

STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

KERALA FIRST HEALTH SERVICES PRIVATE LIMITED

CIN: U85110KL2005PTC018434

28/717,717A, KAVERY K P VALLON ROAD, KADAVANTHRA,
Kerala, India, 682020.

INDEPENDENT AUDITOR'S REPORT

To the Members of Kerala First Health Services Private Limited.

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the standalone financial statements of **Kerala First Health Services Private Limited** (the "Company"), which comprise the standalone balance sheet as at March 31, 2025, and the standalone statement of profit and loss (including other comprehensive income), the standalone statement of cash flows and the standalone statement of changes in equity for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information (herein after collectively referred as "Standalone Financial Statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its loss (including other comprehensive income), its cash flows and its changes in equity for the year ended on that date.

Basis for Opinion

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

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

4. The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Board of Directors Report and Annexures thereto but does not include the standalone financial statements and our auditor's report thereon.
5. Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.
6. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, loss and other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act and the aforesaid standalone financial statements give the information required by the Act in the manner so required. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors are responsible for overseeing the Company's financial reporting process.

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

10. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit, we also;
 - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. 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.
13. 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

14. 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.
15. As required by section 143(3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except, for matters stated in paragraph 15(g)(vi) below on reporting under Companies (Audit and Auditors) Rules, 2014.
 - c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of cash flows and the standalone statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act;
 - e. On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act;
 - f. With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" wherein we have expressed an unmodified opinion; and



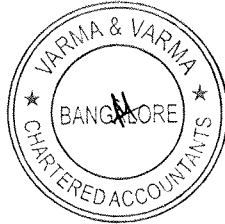
- g. With respect to the other matters to be included in the Auditor's report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the audit procedures performed by us, we report that:
- i.) The Company do not have any pending litigations that would have an impact on its current financial position.
 - ii.) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii.) There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.)
 - (a.) The Management has represented that, to the best of their knowledge and belief, as stated in note 39 (a) to the standalone financial statements, no funds have been advanced or loaned or invested by the Company (either from borrowed funds or securities premium or any other sources or kind of funds) 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.
 - (b.) The Management has represented, that, to the best of their knowledge and belief, as stated in note 39 (b) to the standalone financial statements, 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, 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.
 - (c.) 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 15(g)(iv)(a) and 15(g)(iv)(b) above, contain any material misstatement.
 - v.) The Company has not declared or proposed or paid any dividend for and during the year ended March 31, 2025 and for the previous year ended March 31, 2024. Accordingly, the compliance with provisions of section 123 of the Act are not applicable to that extent. (Refer Note 12.4 to the standalone financial statements.)



Chartered Accountants


- vi.) As stated in Note 34 (b) to the standalone financial statements and based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, and the audit trail has been preserved by the Company as per the statutory requirement for record retention. Exceptions to the above remarks are given below:
- (a) In the absence of relevant information, we are unable to comment on existence of the audit trail feature at database level to log any direct data changes to the accounting software used to maintaining the books of account.
 - (b) In the case of payroll and related records that are maintained by the third-party service provider, we are unable to comment on the existence of audit trail feature of that software used by the service provider for maintaining the accounting records in so far it relates to the payroll related transactions and information.
16. 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 Company to its Managing director during the ended March 31, 2025, *prima facie*, is in accordance with the provisions of Section 197 of the Act.

Place: Bengaluru
Date : April 30, 2025



ICAI UDIN:

For VARMA & VARMA
Chartered Accountants
FRN: 004532S


MITHUN LAKSHMANA PAI

Partner
Membership Number: 219813

25219813BMMHQV7038

'Annexure A' to the Independent Auditors' Report on the Standalone Financial Statements of Kerala First Health Services Private Limited for the year ended March 31, 2025

(Referred to in Paragraph 14 under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

