



Consolidated Financial Statements
for the year ended
March 31, 2023

INDEPENDENT AUDITORS' REPORT

To the Members of Kerala First Health Services Private Limited,

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Kerala First Health Services Private Limited (the "Holding Company"), and its subsidiary company Baalyam Healthcare Private Limited (The Holding Company and its subsidiary entity together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2023, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as 'Consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 Group as at 31 March 2023, and its loss and other comprehensive income, 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules 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 obtained by us is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Group's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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

The Holding 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 consolidated 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 Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act and the aforesaid consolidated financial statements give the information required by 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Management and Board of Directors are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

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

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, Under section 143(3)(1) of the Act, we are responsible for expressing our opinion on whether the Group has an adequate internal financial controls system with reference to the financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Group to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

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) As required by section 143(3) of the Act, based on our audit we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - (b) In our opinion proper books of account as required by law relating to preparation of consolidated financial statements have been kept so far as it appears from our examination of those books;
 - (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated financial statements;
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act;
 - (e) On the basis of the written representations received from the directors of the respective Companies included in the Group as on March 31, 2023, taken on record by the Board of Directors of the respective company included in the Group, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". and
- (3) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act: In our opinion and according to the information and explanations given to us, the remuneration paid by the Group to its director during the ended March 31, 2023 is in accordance with the provisions of Section 197 of the Act.



(4) 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 and based on our reports on separate financial statements of the respective companies included in the group:

- (a) The Consolidated financial statements disclose the impact of pending litigations which would impact its financial position of the group, Refer Note 27 of the consolidated financial statements.
- (b) The Consolidated financial statements disclose the impact of long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (c) There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the respective companies included in the group.
- (d) (i) The Management has represented that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested by the company and its subsidiary, to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The Management has represented, that, to the best of their knowledge and belief, no funds have been received by the Company and its subsidiary, from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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 Paragraph 4(d)(i) and 4(d)(ii) above, contain any material misstatement.

- (e) The respective companies included in the group have not proposed or declared or paid any dividend during the year ended March 31, 2023. Accordingly, the compliance with provisions of section 123 of the Act are not applicable.
- (f) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

for VARMA & VARMA
Chartered Accountants
FRN 004532S



MITHUN LAKSHMANA PAI
Partner

Membership No. 219813
ICAI UDIN: 23219813BGVBVYX8010

Place: Bengaluru
Date: May 15, 2023

ANNEXURE A

Referred to in Paragraph (1) under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date on consolidated financial statements of Kerala First Health Services Private Limited for the year ended March 31, 2023.

According to the information and explanations given to us, the following companies incorporated in India and included in the Consolidated financial Statements have certain remarks included in our reports under CARO of respective Companies, have been given below.

Sl. No.	Name	CIN	Holding Company/ subsidiary/ Associate/ Joint Venture	Clause number of the CARO report which is qualified or adverse
1	Kerala First Health Services Private Limited	U85110KL2005PTC018434	Holding company	clause vii (a)
2	Kerala First Health Services Private Limited	U85110KL2005PTC018434	Holding company	clause ix(a)
3	Kerala First Health Services Private Limited	U85110KL2005PTC018434	Holding company	clause xvii

for VARMA & VARMA
Chartered Accountants
FRN 004532S




MITHUN LAKSHMANA PAI

Partner

Membership No. 219813

ICAI UDIN: 23219813BQVBYX8010

Place: Bengaluru
Date: May 15, 2023

ANNEXURE B

To the Independent Auditors' Report on the Consolidated Financial Statements of Kerala First Health Services Private Limited for the year ended March 31, 2023

[Referred to in Paragraph (2)(f) under "Report on Other Legal and Regulatory Requirements" section of our report of even date]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Kerala First Health Services Private Limited ("the Holding Company") and its subsidiary company Baalyam Healthcare Private Limited (The Company and its subsidiary entity together referred to as "the Group") as of and for the year ended March 31, 2023 in conjunction with our audit of the consolidated financial statements for the year ended on that date.

Managements and Board of Directors Responsibility for Internal Financial Controls

The respective company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to the consolidated 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls with reference to the consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 Group's internal financial controls system with reference to the consolidated financial statements.



Meaning of Internal Financial Controls with reference to Consolidated Financial Statements.

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that, (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding company and its subsidiary incorporated in India has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to consolidated 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.

Emphasis of Matter

We draw attention to Note No. 34 to the Consolidated financial statements for the year ended March 31, 2023, on Internal Control with reference to consolidated financial statements regarding the Internal Control System in place and its operation.

Our opinion is not modified in respect of above matter.



for VARMA & VARMA
Chartered Accountants
FRN 004532S


MITHUN LAKSHMANA PAI

Partner

Membership No. 219813

ICAI UDIN: 23219813BQVBYX8010

Place: Bengaluru
Date: May 15, 2023

KERALA FIRST HEALTH SERVICES PRIVATE LIMITED
CORPORATE IDENTITY NUMBER (CIN): U85110KL2005PTC018434
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023
(All amounts in Indian Rupees in thousands, except otherwise stated)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
ASSETS				
Non-current assets				
(a) Property, plant and equipment	3A	4,245.26	3,211.78	3,884.39
(b) Right-of-Use Assets	3B	41,553.14	19,758.36	28,274.10
(c) Other Intangible assets	3C	1,151.30	464.22	314.59
(d) Intangible assets under development	3D	8,026.26	-	-
(e) Financial Assets				
(ii) Other financial assets	8	5,841.06	4,722.03	4,355.18
(f) Income Tax Asset (Net)	4	3,420.22	2,845.46	4,188.04
(g) Other non-current assets	9	1,080.01	395.12	780.39
Total Non - Current Assets (A)		65,317.25	31,396.97	41,796.69
Current assets				
(a) Inventories	5	3,529.26	2,728.85	2,850.46
(b) Financial assets				
(i) Trade receivables	6	19,359.30	12,125.89	9,552.99
(ii) Cash and cash equivalents	7	45,010.57	377.67	583.50
(iii) Other financial assets	8	957.65	622.98	524.81
(c) Other current assets	9	6,360.01	7,036.67	904.40
Total Current Assets (B)		75,216.79	22,892.06	14,416.16
Total Assets (A+B)		140,534.04	54,289.03	56,212.85
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	10	6,264.94	4,364.34	4,364.34
(b) Other equity	11	58,261.67	(59,478.55)	(50,890.25)
Total Equity (A)		64,526.61	(55,114.21)	(46,525.91)
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings		-	11,471.41	35,294.19
(ii) Lease liabilities	13	35,029.16	19,081.52	24,060.09
(b) Provisions	14	2,980.39	2,611.44	1,387.42
Total Non-Current Liabilities (B)		38,009.55	33,164.37	60,741.70
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	12	4,260.52	33,470.14	7,705.58
(ii) Lease liabilities	13	11,538.64	4,978.56	7,327.27
(iii) Trade payables				
Total outstanding dues of micro enterprises and small enterprises		-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	15	8,791.32	18,537.16	14,341.23
(b) Provisions	14	319.55	192.74	1,581.96
(c) Other current liabilities	16	13,087.85	19,060.27	11,041.02
Total Current Liabilities (C)		37,997.88	76,238.87	41,997.06
Total Equity and Liabilities (A+B+C)		140,534.04	54,289.03	56,212.85

Summary of significant accounting policies 2
The accompanying notes form an integral part of the consolidated financial statements

For and on behalf of the Board of Directors;
Kerala First Health Services Private Limited


RAJIV VASUDEVAN
Managing Director
DIN:01786120

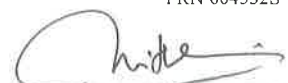

KRISHNAN AKHILESWARAN
Director
DIN:05299539

Place: Bengaluru
Date: 02-05-2023

Place: Chennai
Date: 02-05-2023

As per our separate report of even date attached
For VARMA & VARMA
Chartered Accountants
FRN 004532S




MITHUN LAKSHMANA PAI
Partner
Membership No. 219813

Place: Bengaluru
Date: 15.05.2023

KERALA FIRST HEALTH SERVICES PRIVATE LIMITED
CORPORATE IDENTITY NUMBER (CIN):U85110KL2005PTC018434
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023
(All Amounts in Indian Rupees in thousands, except otherwise stated)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from Operations	17	96,712.34	77,793.25
Other Income	18	845.05	921.14
Total Income (A)		97,557.39	78,714.39
Expenses			
Cost of materials consumed		1,309.29	832.16
Purchase of stock-in-trade		6,428.32	5,348.14
Changes in inventories of stock-in-trade	19	(800.41)	121.60
Employee benefits expense	20	47,782.41	37,175.03
Finance costs	21	5,790.18	5,276.47
Depreciation and amortisation expense	3	11,369.48	9,622.50
Other expenses	22	41,190.75	29,171.14
Total expenses (B)		113,070.03	87,547.04
Profit/(loss) before tax (C)=(A-B)		(15,512.63)	(8,832.65)
Less: Tax expense			
(i) Current tax		-	-
(ii) Deferred tax		-	-
Profit / (loss) after tax for the year		(15,512.63)	(8,832.65)
Other Comprehensive Income/(loss)			
Items that will not be reclassified to Statement of profit and loss			
i) Re-measurement gains/(losses) on defined benefit plans		153.83	244.36
ii) Income Tax effect		-	-
Other Comprehensive Income/(loss) (D)		153.83	244.36
Total comprehensive income for the year (E)=(C+D)		(15,358.80)	(8,588.29)
Earnings per equity share of par value of Rs 10 each			
Basic & Diluted (in Rs.)	26	(31.04)	(20.24)
<i>Summary of significant accounting policies</i>			
<i>The accompanying notes form an integral part of the consolidated financial statements</i>			

For and on behalf of the Board of Directors
Kerala First Health Services Private Limited



RAJIV VASUDEVAN
Managing Director
DIN:01786120

Place: Bengaluru
Date: 02-05-2023



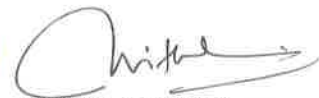
KRISHNAN AKHILESWARAN
Director
DIN:05299539

