Company*	#	-
Others	-	0.01

**As per Schedule III of the Companies Act, 2013*

#During the year, the Company along with its Holding company and its Fellow subsidiaries has provided security to various lenders with respect to term loans amounting to Rs. 4,930.63 Crores taken by Company, its Holding company and its fellow subsidiaries. Also, refer note 33.2 to the 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, security given during the year and the terms and conditions of the grant of loans 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 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, in our opinion following instances of loans falling due during the year were renewed or extended or settled by fresh loans:

Name of the parties	Aggregate amount of loans granted during the year	Aggregate overdue amount settled by extension of loan granted to same party	Percentage of the aggregate to the total loans granted during the year
Manipal Hospitals	Nil	Rs. 100.00 Crores	Not Aplicable

Annexure A to the Independent Auditor's Report on the Financial Statements of Manipal Hospitals (Bengaluru) Private Limited for the year ended 31 March 2026 *(Continued)*

Name of the parties	Aggregate amount of loans granted during the year	Aggregate overdue amount settled by extension of loan granted to same party	Percentage of the aggregate to the total loans granted during the year
(Dwarka) Private Limited			

(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 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 provided by it 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, though there has been a slight delay in case of professional tax.

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
Income Tax Act, 1961	Income tax	0.03	Assessment Year 2019-20	Commissioner of Income Tax

Annexure A to the Independent Auditor's Report on the Financial Statements of Manipal Hospitals (Bengaluru) 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
				(Appeals)
Income Tax Act, 1961	Income tax	0.86	Assessment Year 2019-20	Assistant commissioner of Income Tax
Income Tax Act, 1961	Income tax	21.80	Assessment Year 2020-21	The Deputy Commissioner of Income tax
Income Tax Act, 1961	Income tax	0.86	Assessment Year 2020-21	Income Tax Appellate Tribunal, Bengaluru

(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.

(c) In our opinion and according to the information and explanations given to us by the management, the Company has not obtained any term loans during the year and the term loans obtained in the previous periods were fully utilised in the respective periods. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the 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) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2026. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2026. Accordingly, clause 3(ix)(f) of the order is not applicable.

(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 or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

Annexure A to the Independent Auditor's Report on the Financial Statements of Manipal Hospitals (Bengaluru) Private Limited for the year ended 31 March 2026 *(Continued)*

(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) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(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) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by 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.

(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 given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(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 per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). 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 Financial Statements of Manipal Hospitals (Bengaluru) 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.: 099696
ICAI UDIN:26099696TZDGJK4434

Place: Bengaluru
Date: 12 June 2026

Annexure B to the Independent Auditor's Report on the financial statements of Manipal Hospitals (Bengaluru) Private Limited for the year ended 31 March 2026

Report on the internal financial controls with reference to the aforesaid 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 Hospitals (Bengaluru) Private Limited ("the Company") as of 31 March 2026 in conjunction with our audit of the 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 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.

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

Annexure B to the Independent Auditor's Report on the financial statements of Manipal Hospitals (Bengaluru) Private Limited for the year ended 31 March 2026 *(Continued)*

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

Membership No.: 099696

ICAI UDIN:26099696TZDGJK4434

Place: Bengaluru

Date: 12 June 2026

Manipal Hospitals (Bengaluru) Private Limited
CIN: U85110KA2009PTC049257
Balance Sheet as at

(₹ in crores)

	Notes	March 31, 2026	March 31, 2025
ASSETS			
Non-current assets			
Property, plant and equipment	3	79.35	78.08
Capital work-in-progress	3.1	1.58	1.85
Right-of-use assets	4	48.00	52.30
Other Intangible assets	4	0.03	0.23
Financial assets			
Investments	5	0.74	0.39
Loans	5.1	100.00	-
Other financial assets	5.2	34.20	3.83
Deferred tax assets (net)	6	1.52	1.74
Income tax assets (net)	6	13.64	13.48
Other non-current assets	7	0.23	0.07
		279.29	**151.97**
Current assets			
Inventories	8	4.05	4.23
Financial assets			
Investments	9.1	117.59	95.14
Trade receivables	9.2	13.94	9.93
Cash and cash equivalents	9.3	3.36	9.69
Bank balances other than cash and cash equivalents	9.4	0.12	0.11
Loans	9.5	0.01	100.20
Other financial assets	9.6	1.24	21.69
Other current assets	10	1.27	0.88
		141.58	**241.87**
Total assets		**420.87**	**393.84**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	169.37	169.37
Other equity	12	139.80	87.11
Total equity		**309.17**	**256.48**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	13.1	18.36	18.45
Lease liabilities	13.2	52.58	54.70
		70.94	**73.15**
Current liabilities			
Financial liabilities			
Borrowings	15	0.41	13.36
Lease liabilities	13.2	2.12	2.68
Trade payables	14.1		
- total outstanding dues of micro enterprises and small enterprises		1.48	0.11
- total outstanding dues of creditors other than micro enterprises and small enterprises		30.23	40.38
Other financial liabilities	16	2.58	1.98
Other current liabilities	19	1.81	2.02
Provisions	17	1.55	2.02
Current tax liabilities (net)	18	0.58	1.66
		40.76	**64.21**
Total equity and liabilities		**420.87**	**393.84**
Material Accounting policies	2.2		

The accompanying notes are an integral part of 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 : June 12, 2026

For and on behalf of the Board of Directors of Manipal Hospitals (Bengaluru) Private Limited

Sameer Agarwal
Director
DIN: 07554053

Karthik Rajagopal
Director
DIN: 06652382

Manish Rai
Chief Executive Officer

Keshav Narayan Koparde
Chief Financial Officer

Sathish Kolar Ramamoorthy
Company Secretary
Membership No: A15203

Place : Bengaluru
Date : June 12, 2026

Manipal Hospitals (Bengaluru) Private Limited
CIN: U85110KA2009PTC049257
Statement of Profit and Loss for the year ended

(₹ in crores)

	Note	March 31, 2026	March 31, 2025
Income			
Revenue from operations	20	285.16	264.87
Other income	21	16.37	14.51
Total income		**301.53**	**279.38**
Expenses			
Purchase of medical consumables and pharmacy items		51.34	50.99
Changes in inventories of medical consumables and pharmacy items	22	0.18	(0.77)
Employee benefits expense	23	32.91	29.16
Finance costs	24	9.37	8.83
Depreciation and amortisation expense	25	14.97	16.04
Other expenses	26	121.10	110.90
Total expenses		**229.87**	**215.15**
Profit before tax and exceptional items		**71.66**	**64.23**
Exceptional items	27	(0.61)	-
Profit before tax		**71.05**	**64.23**
Tax expense			
Current tax	6	18.10	16.73
Adjustment of tax relating to previous year	6	(0.25)	(5.98)
Deferred tax	6	0.29	(0.29)
Total tax expense		**18.14**	**10.46**
Profit for the year		**52.91**	**53.77**
Other comprehensive income (OCI)			
Items that will not be reclassified subsequently to Profit and Loss:			
Re-measurement of defined benefit plans		(0.29)	(0.13)
Income tax effect on above		0.07	0.03
Other comprehensive (loss) for the year (net of tax)		**(0.22)**	**(0.10)**
Total comprehensive income for the year		**52.69**	**53.67**
Earnings per equity share	28		
[nominal value of share ₹ 100 (March 31, 2025: ₹ 100)]			
Basic (₹)		31.24	31.75
Diluted (₹)		31.24	31.75
Material Accounting policies	2.2		

The accompanying notes are an integral part of 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 : June 12, 2026

For and on behalf of the Board of Directors of
Manipal Hospitals (Bengaluru) Private Limited

Sameer Agarwal
Director
DIN: 07554053

Karthik Rajagopal
Director
DIN: 06652382

Manish Rai

Manish Rai
Chief Executive Officer

Keshav Narayan Koparde
Chief Financial Officer

Sathish Kolar Ramamoorthy
Company Secretary
Membership No: A15203

Place : Bengaluru
Date : June 12, 2026

Manipal Hospitals (Bengaluru) Private Limited
CIN: U85110KA2009PTC049257
Statement of changes in equity for the year ended March 31, 2026

(a) Equity share capital*

	Nos.	₹ in crores
Equity shares of ₹ 100 each, issued, subscribed and fully paid-up		
Balance as at April 01, 2025	1,69,37,144	169.37
Change in equity share capital during the year	-	-
Balance as at March 31, 2026	1,69,37,144	169.37
Balance as at April 01, 2024	1,69,37,144	169.37
Change in equity share capital during the year	-	-
Balance as at March 31, 2025	1,69,37,144	169.37

*Also, refer note 11

(b) Other equity**

(₹ in crores)

	Equity component of compound financial instruments	Reserves and surplus		Other comprehensive income	Total other equity
		Securities premium	Retained earnings	Re-measurement of defined benefit plans	
Balance as at April 01, 2025	10.08	1.09	75.78	0.16	87.11
Profit for the year	-	-	52.91	-	52.91
Other comprehensive (loss) for the year (net of tax)	-	-	-	(0.22)	(0.22)
Balance as at March 31, 2026	10.08	1.09	128.69	(0.06)	139.80
Balance as at April 01, 2024	Redemption of preference sl	1.09	22.01	0.26	23.36
Profit for the year	-	-	53.77	-	53.77
Other comprehensive (loss) for the year (net of tax)	-	-	-	(0.10)	(0.10)
Balance as at March 31, 2025	10.08	1.09	75.78	0.16	87.11

Note : There are no change in the accounting policies or prior period events during the current or previous year.