- (i) According to the information and explanations given to us and based on the audit procedures performed by us, we report that:
- (a) 1. The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, however this requires further updates as to the location of the assets.
 - 2. The Company is maintaining proper records showing full particulars of intangible assets.
 - (b) During the year, the Company has not conducted physical verification of its Property, Plant and Equipment (fixed assets). We are informed that the Company has a programme of physical verification of all the fixed assets once in three years which in our opinion, is reasonable having regard to the size of the Company and nature of its assets and as part of this programme, the Company is planning to physically verify all the fixed assets during the next financial year. Accordingly, reporting on the matter relating to material discrepancies and its treatment in the books of account is not applicable.
 - (c) The Company does not have any immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee). Accordingly, Clause 3(i)(c) of the order is not applicable.
 - (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Refer Note 3G(b) to the standalone financial statements.
 - (e) There are no proceedings initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Refer Note 3G(c) to the standalone financial statements.
- (ii) According to the information and explanations given to us and based on the audit procedures performed by us, we report that:
- (a) The Management of the Company has carried out the physical verification of the inventories as at the end of the year. In our opinion, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
 - (b) During the year, the Company has been sanctioned working capital limit in excess of five crore rupees in aggregate from a bank. As stated in Note 13.3 to the standalone financial statements, the Company is not required to furnish any statement/ returns of such current assets. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company, to that extent.



- (iii) According to the information and explanations given to us and based on the audit procedures performed by us, the Company, during the year, has not made any investments or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions of clause 3(iii) of the Order is not applicable to the Company.

Note: The Company considers that advances by way of payment towards the expenses of its related parties are advances not in the nature of loans and hence not considered for reporting under this clause. Advances or Loans to employees of the Company in the ordinary course of business and in terms in existing policy followed by the Company is not considered for the purpose of this clause.

- (iv) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not given any loans, made any investments in, provided any guarantee or security covered within the provisions of section 185 and section 186 of the Act during the year. Accordingly, Clause 3(iv) of the order is not applicable to the Company. However, in respect of investment made in its subsidiary in an earlier year which is continued to hold as an investment during the year, in our opinion, the provisions of Section 186, *prima facie* have been complied with.
- (v) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not accepted deposits or amounts deemed to be deposits in accordance with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the Company. Accordingly, Clause 3(v) of the order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under the provisions of Section 148(1) of the Act for any of the sales made or services rendered by the Company. Accordingly, clause 3(vi) of the Order is not applicable to the Company.
- (vii) According to the information and explanations given to us and based on the audit procedures performed by us; we report that:
- (a) The Company has generally been regular in depositing undisputed statutory dues of employee's provident fund, employee's state insurance, duty of customs, goods and services tax, cess and any other statutory dues, to the extent applicable, with the appropriate authorities, except for certain delays in remittance of income tax deducted at source with income tax authorities. There are no arrears of undisputed statutory dues mentioned above of a material nature outstanding for a period of more than six months from the date on which they became payable as at March 31, 2025. Further, the demand mentioned in the note below is not considered as payable by the Company pending the outcome of the rectification process.
- (b) There are no statutory dues referred in sub-clause (a) above that have not been deposited on account of any dispute with the appropriate authorities.

Note: As stated in 28(c) of the standalone financial statements, there is a demand as per the TRACES portal of Income Tax website for Rs.1,418.33 thousand relating to current year and prior years against which the Company has filed necessary rectifications in the past and in the current year and also is in the process of filing remaining rectifications. This amount is not disclosed in clause (b) above since the same is not disputed before any authority.



- (viii) According to the information and explanations given to us and based on the audit procedures performed by us, there were no transactions previously unrecorded that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. (Refer Note 40(a) to the standalone financial statements.)
- (ix) According to the information and explanations given to us and based on the audit procedures performed by us, we report that
- (a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
 - (b) The Company has not been declared wilful defaulter by any bank or financial institutions or Government or Government authorities or any other parties.
 - (c) The Company, in our opinion, *prima facie*, the term loans availed, has been applied for the purpose for which it has been availed. Refer Note 13.1 and 13.3 to the standalone financial statements.
 - (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, *prima facie*, not been used during the year for long-term purposes. Refer Note 13.3 to the standalone financial statements.
 - (e) On an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates as defined under the Act. The Company does not hold any investment in any joint venture (as defined under the Act) during the year ended March 31, 2025.
 - (f) We report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies (as defined under the Act). The Company does not hold any investment in any joint venture (as defined under the Act) during the year ended March 31, 2025.
- (x) According to the information and explanations given to us and based on the audit procedures performed by us, we report that :
- (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.
 - (b) During the year, the Company has issued redeemable preference shares to its holding company on private placement basis which is in compliance with the requirements of section 42 of the Companies Act, 2013 except as mentioned in Note 11A(c) of the standalone financial statements which is pending due to the reasons mentioned therein. The Company has utilized the funds raised by way of such private placement of redeemable preference shares for the purposes for which they were raised. Further, there were no issue of shares on preferential basis during the year under Section 62 of the Companies Act, 2013.
- (xi) According to the information and explanations given to us and based on the audit procedures performed by us, considering the principles of materiality as outlined in the Standards on Auditing, we report that:
- a) There were no instances of frauds by the Company or on the Company has been noticed or reported during the year ended March 31, 2025.