Place: Chennai
Date: 02-05-2023

As per our separate report of even date attached

For VARMA & VARMA
Chartered Accountants
FRN 004532S





MITHUN LAKSHMANA PAI
Partner
Membership No. 219813

Place: Bengaluru
Date: 15-05-2023

KERALA FIRST HEALTH SERVICES PRIVATE LIMITED
CORPORATE IDENTITY NUMBER (CIN):U85110KL2005PTC018434
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023
(All Amounts in Indian Rupees in thousands, except otherwise stated)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
A. Cash flow from Operating Activities			
Loss for the year		(15,512.63)	(8,832.65)
<i>Adjustment for:</i>			
Depreciation and amortisation expense		11,369.48	9,622.50
Interest on security deposit measured at amortised cost		(364.64)	(338.42)
Other Interest income		(478.93)	(270.68)
Re-measurement gains on defined benefit plans through OCI		153.83	244.36
Interest expense on lease		3,170.15	2,360.23
Other Interest expense		2,241.33	2,467.42
Provision for doubtful advances		-	-
Expected credit loss (ECL)		1,223.83	349.12
Operating profit before working capital changes		1,802.41	5,601.87
<i>Adjustments for (increase)/decrease in operating assets</i>			
- Inventories		(800.41)	121.60
- financial assets		(9,875.01)	(3,162.81)
- Other assets		9.99	(5,737.36)
<i>Adjustments for increase/(decrease) in operating liabilities</i>			
- Trade payables		(9,745.83)	4,195.92
- Provisions		495.76	(165.21)
- Other liabilities		(5,972.43)	8,019.25
Cash generated from operations		(24,085.51)	8,873.27
Income tax (Paid) / Refunds (net)		(475.86)	1,579.39
Net cash generated from operating activities (A)		(24,561.37)	10,452.66
B. Cash flow from Investing Activities			
Purchase of Property plant & equipment including Intangible Assets under development		(11,302.45)	(583.77)
Interest Income received during the year		361.81	24.22
Changes in other bank balances held with in deposit accounts		(35.94)	(224.22)
Net cash used in Investing Activities (B)		(10,976.58)	(783.77)
C. Cash flow from Financing Activities			
Proceeds/(Repayments) from Borrowings including interest thereon		(42,922.36)	(525.65)
Lease payment		(11,906.42)	(9,349.08)
Proceeds from issue of share capital including securities premium		134,999.62	-
Net cash used in Financing Activities (C)		80,170.84	(9,874.73)
Net Increase/(decrease) in cash and cash equivalents (A+B+C) = (D)		44,632.90	(205.83)
Cash and cash equivalents at the beginning of the year (E)		377.67	583.50
Cash and cash equivalents at the end of the year (D) +(E)		45,010.57	377.67
Cash and bank balances as reported in the balance sheet*	7	45,010.57	377.67
<i>* Comprises:</i>			
- Cash on hand		183.32	86.53
- Balances with banks in current and deposits accounts		44,827.25	291.14
		45,010.57	377.67

For and on behalf of the Board of Directors
Kerala First Health Services Private Limited



RAJIV VASUDEVAN
Managing Director
DIN:01786120

Place: Bengaluru
Date: 02-05-2023



KRISHNAN AKHILESWARAN
Director
DIN:05299539

Place: Chennai
Date: 02-05-2023

As per our separate report of even date attached

For VARMA & VARMA
Chartered Accountants
FRN 004532S




MITHIUN LAKSHIMANA PAI
Partner
Membership No. 219813

Place: Bengaluru
Date: 15-05-2023

KERALA FIRST HEALTH SERVICES PRIVATE LIMITED
CORPORATE IDENTITY NUMBER (CIN):U85110KL2005PTC018434
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023
(All Amounts in Indian Rupees in thousands , except otherwise stated)

A. Equity share capital

Particulars	No. of Shares	Amount
Balance as at April 1, 2021	436,434	4,364.34
Changes in equity share capital during the year	-	-
Balance as at March 31, 2022	436,434	4,364.34
Changes in equity share capital during the year-Equity shares issued during the year	190,060	1,900.60
Balance as at March 31, 2023	626,494	6,264.94

B. Other Equity

Particulars	Reserves and Surplus		Other Items of OCI	Total
	Securities premium Account	Retained earnings	Remeasurement of defined benefit plans	
Balance as at April 01, 2021	133,621.98	(185,058.46)	546.22	(50,890.25)
Add :Loss for the Year	-	(8,832.65)	-	(8,832.65)
Add: Re-measurements adj. on defined benefit plans	-	-	244.36	244.36
As at March 31, 2022	133,621.98	(193,891.11)	790.58	(59,478.55)
Add :Loss for the Year	-	(15,512.63)	-	(15,512.63)
Add: premium on issue of equity shares	133,099.02	-	-	133,099.02
Add: Re-measurements adj. on defined benefit plans	-	-	153.83	153.83
As at March 31, 2023	266,721.00	(209,403.75)	944.42	58,261.67

For and on behalf of the Board of Directors
Kerala First Health Services Private Limited



RAJIV VASUDEVAN
Managing Director
DIN:01786120



KRISHNAN AKHILESWARAN
Director
DIN:05299539

Place: Bengaluru
Date: 02-05-2023

Place: Chennai
Date: 02-05-2023

As per our report of even date attached

For VARMA & VARMA
Chartered Accountants
FRN 004532S




MITHUN LAKSHMANA PAI
Partner
Membership No. 219813

Place: Bengaluru
Date: 15-05-2023

1 Corporate Information

Kerala First Health Services Private Limited ("the Company/ the Parent"), a private limited Company, was incorporated on July 15, 2005 under the provisions of Companies Act 1956 with its registered office located in Kochi (State of Kerala). The Company is primarily engaged in the business of operation of hospital and clinics pioneering in Kerala Ayurveda medical services. w.e.f. December 2022 the Company is a subsidiary of Apollo Hospital Enterprises Limited, a public limited Company listed in recognised stock exchange.

The subsidiary considered in the consolidated financial statements for the year ended 31st March 2023 is:

Name of the Company	Relationship	Country of Incorporation	% Voting Power
Baalayam Healthcare Private Limited	Wholly owned subsidiary	India	100%

The Company and its subsidiary together referred as 'the Group'.

2 Summary of Significant Accounting Policies

2.1 Basis of preparation and presentation of financial statements

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time. The consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements.

These financial statements for the year ended March 31, 2023 are the first financial statements the Group has prepared under Ind AS. For all periods upto and including the year ended March 31, 2022, the Group prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with the Companies (Accounting Standards) Rules, 2021 (hereinafter referred to as 'Previous GAAP') immediately before adopting Ind AS. The financial statements for the year ended 31st March, 2022 and the opening Balance Sheet as at April 01, 2021 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Group's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in Note 2.22

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle, paragraph 66 and 69 of Ind AS 1 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of services, its products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The consolidated financial statements are presented in Indian Rupee (INR), the functional currency of the Group. The Group has decided to round off the figures to the nearest thousand with two decimals. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes to these financial statements

The consolidated financial statements for the year ended 31st March, 2023 were approved for issue in accordance with the resolution of the Board of Directors on May 02, 2023

2.2 Use of estimates

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

2.3 Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiary as at and for the year ended March 31, 2023. Control is achieved when the Group has power over the investee, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities over the investee. The subsidiaries are deconsolidated from the date the control ceases.

The Group combines the financial statements of the parent and its subsidiaries on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income, expenses, and cash flows of the parent with those of its subsidiary, offsetting (eliminating) the carrying amount of the parent's investment in subsidiary and the parent's portion of equity of the each subsidiary and after eliminating all significant intra-group balances and intra-group transactions and also unrealized profits or losses. The significant accounting policies of the subsidiaries have been consistent with that of the policies followed by the parent.

The financial statements of the group entities used for the purpose of consolidation are drawn up to same reporting date as that of the Group i.e. year ended March 31, 2023.



2.4 Statement of Cash flows

The cash flows of the Group are segregated into operating, investing and financing activities. Cash Flow statement is prepared in accordance with Ind AS-7, Cash Flow Statement, using the indirect method to determine cash flows from operating activities. Cash & cash equivalents for the purpose of cash flow statement comprise of cash in hand, demand deposit placed with banks and term deposit with banks (with an original maturity of three months or less).

2.5 Property, Plant and Equipment ("PPE") and Depreciation

Property, Plant and Equipment are stated at its carrying cost which is an amount at which an asset is recognised after deducting accumulated depreciation and impairment losses (if any). Direct costs specifically attributable to the acquisition and installation of Property, Plant and Equipment like freight and other costs are capitalised till the assets are ready to be put to use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure is recognised as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and Loss for the year during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation

Depreciation is provided after considering 5% residual value on straight line method over the useful lives of the Property, Plant and Equipment as estimated by the management which is based on the estimated useful lives as 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. All the additions to PPE during the year have been depreciated based on the number of days from the date it is put to use during the year.

Leasehold improvements are depreciated over the primary lease period or useful life, whichever is lower, on a straight-line basis.

Assets individually costing up to Rs.5 thousand are fully depreciated in the year of acquisition.

Asset Description	Estimated Useful lives
Leasehold improvements	Over the primary lease term
Medical Equipment	13 Years
Electrical Installations	10 Years
Furnitures and Fixtures	10 Years
Vehicles	8 Years
Office Equipments	5 Years
Computers	3 Years

Upon first-time adoption of Ind AS, the Group has elected to measure all its property, plant and equipment at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 01,2021.

2.6 Intangible assets and amortisation of intangible assets

Computer software giving rise to future economic benefit is recognized as intangible assets and are stated at cost of acquisition less accumulated amortization. Intangible assets are amortized on a straight line basis over their estimated useful lives from the date that they are available for use.

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any.

Computer software is amortized over the lower of licence period and estimated useful life of 3 Years on a straight line basis.