** 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.
2. **Retained earnings** - Retained earnings comprises of prior and current year's undistributed earnings after tax less any transfer to general reserve, dividends or other distribution paid to shareholders.
3. **Re-measurement of defined benefit plans** - Represents remeasurement gains / (losses) on defined benefit plans (net of tax).
4. **Equity component of compound financial instruments** - Represents 10% Non- Cumulative redeemable preference shares assessed as compound financial instruments. The liability portion is carried at fair value and the difference between transaction value and liability portion is classified as equity. Subsequently, the liability portion is carried at amortised cost and the equity portion is not remeasured.

Material Accounting policies 2.2

The accompanying notes are an integral part of 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

For and on behalf of the Board of Directors of Manipal Hospitals (Bengaluru) Private Limited

Mr. Sameer Agarwal
Director
DIN:07554053

Karthik Rajagopal
Director
DIN: 06652382

Manish Rai

Manish Rai
Chief Executive Officer

Keshav Narayan Koparde
Chief Financial Officer

Sathish Kolar Ramamoorthy
Company Secretary
Membership No: A15203

Place : Bengaluru
Date : June 12, 2026

Place : Bengaluru
Date : June 12, 2026

Manipal Hospitals (Bengaluru) Private Limited
CIN: U85110KA2009PTC049257
Statement of cash flow for the year ended March 31, 2026

(₹ in crores)

	March 31, 2026	March 31, 2025
A. Cash flows from operating activities		
Profit before tax	71.05	64.23
Adjustments:		
Depreciation and amortisation expense	14.97	16.04
Bad debts/ advances written off	3.17	3.43
Loss allowance on trade receivables (net of reversals)	(0.11)	(0.64)
Fair value gain on financial instruments at fair value through profit and loss	(2.20)	(1.79)
Gain on sale of property plant and equipment (net)	(0.04)	(0.09)
Profit on sale of investments in mutual funds (net)	(4.18)	(2.26)
Interest income	(9.95)	(10.37)
Finance costs	8.42	7.52
Operating profit before working capital changes	**81.13**	**76.07**
Movements in working capital :		
Change in trade receivables	(7.07)	(1.10)
Change in loans	0.19	(0.18)
Change in other assets	(0.55)	(0.40)
Change in inventories	0.18	(0.77)
Change in other financial assets	(0.60)	(7.03)
Change in trade payables	(8.78)	3.15
Change in other current liabilities, provisions and other financial liabilities	(2.32)	(0.27)
Cash generated from operations	**62.18**	**69.47**
Income tax paid (net)	(19.09)	(14.78)
Net cash generated from operating activities (A)	**43.09**	**54.69**
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(11.06)	(17.98)
Sale of property, plant and equipment	0.17	0.25
Investment made in bank deposits (having original maturity of more than three months)	(0.01)	-
Maturity of bank deposits (having original maturity of more than three months)	-	0.12
Investment in other entities	(0.21)	(0.02)
Loans given to related parties	(75.00)	(56.00)
Loans repaid by related parties	75.00	56.00
Proceeds from sale of investments in mutual funds	167.30	100.93
Purchase of investments in mutual funds	(183.51)	(152.50)
Interest received	1.99	10.17
Net cash (used in) investing activities (B)	**(25.33)**	**(59.03)**
C. Cash flow from financing activities		
Repayment of long-term borrowings	(0.16)	(0.02)
Proceeds from long-term borrowings	-	18.63
Redemption of redeemable preference shares	(13.95)	-
Proceeds of borrowings of capital asset	0.34	-
Repayment of borrowings of capital asset	(0.02)	-
Interest paid on borrowings	(1.50)	(0.13)
Interest paid on loan for purchase of capital asset	(0.01)	-
Payment of lease obligations	(2.67)	(3.87)
Interest paid on lease liabilities	(6.12)	(6.33)
Net cash (used in)/generated from financing activities (C)	**(24.09)**	**8.28**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(6.33)**	**3.95**
Cash and cash equivalents at the beginning of the year	9.69	5.74
Cash and cash equivalents at the end of the year (refer note 9.3)	**3.36**	**9.69**

(This space has been intentionally left blank)

BSR & Co. LLP

Manipal Hospitals (Bengaluru) Private Limited
Bengaluru

Manipal Hospitals (Bengaluru) Private Limited
CIN: U85110KA2009PTC049257
Statement of cash flow for the year ended March 31, 2026

		(₹ in crores)
	March 31, 2026	**March 31, 2025**
Components of cash and cash equivalents		
Cash on hand	0.09	0.21
Balances with banks - on current accounts	3.27	9.48
Total cash and cash equivalents	**3.36**	**9.69**
Material Accounting policies	**2.2**	

Refer Note 38 for Reconciliation of movement of liabilities to cash flows arising from financing activities.

The above 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 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 : June 12, 2026

For and on behalf of the Board of Directors of
Manipal Hospitals (Bengaluru) Private Limited

Mr. Sameer Agarwal
Director
DIN:07554053

Karthik Rajagopal
Director
DIN: 06652382

Manish Rai
Chief Executive Officer

Keshav Narayan Koparde
Chief Financial Officer

Sathish Kolar Ramamoorthy
Company Secretary
Membership No: A15203

Place : Bengaluru
Date : June 12, 2026

1 Corporate information

Manipal Hospitals (Bengaluru) Private Limited ('the Company') was incorporated on February 27, 2009 as a private limited company under the Companies Act, 1956. The Company is engaged in the business of rendering medical and healthcare services and has one multi specialty hospital unit in Bangalore. The registered office of the Company is located at The Annexe, #98/2, Rustam Bagh Road, HAL Airport Road, Bengaluru, 560017.

2.1 Basis of preparation of the financial statements

(a) Statement of compliance

The 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 financial statements are presented in Indian Rupees and all values are rounded to the nearest crores, except when otherwise indicated.

The financial statements were approved for issue by the Company's Board of Directors on June 12, 2026.

Details of the material accounting policies are included in Note 2.2.

(b) Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), 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 financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement
Certain financial assets and liabilities (refer note 34)	Fair Value
Defined Benefit Plans	Fair Value of plan assets less present value of defined benefit obligations

(d) Use of estimates

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

Judgements, assumptions and estimation uncertainties

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

Judgements:

Note 13.2 - Leases and lease classification

Estimates (including assumptions):

Note 2.2 (b), (c) and (f) - useful life of property, plant and equipment, intangible assets and right of use assets
Note 5.1, 5.2, 9.1, 9.2, 9.5, 9.6 - Impairment of financials assets
Note 6 - Income taxes including deferred tax
Note 18, 19 and 33 - Provision for Income tax and other contingencies
Note 23, 32 - Employee benefits expense, wages and bonus; key actuarial assumptions
Note 33 - recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources.

(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 categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in the note 34 – Fair values and hierarchy.

2.2 Summary of material accounting policies

(a) 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 Financial Statement.

(b) 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 derecognized 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 derecognized.
Subsequent expenditure is capitalized 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 under Non current assets.

BSR & Co. LLP

Manipal Hospitals (Bengaluru) Private Limited
Bengaluru

On transition to Ind AS (i.e. April 01, 2016), 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
Equipment's	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

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 Rs.10,000 is fully depreciated in the year in which it is depreciated.

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.

(c) 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 amortized 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.

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 derecognized.

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

(d) Impairment of non-financial assets

The Company assesses, at each reporting date other than inventory and deferred tax, 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.

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. 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, 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.

(e) 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 capitalized as part of the cost of the asset. All other borrowing costs are expensed in the year 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.

Manipal Hospitals (Bengaluru) Private Limited
Bengaluru

(f) **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 recognizes 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 periodic 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.

(g) **Financial Instruments**

Financial assets
Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortized 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 (i) (i) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortized 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 amortized 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.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
i) Financial assets at amortized 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 amortized cost
A 'financial asset' is measured at the amortized 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 amortized cost using the effective interest rate (EIR) method. Amortized 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.

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 which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

Embedded Derivatives
A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

BSR & Co. LLP

Manipal Hospitals (Bengaluru) Private Limited
Bengaluru

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (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 recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes 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 recognizes 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 recognizes 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.

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 amortized cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

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

Financial liabilities 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 amortized cost (Loans and borrowings)

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

Amortized 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.

Derecognition

A financial liability is derecognized 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 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 realize the assets and settle the liabilities simultaneously.

BSR & Co. LLP

Manipal Hospitals (Bengaluru) Private Limited
Bengaluru

(h) 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 realizable 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.

(i) 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.

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.

Rental Income

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

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 (g) 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 period, 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 finance income in the statement of profit and loss.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "finance income" in the statement of profit and loss.

(j) Foreign currencies

Items included in the 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 financial statements are presented in INR, which is also the Company's functional and presentation 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.

(k) 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 periods.

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 recognizes related restructuring costs

Interest is calculated by applying the discount rate to the defined benefit liability. The Company recognizes 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 group 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 Hospitals (Bengaluru) Private Limited
Bengaluru

(l) 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. 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 utilized, 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 utilized.

In case of history of losses, the Company recognises a deferred tax assets only to the extent that it has sufficient taxable temporary differences or there is convincing other evidences that sufficient taxable profit will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized 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.

(m) 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.

(n) 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 recognizes any impairment loss on the assets associated with that contract.

(o) Contingent liabilities

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

(p) 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.

BSR & Co. LLP

Manipal Hospitals (Bengaluru) Private Limited
Bengaluru

(q) Segment accounting policies

The Company prepares its segment information based on its reporting to Chief Operating Decision Maker (refer note 29 on segment reporting).

(r) 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.

(s) Cash dividend to equity holders

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

(t) Fair value measurement

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.
The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

(u) 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. Preference shares
The company's redeemable preference shares are classified as financial liabilities, because they bear nondiscretionary dividends and are redeemable in cash by the holders. Non-discretionary dividends thereon are recognised as interest expense in profit or loss as accrued.