- b) No report under sub-section (12) of section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 has been filed with the Central Government during the year ended March 31, 2025 and up to the date of this report.
- c) As represented by the Management, the mandatory provisions of Vigil Mechanism as per the provisions of section 177(9) of the Act is not applicable to the Company and the Company has not internally implemented a whistle blower policy. Further, as per the information and explanations give to us, there were no whistle blower complaints received during the year by the Company.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on the audit procedures performed by us, the transactions with the related parties are in compliance with the provisions of section 188 of the Act as applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards. Although the Company by virtue of it being a subsidiary of a public limited company is a deemed to be a public company, however, since the Company's paid up capital, turnover, outstanding loans does not exceed the thresholds prescribed under Section 177 of the Act, the provisions relating to the Section 177 is not applicable.
- (xiv) According to the information and explanations given to us, the Company is not required to have an internal audit system under the provisions of section 138 of Act read with rules made there under and accordingly, the Company did not have any internal audit system. Hence reporting under clause 3(xiv) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company. Refer Note 25(a) to the standalone financial statements.
- (xvi) According to the information and explanations given to us and based on the audit procedures performed by us, we report that ;
- a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable to the Company.
- b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable to the Company.
- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable to the Company.
- d) According to the information and explanations provided to us , the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC as part of the Group. Accordingly, clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has incurred cash losses Rs.79,112.74 thousand during the year and Rs. 46,752.52 thousand during the immediately preceding financial year ended March 31, 2024. Refer Note 36 of the standalone financial statements.



Varma & Varma

Chartered Accountants

- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations provided to us and based on the audit procedures performed by us, on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due. Refer Note 37.3 to the standalone financial statements.
- (xx) According to the information and explanations given to us and based on the audit procedures performed by us, the provisions of Section 135 of the Act is not applicable for the year ended March 31, 2025. Accordingly, Clause 3(xx) (a) and 3(xx) (b) of the Order is not applicable.
- (xxi) The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

Place: Bengaluru
Date : April 30, 2025



For VARMA & VARMA
Chartered Accountants
FRN: 004532S

MITHUN LAKSHIMANA PAI
Partner

Membership Number: 219813
ICAI UDIN: 25219813BMMHQV7038

‘Annexure B’ to the Independent Auditors’ Report on the Standalone Financial Statements of Kerala First Health Services Private Limited for the year ended March 31, 2025

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

(Referred to in Paragraph 15 (f) under “Report on Other Legal and Regulatory Requirements” section of our report of even date)

We have audited the internal financial controls with reference to financial Statements of **Kerala First Health Services Private Limited** (“the Company”) as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls.

The Company’s management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to the standalone 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 Company’s internal financial controls with reference to the standalone 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Company’s internal financial controls system with reference to financial statements.



Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial control over financial reporting 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.