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

Internally generated intangibles

The Company capitalizes certain development costs incurred in connection with its internal use software. These capitalized costs are related to the development of its website and software platform that is hosted by the Company and used by the new website and certain customers. The Company capitalizes all direct and incremental costs incurred during the development phase, until such time when the software is substantially complete and ready for use.

The Company also capitalizes costs related to specific upgrades and enhancements when it is probable the expenditures will result in additional features, functionality and significant customer experience.

Upon first-time adoption of Ind AS, the Group has elected to measure its intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 01,2021.



2.7 Leases : Group as a lessee

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.

Effective April 1, 2021, the Group adopted Ind AS 116 "Leases" the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application.

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 remeasurement 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. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. 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.

The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. This expense is presented within 'other expenses' in statement of profit and loss.

The Right-of-use assets are presented as a separate line in the Balance Sheet.

On adoption of IndAS 116, the Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

2.8 Impairment of tangible and intangible assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at appropriate rate. After impairment, depreciation is provided on revised carrying amount of the assets over its remaining useful life. Previously recognised impairment loss is further provided or reversed depending on changes in circumstances.

2.9 Inventories

Inventories of pharmacy are valued at lower of cost and net realizable value. Cost is determined on a First-in-First out basis. All direct costs incurred excluding taxes and duties that are refundable for bringing the inventories to their present location and condition are added to the cost of inventories.

Net realisable value is the estimated selling price in 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.

2.10 Revenue recognition

The Group earns revenue primarily by providing healthcare services and sale of pharmaceutical products. Other sources of revenue include revenue earned as interest on deposits held with banks.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. When there is uncertainty on ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

Sale of goods

Revenue from sale of Pharmacy goods are recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects goods and services tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Income from services

Revenues from Hospital services are recognized as and when services are rendered. The Company collects goods and services tax, if applicable on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue. The Company recognises the share of revenue in respect of hospital services rendered through another entity as a primary supplier on accrual basis as and when services are rendered.



Interest

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 "other income" in the profit and loss statement.

2.11 Foreign currency transactions

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary assets are restated using the exchange rate prevailing at the reporting date. Non-monetary items which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are measured at fair value or other similar valuation denominated in a foreign currency are translated using the exchange rate at the date when the value was determined.

Exchange Differences

Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items of Group at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

2.12 Employee benefits

a. Defined Contribution Plans

The Group has defined contribution plan for its employees comprising of Employees' Provident Fund and Employees' State Insurance. Contributions to the above plans are charged to the profit and loss statement for the year when the contributions to the respective funds are due. The Company has no obligation, other than the above mentioned funds.

b. Defined Benefit Plans

Gratuity

Gratuity liability under the Payment of Gratuity Act, 1972 is a defined benefit obligation. The Plan provides payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The Group has not funded its gratuity obligation. The cost of providing benefits is determined on the basis of actuarial valuation at each year-end using the projected unit credit method.

Employee benefits expense in respect of gratuity to employees is presented in accordance with Ind AS – 19.

Remeasurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (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. Remeasurement is not reclassified to profit or loss in subsequent periods.

Past service cost is recognised in profit or loss on the earlier of the date of the plan amendment or curtailment, and the date that the Group recognises related restructuring costs.

c. Other Employee Benefit expense

The amounts paid or payable on account of short-term employee benefits largely comprising of salary, Annual incentives and short term leave salary is valued on undiscounted basis and charged in the statement of Profit and loss for the period.

2.13 Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in statement of profit and loss.

Financial assets

At initial recognition trade accounts receivables (in accordance with Ind AS 115) are measured at their transaction price and subsequently measured at carrying value as of initial recognition less impairment allowance (if any)

Investments in equity instruments are recognized and subsequently measured at fair value. The Company's equity investments are not held for trading. In general, changes in the fair value of equity investments are recognized in the income statement. However, at initial recognition the Company elected, on an instrument-by-instrument basis, to represent subsequent changes in the fair value of individual strategic equity investments in other comprehensive income (loss) ("OCI"), if any.



Cash and Cash Equivalents

The Group considers all highly liquid financial instruments which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and Cash Equivalents consist of balances with banks which are unrestricted for withdrawal and usage. Restricted cash and bank balances are classified and disclosed as other bank balances.

Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing component, when they are recognised at fair value.

The Group classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is conditional only upon passage of time. Revenue in excess of billings is recorded as unbilled revenue only the passage of time is required before the payment is due. Invoicing in excess of earnings are classified as contract liabilities which is disclosed as separately in balance sheet. Trade receivables and unbilled revenue are presented net of impairment in the Balance Sheet.

Contract Assets (unbilled revenue) are rights to consideration in exchange for goods and services that the Company has transferred to a customer when such right is conditional upon something other than passage of time.

Amortised Cost and Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset not designated as at FVTPL. The expected credit loss approach requires that all impacted financial assets will carry a loss allowance based on their expected credit losses. Expected credit losses are a probability-weighted estimate of credit losses over the contractual life of the financial assets.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

The impairment provisions for trade receivables is based on reasonable and supportable information including historic loss rates, present developments such as liquidity issues and information about future economic conditions, to ensure foreseeable changes in the customer-specific or macroeconomic environment are considered.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method. In general, financial liabilities are classified and subsequently measured at amortized cost, with the exception of contingent considerations resulting from a business combination, non controlling interests subject to put provisions as well as derivative financial liabilities.

Financial liabilities subsequently measured at amortised cost

The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in statement of profit and loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in the statement of profit and loss.



2.14 Taxation

Tax expense comprising current tax and deferred tax are recognised in the Statement of Profit and Loss for the year. Current tax is the amount of income tax determined to be payable in respect of taxable income as computed under the tax laws.

Certain items of income and expenditure are not reported in tax returns and financial statements in the same period for the purpose of determining the current tax. The net tax effect calculated at the current enacted tax rates of this timing difference is reported as deferred income tax asset/liability. The effect on deferred tax assets and liabilities due to change in such assets/liabilities as at the end of previous accounting period and due to a change in tax rates are recognised in the income statement of the period.

2.15 Earnings Per Share

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of exceptional items, if any) by the weighted average number of equity shares outstanding during the year. The weighted average number of ordinary shares outstanding during the year is number of shares outstanding at the beginning of the year, adjusted by the number of ordinary shares issued during the year multiplied by a time-weighting factor.

2.16 Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

2.17 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.

2.18 Borrowing cost

Borrowing cost includes interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

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 respective asset. All other borrowing costs are expensed in the period they occur.

2.19 Segment Reporting

In accordance with Ind AS 108, Segment Reporting, the Group's Chief Operating Decision Maker ("CODM") has been identified as the board of directors. The Group is engaged only in Healthcare business and therefore the Company's CODM has decided to have only one reportable segment as at the March 31, 2023, in accordance with IND AS 108 "Operating Segments".

2.20 Government Grants and Subsidies

Government grants and subsidies are recognised when there is reasonable assurance that the Group will comply with the conditions attached to them and the grants/ subsidies will be received. When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the years necessary to match them with the related costs, which they are intended to compensate. Alternatively, they are deducted in reporting the related expense. Where the grant or subsidy relates to depreciable assets are treated as deferred income which is recognised in the profit and loss statement on a systematic and rational basis over the useful life of the asset. Such allocation to income is usually made over the periods and in the proportions in which depreciation on related assets is charged. The deferred income is disclosed in the balance sheet as 'Deferred Government Grants' pending its apportionment to statement of profit and loss.

2.21 Recent pronouncements

Ministry of Corporate Affairs vide notification dated March 31, 2023 issued the Companies (Indian Accounting Standards) Amendment Rules, 2023. Some of the key amendments are given below:

Ind AS 1 : Companies shall disclose their material accounting policy information rather than their significant accounting policies and accounting policies related to immaterial transactions, other events or conditions which are themselves immaterial are not required to be disclosed. The said amendment is effective from April 01, 2023.

Ind AS 12: Amendment has made to narrow the scope of the initial recognition exemption, i.e., it no longer applies to transactions that, on initial recognition, give rise to the equal taxable and deductible temporary differences. The said amendment is effective from April 01, 2023.

The Group is in the process of evaluating the effect of the amendments on its financial statements.



2.22 Effect/ Adjustments pursuant to adoption of Ind AS:

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 01, 2022, with a transition date of April 01, 2021. These financial statements for the year ended March 31, 2023 are the first financial statements the Company has prepared under Ind AS. For all periods upto and including the year ended March 31, 2022, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read the Companies (Accounting Standards) Rules, 2021 ('Previous GAAP').

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended March 31, 2023, together with the comparative information as at and for the year ended March 31, 2022 and the opening Ind AS Balance Sheet as at April 01, 2021, the date of transition to Ind AS.

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its financial statements prepared under previous GAAP, including the Balance Sheet as at April 01, 2021 and the financial statements as at and for the year ended March 31, 2022.