(v) 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.

(w) New and amended standards

(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 April 1, 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 April 01, 2026 retrospectively in accordance with Ind AS 8.

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

BSR & Co. LLP

Manipal Hospitals (Bengaluru) Private Limited ★ Bengaluru

(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 amendments are not expected to have a material impact on the Company's 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 April 01, 2025, but not for any interim periods ending on or before March 31, 2026.

The amendments had no impact on the Company's consolidated financial statements as the Company is not in scope of the Pillar Two model rules.
The amendments are not expected to have a material impact on the Company's Financial Statements.

(This space has been intentionally left blank)

3 Property, plant and equipment (PPE)

(₹ in crores)

	Leasehold improvements	Electrical installations	Equipments	Furniture and fixtures	Computers	Vehicles	Total
Cost							
At April 1, 2024	**72.89**	**10.04**	**76.02**	**6.36**	**4.58**	**0.46**	**170.35**
Additions	2.79	4.15	9.69	1.43	0.89	0.15	19.10
Disposals/ adjustments	(0.85)	(0.60)	(2.78)	(0.06)	0.84	-	(3.45)
At March 31, 2025	**74.83**	**13.59**	**82.93**	**7.73**	**6.31**	**0.61**	**186.00**
Additions	2.26	1.21	6.75	0.39	0.91	0.33	11.85
Disposals/ adjustments	-	(0.23)	(0.76)	(0.06)	-	-	(1.05)
At March 31, 2026	**77.09**	**14.57**	**88.92**	**8.06**	**7.22**	**0.94**	**196.80**
Depreciation							
At April 1, 2024	**33.66**	**8.09**	**50.99**	**5.75**	**2.71**	**0.25**	**101.45**
Charge for the year	3.05	0.73	3.68	0.46	1.79	0.04	9.75
Disposals	(0.09)	(0.77)	(2.36)	(0.06)	-	-	(3.28)
At March 31, 2025	**36.62**	**8.05**	**52.31**	**6.15**	**4.50**	**0.29**	**107.92**
Charge for the year	3.26	1.16	3.96	0.43	1.56	0.08	10.45
Disposals/ adjustments	-	(0.12)	(0.74)	(0.06)	-	-	(0.92)
At March 31, 2026	**39.88**	**9.09**	**55.53**	**6.52**	**6.06**	**0.37**	**117.45**
Net book value							
At March 31, 2025	**38.21**	**5.54**	**30.62**	**1.58**	**1.81**	**0.32**	**78.08**
At March 31, 2026	**37.21**	**5.48**	**33.39**	**1.54**	**1.16**	**0.57**	**79.35**

Refer note 13.1 for details of Property, plant and equipment (PPE) provided as security for borrowings.

BSR & Co. LLP

Manipal Hospitals (Bengaluru) Private Limited ★ Bengaluru

3.1 Capital Work-in-progress

	(₹ in crores)
Cost	**Total**
At April 1, 2024	**2.72**
Additions	20.95
Transferred to Property, plant and equipment	(19.10)
At March 31, 2025	**1.85**
Additions	11.58
Transferred to Property, plant and equipment	(11.85)
At March 31, 2026	**1.58**

Capital work in progress ageing schedule

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	1.58	-	-	-	**1.58**
Projects temporarily suspended	-	-	-	-	-
Total	**1.58**	-	-	-	**1.58**

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	1.85	-	-	-	**1.85**
Projects temporarily suspended	-	-	-	-	-
Total	**1.85**	-	-	-	**1.85**

There are no material capital work-in-progress for which the completion is overdue or has exceeded its cost compared to its original budget during the current & previous year.

Refer note 13.1 for details of Capital Work-in-progress provided as security for borrowings.

Manipal Hospitals (Bengaluru) Private Limited

4 Right of use assets and Other intangible assets *

(₹ in crores)

	Right-of-use assets					Other Intangible assets
	Leasehold building	Equipments	Computers	Computer software	Total	Computer software
Cost						
At April 1, 2024	**72.25**	**0.37**	**1.47**	**2.86**	**76.95**	**3.26**
Additions	1.39	-	-	-	**1.39**	0.03
Disposals/ adjustments	(0.59)	-	-	-	**(0.59)**	-
At March 31, 2025	**73.05**	**0.37**	**1.47**	**2.86**	**77.75**	**3.29**
Additions	-	-	-	-	-	0.02
Disposals/ adjustments	-	-	(1.38)	-	**(1.38)**	-
At March 31, 2026	**73.05**	**0.37**	**0.09**	**2.86**	**76.37**	**3.31**
Depreciation / Amortisation						
At April 1, 2024	**17.57**	**0.37**	**0.98**	**1.28**	**20.20**	**2.30**
Charge for the year	4.52	-	0.44	0.57	**5.53**	0.76
Disposals/ adjustments	(0.28)	-	-	-	**(0.28)**	-
At March 31, 2025	**21.81**	**0.37**	**1.42**	**1.85**	**25.45**	**3.06**
Charge for the year	3.70	-	0.03	0.57	**4.30**	0.22
Disposals/ adjustments	-	-	(1.38)	-	**(1.38)**	-
At March 31, 2026	**25.51**	**0.37**	**0.07**	**2.42**	**28.37**	**3.28**
Net book value						
At March 31, 2025	**51.24**	**-**	**0.05**	**1.01**	**52.30**	**0.23**
At March 31, 2026	**47.54**	**-**	**0.02**	**0.44**	**48.00**	**0.03**

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

(This space has been intentionally left blank)

BSR & Co. LLP

Manipal Hospitals (Bengaluru) Private Limited
Bengaluru

Non-current financial assets

5 **Investments**

(₹ in crores)

	No. of units		Amounts	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Investments carried at cost (unquoted)				
Investment in equity instruments				
Manipal Hospitals (East) India Private Limited (formerly known as AMRI Hospitals Private Limited) ('MHEIPL')	1	1	0.00*	0.00*
[shares of ₹ 10 each fully paid-up]				
Manipal Hospitals Synergie Private Limited ('MHSPL') (formerly known as 'Medica Synergie Private Limited') ('MHSPL')	1	-	0.00*	-
[shares of ₹ 10 each fully paid-up]				
Aggregate value of unquoted investments carried at cost			**0.00***	**0.00***
* Represents value less than ₹ 0.01 crore				
Investments at fair value through Profit or Loss				
Investments in other companies				
Atria Wind Power (Basavana Bagewadi) Private Limited				
-Equity shares of ₹ 100 each fully paid up [refer note (i) below]	11,835	1,000	0.23	0.02
			0.23	**0.02**
Investments in mutual funds (quoted) **			0.51	0.37
Aggregate book value/ market value of quoted investments			**0.51**	**0.37**
Aggregate value of investments carried at fair value through Profit and Loss			**0.74**	**0.39**
Aggregate value of investments			**0.74**	**0.39**
Aggregate value of provision for impairment			-	-

Information about the company's exposure to fair value measurement and credit and market risks, is included in Note 34 & 35
** Refer note 13.1 for details of investments provided as security for borrowings.

(i) The Company has invested in equity shares of Atria Wind Power (Basavana Bagewadi) Private Limited as a captive power consumer. The Company subscribed to 10,835 equity shares of ₹100 each on June 30, 2025, amounting to ₹ 0.21 crores (March 31, 2025: subscribed to 1,000 equity shares of ₹ 100 each on January 16, 2025, amounting to ₹ 0.02 crores).

(₹ in crores)

		March 31, 2026	March 31, 2025
5.1	**Loans (Unsecured considered good unless otherwise stated)**		
	Inter Corporate Deposit given to related parties ('ICD') (refer note 31) (refer note 5.1.1 and 5.1.2)	128.81	121.05
	Less: Interest accrued on inter corporate deposits to related parties - disclosed under Other financial assets (refer note 9.6 and 5.2)	(28.81)	(21.05)
		100.00	**100.00**
	Less: Current maturities - disclosed under the head 'current loans'		
	Inter Corporate Deposit given to related parties (refer note 9.5)	-	100.00
		-	**100.00**
		100.00	-

5.1.1 Term of the loan as given below:

Name of Loanee	Rate of interest	Repayment	Date of Issuing ICD	Secured / Unsecured	March 31, 2026	Movement during the year	March 31, 2025
Manipal Hospitals (Dwarka) Private Limited - ICD # (refer note 9.5)	8.50%*	36 months	September 22, 2022	Unsecured	100.00	-	100.00
Sahyadri Hospitals Private Limited ('SHPL')- ICD**	8.50%	36 months	November 14, 2025	Unsecured	-	-	-

* upto July 01, 2025 rate of interest was 9.00%

** During the year ended March 31, 2026, the Company had given inter-corporate deposit to SHPL amounting to ₹ 75 crores and the same was repaid along with interest during the current year.

During the year, the Inter-Corporate Deposit ('ICD') pertaining to Manipal Hospitals (Dwarka) Private Limited was extended on September 17, 2025, for a further period of two years.

The intercorporate deposit has been made available for the purpose of meeting its general corporate requirements.

5.1.2 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.