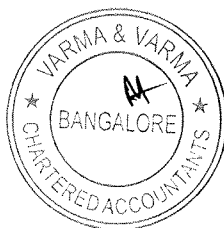
Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Bengaluru
Date : April 30, 2025



For VARMA & VARMA
Chartered Accountants
FRN: 004532S


MITHUN LAKSHMANA PAI
Partner
Membership Number: 219813

ICAI UDIN: 25219813BMMHQV7038

KERALA FIRST HEALTH SERVICES PRIVATE LIMITED
CIN: U85110KL2005PTC018434
STANDALONE BALANCE SHEET AS AT MARCH 31, 2025
(All Amounts in Indian Rupees in thousands, except otherwise stated)

Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
ASSETS			
(A.) Non-current assets			
(a) Property, plant and equipment	3A	1,40,560.38	75,994.63
(b) Right-of-use assets	3B	4,97,209.62	2,00,346.19
(c) Capital work in progress	3C	43,253.19	6,817.43
(d) Other intangible assets	3D	59,396.74	26,275.68
(e) Intangible assets under development	3E	31,141.67	9,020.60
(f) Financial assets			
(i) Investments	4	100.00	100.00
(ii) Other financial assets	9	24,828.25	25,924.31
(g) Income tax asset	5	5,898.11	5,244.19
(h) Other non-current assets	10	74,259.71	5,233.67
		8,76,647.67	3,54,956.70
(B.) Current assets			
(a) Inventories	6	8,118.01	7,271.13
(b) Financial assets			
(i) Trade receivables	7	53,849.55	30,730.14
(ii) Cash and cash equivalents	8	3,386.85	1,833.67
(iii) Other financial assets	9	4,121.36	1,276.28
(c) Other current assets	10	60,069.47	68,168.20
		1,29,545.23	1,09,279.42
Total assets (A+B)		10,06,192.90	4,64,236.12
EQUITY AND LIABILITIES			
(A.) Equity			
(a) Equity share capital	11	6,264.94	6,264.94
(b) Other equity	12	(1,12,804.95)	(1,466.06)
		(1,06,540.01)	4,798.88
Liabilities			
(B.) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	4,47,135.22	1,11,150.47
(ii) Lease liabilities	14	5,07,533.06	1,86,998.18
(b) Provisions	15	6,259.02	5,225.08
		9,60,927.30	3,03,373.73
(C.) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	37,327.06	79,091.40
(ii) Lease liabilities	14	33,002.75	24,420.22
(iii) Trade payables	16	-	-
Total outstanding dues of micro enterprises and small enterprises		43,859.52	22,170.04
Total outstanding dues of creditors other than micro enterprises and small enterprises		737.75	-
(iv) Other financial liabilities	17	543.14	367.30
(b) Provisions	15	36,335.39	30,014.55
(c) Other current liabilities	18	1,51,805.61	1,56,063.51
		10,06,192.90	4,64,236.12
Total equity and liabilities		10,06,192.90	4,64,236.12

Material accounting policy information 2
The accompanying notes form an integral part of the standalone financial statements

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



RAJIV VASUDEVAN
Managing Director
DIN: 01786120


KRISHNAN AKHILESWARAN
Director
DIN: 05299539

Place: Bengaluru
Date: April 30, 2025

Place: Chennai
Date: April 30, 2025

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



ARJUN LAKSHMANA PAI
Partner
Membership No. 219813

Place: Bengaluru
Date: April 30, 2025



KERALA FIRST HEALTH SERVICES PRIVATE LIMITED
CIN: U85110KL2005PTC018434
STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025
(All Amounts in Indian Rupees in thousands, except otherwise stated)

Particulars	Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from operations	19	2,84,057.17	1,76,354.16
Other income	20	1,524.42	2,404.22
Total income (A)		2,85,581.59	1,78,758.38
Expenses			
Cost of materials consumed		5,955.71	3,580.41
Purchase of stock-in-trade		20,787.31	14,226.53
Changes in inventories of stock-in-trade	21	(846.87)	(3,741.88)
Employee benefits expense	22	1,18,105.16	92,191.70
Finance costs	23	48,856.54	15,460.15
Depreciation and amortisation expense	3	58,123.06	27,321.60
Other expenses	24	1,46,538.98	88,429.87
Total expenses (B)		3,97,519.89	2,37,468.38
Profit/(loss) before tax (C)=(A-B)	29	(1,11,938.30)	(58,710.00)
Less: Tax expense			
(i) Current tax		-	-
(ii) Deferred tax		-	-
Profit / (loss) after tax for the year		(1,11,938.30)	(58,710.00)
Other Comprehensive Income/(loss)			
Items that will not be reclassified to of profit and loss			
i) Re-measurement gains/(losses) on defined benefit plans		599.42	(1,400.56)
ii) Income Tax effect		-	-
Other Comprehensive Income/(loss) (D)		599.42	(1,400.56)
Total comprehensive income for the year (E)=(C+D)		(1,11,338.88)	(60,110.56)
Earnings per equity share of par value of Rs 10 each	27		
Weighted Average number of equity shares outstanding		6,26,494	6,26,494
Basic & Diluted (in Rs)		(178.67)	(93.71)
Material accounting policy information	2		
<i>The accompanying notes form an integral part of the standalone financial statements</i>			