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

- I. Reconciliation of Equity as at April 01, 2021
- II. A. Reconciliation of Equity as at March 31, 2022
B. Reconciliation of Statement of Profit and Loss for the year ended March 31, 2022
- III. Adjustments to Statement of Cash Flows for the year ended March 31, 2022

(I) Reconciliation of Equity as at April 01, 2021:

Particulars	Note Reference	Previous IGAAP	Effects of transition	Ind AS
ASSETS				
<i>Non-current assets</i>				
(a) Property, plant and equipment	C (i)	3,884.39	-	3,884.39
(b) Right-of-Use Assets	C (iii)	-	28,274.10	28,274.10
(c) Other Intangible assets	C (i)	314.59	-	314.59
(d) Financial Assets				
(i) Investments		-	-	-
(ii) Other financial assets	C (iii)	5,579.08	(1,223.90)	4,355.18
(e) Income Tax Asset (Net)		4,188.04	-	4,188.04
(f) Other non-current assets	C (iii)	-	780.39	780.39
<i>Current assets</i>				
(a) Inventories		2,850.46	-	2,850.46
(b) Financial assets				
(i) Trade receivables		9,552.99	-	9,552.99
(ii) Cash and cash equivalents		583.50	-	583.50
(iii) Other financial assets		524.81	-	524.81
(c) Other current assets	C (iii)	551.97	352.43	904.40
Total of Assets		28,029.83	28,183.02	56,212.85
EQUITY AND LIABILITIES				
Equity				
Equity share capital		4,364.34	-	4,364.34
Other equity	C (iv)	(47,685.92)	(3,204.34)	(50,890.25)
Liabilities				
<i>Non-current liabilities</i>				
(a) Financial Liabilities				
(i) Borrowings		35,294.19	0.00	35,294.19
(ii) Lease liabilities	C (iii)	-	24,060.09	24,060.09
(b) Provisions		1,387.42	(0.00)	1,387.42
<i>Current liabilities</i>				
Financial liabilities				
(a) Financial Liabilities				
(i) Borrowings		7,705.58	-	7,705.58
(ii) Lease liabilities	C (iii)	-	7,327.27	7,327.27
(iii) Trade payables		-	-	-
Total outstanding dues of micro and small enterprises		-	-	-
Total outstanding dues of other creditors		14,341.23	-	14,341.23
(b) Provisions		1,581.96	-	1,581.96
(c) Other current liabilities		11,041.02	-	11,041.02
Total of Equity and Liabilities		28,029.83	28,183.03	56,212.85



2.22 Effect/ Adjustments pursuant to adoption of Ind AS:

(II) A. Reconciliation of Equity as at March 31, 2022:

Particulars	Note Ref.	Previous IGAAP	Effects of transition	Ind AS
ASSETS				
Non-current assets				
(a) Property, plant and equipment	C (i)	3,243.65	(31.87)	3,211.78
(b) Right-of-Use Assets	C (iii)	-	19,758.36	19,758.36
(c) Other Intangible assets	C (i)	417.28	46.94	464.22
(d) Financial Assets				
(i) Investments		-	-	-
(ii) Other financial assets	C (iii)	5,607.49	(885.46)	4,722.03
(e) Income Tax Asset (Net)		2,845.46	-	2,845.46
(f) Other non-current assets	C (iii)	-	395.12	395.12
Current assets				
(a) Inventories		2,728.85	-	2,728.85
(b) Financial assets				
(i) Trade receivables		12,125.89	-	12,125.89
(ii) Cash and cash equivalents		377.67	-	377.67
(iii) Other financial assets		622.98	-	622.98
(c) Other current assets	C (iii)	6,651.41	385.26	7,036.67
Total of Assets		34,620.68	19,668.35	54,289.03
EQUITY AND LIABILITIES				
Equity				
Equity share capital		4,364.34	-	4,364.34
Other equity	C (iv)	(55,086.81)	(4,391.74)	(59,478.55)
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings		11,471.41	-	11,471.41
(ii) Lease liabilities	C (iii)	-	19,081.52	19,081.52
(b) Provisions		2,611.44	-	2,611.44
Current liabilities				
Financial liabilities				
(a) Financial Liabilities				
(i) Borrowings		33,470.14	-	33,470.14
(ii) Lease liabilities	C (iii)	-	4,978.57	4,978.56
(iii) Trade payables		-	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		18,537.16	-	18,537.16
(b) Provisions		192.74	-	192.74
(c) Other current liabilities		19,060.27	-	19,060.27
Total of Equity and Liabilities		34,620.68	19,668.35	54,289.03



2.22 Effect/ Adjustments pursuant to adoption of Ind AS:

(II) B. Reconciliation of Statement of Profit and Loss for the year ended March 31, 2022

Particulars	Note Ref.	Previous IGAAP	Effects of transition	Ind AS
Revenue from continuing operations		77,793.25	-	77,793.25
Other income	C(iii)	582.71	338.43	921.14
Total Income		78,375.96	338.43	78,714.39
Expenses:				
Cost of materials consumed		832.16	-	832.16
Purchase of stock in trade		5,348.14	-	5,348.14
Changes in inventories of stock-in-trade		121.60	-	121.60
Employee benefits expense	C(ii)	36,930.68	244.35	37,175.03
Finance costs	C(iii)	2,916.24	2,360.23	5,276.47
Depreciation and amortisation expense	C(iii)	1,121.84	8,500.66	9,622.50
Other expenses	C(iii)	38,506.20	(9,335.06)	29,171.14
Total expenses		85,776.86	1,770.18	87,547.04
Profit/(loss) before tax expense		(7,400.90)	(1,431.75)	(8,832.65)
Income tax expense				
Current tax		-	-	-
Deferred tax		-	-	-
Total tax expense		-	-	-
Profit/(loss) after tax for the year		(7,400.90)	(1,431.75)	(8,832.65)
Other comprehensive income (OCI)				
Items that will not be reclassified to statement of profit or loss				
Remeasurement of defined benefit plans (Gratuity)	C(ii)	-	244.36	244.36
Other Comprehensive Income		-	244.36	244.36
Total Comprehensive Income for the year		(7,400.90)	(1,187.39)	(8,588.29)

(VI) Adjustments to Statement of Cash Flows for the year ended March 31, 2023

There were no material differences between the Statement of Cash Flows presented under Ind AS and the Previous GAAP. The details are given below:

Particulars	IGAAP	Effects of transition	Ind AS
Cash from operating activities	1,075.83	9,376.83	10,452.66
Cash from investing activities	(313.09)	(470.68)	(783.77)
Cash from financing activities	(968.57)	(8,906.15)	(9,874.73)

(A) Optional Exemptions from retrospective application

1 **Deemed cost for property, plant and equipment and intangible assets**

The Company has elected to measure all its property, plant and equipment and intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

Investment in equity

2 **Shares of subsidiaries:**

The Company has elected this exemption and opted to continue with the carrying value of investment in subsidiaries under the previous GAAP, as deemed cost at the date of transition.

B. Mandatory Exceptions from retrospective application

The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under

i. **Use of estimates**

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.



2.22 Effect/ Adjustments pursuant to adoption of Ind AS:

C. Other notes on First time adoption of Ind-AS

i. Property, plant and equipment and Intangible Assets

The Company has elected to measure all its property, plant and equipment and Intangible Assets at the previous GAAP carrying amount i.e. March 31, 2021 as its deemed cost (Net Block Value) on the date of transition to Ind AS i.e. April 01, 2021. The Company has opted to provide for the depreciation of straight line basis as compared to written down value basis under previous GAAP. The movement in carrying value of property, plant and equipment and Intangible Assets as per IGAAP is mentioned Note 3.

ii. Defined benefit obligation

Both under Indian GAAP and Ind AS, the Company recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to Statement of Profit and Loss. Under Ind AS, re-measurements comprising of actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI, net of taxes, if any.

iii. Lease liability & Right of use asset

The Company has applied Ind AS 116 using the modified retrospective approach as at the date of transition, with the cumulative effect of initial application of this Standard are recognised as an adjustment to the retained earnings. The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease with corresponding debit to Right of use asset. The lease payments are discounted using incremental borrowing rate. Accordingly, the finance cost is charged to statement of profit & loss. The interest-free refundable security deposit recorded at their transaction value as at the date of transition are now recognized at their fair value. Accordingly, the difference between the fair value and transaction value of the said security deposit has been recognized as Right to use asset (ROUA) and these ROUA are depreciated over the lease term, and the finance income on security deposit is recognised in the statement of profit & loss. Consequently, tax adjustments, if any, arising on account of above have been recognised in the financial statements.

iv. Other Equity

Adjustments to the retained earnings and other comprehensive income have been made in accordance with Ind AS for the items mentioned in Note B(i), B(ii) and B(iii). As per Ind AS 19, actuarial gains and losses are recognized in other comprehensive income as compared to being recognized in the Statement of Profit and Loss under IGAAP.

v. Others

Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

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Property, Plant and Equipment and intangible Assets

3A. Property, Plant and Equipment	Furniture and Fixtures	Office Equipment	Computers	Medical equipment	Vehicles	Electrical Fittings	Leasehold Improvements	Total
Gross block (at Deemed Cost)								
As at April 01, 2021	721.10	416.96	154.83	904.39	0.45	19.06	1,667.62	3,884.39
Additions	-	126.35	46.12	107.58	-	-	-	280.05
Disposals/ Adjustments	-	-	-	-	-	-	-	-
As at March 31, 2022	721.10	543.31	200.93	1,011.95	0.45	19.06	1,667.62	4,164.44
Additions	77.57	480.84	522.59	18.87	-	-	1,149.02	2,248.88
Disposals/ Adjustments	-	-	-	-	-	-	-	-
As at March 31, 2023	798.67	1,024.14	723.53	1,030.83	0.45	19.06	2,816.64	6,413.33

Depreciation Block

As at April 01, 2021	-	-	-	-	-	-	-	-
Charge for the year	95.03	126.09	41.99	125.35	-	4.23	559.98	952.67
Disposals	-	-	-	-	-	-	-	-
As at March 31, 2022	95.03	126.09	41.99	125.35	-	4.23	559.98	952.67
Charge for the year	89.09	304.54	96.37	108.82	-	2.17	614.42	1,215.40
Disposals	-	-	-	-	-	-	-	-
As at March 31, 2023	184.13	430.63	138.36	234.17	-	6.39	1,174.40	2,168.07

Net Block (WDV)

As at April 01, 2021	721.10	416.96	154.83	904.39	0.45	19.06	1,667.62	3,884.39
As at March 31, 2022	626.06	417.22	158.95	886.61	0.45	14.83	1,107.64	3,211.78
As at March 31, 2023	614.54	593.52	585.17	796.66	0.45	12.66	1,642.24	4,245.26

3B. Right of use asset (ROUA)

Gross Block	Right of use asset
As at April 01, 2021	28,274.10
Additions	-
Disposals/ Adjustments	-
As at March 31, 2022	28,274.10
Additions	31,608.63
Disposals/ Adjustments	-
As at March 31, 2023	59,882.73

Accumulated amortisation

As at April 01, 2021	-
Charge for the year	8,515.74
Disposals	-
As at March 31, 2022	8,515.74
Charge for the year	9,813.85
Disposals	-
As at March 31, 2023	18,329.58

Net Block (WDV)

As at April 01, 2021	28,274.10
As at March 31, 2022	19,758.36
As at March 31, 2023	41,553.14

Note: The Company had adopted Ind AS 116 on "Leases", effective annual reporting period beginning April 01, 2021 and applied the standard to its leases, using the modified retrospective approach, with the cumulative effect of initially applying the said standard, recognised in the retained earnings as of April 01, 2021. This had resulted in recognising a right-of-use asset of ₹ 28,274.10 thousand and a corresponding lease liability of ₹ 31,387.36 thousand by adjusting differential impact to retained earnings to the extent of ₹ 3,113.26 thousand as at April 01, 2021. The weighted average incremental borrowing rate of 8.40% was applied to lease liabilities recognised in the balance sheet at the date of initial application.