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

(₹ in crores)

	March 31, 2026	March 31, 2025
Security deposits	3.44	3.26
Deposits with banks due to mature after twelve months from the reporting date	0.17	0.17
Defined benefit plan assets (refer note 32)	1.78	0.40
Interest accrued on inter corporate deposits to related parties (refer note 5.1 and 31)	28.81	-
	34.20	**3.83**

(This space has been intentionally left blank)

Bengaluru
Manipal Hospitals (Bengaluru) Private Limited

6 Income tax assets (net)

	March 31, 2026	March 31, 2025
		(₹ in crores)
Income tax assets (net of provision for income tax)	13.64	13.48
	13.64	**13.48**

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

	March 31, 2026	March 31, 2025
		(₹ in crores)
Statement of Profit and loss:		
Current income tax:		
Current income tax charge	18.10	16.73
Deferred tax charge/(credit):		
Temporary differences for the current year	0.29	(0.29)
Tax relating to previous year	(0.25)	(5.98)
Income tax expense recognised in the statement of profit and loss	**18.14**	**10.46**
OCI section		
Deferred tax arising on income and expense recognised in other comprehensive income during the year		
Deferred tax credit on net loss on remeasurement of defined benefit plan	0.07	0.03
Income tax credit reported in other comprehensive income	**0.07**	**0.03**

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

	March 31, 2026	March 31, 2025
		(₹ in crores)
Profit before tax	71.05	64.23
At India's statutory income tax rate of 25.168 % (March 31, 2025: 25.168%)	17.88	16.17
Tax adjustment pertaining to earlier years	0.14	(5.98)
Tax effect of non-deductible expenses	0.28	0.27
Others	(0.16)	-
	18.14	**10.46**

Deferred tax

	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, right of use assets and intangible assets	(14.80)	(15.71)	(0.91)	(1.13)
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis *#	0.81	1.06	0.25	(0.10)
Provision for doubtful debts and advances	1.30	1.33	0.03	0.16
Deferred tax on fair valuation of investments in mutual funds	(0.81)	(0.51)	0.30	0.22
Deferred tax on fair valuation of preference shares	-	(0.17)	(0.17)	(0.23)
Deferred tax on fair valuation of security deposits and leases	15.02	15.74	0.72	0.76
Deferred tax charge/(credit)	-	-	**0.22**	**(0.32)**
Net deferred tax assets	**1.52**	**1.74**	-	-

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

Reflected in the balance sheet as follows:

	March 31, 2026	March 31, 2025
		(₹ in crores)
Deferred tax assets	17.13	18.13
Deferred tax liabilities	(15.61)	(16.39)
Deferred tax assets (net)	**1.52**	**1.74**

Reconciliation of deferred tax asset

	March 31, 2026	March 31, 2025
		(₹ in crores)
Opening balance	1.74	1.42
Tax (charge)/credit during the year recognised in profit or loss	(0.29)	0.29
Subtotal	1.45	**1.71**
Tax credit during the year recognised in OCI	0.07	0.03
Net deferred tax assets	**1.52**	**1.74**

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

	March 31, 2026	March 31, 2025
		(₹ in crores)
Balances with statutory/ government authorities	0.16	-
Prepaid expenses	0.07	0.07
	0.23	**0.07**

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

	March 31, 2026	March 31, 2025
		(₹ in crores)
Medical consumables	2.16	2.42
Pharmacy items	1.89	1.81
	4.05	4.23

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

Manipal Hospitals (Bengaluru) Private Limited
Bengaluru

9 Current financial assets

9.1 Investments

(₹ in crores)

	March 31, 2026	March 31, 2025
Investments at fair value through Profit and Loss		
Investments in mutual funds (quoted)**	117.59	95.14
Aggregate book value/ market value of quoted investments	**117.59**	**95.14**
Aggregate value of investments	**117.59**	**95.14**
Aggregate value of provision for impairment	-	-

9.1.1 Information about the company's exposure to fair value measurement and credit and market risks, is included in Note 34 & 35
** Refer note 13.1 for details of investments provided as security for borrowings.

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

(₹ in crores)

	March 31, 2026	March 31, 2025
Considered good	19.10	15.20
Less: loss allowance on trade receivables	(5.16)	(5.27)
	13.94	**9.93**

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

* Refer note 31 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 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 (includes unbilled revenue) *	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	10.94	5.35	2.06	0.75	-	-	19.10
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	**10.94**	**5.35**	**2.06**	**0.75**	**-**	**-**	**19.10**
Expected credit allowance %	**0.00%**	**43.95%**	**100.00%**	**100.00%**	**0.00%**	**0.00%**	**27.02%**

As at March 31, 2025

Particulars	Outstanding for following periods from due date of payment						
	Not due (includes unbilled revenue) *	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	7.67	4.02	2.61	0.90	-	-	15.20
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	**7.67**	**4.02**	**2.61**	**0.90**	**-**	**-**	**15.20**
Expected credit allowance %	**0.00%**	**44.56%**	**98.73%**	**100.00%**	**0.00%**	**0.00%**	**34.69%**

*includes unbilled revenue ₹ 3.37 crores (March 31,2025: ₹ 1.52 crores) as considered good.

9.3 Cash and cash equivalents

(₹ in crores)

	March 31, 2026	March 31, 2025
Balances with banks:		
- On current accounts	3.27	9.48
Cash on hand	0.09	0.21
	3.36	**9.69**

9.4 Bank balances other than cash and cash equivalents

(₹ in crores)

	March 31, 2026	March 31, 2025
Bank deposits original maturity with more than three months but less than twelve months	0.12	0.11
	0.12	**0.11**

9.5 Loans (Unsecured considered good unless otherwise stated)

(₹ in crores)

	March 31, 2026	March 31, 2025
Loans to related parties (refer note 5.1 and 31)	-	100.00
Loans to employees	0.01	0.20
	0.01	**100.20**

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

Manipal Hospitals (Bengaluru) Private Limited Bengaluru

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

(₹ in crores)

	March 31, 2026	March 31, 2025
Interest accrued on inter corporate deposits to related parties (refer note 5.1 and 31)	-	21.05
Interest accrued but not due on Bank Deposit	0.04	0.03
Other receivables	1.20	0.61
	1.24	**21.69**

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

(₹ in crores)

	March 31, 2026	March 31, 2025
Prepaid expenses	0.96	0.52
Advances to suppliers	0.21	0.16
Balances with statutory/ government authorities	0.10	0.20
	1.27	**0.88**

(This space has been intentionally left blank)

Manipal Hospitals (Bengaluru) Private Limited ★ Bengaluru

11 Equity share capital

		(₹ in crores)	
		March 31, 2026	**March 31, 2025**
11.1	**Authorised shares (Nos.)**		
	1,72,00,000 (March 31, 2025: 1,72,00,000) Equity Shares of ₹ 100/- each	172.00	172.00
	15,00,000 (March 31, 2025: 15,00,000) 10 % Non-Cumulative Redeemable Preference Shares of ₹ 100/- each	15.00	15.00
11.2	**Issued, subscribed and fully paid-up shares (Nos.)**		
	1,69,37,144 (March 31, 2025: 1,69,37,144) shares of ₹ 100 each, par value	169.37	169.37
	Total issued, subscribed and fully paid-up share capital	**169.37**	**169.37**

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 crores	Nos.	₹ in crores
At the beginning of the year	1,69,37,144	169.37	1,69,37,144	169.37
Add : Issued during the year	-	-	-	-
At the end of the year	**1,69,37,144**	**169.37**	**1,69,37,144**	**169.37**

11.4 Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 100 per share. 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 entitle to receive remaining assets of the company after distributions 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

(₹ in crores)

	March 31, 2026		March 31, 2025	
	Nos.	₹ in crores	Nos.	₹ in crores
Manipal Health Enterprises Limited ('MHEL') (formerly known as Manipal Health Enterprises Private Limited)	1,69,37,134	169.37	1,69,37,134	169.37
Manipal Hospitals (Dwarka) Private Limited ('MHDPL')	10	0.00*	10	0.00*

* Represents value less than ₹ 0.01 crore

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 ₹ 100 each fully paid				
Manipal Health Enterprises Limited ('MHEL') (formerly known as Manipal Health Enterprises Private Limited)	1,69,37,134	99.99%	1,69,37,134	99.99%

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 at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of ₹100 each fully paid up held by:					
Manipal Health Enterprises Limited ('MHEL') (formerly known as Manipal Health Enterprises Private Limited)	1,69,37,134	-	1,69,37,134	99.99%	0.00%
Manipal Hospitals (Dwarka) Private Limited	10	-	10	0.01%	0.00%
	1,69,37,144	**-**	**1,69,37,144**	**100.00%**	**0.00%**

As at March 31, 2025

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of ₹100 each fully paid up held by:					
Manipal Health Enterprises Limited ('MHEL') (formerly known as Manipal Health Enterprises Private Limited)	1,69,37,134	-	1,69,37,134	99.99%	0.00%
Manipal Hospitals (Dwarka) Private Limited	10	-	10	0.01%	0.00%
	1,69,37,144	**-**	**1,69,37,144**	**100.00%**	**0.00%**

11.8 Shares allotted for consideration other

(i) There have been no issue of bonus shares, buy back of shares, issue of shares for consideration other than cash for the period of five years immediately preceding the balance sheet date.

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.

B S R & Co. LLP

Manipal Hospitals (Bengaluru) Private Limited ★ Bengaluru

12 Other equity

(₹ in crores)

		March 31, 2026	March 31, 2025
12.1	**Securities premium**		
	Balance at the beginning of the year	1.09	1.09
	Add: Addition during the year	-	-
	Balance at the end of the year	**1.09**	**1.09**
12.2	**Retained earnings**		
	Balance at the beginning of the year	75.78	22.01
	Add: Profit for the year	52.91	53.77
	Balance at the end of the year	**128.69**	**75.78**
12.3	**Re-measurement of defined benefit plans**		
	Balance at the beginning of the year	0.16	0.26
	Add: OCI for the year (net of tax)	(0.22)	(0.10)
	Balance at the end of the year	**(0.06)**	**0.16**
12.4	**Equity component of compound financial instruments**		
	Balance at the beginning of the year	10.08	10.08
	Add: Addition during the year	-	-
	Balance at the end of the year	**10.08**	**10.08**
	Total of other equity	**139.80**	**87.11**

The Company had only one class of preference shares i.e. Non-Cumulative Redeemable Preference Shares, having face value ₹ 100 per share and bearing 10% coupon rate. Of the total 13,95,356 shares, 9,85,716 shares were issued for consideration other than cash. Such shares shall not carry any voting rights at any of the meetings of the company. All shares shall be entitled to fixed preferential dividend from the date of allotment as and when decided by the Board of Directors. Such share priority to equity shares. The shares shall be redeemable at the 5 years from the date of allotment of shares.