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




RAJIV VASUDEVAN
Managing Director
DIN: 01786120

KRISHNAN AKHILESWARAN
Director
DIN: 05299539

Place: Bengaluru
Date: April 30, 2025

Place: Chennai
Date: April 30, 2025

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: April 30, 2025



KERALA FIRST HEALTH SERVICES PRIVATE LIMITED

CIN: U 85110KL2005PTC018434

STANDARD ONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2025

(All Amounts in Indian Rupees in thousands, except otherwise stated)

Particulars	Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
Cash flow from operating activities			
Loss for the year		(1,11,938.30)	(58,710.00)
Adjustment for:			
Depreciation and amortisation expense		7,258.58	27,321.60
Interest on security deposit measured at amortised cost		(1,197.57)	(610.21)
Other Interest income		(326.85)	(124.63)
Re-measurement gains/ (loss) on defined benefit plans through OCI		599.42	(1,400.56)
Interest expense on lease		26,156.93	11,686.58
Other Interest expense		22,699.61	3,773.57
Provision for doubtful recoverables		245.80	-
Expected credit loss on trade receivables		782.41	419.34
Operating profit before working capital changes		(55,719.97)	(17,644.32)
Adjustments for (increase)/decrease in operating assets			
Inventories		(846.88)	(3,741.87)
Financial assets		(24,215.89)	(31,914.94)
Other assets		(60,927.31)	(2,21,722.47)
Adjustments for increase/(decrease) in operating liabilities			
Trade payables		21,689.48	13,458.34
Provisions		1,209.78	2,292.44
Other liabilities		7,058.59	1,75,726.35
Cash used in operations		(1,11,752.20)	(83,546.47)
Income tax paid		(474.72)	(1,697.87)
Net cash used in operating activities (A)		(1,12,226.92)	(85,244.34)
Cash flow from investing activities			
Purchase of property plant & equipment including capital work-in-progress and intangible Assets under development.		(89,166.69)	(1,10,803.31)
Interest Income received during the year		147.64	636.83
Changes in other bank balances held with in deposit accounts		(483.18)	(3,060.52)
Net cash used in investing activities (B)		(89,502.23)	(1,13,227.00)
Cash flow from financing activities			
Proceeds from long-term borrowings		80,506.13	1,14,103.16
Proceeds from short-term borrowings, net		(44,777.80)	74,114.75
Interest on borrowings		(17,340.15)	(6,010.14)
Lease payments		(62,850.33)	(26,832.83)
Proceeds from issue of Redeemable Preference Shares (net)		2,47,744.48	-
Net cash from/ (used in) financing activities (C)		2,03,282.34	1,55,374.94
Net Increase/(decrease) in cash and cash equivalents (A+B+C) = (D)		1,553.18	(43,096.39)
Cash and cash equivalents at the beginning of the year (E)		1,833.67	44,930.06
Cash and cash equivalents at the end of the year (D) +(E)		3,386.85	1,833.67



KERALA FIRST HEALTH SERVICES PRIVATE LIMITED

CIN: U85110KL2005PTC018434

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2025*(All Amounts in Indian Rupees in thousands, except otherwise stated)*

Cash and cash equivalents as reported in the balance sheet*	8	3,386.85	1,833.67
* Comprises:			
- Cash on hand		634.65	419.67
- Balances with banks in current and deposits accounts		2,752.20	1,414.00
		<u>3,386.85</u>	<u>1,833.67</u>