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Break up of current and non-current lease liabilities

Particulars	March 31,2023	March 31,2022	April 01,2021
Current lease liabilities	11,538.64	4,978.56	7,327.27
Non-current lease liabilities	35,029.16	19,081.52	24,060.09
Total	46,567.80	24,060.09	31,387.36

Reconciliation of lease liabilities

Particulars	March 31,2023	March 31,2022
Balance at the beginning of the year	24,060.09	31,387.36
Addition during the year	31,491.79	-
Accretion of Interests	2,934.13	2,360.23
Payment of lease liabilities	11,918.20	9,687.50
Balance at the end of the year	46,567.80	24,060.09

Amounts Recognised in statement of Profit and loss is as under:

Particulars	March 31,2023	March 31,2022
Depreciation on Right of use assets	9,813.85	8,515.74
Interest accretion on lease liabilities	2,934.13	2,360.23
Total	12,747.97	10,875.97

Contractual maturities of lease liabilities on an undiscounted cash flows basis:

Particulars	March 31,2023	March 31,2022
Not later than one year	11,538.64	4,978.56
Later than one year and not later than five years	34,648.94	19,081.52
Later than five years	380.22	-
Total	46,567.80	24,060.09

3C. Other Intangible Assets

Gross block (at Deemed Cost)

As at April 01, 2021

Additions

Disposals/ Deletions

As at March 31, 2022

Additions

Disposals/ Deletions

As at March 31, 2023

Accumulated amortisation

As at April 01, 2021

Charge for the year

Disposals

As at March 31, 2022

Charge for the period

Disposals

As at March 31, 2023

Net Block (WDV)

As at April 01, 2021

As at March 31, 2022

As at March 31, 2023

**Computer
Software**

314.59

303.73

618.32

1,027.31

1,645.62

154.09

154.09

340.23

494.32

314.59

464.22

1,151.30



3D. Intangible assets under development

(i) Website development and customer engagement platform

As at April 01, 2021

Additions during the year

Capitalised during the year

As at March 31, 2022

Additions during the year

Capitalised during the year

As at March 31, 2023

-
-
-
8,026.26
-
8,026.26

Ageing of Intangible Assets under development as on March 31, 2023

Particulars	Amount in CWIP for a period of				Total
	< 1 Year	1-2 Years	2-3 Years	>3 Years	
Projects in Progress	8,026.26	-	-	-	8,026.26
Projects temporarily suspended	-	-	-	-	-
Total	8,026.26	-	-	-	8,026.26

Note: There were no outstanding Capital Work In Progress as at March 31, 2022 and April 01,2021

Other notes to Property, Plant and Equipment

(a) During the last five years ended March 31, 2023, there was no write off of any of the Property, Plant and equipment or intangible assets due to reduction of capital or due to revaluation.

(b) The Company has not revalued its Property, Plant and Equipment or Intangible assets or Right of Use Asset during the year.

(c) There are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act,1988 and rules made thereunder.

(d) The Company does not own any immovable property in its name.

(e) The Company does not have any intangible assets under development other than disclosed above.

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4 Income Tax Asset (Net)	As at	As at	As at
	March 31, 2023	March 31, 2022	April 01, 2021
Tax Deducted at Source	3,420.22	2,845.46	4,188.04
Total	3,420.22	2,845.46	4,188.04

5 Inventories	As at	As at	As at
	March 31, 2023	March 31, 2022	April 01, 2021
(Carried at lower of Cost and net realisable value)			
Stock in Trade - Pharmacy items	3,529.26	2,728.85	2,850.46
Total	3,529.26	2,728.85	2,850.46

Note: Inventories are valued at the lower of cost and net realisable value. Cost is computed on a First-In- First-Out (FIFO) basis.

6 Trade receivables	As at	As at	As at
	March 31, 2023	March 31, 2022	April 01, 2021
Unsecured			
(a) Considered Good	19,980.83	12,125.89	9,552.99
Less: Expected Credit Loss on above	(621.53)	-	-
(b) Credit impaired	1,397.67	795.38	446.26
Less: Expected Credit Loss on above	(1,397.67)	(795.38)	(446.26)
Total	19,359.30	12,125.89	9,552.99

6.1 Trade receivables ageing schedule

Ageing schedule for the year ended March 31, 2023 and March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed-Considered Good	14,596.11 (7,697.66)	393.44 (1,121.48)	3,124.75 (1,605.07)	1,171.52 (1,661.60)	695.01 (40.08)	19,980.83 (12,125.89)
Undisputed-Significant Increase in Credit Risk	-	-	-	-	-	-
Undisputed-Credit Impaired	-	-	-	-	1,397.67 (795.38)	1,397.67 (795.38)
Disputed-Considered Good	-	-	-	-	-	-
Disputed-Significant Increase in Credit Risk	-	-	-	-	-	-
Disputed-Credit Impaired	-	-	-	-	-	-
Total(A)	14,596.11 (7,697.66)	393.44 (1,121.48)	3,124.75 (1,605.07)	1,171.52 (1,661.60)	2,092.68 (835.46)	21,378.51 (12,921.27)
Less: Allowance for expected credit loss (B)	-	(47.93)	(247.16)	(326.44)	(1,397.67) (795.38)	(2,019.21) (795.38)
Net trade receivable (A-B)	14,596.11 (7,697.66)	345.51 (1,121.48)	2,877.59 (1,605.07)	845.08 (1,661.60)	695.01 (40.08)	19,359.30 (12,125.89)

Note: There are no debts due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.



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7 Cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Cash on hand *	183.32	86.53	78.55
Balances held with banks			
- In Current Accounts	17,070.61	291.14	504.95
- In Deposit Accounts	27,756.64	-	-
TOTAL	45,010.57	377.67	583.50

* Includes balances in wallets held with third party vendor.

8 Other financial assets

(Unsecured, considered good)

	As at March 31, 2023		As at March 31, 2022		As at April 01, 2021	
	Non-Current	Current	Non-Current	Current	Non-Current	Current
Security Deposits	4,854.94	434.87	3,771.85	339.00	3,629.22	431.32
Other Bank Balances *	745.55	-	709.60	-	485.38	-
Interest accrued on bank deposits	-	28.09	-	9.88	-	0.24
Recoverables from related party **	-	4,506.68	-	4,286.08	-	4,105.24
Less: Provision for recoverables	-	(4,011.98)	-	(4,011.98)	-	(4,011.98)
Other deposit	240.58	-	240.58	-	240.58	-
TOTAL	5,841.06	957.65	4,722.03	622.98	4,355.18	524.81

* Balances held with banks in deposit account as margin money for issue of bank guarantee facility. The deposits are expected to be renewed on their maturity and accordingly, classified as non-current under 'Other Bank Balances' which is considered appropriate by the Management. The fair value of interest bearing fixed deposits approximates to their carrying amounts. Also Refer Note 28.2(b)

** Recoverables from related party includes certain advances that are due for long period, the Company on a conservative basis and as a matter of abundant caution has made provision to the extent considered doubtful, which is considered appropriate.

9 Other Assets

(Unsecured, considered good)

	As at March 31, 2023		As at March 31, 2022		As at April 01, 2021	
	Non-Current	Current	Non-Current	Current	Non-Current	Current
Prepaid expenses	-	786.68	-	201.09	-	313.83
Prepaid lease rentals	1,080.01	444.29	395.12	385.27	780.39	352.44
Advances to employees	-	47.01	-	425.33	-	102.47
Advance to suppliers	-	301.83	-	128.03	-	135.67
Unbilled revenue	-	4,780.20	-	5,896.96	-	-
TOTAL	1,080.01	6,360.01	395.12	7,036.67	780.39	904.40

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10 Equity Share Capital	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Authorised			
800,000 Equity Shares (March 31, 2022: 500,000, April 01, 2021: 500,000) of Rs.10 each	8,000.00	5,000.00	5,000.00
Issued, Subscribed & Paid Up			
626,494 Equity Shares (March 31, 2022: 436,434 Equity Shares, April 01, 2021: 436,434 Equity Shares) of Rs.10 each	6,264.94	4,364.34	4,364.34

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity Shares of Rs.10 each	March 31, 2023 No. of Shares	March 31, 2022 No. of Shares
Number of Shares at the Beginning	436,434	436,434
Shares issued during the year	190,060	-
Number of Shares at the end	626,494	436,434

b. Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the Share holders	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% Holding	No. of Shares	% Holding
Apollo Hospitals Enterprises Limited (Parent Company)	375,896	60.00%	-	0.00%
Rajiv Vasudevan (Promoter)	204,105	32.58%	176,678	40.48%
Kalmatia Sangam Travels Private Limited	31,325	5.00%	84,781	19.43%
Acumen Fund, Inc	-	-	48,968	11.22%
Niranjan Gopinath Rao	-	-	31,235	7.16%
	611,326	97.58%	341,662	78.28%

c. Details of shareholdings by the Promoters of the Company

Promoter name	As at March 31, 2023		As at March 31, 2022		% Change during the year
	No. of Shares	% Holding	No. of Shares	% Holding	
Rajiv Vasudevan	204,105	32.58%	176,678	40.48%	-7.90%

d. Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The balance assets available for the distribution amongst shareholders shall (subject to the rights of members in respect of shares which confer special rights) be divided between the shareholders in proportion to the amounts paid upon the shares held by them respectively.

e. Notes on share capital :

- As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.
- There are no shares that have been issued, subscribed and not fully paid up.
- There are no forfeited shares.
- There are no shares reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment.

f. During the previous five years at the balance sheet date.