The 13,95,356 10% Non- Cumulative Redeemable Preference Shares had been assessed as compound financial instruments. The liability portion is carried at fair value and the difference between transaction value and liability portion is classified as equity. Subsequently, the liability portion is carried at amortized cost and the equity portion is not-remeasured. During the year ended March 31, 2026, the preference shares were redeemed.

13 Non-current financial liabilities

13.1 Borrowings (secured unless other-wise stated)

(₹ in crores)

	March 31, 2026	March 31, 2025
Non-current Borrowings		
Term loan from financial institutions (refer note 13.1.1 to 13.1.2 below)	18.45	18.61
Loan for purchase of capital asset (refer note 13.1.4 to 13.1.5)	0.32	-
Liability Component Of Compound Financial Instruments		
10% Non-Cumulative Redeemable Preference Shares, having face value ₹ 100 per share (refer note 13.1.3 below)	-	13.20
	18.77	**31.81**
Less: Current maturities - disclosed under the head 'Short term borrowings'		
Term loan from financial institutions	0.37	0.16
10% Non-Cumulative Redeemable Preference Shares, having face value ₹ 100 per share	-	13.20
Loan for purchase of capital asset	0.04	-
	0.41	**13.36**
	18.36	**18.45**

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 instalments	Year of Maturity	Principal Outstanding (net of transaction cost)
Secured Term loan (Financial institution	7.85%	Quarterly	Upto 80 Instalments	December 31, 2044	18.45

As at March 31, 2025

Particulars	Interest Rate as on March 31, 2025	Frequency	Number of structured instalments	Year of Maturity	Principal Outstanding (net of transaction cost)
Secured Term loan (Financial institution	8.25%	Quarterly	Upto 80 Instalments	December 31, 2044	18.61

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) A first ranking pari passu Security Interest over all movable fixed assets and current assets of the Company along with Manipal Health Enterprises Limited('MHEL'), Manipal Hospitals (East) India Private Limited (formerly known as AMRI Hospitals Private Limited)('MHEIPL'), Manipal Hospitals (Dwarka) Private Limited('MHDPL') & Manipal Hospitals Private Limited('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 MHEL, 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).

B S R & Co. LLP

Manipal Hospitals (Bengaluru) Private Limited
Bengaluru

13.1.3 The Company had only one class of preference shares i.e. Non-Cumulative Redeemable Preference Shares, having face value ₹ 100 per share and bearing 10% coupon rate. Of the total 13,95,356 shares issued, 9,85,716 shares were issued for consideration other than cash. The shares shall be redeemable at par at the expiry of 5 years from the date of allotment. These shares have been issued to holding company. Also, refer Note 12.4. The preference shares have been presented in the financial statements as follows:

	March 31, 2026	March 31, 2025
Face value of preference shares issued	-	13.95
Equity component of the preference shares #	-	(10.08)
Interest accrued	-	8.28
Net debt portion	-	**12.15**
Interest expense for the year (refer note 24) *	0.75	1.05
Current borrowing portion	-	**13.20**

*Interest expense is calculated by applying effective interest rate of 8.65% (March 31, 2025: 8.65%) to the liability component.

Equity component has been presented as part of Other equity.

During the year 2020-21, the preference shareholders decided to reinvest the amount for another 5 years. Further a resolution was passed by the Board of Directors, approving the extension of redeemable preference shares for another 5 years i.e. November 23, 2025. During the year ended March 31, 2026, the preference shares were redeemed.

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

13.1.5 Details of principal outstanding, effective interest rate and repayment terms for Loan for purchase of capital asset -

	March 31, 2026	March 31, 2025
Principal Outstanding (net of transaction cost) (₹ in Crores)	0.32	-
Effective Interest Rate	7.35%	-
Repayment Terms	2026 to 2032	-

13.2 Lease liabilities

(₹ in crores)

	March 31, 2026	March 31, 2025
Opening balance	57.38	60.21
Add: Additions during the year	-	1.39
Add: Interest accrued	6.12	6.33
Less: Interest paid	(6.12)	(6.33)
Less: Lease rent paid	(2.67)	(3.87)
Less: Lease reversals	(0.01)	(0.35)
	54.70	**57.38**
Non-current	52.58	54.70
Current	2.12	2.68

13.2.1 Notes

Refer notes 2.2(f) 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.

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

Refer note 26 in relation to short term leases and leases of low-value assets accounted for applying paragraph 6 of Ind AS 116.

Refer note 35.3 disclosure on maturity analysis of lease payments

Refer note 38 disclosure on cash outflows for leases liabilities

14 Current financial liabilities

14.1 Trade payables

(₹ in crores)

	March 31, 2026	March 31, 2025
Trade payables		
- total outstanding dues of micro enterprises and small enterprises	1.48	0.11
- total outstanding dues of creditors other than micro enterprises and small enterprises	30.23	40.38
	31.71	**40.49**

(14.1.1) As at March 31, 2026 and As at March 31, 2025, there are outstanding dues to micro and small enterprises as disclosed above. 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.

(14.1.2) 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 #	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	1.44	0.04	-	-	-	1.48
Total outstanding dues of creditors other than micro enterprises and small enterprises	25.92	3.42	0.20	0.27	0.42	30.23
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	**27.36**	**3.46**	**0.20**	**0.27**	**0.42**	**31.71**

As at March 31, 2025

Particulars	Outstanding for following periods from due date of payment					
	Not due #	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	0.10	0.01	-	-	-	0.11
Total outstanding dues of creditors other than micro enterprises and small enterprises	28.96	10.72	0.29	0.00*	0.41	40.38
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	**29.06**	**10.73**	**0.29**	**0.00***	**0.41**	**40.49**

Including provision for expense
* Represents value less than ₹ 0.01 crore

15 Short term borrowings

	March 31, 2026	March 31, 2025
		(₹ in crores)
Term loan from financial institution (refer note 13.1)	0.37	0.16
10% Non-Cumulative Redeemable Preference Shares (refer note 13.1)	-	13.20
Loan for purchase of capital asset (refer note 13.1)	0.04	-
	0.41	**13.36**

16 Other financial liabilities

	March 31, 2026	March 31, 2025
		(₹ in crores)
Creditors for capital goods*	1.94	1.42
Retention money	0.49	0.42
Other payables	0.15	0.14
	2.58	**1.98**

* As at March 31, 2026, outstanding amount of ₹ 0.11 crores (March 31, 2025: ₹ 0.40 crores) 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 Provisions

	March 31, 2026	March 31, 2025
		(₹ in crores)
Current		
Provision for employee benefits		
Provision for compensated absences	1.55	2.02
	1.55	**2.02**

18 Current tax liabilities (net)

	March 31, 2026	March 31, 2025
		(₹ in crores)
Current tax liabilities (net of advance tax)	0.58	1.66
	0.58	**1.66**

19 Other current liabilities

	March 31, 2026	March 31, 2025
		(₹ in crores)
Statutory dues	1.65	1.42
Advance received from customer [refer note 20(b)]	0.11	0.55
Donations and other funds	0.05	0.05
	1.81	**2.02**

(This space has been intentionally left blank)

BSR & Co. LLP

Manipal Hospitals (Bengaluru) Private Limited ★ Bengaluru

20 Revenue from operations

	March 31, 2026	March 31, 2025
		(₹ in crores)
Hospital services	281.04	259.58
Pharmacy sales	12.04	10.95
Less: Discounts	(8.26)	(5.80)
Total (a)	**284.82**	**264.73**
Other operating income		
Parking charges	0.01	0.02
Rental income	0.19	0.06
Others	0.14	0.06
Total (b)	**0.34**	**0.14**
Total (a+b)	**285.16**	**264.87**

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

b) Changes in contract liabilities- Advance received from customers (refer note 19)

	March 31, 2026	March 31, 2025
		(₹ in crores)
Balance at the beginning of the year	**0.55**	**0.48**
Less: Revenue recognised that was included in the balance at the beginning of the year	(0.55)	(0.48)
Add: Increase due to advance from patients received	0.11	0.55
Balance at the end of the year	**0.11**	**0.55**
Expected revenue recognition from remaining performance obligations:		
- Within one year	0.11	0.55

c) **Contract balances**

	March 31, 2026	March 31, 2025
		(₹ in crores)
Receivables		
- Trade receivables (refer note 9.2)	13.94	9.93
Contract liabilities		
- Advance received from customer (refer note 19)	0.11	0.55

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**

	March 31, 2026	March 31, 2025
		(₹ in crores)
Revenue recognised over the time	231.19	210.88
Revenue recognised at a point in time	61.89	59.65
Less: Discounts	(8.26)	(5.80)
Total revenue from contracts with customers	**284.82**	**264.73**