Note: Amounts in parenthesis represents cash outflows

For and on behalf of the Board of Directors of
Kerala First Health Services Private Limited**RAJIV VASUDEVAN**
Managing Director
DIN: 01786120**KRISHNAN AKHILESWARAN**
Director
DIN: 05299539Place: Bengaluru
Date: April 30, 2025Place: Chennai
Date: April 30, 2025*As per our separate report of even date attached***For VARMA & VARMA**
Chartered Accountants
FRN 004532S**MITHUN LAKSHMANA PAI**
Partner
Membership No. 219813Place: Bengaluru
Date: April 30, 2025

KERALA FIRST HEALTH SERVICES PRIVATE LIMITED

CIN: U85110KL2005PTC018434

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

(All Amounts in Indian Rupees in thousands, except otherwise stated)

A. Equity share capital

	As at March 31, 2025	As at March 31, 2024
Balance as at the beginning of the year	6,264.94	6,264.94
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the year	6,264.94	6,264.94
Changes in equity share capital during the year	-	-
Balance as at the end of the year	6,264.94	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	
As at March 31, 2023	2,66,721.00	(2,09,020.92)	944.41	58,644.49
Loss for the Year	-	(58,710.00)	-	(58,710.00)
Re-measurements adj. on defined benefit plans	-	-	(1,400.56)	(1,400.56)
As at March 31, 2024	2,66,721.00	(2,67,730.92)	(456.15)	(1,466.07)
Loss for the Year	-	(1,11,938.30)	-	(1,11,938.30)
Re-measurements adj. on defined benefit plans	-	-	599.42	599.42
As at March 31, 2025	2,66,721.00	(3,79,669.22)	143.27	(1,12,804.95)

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



RAJIV VASUDEVAN
Managing Director
DIN: 01786120



KRISHNAN AKHILESWARAN
Director
DIN: 05299539

Place: Bengaluru
Date: April 30, 2025

Place: Chennai
Date: April 30, 2025

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: April 30, 2025



1 Corporate Information

Kerala First Health Services Private Limited ("the Company"), a private limited Company, was incorporated on July 15, 2005 under the provisions of Companies Act 1956 with its registered office at Kochi, Kerala and its Corporate Office at Bengaluru, Karnataka. 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 Hospitals Enterprise Limited, a public limited company listed in recognised stock exchanges in India.

The standalone financial statements for the year ended March 31, 2025, were approved by the Board of Directors at their meeting held on April 30, 2025.

2 Material Accounting Policy information**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 standalone financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the standalone financial statements.

All assets and liabilities have been classified as current or non-current as per the Company'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 standalone financial statements are presented in Indian Rupee (INR), the functional currency of the Company. The Company 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.

2.2 Use of estimates

The preparation of standalone 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 Statement of Cash flows

The cash flows of the company are segregated into operating, investing and financing activities. statement of Cash Flows is prepared in accordance with Ind AS-7, statement of Cash Flow, 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).

2.4 Property, Plant and Equipment ("PPE")

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

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
Furniture and Fixtures	10 Years
Vehicles	8 Years
Office Equipment	5 Years
Computers	3 Years



2.5 Intangible assets and amortisation of intangible assets

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 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. 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 Statement of Profit and Loss when the asset is derecognized.

Internally generated intangibles

The Company capitalizes certain development costs incurred in connection with its new 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 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.

2.6 Leases : Company 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.

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

On adoption of IndAS 116, the Company 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.

2.7 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.

2.8 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.

2.9 Revenue from customer contracts

The Company earns revenue primarily by providing healthcare services and sale of pharmaceutical products. 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.



2.10 Employee benefits**Defined Contribution Plans**

The Company 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 Statement of Profit and Loss for the year when the contributions to the respective funds are due. The Company has no obligation, other than the above mentioned funds.

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 Company 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 Company recognises related restructuring costs.

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.

2.11 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 Company 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 Company 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 Company 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 FVTPI. 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 Company 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 amortised 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 Company's own equity instruments.

Derecognition of financial liabilities

The Company 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 derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

2.12 Investments in Subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

2.13 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.

2.14 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.