- No shares were allotted as fully paid up pursuant to contract(s) without payment being received in cash.
- No shares were allotted as fully paid up by way of bonus shares.
- No shares were bought back.

- g. The Board of Directors of the Company pursuant to the approval of the members at their Extra-ordinary General Meeting held on October 14, 2022 have accorded to issue 1,90,060 shares of Rs.10 each at a premium of Rs 700.30 per share in accordance to the provisions of the Companies Act, 2013 read with rules made thereunder on preferential basis through private placements to Apollo Hospitals Enterprises Limited ("Apollo"). The share price for these purposes have been valued by the registered valuer. Further, through a separate share purchase arrangement with the existing shareholders, Apollo has acquired 1,85,836 shares of Rs.10 each from the existing shareholders of the Company obtaining the controlling stake in the Company. The funds raised from private placement of the shares of the Company were utilised for the general business purposes (immediate working capital and long-term funding requirements of the business) as there were no specified conditions.



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11 Other Equity	As at	As at	As at
	March 31, 2023	March 31, 2022	April 01, 2021
Retained Earnings	(2,09,403.74)	(1,93,891.11)	(1,85,058.46)
Securities Premium	2,66,721.00	1,33,621.98	1,33,621.98
Other items of Other Comprehensive Income	944.41	790.58	546.23
	58,261.67	(59,478.55)	(50,890.25)
11.1 Retained Earnings			
Balance at the beginning of the year	(1,93,891.11)	(1,85,058.46)	(1,71,699.86)
Add: Profit/(Loss) for the year	(15,512.63)	(8,832.65)	(13,358.60)
Balance at end of the Period	(2,09,403.74)	(1,93,891.11)	(1,85,058.46)
Retained Earnings: Retained earnings are the profits/losses that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.			
11.2 Securities Premium Account			
Balance at the beginning of the Period	1,33,621.98	1,33,621.98	1,33,621.98
Premium on issue of equity shares	1,33,099.02	-	-
Balance at end of the Period	2,66,721.00	1,33,621.98	1,33,621.98
Securities Premium Account: The amount received in excess of face value of the equity shares is recognised in Securities Premium. The application of securities premium account is governed by provisions of section 52 of the Companies Act, 2013			
11.3 Other Items of Other Comprehensive Income			
Remeasurement of defined benefit obligations	-	244.36	546.22
Balance at beginning of the period	790.58	546.22	-
Re-measurement gains/(losses) (net of tax affect)	153.83	-	-
Balance at end of the period	944.41	790.58	546.22
Remeasurements of Defined Benefit Obligation: Any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income.			
11.4 The Company has neither declared nor paid any dividend during the year ended March 31, 2023 and year ended March 31, 2022. Hence the provisions of section 123 of the Companies Act, 2013 is not applicable.			

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KERALA FIRST HEALTH SERVICES PRIVATE LIMITED
CORPORATE IDENTITY NUMBER (CIN):U85110KL2005PTC018434
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12 Borrowings	As at March 31, 2023		As at March 31, 2022		As at April 01, 2021	
	Non Current	Current	Non Current	Current	Non Current	Current
12.1 Secured Loan						
Term Loan						
Others - Inter- corporate Loan	-	-	-	29,781.14	25,000.00	2,981.14
Others	-	-	-	1,257.33	377.79	-
	-	-	-	31,038.47	25,377.79	2,981.14

12.2 Other Notes on Secured Term Loans

- a. During the financial year 2019-20, the Company has taken loan from a Kalmatia Sangam Travels Private Limited (KSTPL) to meet working capital requirements which has bullet payment and was due on March 31, 2022. The said loan carried an interest rate of 8% per annum and was secured by pari passu hypothecated assets. There were no continuing default as at March 31, 2023. (Refer Note 12.2.c below for details of defaults)
- b. During the financial year 2019-20, the Company has taken loan from a UC Inclusive Credit Private Limited (UCIC) to meet its working capital requirements which is repayable in 30 monthly instalments commencing on November 1, 2019 and ending on April 1, 2022. The loan carried as interest rate of 17.3% per annum and is secured by hypothecation of all movable and immovable properties including inventories of the Company. There were no continuing default as at March 31, 2023. (Refer Note 12.2.c below for details of defaults)

c. Details of defaults in repayment above term Loan as at March 31, 2023:

Name of Borrower	Nature of payment	Amount not paid on due date	Delays (In days)
UC Inclusive Credit Private Limited	Interest	7.81	60
UC Inclusive Credit Private Limited	Interest	5.24	115
UC Inclusive Credit Private Limited	Interest	2.64	84
UC Inclusive Credit Private Limited	Interest	26.47	24
UC Inclusive Credit Private Limited	Principal	65.59	266
UC Inclusive Credit Private Limited	Principal	189.49	181
UC Inclusive Credit Private Limited	Principal	192.22	181
UC Inclusive Credit Private Limited	Principal	194.99	174
UC Inclusive Credit Private Limited	Principal	197.80	143
UC Inclusive Credit Private Limited	Principal	200.65	115
UC Inclusive Credit Private Limited	Principal	203.54	84
Kalmatia Sangam Travels Private Limited	Principal	25,000.00	253
Kalmatia Sangam Travels Private Limited	Interest	3,737.85	253 to 1012 days
Kalmatia Sangam Travels Private Limited	Interest	1,041.26	1408 days
Kalmatia Sangam Travels Private Limited	Interest	1,200.00	9 to 252 days

- d. During the financial year 2022-23, the Company has availed loan of Rs.2,000 thousand from Apollo Hospitals Enterprise Limited repayable in 4 months from the date of the loan and carry a interest rate of 8% per annum. This loan was availed for the purpose of funding specific capital expenses and operational expenses and was secured by pledge of 65,000 shares owned by the Managing Director of the Company. The said loan was settled during the year and there were no outstanding and continuing default as at the balance sheet date.

12.3 Unsecured loan: Loans and Advances from related parties	As at March 31, 2023		As at March 31, 2022		As at April 01, 2021	
	Non Current	Current	Non Current	Current	Non Current	Current
From Director	-	-	1,039.93	-	1,039.93	1,957.08
From Managing Director *	-	4,260.52	10,431.48	2,431.67	8,876.48	2,767.36
	-	4,260.52	11,471.41	2,431.67	9,916.41	4,724.44
Total	-	4,260.52	11,471.41	33,470.14	35,294.19	7,705.58

* Unsecured non-interest bearing Loan from Managing Director of Rs.4,260.52 thousand does not have stipulated repayment schedule and accordingly classified as current.



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13 Lease liabilities	As at March 31, 2023		As at March 31, 2022		As at April 01, 2021	
	Non Current	Current	Non Current	Current	Non Current	Current
Lease Liabilities	35,029.16	11,538.64	19,081.52	4,978.56	24,060.09	7,327.27
Total	35,029.16	11,538.64	19,081.52	4,978.56	24,060.09	7,327.27

14 Provisions	As at March 31, 2023		As at March 31, 2022		As at April 01, 2021	
	Non Current	Current	Non Current	Current	Non Current	Current
Provision for Gratuity	2,980.39	319.55	2,611.44	192.74	1,387.42	1,077.71
Provision for Income tax	-	-	-	-	-	504.25
Total	2,980.39	319.55	2,611.44	192.74	1,387.42	1,581.96

15 Trade Payables	As at	As at	As at
	March 31, 2023	March 31, 2022	April 01, 2021
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro and small enterprises	8,791.32	18,537.16	14,341.23
TOTAL	8,791.32	18,537.16	14,341.23

15.1 The Company has not obtained the confirmations from the suppliers that they are registered as micro, small or medium enterprises under The Micro Small and Medium Enterprises Development Act, 2006 as at March 31, 2023 and as at March 31, 2022. Accordingly, no disclosures are made this regard.

15.2 Trade Payables ageing schedule as at March 31, 2023 and as at March 31, 2022

Particulars	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues- MSME	-	-	-	-	-	-
Undisputed dues - Others	472.48 (438.40)	7,557.68 (14,816.00)	277.08 (1,233.36)	265.41 (1,302.47)	218.67 (746.93)	8,791.32 (18,537.16)
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	472.48 (438.40)	7,557.68 (14,816.00)	277.08 (1,233.36)	265.41 (1,302.47)	218.67 (746.93)	8,791.32 (18,537.16)

* Amounts in parenthesis relates to previous year

16 Other Current Liabilities	As at	As at	As at
	March 31, 2023	March 31, 2022	April 01, 2021
Advances from customers	1,387.60	1,305.88	1,067.08
Statutory Liabilities	1,115.11	2,921.16	1,330.87
Employee Payables	10,585.13	14,833.23	8,643.08
TOTAL	13,087.85	19,060.27	11,041.02

*Includes dues to Managing Director 1,471.02 4,291.61 2,727.64



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	For the year ended March 31, 2023	For the year ended March 31, 2022
17 Revenue from Operations		
Hospital services*	83,751.67	67,464.06
Pharmacy receipts	11,118.90	7,087.56
Other operating revenue	1,841.77	3,241.63
Total	96,712.34	77,793.25
<i>* net of discounts and share of revenue.</i>		
18 Other Income		
Interest on fixed deposits	380.02	33.86
Interest on income tax refund	98.90	236.82
Interest on security deposit measured at amortised cost	364.65	338.42
Balances/ Provision no longer payable, now written back	1.48	271.88
Other non-operating income	-	40.16
Total	845.05	921.14
19 Changes in inventories of Stock-In-Trade		
Opening Stock	2,728.85	2,850.45
Less: Closing stock	3,529.26	2,728.85
Total	(800.41)	121.60
20 Employee benefit expense		
Salary, allowances and bonus	41,082.92	31,510.47
Contributions to provident fund	755.45	703.72
Contributions to ESI	89.05	103.51
Gratuity expenses	744.79	583.40
Staff welfare expenses	5,110.20	4,273.94
Total	47,782.41	37,175.03
21 Finance Costs		
Interest on term loans	2,228.71	2,359.87
Interest on directors loan	12.62	107.56
Loan processing charges	-	5.90
Interest on delayed remittance of taxes	378.70	442.91
Interest on finance lease*	3,170.15	2,360.23
Total	5,790.18	5,276.47

* Includes interest payment towards delay in remittance of lease rentals Rs.236.02 thousand (Year ended March 31,2022: Nil).