21 Other income

	March 31, 2026	March 31, 2025
		(₹ in crores)
Profit on sale of investments in mutual funds (net)	4.18	2.26
Fair value gain on financial instruments at fair value through profit and loss (net)	2.20	1.79
Gain on sale of property, plant & equipment (net)	0.04	0.09
Interest income:-		
Interest on inter corporate deposit (refer note 31)	9.74	10.17
Interest income on financial assets at amortized cost	0.17	0.18
Interest income on bank deposit	0.02	0.02
Interest income on defined benefit obligation (net) (refer note 32)	0.02	-
	16.37	**14.51**

22 Changes in inventories of medical consumables and pharmacy items

	March 31, 2026	March 31, 2025
		(₹ in crores)
Pharmacy items		
Inventory at the beginning of the year	1.81	1.30
Less: Inventory at the end of the year	(1.89)	(1.81)
	(0.08)	(0.51)
Other medical consumables		
Inventory at the beginning of the year	2.42	2.16
Less: Inventory at the end of the year	(2.16)	(2.42)
	0.26	(0.26)
	0.18	**(0.77)**

BSR & Co. LLP

Manipal Hospitals (Bengaluru) Private Limited ★ Bengaluru

23 Employee benefits expense

(₹ in crores)

	March 31, 2026	March 31, 2025
Salaries, wages and bonus	28.64	25.83
Contribution to provident and other funds (refer note 32)	1.96	1.83
Gratuity expenses (refer note 32)	0.51	0.45
Staff welfare expenses	1.80	1.05
	32.91	**29.16**

24 Finance costs

(₹ in crores)

	March 31, 2026	March 31, 2025
Bank charges	0.95	1.31
Interest		
- on Bank and financial institution loan	1.50	0.13
- on advance tax	0.04	-
- on vehicle loan	0.01	-
- on compound financial instrument	0.75	1.05
- on lease liabilities (refer note 13.2)	6.12	6.33
- on defined benefit plan (refer note 32)	-	0.01
Total interest expense	**8.42**	**7.52**
	9.37	**8.83**

25 Depreciation and amortisation expense

(₹ in crores)

	March 31, 2026	March 31, 2025
Depreciation of property, plant and equipment (refer note 3)	10.45	9.75
Depreciation of right of use assets (refer note 4)	4.30	5.53
Amortisation of other intangible assets (refer note 4)	0.22	0.76
	14.97	**16.04**

26 Other expenses

(₹ in crores)

	March 31, 2026	March 31, 2025
Doctors professional fees	73.36	67.26
House keeping including consumables	3.96	4.12
Power and fuel and other utilities	2.60	2.92
Security charges	1.52	1.36
Subcontracting charges	3.10	2.57
Rent*	8.68	6.70
Rates and taxes	0.29	0.25
Insurance	0.27	0.22
Repairs and maintenance		
- Plant and machinery	2.36	1.72
- Others	4.38	2.46
Corporate social responsibility (refer note 30 & 31)	1.08	0.84
Advertising and sales promotion	8.15	9.29
Travelling and conveyance	0.46	0.22
Communication costs	0.32	0.29
Printing and stationery	0.55	0.58
Legal and professional fees	3.71	2.84
Payment to auditors (refer note 26.1)	0.27	0.25
Bad debts/advances written off	3.17	3.43
Loss allowance on trade receivables (net of reversals)	(0.11)	(0.64)
Foreign exchange loss (net)	0.06	0.02
Diagnostic charges	2.49	3.83
Miscellaneous expenses	0.43	0.37
	121.10	**110.90**

*Represents amounts incurred by the Company towards expenses relating to short-term leases and ineligible GST on lease payments written off. Also refer note 2.2(f).

26.1 Payment to auditors*

(₹ in crores)

	March 31, 2026	March 31, 2025
Audit fees	0.27	0.25
	0.27	**0.25**

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

(This space has been intentionally left blank)

Manipal Hospitals (Bengaluru) Private Limited ★ Bengaluru

27 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 ₹ 0.58 crores. 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 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 ₹ 0.03 Crore for the amortised portion of incentive cost for the year ended March 31, 2026.

28 Earnings per share (EPS)

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

(₹ in crores)

	March 31, 2026	March 31, 2025
Net profit for calculation of basic and diluted EPS attributable to the equity shareholders	52.91	53.77
Weighted average number of equity shares for calculating basic and diluted EPS	1,69,37,144	1,69,37,144
Earnings per share - Basic and diluted (₹)	31.24	31.75

29 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 suffices the disclosure requirements of Ind AS 108.

Refer note 1

30 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 by Board and required to be spent by the Company for the year ended March 31, 2026 is ₹ 1.08 crores (March 31, 2025: ₹ 0.84 crores).

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

(₹ in crores)

	In cash	Yet to be paid in cash	Total
Year ended March 31, 2026	1.08	-	1.08
Year ended March 31, 2025	0.84	-	0.84

(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 31)	1.08	0.84
(iii) Unspent amount in relation to:		
- Ongoing project	-	-
- Other than ongoing project	-	-
	1.08	**0.84**

Details of other than ongoing project

As on 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
-	-	1.08	1.08	-

As on 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
-	-	0.84	0.84	-

(This space has been intentionally left blank)

Bengaluru
Manipal Hospitals (Bengaluru) Private Limited

31 Related party transactions

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

Holding Company	Manipal Health Enterprises Limited (formerly known as Manipal Health Enterprises Private Limited)

(b) Names of other related parties as per Ind AS 24 with whom transactions have taken place during the year:

Fellow Subsidiary	- Manipal Hospitals (Dwarka) Private Limited - Manipal Hospitals Private limited - Manipal Hospitals (East) India Private Limited (formerly known as AMRI Hospitals Private Limited) - Healthmap Diagnostics Private Limited - Manipal Hospitals Eastern India Private Limited (formerly known as Medica Hospitals Private Limited) - Sahyadri Hospitals Private Limited (w.e.f October 03, 2025)
Other related parties	- MEMG International India Private Limited - Manipal Foundation - ManipalCigna Health Insurance Company Limited

(c) Names of key management personnel as per Ind AS 24 irrespective of whether transactions have occurred or not:

Key Management Personnel	-Dr. H Sudarshan Ballal
	-Mr. Karthik Rajagopal
	-Mr. Sameer Agarwal
	-Ms. Mangala Rohith (w.e.f February 12, 2026)
	-Mr. Mohan Kumar (w.e.f February 12, 2026)
Company Secretary	-Ms.Shreyasi Baranwal (till October 24, 2024) -Mr. Sathish K R (w.e.f. November 11, 2024)
Chief Executive Officer	-Mr Manish Rai (w.e.f February 12, 2026)
Chief Financial Officer	-Mr Keshav Narayan Koparde (w.e.f February 12, 2026)

Transactions with the above related parties: **(₹ in crores)**

Name of related party	Nature of transactions	March 31, 2026	March 31, 2025
Remuneration to key management personnel (KMP)	Short-term employee benefits	-	0.05
MEMG International India Private Limited	Royalty charges (included in legal and professional fees)	1.44	1.32
	Amount paid to related party**	1.49	-
ManipalCigna Health Insurance Company Limited	Insurance expense	0.01	0.40
	Amount paid to related party**	-	0.45
Manipal Health Enterprises Limited	Reimbursement of expenses incurred on behalf of the Related party	32.62	25.20
	Hospital Services rendered	0.14	0.66
	Recovery of Expenses incurred on behalf of Related party	6.82	3.81
	Purchase of medical pharmacies/consumables (net of returns)	0.13	0.03
	Hospital services received	0.43	0.82
	Amount received from related party**	1.00	0.62
	Amount paid to related party**	27.61	21.79
	Redeemption of 10% Non- Cumulative Redeemable Preference Shares	13.95	-
	Purchase of equity share of MHSPL	0.00*	-
Manipal Foundation	Corporate Social Responsibility Expenditure	1.08	0.84
	Amount paid to related party**	1.08	0.84
Manipal Hospitals Private Limited	Sale of Asset	0.03	0.04
	Hospital services received	1.10	1.37
	Sale of medical pharmacies/consumables (net of returns)	0.00*	0.08
	Hospital Services rendered	-	0.00*
	Purchase of medical pharmacies/consumables (net of returns)	0.07	-
	Recovery of expenses incurred on behalf of related party	3.51	3.64
	Reimbursement of expenses incurred on behalf of the Related party	0.11	0.07
	Amount received from related Party**	2.07	3.36
Manipal Hospitals (Dwarka) Private Limited	Interest Income on ICD	8.62	9.00
	Amount paid to related party**	0.00*	-
	Reimbursement of expenses incurred on behalf of the Company	0.00*	-
Manipal Hospitals (East) India Private Limited	Interest Income on ICD	-	1.17
	Inter corporate deposits (ICD) given	-	56.00
	Inter corporate deposits (ICD) repayment received	-	56.00
	Interest Income received on ICD	-	1.05
	Amount received from related party**	0.00*	0.11
	Sale of Asset	-	0.11
	Reimbursement of expenses incurred on behalf of the Company	0.01	-
Manipal Hospitals Eastern India Private Limited	Reimbursement of expenses incurred on behalf of the Company	0.05	-
Sahyadri Hospitals Private Limited	Inter corporate deposits given	75.00	-
	Inter corporate deposits (ICD) repayment received	75.00	-
	Interest Income received on ICD	1.00	-
	Interest Income on ICD	1.12	-

** 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).

B S R & Co. LLP

Manipal Hospitals (Bengaluru) Private Limited ★ Bengaluru

Balances with related parties are as follows: (₹ in crores)

Name of related party	Nature of balances	March 31, 2026	March 31, 2025
MEMG International India Private Limited	Trade payables	0.47	0.64
ManipalCigna Health Insurance Company Limited	Advance to suppliers	-	0.05
Manipal Hospitals Private Limited	Other receivables	0.83	0.56
Manipal Hospitals (Dwarka) Private Limited	Inter Corporate Deposit given	100.00	100.00
Manipal Hospitals (Dwarka) Private Limited	Interest accrued on ICD	28.81	21.05
Manipal Health Enterprises Limited	Other payables	0.51	0.47
Manipal Hospitals (East) India Private Limited	Other receivables	0.01	0.00*
Manipal Hospitals Eastern India Private Limited	Other payables	0.05	-

* Represents value less than ₹ 0.01 crore

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 March 31, 2025, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

32 Employee benefit plan

(i) Defined contribution plan:

Amount recognised and included in note 23,'Contribution to provident and other funds' in statement of profit and loss of ₹ 1.96 crores (March 31,2025: ₹ 1.83 crores).