2.15 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.



2.16 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.

2.17 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

2.18 Segment Reporting

In accordance with Ind AS 108, Operating Segments, the Group's Chief Operating Decision Maker (CODM) has been identified as the Board of Directors. The Company is engaged in a single business segment of Ihealthcare. Accordingly, the CODM has concluded that there is only one reportable segment as at March 31, 2025, and the requirements of Ind AS 108 in respect of segment reporting have been appropriately considered.

2.19 Recent Accounting pronouncements

Key New and amended standards adopted by the Company

The Ministry of Corporate Affairs ("MCA") notifies new standards and amendments to existing standards under the Companies (Indian Accounting Standards) Rules, as issued from time to time. For the year ended March 31, 2025, the MCA has notified Ind AS 117 – Insurance Contracts and amendments to Ind AS 116 – Leases, specifically relating to sale and leaseback transactions, which are not applicable to the Company and not expected to have any impact on the Company's financial statements.

Key Amendments applicable from next Financial year

For the year ended March 31, 2025, the Ministry of Corporate Affairs has not notified any new standards or amendments to the existing standards applicable to the Company.

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KERALA FIRST HEALTH SERVICES PRIVATE LIMITED

CIN: U85110KL2005PTC018434

NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(All Amounts in Indian Rupees in thousands , except otherwise stated)

3A. Property , Plant and Equipment

Particulars	Furniture and Fixtures	Office Equipment	Computers	Medical equipment	Vehicles	Electrical Fittings	Leasehold Improvements	Total
Gross block (at Deemed Cost)								
As at April 01, 2023	798.67	1,024.14	723.53	1,030.82	0.45	19.06	2,816.64	6,413.31
Additions	10,181.45	9,521.57	2,080.37	2,772.25	-	14,304.81	35,995.16	74,855.60
Disposals/ Adjustments	-	-	-	-	-	-	-	-
As at March 31, 2024	10,980.12	10,545.71	2,803.90	3,803.07	0.45	14,323.86	38,811.80	81,268.91
Additions	2,220.14	1,305.28	1,499.06	2,242.63	-	15.36	72,270.38	79,552.85
Disposals/ Adjustments	-	-	-	-	-	-	-	-
As at March 31, 2025	13,200.26	11,850.99	4,302.96	6,045.70	0.45	14,339.22	1,11,082.18	1,60,821.76
Depreciation Block								
As at April 01, 2023	184.13	430.63	138.36	234.17	-	6.39	1,174.40	2,168.07
Charge for the year	317.03	768.73	578.47	181.56	-	36.26	1,224.16	3,106.20
Disposals	-	-	-	-	-	-	-	-
As at March 31, 2024	501.16	1,199.36	716.83	415.73	-	42.65	2,398.56	5,274.27
Charge for the year	1,244.18	2,031.14	1,080.90	472.24	-	1,363.38	8,795.27	14,987.11
Disposals	-	-	-	-	-	-	-	-
As at March 31, 2025	1,745.34	3,230.50	1,797.73	887.97	-	1,406.03	11,193.83	20,261.38

Net Block (WDV) of Property, Plant & Equipment

As at March 31, 2024	10,478.96	9,346.35	2,087.07	3,387.34	0.45	14,281.21	36,413.24	75,994.63
As at March 31, 2025	11,454.92	8,620.49	2,505.23	5,157.73	0.45	12,933.19	99,888.35	1,40,560.38



3B. Right of use asset (ROUA)

Gross Block	Right of use asset - Building
As at April 01, 2023	59,882.73
Additions	1,77,794.69
Adjustments on remeasurement of lease liability	2,202.16
As at March 31, 2024	2,39,879.58
Additions	3,35,778.89
Adjustments on remeasurement of lease liability	11,949.02
As at March 31, 2025	5,87,607.49
Accumulated amortisation	
As at April 01, 2023	18,329.59
Charge for the year	21,203.80
Disposals	-
As at March 31, 2024	39,533.39
Charge for the year	50,864.48
Disposals	-
As at March 31, 2025	90,397.87

Net Block (WDV) of Right of use asset (ROUA)