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22 Other expenses	For the year ended March 31, 2023	For the year ended March 31, 2022
Consultant charges	10,405.25	9,280.60
Hospital/Office Maintenance charges	4,396.45	3,847.07
Electricity charges	2,818.65	1,877.81
Canteen expenses	3,025.88	4,437.07
Professional charges (for auditor's remuneration refer 22.1 below)	4,040.12	1,234.76
Advertisement and sales promotion	6,501.88	2,759.71
Lab charges	48.27	36.29
Rent	1,025.91	835.32
Rates and taxes	510.72	115.99
Communication expenses	912.29	747.88
Printing & stationery	289.47	162.20
Repairs and maintenance		
Plant and machinery	326.85	157.77
Buildings	154.31	58.93
Repairs and maintenance - Others	606.03	418.77
Security charges	540.85	740.63
Software Expenses	567.66	141.26
Bank charges	653.45	624.89
Travel and conveyance	1,440.21	484.59
Provision for doubtful advances	-	-
Expected credit loss on trade receivables	1,223.83	349.12
Quality certification expenses	623.64	264.89
Membership & Subscription charges	176.04	153.10
Taxes deducted no longer recoverable now written off	372.71	-
Miscellaneous expenses	530.28	442.48
Total	41,190.75	29,171.14
22.1 Auditors' Remuneration		
a) As auditor	472.48	279.50
b) Tax audit fee	-	55.00
c) Taxation services	-	32.44
d) Other Certification Services	-	70.00
e) Reimbursement of expenses	-	1.46
	472.48	438.40

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23 Related Party Disclosures

a. Related parties of the Group are as follows:

Name of the Related Party	Nature of relationship
Apollo Hospitals Enterprise Limited	Holding Company (w.e.f December 02, 2022)
Mr. Rajiv Vasudevan - Managing Director	Key Managerial Personnel ("KMP")
Mrs. Ammini Vasudevan	Relative of Key Managerial Personnel (Director upto December 02,2022)
Krishnan Akhileswaran	Key Managerial Personnel ("KMP") (w.e.f December 02, 2022)
Ayurveda Discovery Foundation	Enterprises owned or significantly influenced by KMP or their relatives

b. Related Party Transactions during the Year:

Name of the Related Party	Nature of transactions	For the year ended March 31, 2023	For the year ended March 31, 2022
Apollo Hospital Enterprise Limited	Issue of Equity shares*	1,34,999.62	-
Mr. Rajiv Vasudevan	Loans taken during the year	11.36	2,131.80
	Loans repaid during the year	8,613.98	480.00
	Interest on Loan	12.62	107.56
	Remuneration	3,000.00	1,887.74
	Reimbursement for expenses	63.06	4.60
	Sale of Pharmacy Products	6.82	10.20
	Hospital services rendered	6.60	6.95
Mrs. Ammini Vasudevan	Loans repaid during the year	1,039.93	-
	Hospital services rendered	132.22	7.72
	Sale of Pharmacy Products	16.24	0.22
Ayurveda Discovery Foundation	Advances given	220.60	180.84

* Equity share of Rs.10 each at a premium of Rs. 700.30 per share. Also Refer Note 10.

c. Balance outstanding as at end of the year:

Name of the Related Party	Particulars	As at March 31, 2023	As at March 31, 2022
Mr. Rajiv Vasudevan	Loan due	4,260.52	12,863.15
	Remuneration Payable	1,443.76	3,558.30
	Reimbursement for expense (Payable)	27.27	733.31
Ayurveda Discovery Foundation	Advances given*	4,506.68	4,286.08

*Against this Company has made provisions of Rs.4,011.98 thousands.

Note:

a. The respective Companies in the Group has not entered into any non-cash transactions with its directors and persons connected with its directors pursuant to Section 192 of Companies Act,2013.

b. The respective Companies in the Company has not given any loans or advances in the nature of loans to any of its promoters, directors or related parties.

24 Most of the account balances of trade receivables, advances and trade payables other than subsidiary are subject to confirmation. In the opinion of the management, none of the assets including investment in subsidiaries have a value less than what is stated in the accounts if realised in the ordinary course of business.

25 Earnings Per Equity Share

Earnings Per Share has been computed as under:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Loss for the year	(15,512.63)	(8,832.65)
Weighted average number of equity shares outstanding during the year	4,99,787	4,36,434
Earnings Per Share (Rs.) - Basic & Diluted (Face value of Rs.10 per share)	(31.04)	(20.24)

26 Additional Information in respect of preparation of Consolidated Financial Statements pursuant to Schedule III to the Act:

Sl. No	Name of the entity	Net Assets		Share in profit/loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
A	Parent entity								
	Kerala First Health Services Private Limited	101%	64,909.44	101%	(15,594.91)	100%	153.83	101%	(15,441.08)
		99%	(54,649.10)	99%	(8,775.06)	100%	244.36	99%	(8,530.70)
B	Indian Subsidiaries								
	Baalyam Healthcare Private Limited	-1%	(559.93)	1%	(194.82)	0%	-	1%	(194.82)
		1%	(365.11)	1%	(57.59)	0%	-	1%	(57.59)
C	Intercompany elimination and consolidation		177.10		277.10		-		277.10
			(100.00)		-		-		-
	TOTAL		64,526.61		(15,512.63)		153.83		(15,358.80)
			(55,114.21)		(8,832.65)		244.36		(8,588.29)

Note: Amounts in Italics represents previous year.



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	As at	As at
	March 31, 2023	March 31, 2022
27 Contingent liability and Capital commitments		
27.1 Contingent liability		
Demand as per TRACES portal of Income tax website in respect of which company is in the process of filing necessary rectifications.	525.06	-

27.2 Commitments

- a. The estimated amount of contracts remaining to be executed on capital account (net of advances) is Rs. Nil (March 31, 2022: Nil).
- b. The Company has furnished Bank Guarantee of Rs. 600.00 thousand (March 31, 2022 : 600.00 thousand) to Central Government Health Scheme. This facility from bank is secured by the deposits of the Company held with as Margin money. (Also, Refer Note 8)

28 In view of losses during the year, the Management of the Company, based of prevalent tax laws applicable to the Company does not estimate any tax liability. Accordingly, no provisions are made towards tax expenses during the year.

29 Employee benefits

29.1 Defined contribution plans

The Company makes contributions towards provident fund and employees state insurance as a defined contribution retirement benefit fund for qualifying employees. The provident fund is operated by the regional provident fund commissioner. The amount recognised as expense towards contribution to provident fund amount was Rs.755.45 thousand (March 31, 2022 : Rs.703.72 thousand). The Employee state insurance is operated by the Employee State Insurance corporation. Under these schemes, the Company is required to contribute a specific percentage of the payroll cost as per the statute. The amount recognised as expense towards contribution to Employee State Insurance was Rs.89.05 thousand (March 31, 2022 : Rs.103.51 thousand). The Company has no further obligations in regard of these contribution plans

29.2 Defined benefit plans : Gratuity

The Company has a defined benefit gratuity plan wherein every employee having completed five years or more years of continuous service is entitled to gratuity on departure. The Company accrues for gratuity at 15 days basic salary (last drawn salary) for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972. The scheme is unfunded.

The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation carried out by an independent actuary using the projected unit credit method.

Disclosures of Defined Benefit Plans based on actuarial valuation reports

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

a. Change in Defined Benefit Obligation	For the year ended	For the year ended
Present value of defined benefit obligation as at the beginning of the year	2,804.17	2,465.14
Current service cost	548.22	417.39
Interest cost	196.57	165.90
Remeasurement (gains)/losses on account of change in actuarial assumptions	(153.83)	(244.26)
Present value of defined benefit obligation as at the end of the year	3,395.13	2,804.17
b. Expenses recognised in statement of profit and loss	For the year ended	For the year ended
	March 31, 2023	March 31, 2022
Current service cost	548.22	417.39
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	196.57	165.90
Total Expenses/ (Income) recognised in profit and loss*	744.79	583.30
c. Expenses recognised in Other Comprehensive Income	For the year ended	For the year ended
	March 31, 2023	March 31, 2022
Actuarial (gains) / losses arising from changes in actuarial assumptions	(29.52)	(32.60)
Actuarial (gains) / losses arising from experience adjustments	(124.31)	(211.66)
Total of remeasurement (gain)/loss recognised in Other Comprehensive Income (OCI)	(153.83)	(244.26)



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d. Significant Actuarial Assumptions	For the year ended	For the year ended
	March 31, 2023	March 31, 2022
Discount rate(s)	7.22%	7.01%
Expected rate(s) of salary increase	5%	5%
Attrition Rate	15%	15%
Retirement Age	58	58
Pre-retirement mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

e. 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:

Projected benefit obligation on current assumptions	March 31, 2023		March 31, 2022		April 01, 2021	
	Defined benefit obligation		Defined benefit obligation		Defined benefit obligation	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(134.69)	151.24	(112.51)	126.96	(91.89)	103.76
Future salary growth (1% movement)	142.44	(128.59)	120.02	(107.84)	98.02	(88.08)
Attrition rate (1% movement)	3.88	(5.20)	1.03	(2.06)	(3.37)	2.76

f. Maturity profile of defined benefit plan:

Projected benefits payable in future years from the date of reporting

Particulars	March 31, 2023		March 31, 2022		April 01, 2021	
	Discounted values / Present value	undiscounted values / Actual value	Discounted values / Present value	undiscounted values / Actual value	Discounted values / Present value	undiscounted values / Actual value
	Within 1 year	319.55	331.45	192.74	202.78	1,064.06
1-2 year	203.05	229.39	175.52	196.34	114.26	128.05
2-3 year	168.61	204.24	131.89	158.90	106.70	126.63
3-4 year	231.90	292.65	108.32	139.65	78.27	99.93
4-5 year	133.83	186.37	170.64	227.64	108.93	144.64
5-10 years	478.05	780.62	415.53	684.32	362.76	575.41
Thereafter	1,860.14	3,070.55	1,609.54	2,586.60	630.16	1,406.58

g. Weighted average assumptions used to determine net periodic benefit cost

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Total Number of Employees	72	63
Per month salary cost on which Gratuity is payable for all active members (₹ thousand)	1,822.06	1,149.39
Average Monthly Salary (₹ thousand)	25.31	18.24
Average past service (years)	4.46	4.59
Average Age (years)	38.06	36.81
Average expected future service (years)	19.94	21.19
Term of Liability (years)	6.84	7.10
Vested Discontinuation Gratuity (₹ thousand)	3,096.80	2,569.80
Discontinuation Gratuity (₹ thousand)	4,015.57	3,300.85

30 Financial Instruments

30.1 Capital management

The Company manages its capital to ensure it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt and total equity of the Company. The Company is not significantly subject to any externally imposed capital requirements. (Also Refer Accounting Ratios)



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30.2 Financial risk management objectives

The Company's finance team headed by the Finance Manager monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including interest rate risk and other price risk), credit risk and liquidity risk.

The company's exposure to credit risk is primarily from trade receivables which are in the ordinary course of business influenced mainly by the individual characteristic of each customer.

a Market risk

The Company's activities does not expose it to the significant financial risks either of changes in foreign currency exchange rates and interest rates. The Company does not deal in any derivative financial instruments and external exposure to financial market is significantly limited.

b Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the Company. Credit risk arises from company's activities in investments and receivables from customers. The Company ensure that sales are made to customers with appropriate creditworthiness. Investment are managed against counterparty exposure limits. To manage this, the Company periodically assesses the key accounts receivable balances. The Company restricts its fixed income investments to liquid securities carrying high credit rating. As per Ind-AS 109 : Financial Instruments, the Company uses expected credit loss model to assess the impairment loss or gain. (Refer Note No.7 for details of allowance in respect of trade receivables)

Trade Receivables: The management has established accounts receivable practice under which customer accounts are regularly monitored and dedicated sales team which is responsible for collecting dues from the customer within stipulated period. The management reviews status of critical accounts on a regular basis.

30.3 Financial Instruments by category

	As at March 31,2023	As at March 31,2022	As at April 01,2021
Financial assets			
<i>Carried at Cost/ Amortised cost</i>			
Other financial assets	6,798.72	5,345.00	4,879.99
Trade receivables	19,359.30	12,125.89	9,552.99
Cash and cash equivalents	45,010.57	377.67	583.50
	71,168.58	17,848.57	15,016.48
Financial liabilities			
<i>Carried at Cost/ Amortised cost</i>			
Borrowings	4,260.52	44,941.55	42,999.77
Lease liabilities	46,567.80	24,060.09	31,387.36
Trade payables	8,791.32	18,537.16	14,341.23
	59,619.65	87,538.79	88,728.36

The carrying amounts of Trade Receivables, Trade Payables and Cash and Cash Equivalents are considered to be the same as their fair values, due to their short-term nature.

The loans are carried at their carrying value which represents its fair value and security deposits were calculated based on the cash flows discounted using current lending rates. They are classified as level 3 in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

30.4 Fair value hierarchy

Financial assets and liabilities include investments, cash and cash equivalents, other balances with banks, trade receivables, loans, other financial assets, trade payables, borrowings and other financial liabilities, whose fair values approximate their carrying amounts largely due to the short term nature of such assets and liabilities. Fair value of lease liabilities approximate its carrying amount, as lease liabilities are valued using discounted cash flow method. There were no financial assets and financial liabilities under level I and level II hierarchy accordingly, all the financial assets and financial liabilities are classified as Level 3.

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

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

31 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, to meet Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by using the internally generated reserves an support from the Promoters/ Holding Company, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. (Also Refer Note on Accounting Ratios)

The contractual maturity is based on the earliest date on which the Company may be required to pay. The maturity profile of the Company is as under:

Particulars	< 1 year	1 to 5 years	> 5 years	Total
Non-interest bearing	13,051.84 (20,968.82)	- (10,431.48)	-	13,051.84 (31,400.30)
Variable interest rate instruments	-	-	-	-
Fixed interest rate instruments	-	-	-	-
	(31,038.47)	(1,039.93)	-	(32,078.40)
Lease Liabilities	11,538.64 (4,978.56)	34,648.94 (19,081.52)	380.22	46,567.80 (24,060.09)

* Amounts in parenthesis relates to previous year



32 Details of material Consumed (including consumables)

Material consumption indigenously obtained and consists of items of various nature and specification and includes medical consumables, medicines, etc and there are no major items of inventory of pharmacy items that are consumed. Hence details are not furnished.

- 33 The Company did not have any earnings in foreign currency and it did not have expenditure in foreign currency during the year ended March 31,2023 (March 31,2022: Rs. Nil).

Note: Expenses incurred and paid by employees of the Company in foreign currency and reimbursed by the Company in Indian Rupees have not been considered for this purposes.

34 Internal control system with reference to financial statements

The Company has an internal control system which is adequate considering the operations of the Company wherein the Directors and Senior Management Staff's are involved in handling all the day-to-day business activities of the Company and also involved in the year-end financial reporting process including preparation and presentation of the financial statements.

In view of the business processes and activities and also considering that accounting operations are carried out by the internal finance and accounts team which consist of qualified employees competent to carry out such operations. The company has implemented simple information systems consisting of off-the-shelf packaged software which are extensively used with very high level of acceptance in the industry without much customization and modification. The identification of risks and controls is not a separate evaluation but an integral part of the processes and procedures. The Management has carried out overall checks of controls after the balance sheet date for the purpose of preparation of the financial statements to ensure that there is no material misstatement, therein.

The Company do not have a separate internal audit arrangement and it is not covered under the mandatory provisions of the Companies Act, 2013 to have an internal audit system. The operation of the above controls are constantly monitored by the directors and these were found to be effectively operating during the year and at the year end. However, these are to be further streamlined considering the essential components of internal controls stated in Guidance Note on Audit of Internal Financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

Additional Disclosures pursuant to schedule III of the Companies Act, 2013;

- 35 The Company did not have any transactions or balances due/ from with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

- 36 The Company has incurred cash losses amounting to Rs.12,032.03 thousand during the financial year ended March 31, 2023 and a cash loss amounting to Rs. 6,526.73 thousand in the immediately preceding financial year i.e., March 31, 2022.

37 Accounting Ratios

Ratio	Numerator	Denominator	FY 2022-23	FY 2021-22	% Variance	Remarks
Current Ratio	Current Assets	Current Liabilities	1.98	0.30	559%	Note 1
Debt-equity Ratio	Total Debt	Shareholders equity	0.07	-0.82	-108%	Note 1
Debt service coverage ratio	Earnings available for debt service	debt service	0.09	1.13	-92%	Note 1
Return on equity Ratio (ROE)	Net Income	Opening Equity	28%	18.98%	48%	Note 2
Inventory turnover ratio	Revenue from operations	Average inventory	30.91	27.89	11%	-
Trade Receivables Turnover Ratio	Net Credit Sales	Average Accounts receivable	6.14	7.18	-14%	-
Trade Payables Turnover Ratio	Total Purchases	Average accounts payable	3.58	2.15	67%	Note 1
Net Capital Turnover Ratio	Net Sales	Average Working Capital	-11.99	-1.92	524%	Note 1
Net Profit Ratio	Net Income	Net Sales	-16%	-11%	44%	Note 2
Return on capital employed	EBIT	Capital employed	-14%	35%	-140%	Note 2

Note:

- As stated Note 11, additional investment from the during the year from the new investor has helped in achieving better liquidity position and existing loans from others were fully settled. This has resulted in improved debt and current ratios.
- Increase in operational and other cost have resulted in the increased loss during the year, although there has been significant increase in the total income for the year.

Definitions

- Earning for available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments like loss on sale of Fixed assets etc.
- Debt service = Interest & Lease Payments + Principal Repayments
- Average inventory = (Opening inventory balance + Closing inventory balance) / 2
- Net credit sales = Net credit sales consist of gross credit sales minus sales return
- Average trade receivables = (Opening trade receivables balance + Closing trade receivables balance) / 2
- Net credit purchases = Net credit purchases consist of gross credit purchases minus purchase return
- Average trade payables = (Opening trade payables balance + Closing trade payables balance) / 2
- Working capital = Current assets - Current liabilities.
- Earning before interest and taxes = Profit before exceptional items and tax + Finance costs - Other Income
- Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability



38 Loans and advances

- a. To the best of the knowledge and belief of the management, 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 any other person or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- b. To the best of its knowledge and belief of the management, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lender invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

39 No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III of the Act:

- a. Transactions that are not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- b. Trading or investment in any crypto or virtual currency during the financial year.
- c. Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- d. Registration of charges or satisfaction with Registrar of Companies
- e. Relating to borrowed funds : Wilful defaulter

(Signatures for all Notes from 1 to 39)

For and on behalf of the Board of Directors



RAJIV VASUDEVAN
Managing Director
DIN:01786120

Place: Bengaluru
Date: 02-05-2023



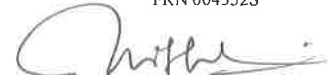
KRISHNAN AKHILESWARAN
Director
DIN:05299539

Place: Chennai
Date: 02-05-2023



As per our separate report of even date attached

For **VARMA & VARMA**
Chartered Accountants
FRN 004532S



MITHUN LAKSHMANA PAI
Partner
Membership No. 219813

Place : Bengaluru
Date : 15.05.2023