(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 scheme is funded.

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.

a) Statement of profit and loss and other comprehensive income

(₹ in crores)

	March 31, 2026	March 31, 2025
i) Net employee benefit expense recognized in the statement of profit and loss		
Current service cost	0.51	0.45
Past service cost disclosed under exceptional items (refer note 27)	0.21	-
Interest (income)/cost on net benefit obligation	(0.02)	0.01
Net benefit expense charged to statement of profit and loss	**0.70**	**0.46**
ii) Remeasurement		
Actuarial changes arising from changes in financial assumptions	(0.15)	0.13
Actuarial changes arising from changes in demographic assumptions	-	0.05
Experience adjustments	0.17	(0.06)
Return on Plan Assets, excluding interest income	(0.01)	(0.01)
Adjustment to recognise the effect of asset ceiling	0.28	-
Total amount recognised in other comprehensive income	**0.29**	**0.11**

b) Balance Sheet

	March 31, 2026	March 31, 2025
Net defined benefit (asset)		
Non current	(1.78)	(0.40)
Current	-	-
Plan asset	**(1.78)**	**(0.40)**

c) Change in projected benefit obligations

	March 31, 2026	March 31, 2025
Defined benefit (asset)/obligation at the beginning of the year	(0.40)	0.20
Fair value of plan asset at the beginning of the year	3.32	2.11
Current service cost	0.51	0.45
Interest cost	0.20	0.16
Past service cost	0.21	-
Benefits paid	(0.27)	(0.12)
Remeasurement of (gain)/loss in other comprehensive income:		
Actuarial loss/(gain) arising from change in financial assumptions	(0.15)	0.13
Actuarial loss/(gain) on account of demographic adjustments	-	0.05
Actuarial (gain)/loss on account of experience adjustments	0.17	(0.06)
Adjustment to recognise the effect of asset ceiling	0.28	-
Liabilities settled on account of intergroup transfer	(0.10)	-
Fair value of plan asset at the end of the year	(5.55)	(3.32)
Defined benefit (asset)/obligation at the end of the year	**(1.78)**	**(0.40)**

d) Fair value of plan assets

	March 31, 2026	March 31, 2025
Fair value of plan assets at the beginning of the year	3.32	2.11
Interest income	0.22	0.15
Contributions by the Employer	2.27	1.19
Benefit Paid	(0.27)	(0.14)
Return on Plan Assets, excluding interest income	0.01	0.01
Fair value of plan assets at the end of the year	**5.55**	**3.32**

The Company expects to pay ₹ 0.10 crores in contributions to its defined benefit plans in 2026-27.

Manipal Hospitals (Bengaluru) Private Limited Bengaluru

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

Discount rate	7.15%	7.20%
Increase in compensation cost	6.00%	6.00%
Retirement age (years)	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: 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:

	March 31, 2026		March 31, 2025	
	0.5% Increase	0.5% Decrease	0.5% Increase	0.5% Decrease
Discount rate	(4.34)%	4.66%	(4.54)%	4.88%
Future salary growth	4.69%	(4.41)%	4.89%	(4.59)%

Maturity profile of defined benefit obligation:

(₹ in crores)

	March 31, 2026	March 31, 2025
Within 1 year	0.23	0.20
Between 2 and 5 years	1.15	0.89
Between 6 and 10 years	1.10	0.93
Beyond 10 years	5.13	4.23

The average duration of the defined benefit plan obligation at the end of the reporting year is 8.99 years (March 31, 2025: 9.41 years).

33 Capital and other commitments

As at March 31, 2026, the Company has a commitment towards purchase of capital assets of ₹ 3.28 crores (March 31, 2025: ₹ 5.07 crores).

Contingent liabilities

(33.1) Claims against the Company not acknowledged as debts

(₹ in crores)

	March 31, 2026	March 31, 2025
Patient compensation [refer note (33.1.1)]	-	0.20
Income tax demand [refer note (33.1.2 and 33.1.3)]	0.03	0.03
	0.03	**0.23**

(33.1.1) There are certain claims made against the Company in respect of patient compensation. The cases are pending with various Consumer Disputes Redressal Commissions. The management does not expect these claims to succeed. Accordingly, no provision for liability has been recognized in the financial statements.

(33.1.2) MHBPL has received demand notice for penalty of ₹. 0.66 crore under section 271(1)(C) of the Income-tax Act, 1961 for the Assessment Year (AY) 2012-13 in March 2022 towards disallowance of interest expenses. The Company has filed appeal before Commissioner of Income Tax (Appeals) against the above demand notice. On February 28, 2025, Commissioner of Income Tax (Appeals) held the matter in favour of the Company. Against this order, department filed an appeal with Income Tax Appellate Tribunal ('ITAT') and ITAT dismissed the appeal filed by the department. Total Contingency of ₹. Nil (March 31, 2025: ₹ Nil).

(33.1.3) During the year ended March 31, 2025, MHBPL has received the order u/s 201 of the Income Tax Act, 1961 for AY 2019-20 as per which Assessing Officer has created a demand of ₹ 0.03 crore (March 31, 2025: ₹ 0.03 crore) towards short deduction of TDS. The Company has filed an appeal before Commissioner of Income Tax (Appeals) and the same has been admitted.

(33.2) The Company along with MHPL, MHDPL, MHEL 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 crores) availed by the Company, MHPL, MHDPL, MHEL, Human Care Medical Charitable Trust (Silo), MHEIPL and Manipal Hospitals (Eastern) India Private Limited.

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 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.

(This space has been intentionally left blank)

BSR & Co. LLP

Manipal Hospitals (Bengaluru) Private Limited
Bengaluru

34 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 amortized cost at the reporting date.

Quantitative disclosures fair value measurement hierarchy valued as at:

March 31, 2026	Level 1	Level 2	Level 3	Total
Financial assets (at FVTPL)				
Investment in mutual funds (quoted) (current and non-current)	118.10	-	-	118.10
Investment in other companies (unquoted)*	-	-	0.23	0.23
	118.10	**-**	**0.23**	**118.33**
Financial assets not measured at fair value				
Other financial assets (non-current)	-	34.20	-	34.20
	-	**34.20**	**-**	**34.20**
Financial liabilities not measured at fair value				
Borrowings	-	18.77	-	18.77
	-	**18.77**	**-**	**18.77**

Quantitative disclosures fair value measurement hierarchy valued as at:

March 31, 2025	Level 1	Level 2	Level 3	Total
Financial assets (at FVTPL)				
Investment in mutual funds (quoted) (current)	95.51	-	-	95.51
Investment in other companies (unquoted)*	-	-	0.02	0.02
	95.51	**-**	**0.02**	**95.53**
Financial liabilities (at FVTPL)				
Borrowings	-	13.20	-	13.20
	-	**13.20**	**-**	**13.20**
Financial assets not measured at fair value				
Other financial assets (non-current)	-	3.83	-	3.83
	-	**3.83**	**-**	**3.83**
Financial liabilities not measured at fair value				
Borrowings	-	18.61	-	18.61
	-	**18.61**	**-**	**18.61**

* The impact of the sensitivity analysis is not material for the company's operations.

(This space has been intentionally left blank)

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 crores)

	Note	Carrying value		
		FVTPL	Amortized Cost	Total
Financial assets:				
Investment in other companies (unquoted)	5	0.23	-	0.23
Investment in mutual funds (quoted) (Non-current and current)	5 & 9.1	118.10	-	118.10
Trade receivables	9.2	-	13.94	13.94
Cash and cash equivalents	9.3	-	3.36	3.36
Bank balances other than cash and cash equivalents	9.4	-	0.12	0.12
Loans (Non-current and current)	5.1 & 9.5	-	100.01	100.01
Other financial assets (Non-current and current)	5.2 & 9.6	-	35.44	35.44
		118.33	**152.87**	**271.20**
Financial liabilities:				
Borrowings (Non-current and current)	13.1 & 15	-	18.77	18.77
Lease liabilities (Non-current and current)	13.2	-	54.70	54.70
Trade payables	14.1	-	31.71	31.71
Other financial liabilities (current)	16	-	2.58	2.58
		-	**107.76**	**107.76**

As at March 31, 2025

(₹ in crores)

	Note	Carrying value		
		FVTPL	Amortized Cost	Total
Financial assets:				
Investment in other companies (unquoted)	5	0.02	-	0.02
Investment in mutual funds (quoted) (Non-current and current)	5 & 9.1	95.51	-	95.51
Trade receivables	9.2	-	9.93	9.93
Cash and cash equivalents	9.3	-	9.69	9.69
Bank balances other than cash and cash equivalents	9.4	-	0.11	0.11
Loans (current)	5.1 & 9.5	-	100.20	100.20
Other financial assets (Non-current and current)	5.2 & 9.6	-	25.52	25.52
		95.53	**145.45**	**240.98**
Financial liabilities:				
Borrowings (Non-current and current)	13.1 & 15	13.20	18.61	31.81
Lease liabilities (Non-current and current)	13.2	-	57.38	57.38
Trade payables	14.1	-	40.49	40.49
Other financial liabilities (current)	16	-	1.98	1.98
		13.20	**118.46**	**131.66**

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

The Company considers that the carrying amounts of current financial assets and current financial liabilities recognised in the Financial Statements at amortized 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.

(This space has been intentionally left blank)

BSR & Co. LLP

Manipal Hospitals (Bengaluru) Private Limited
Bengaluru

35 Financial risk management

The Company's principal financial liabilities, comprise lease liabilities 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, borrowings, investments, trade and other receivables, 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.

35.1 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. Financial instruments affected by market risk include borrowings, payables and investments . 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 or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates in form of overdraft facility.

Fixed rate instruments	March 31, 2026	March 31, 2025
Financial assets		
Deposits with banks due to mature after twelve months from the reporting date	0.17	0.17
Bank deposits due to mature within twelve months from the reporting date	0.12	0.11

Variable rate instruments	March 31, 2026	March 31, 2025
Financial assets		
Investments in mutual funds (quoted)	118.10	95.51
Inter Corporate Deposits given to related parties	100.00	100.00
Financial liability		
Borrowings (non-current and current)	18.77	18.61

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 interest cost by ₹ 1.99 crores (year ended March 31, 2025: ₹ 1.77 crores).

(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 investing activities (when revenue or expense is denominated in a foreign currency).

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	0.06	0.60	-	-
Capital creditors	0.06	0.60	-	-

Foreign currency risk sensitivity

The sensitivity of profit or loss to changes in exchange rates arises mainly from foreign currency denominated financial instruments. 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 ₹ 0.01 (March 31, 2025: ₹ Nil) and appreciation of INR against USD by 1% results in increase by such amount.

35.2 Credit risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

Credit risk is controlled by analyzing 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.

(35.2.1) Trade and other 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 crores)

Allowance for credit loss	March 31, 2026	March 31, 2025
Opening balance	5.27	5.91
Loss allowance on trade receivables (net of reversals)	(0.11)	(0.64)
Closing balance	**5.16**	**5.27**

There is no significant concentration of credit risk as of March 31, 2026 and March 31, 2025.

(35.2.2) Financial instruments and deposits:

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

BSR & Co. LLP

Manipal Hospitals (Bengaluru) Private Limited
Bengaluru

35.3 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.

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

(₹ in crores)

	March 31, 2026		
	Less than 1 year	More than 1 year	Total
Borrowings	1.87	34.00	35.87
Lease liabilities	7.72	106.81	114.53
Trade payables	31.71	-	31.71
Other financial liabilities	2.58	-	2.58

(₹ in crores)

	March 31, 2025		
	Less than 1 year	More than 1 year	Total
Borrowings	15.63	17.89	33.52
Lease liabilities	8.61	114.82	123.43
Trade payables	40.49	-	40.49
Other financial liabilities	1.98	-	1.98

(This space has been intentionally left blank)

36 **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 (non-current and current) less cash and cash equivalents, investment in mutual funds and
- Total equity comprises of issued share capital and all other equity components attributable to the equity share holder.

(₹ in crores)

	March 31, 2026	March 31, 2025
Borrowings (includes current maturities of long-term borrowings) (note 13.1 & 15)	18.77	31.81
Lease liabilities (note 13.2)	54.70	57.38
Less: cash and cash equivalents (note 9.3)	(3.36)	(9.69)
Less: Investment in mutual funds (quoted) (note 5 & 9.1)	(118.10)	(95.52)
Net debt (A) (including lease liabilities) #	**(47.99)**	**(16.02)**
Total equity attributable to the equity share holders of the Company (note 11 & 12)	309.17	256.48
Total capital (B)	**309.17**	**256.48**
Capital and net debt (C = A + B)	**261.18**	**240.46**
Gearing ratio (D = A / C)	**(18%)**	**(7%)**

Note: Gearing ratio is negative for the year ended March 31, 2026 and March 31, 2025 as the Company is funded majorly through own funds.

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

37 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 and hospital location. During the course of the search proceedings, certain information and documents were sought by the department. On March 29, 2024, the Company has received assessment order, with respect of above mentioned matter, comprising demand u/s 156 of the Income-tax Act, 1961 for the Assessment Year (AY) 2022-23 amounting to ₹ 3.43 crores (including interest) towards disallowance of certain expenses.

In March, 2025, the Company has received assessment orders, with respect of above mentioned matter, comprising demand u/s 156 of the Income Tax Act, 1961 for AY 2020-21 amounting to ₹ 22.66 crores (including interest), for AY 2021-22 amounting to ₹ 0.51 crore (including interest) and for AY 2023-24 amounting to ₹ 0.26 crore(including interest) towards disallowance of certain expenses. The company has filed an appeal with Commissioner of Income Tax (Appeals).

In September, 2025, the Company has received assessment orders, with respect of above mentioned matter, comprising demand u/s 156 of the Income Tax Act, 1961 for AY 2015-16 to AY 2018-19 amounting to ₹ Nil and for AY 2019-20 amounting to ₹ 0.86 crore(including interest) towards disallowance of certain expenses. The Company has filed appeal with Commissioner of Income Tax (Appeals).

In Feb 2026, the Company received favourable orders for AYs 2020-21, 2021-22 AY 2022-23 & 2023-24 from Commissioner of Income Tax (Appeals).

In April 2026, the Income Tax department filed an appeal with Income Tax Appellate Tribunal (ITAT) for AY 2020-21.

In May 2026, the Company received favourable orders for AYs 2015-16, 2016-17, 2017-18, 2018-19 & 2019-20 from Commissioner of Income Tax (Appeals).

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 Financial Statements.

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

(₹ in crores)

	Term Loan	Loan for purchase of capital asset	Lease liability	Total
Balance as at April 01, 2025	18.61	-	57.38	75.99
Additions during the year	-	-	-	-
Cash flows including interest paid				
- Proceeds from borrowings	-	0.34	-	**0.34**
- Repayment of borrowings	(0.16)	(0.02)	(2.67)	**(2.85)**
- Interest expense	(1.50)	(0.01)	(6.12)	**(7.63)**
Non-cash changes				-
- Interest expense	1.50	0.01	6.12	**7.63**
Less: Lease reversals	-	-	(0.01)	**(0.01)**
Balance as at March 31, 2026	**18.45**	**0.32**	**54.70**	**73.47**

(₹ in crores)

Particulars	Term Loan	Lease liability	Total
Balance as at April 1, 2024	-	60.21	**60.21**
Additions during the year	18.63	1.39	**20.02**
Redemption of preference shares			
- Repayment of borrowings	(0.02)	(3.87)	**(3.89)**
- Interest expense	(0.13)	(6.33)	**(6.46)**
Non-cash changes			
- Interest expense	0.13	6.33	**6.46**
Less: Lease reversals	-	(0.35)	**(0.35)**
Balance as at March 31, 2025	**18.61**	**57.38**	**75.99**

Manipal Hospitals (Bengaluru) Private Limited ★ Bengaluru

39 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 year, 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 year. The inventory turnover ratio formula is the cost of goods sold divided by the average inventory for the same year.

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 year. 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 year.

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.

Ratio	Numerator	Denominator	As at March 31, 2026	As at 31 March 2025	% change	Reason for variance
i) Current ratio	Current assets	Current liabilities	3.47	3.77	-8%	NA
ii) Debt-equity ratio	Total Debt	Total Equity	0.06	0.12	-51%	The change is due to redemption of preference shares and increase in retained earnings during the year.
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	5.59	5.77	-3%	NA
iv) Return on equity ratio %	Net Profit after tax	Average Shareholders equity	18.71%	23.41%	-20%	NA
v) Inventory turnover ratio	Cost of Goods sold = opening inventory + purchases - closing inventory	Average Inventory	12.44	13.06	-5%	NA
vi) Trade receivables turnover ratio	Revenue from operations	Average Accounts Receivable	23.89	24.58	-3%	NA
vii) Trade payables turnover ratio	Total Purchases	Average Trade Payables	1.43	1.29	11%	NA
viii) Net capital turnover ratio	Net sales	Average Working capital	2.05	2.78	-26%	The change is due to increase in sales and decrease in working capital during the year.
ix) Net profit ratio %	Net profit	Net Sales	18.55%	20.30%	-9%	NA
x) Return on capital employed %	Earnings before interest and taxes	Capital Employed = Net Worth + Total Debt + Deferred Tax Liability	24.71%	26.57%	-7%	NA
xi) Return on investment %	Interest (finance income)	Investment (Bank Deposit)	6.90%	7.14%	-3%	NA

Manipal Hospitals (Bengaluru) Private Limited
Bengaluru

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

(₹ in crores)

	As at March 31, 2026	As at 31 March 2025
(i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1.48	0.11
(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 years	-	-

41 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		Relationship with the Struck off company, if any, to be disclosed
		As at March 31, 2026	As at March 31, 2025	
Skinscope Pharmaceuticals Private Limited	Advance	0.00*	-	None

* Represents value less than ₹ 0.01 crore

(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 financial 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 has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period 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.

(x) The Company has not entered into any scheme of arrangement during the year.

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 : June 12, 2026

For and on behalf of the Board of Directors of
Manipal Hospitals (Bengaluru) Private Limited

Sameer Agarwal
Director
DIN:07554053

Karthik Rajagopal
Director
DIN: 06652382

Manish Rai
Chief Executive Officer

Keshav Narayan Koparde
Chief Financial Officer

Sathish Kolar Ramamoorthy
Company Secretary
Membership No: A15203

Place : Bengaluru
Date : June 12, 2026