As at March 31, 2024	2,00,346.19
As at March 31, 2025	4,97,209.62

3C. Capital Work-in-progress (CWIP)**Improvement of leasehold buildings; Equipments, furniture pending installation**

As at April 01, 2023	-
Additions during the year	58,667.13
Capitalised during the year (Refer note 3(G)(f) & (g))	51,849.70
As at March 31, 2024	6,817.43
Additions during the year	92,460.73
Capitalised during the year (Refer note 3(G)(f) & (g))	56,024.97
As at March 31, 2025	43,253.19

3B. Additional Disclosure on Right of use asset:**a. Break up of current and non-current lease liabilities**

Particulars	March 31, 2025	March 31, 2024
Current lease liabilities	33,002.75	24,420.22
Non-current lease liabilities	5,07,533.06	1,86,998.18
Total	5,40,535.81	2,11,418.40

b. Reconciliation of lease liabilities

Particulars	March 31, 2025	March 31, 2024
Balance at the beginning of the year	2,11,418.40	46,567.80
Addition during the year	3,35,778.89	1,77,794.69
Adjustments	18,466.67	2,202.16
Accretion of Interests	37,722.17	11,686.58
Payment of lease liabilities	62,850.32	26,832.83
Balance at the end of the year	5,40,535.81	2,11,418.40

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

Particulars	March 31, 2025	March 31, 2024
Depreciation on Right of use assets (net of Capitalised to CWIP)	32,177.24	21,203.80
Interest accretion on lease liabilities (net of Capitalised to CWIP) (Refer note 3(G) (f))	26,156.93	11,686.58
Total	58,334.17	32,890.38

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

Particulars	March 31, 2025	March 31, 2024
Not later than one year	63,669.72	42,399.87
Later than one year and not later than	3,30,053.73	1,69,615.29
Later than five years	2,75,470.78	87,320.00
Total	6,69,194.23	2,99,335.16

e. Rent expense debited to statement of profit and loss comprises the following

Particulars	March 31, 2025	March 31, 2024
Expense on account of Short-term leases and others	4,030.03	3,705.55
GST on Long-term leases not capitalised	2,679.78	2,332.80
Total	6,709.81	6,038.35



3D. Other Intangible Assets

Gross block (at Deemed Cost)	Computer Software
As at April 01, 2023	1,645.62
Additions	28,135.99
Disposals/ Adjustments	-
As at March 31, 2024	29,781.61
Additions	44,079.77
Disposals/ Adjustments	-
As at March 31, 2025	73,861.38

Accumulated amortisation

As at April 01, 2023	494.32
Charge for the year	3011.61
Disposals	-
As at March 31, 2024	3,505.93
Charge for the year	10,958.71
Disposals	-
As at March 31, 2025	14,464.64

Net Block (WDV)

As at March 31, 2024	26,275.68
As at March 31, 2025	59,396.74

3E. Intangible assets under development (IAUD)

Website development, customer engagement platform & ERP upgradation and Product design development:

As at April 01, 2023	8,026.26
Additions during the year	27,350.67
Capitalised during the year	26,356.33
As at March 31, 2024	9,070.60
Additions during the year	65,112.25
Capitalised during the year	42,991.18
As at March 31, 2025	31,141.67



3F. Ageing of Capital Work-in-progress as on March 31, 2025

Particulars	Amount in CWIP for a period of			
	< 1 Year	1-2 Years	2-3 Years	>3 Years
Projects in Progress	37,352.96	5,900.23	-	-
Projects temporarily suspended	(6,817.43)	-	-	-
Total	30,535.53	5,900.23	-	-
	(6,817.43)	-	-	-
				36,435.76
				(6,817.43)

Ageing of Intangible Assets under development as on March 31, 2025

Particulars	Amount in LAUD for a period of			
	< 1 Year	1-2 Years	2-3 Years	>3 Years
Projects in Progress	28,838.12	2,303.55	-	-
Projects temporarily suspended	(9,020.60)	-	-	-
Total	19,817.52	2,303.55	-	-
	(9,020.60)	-	-	-
				22,121.07
				(9,020.60)

Note: The Company has not determined specific completion dates or cost budgets for Capital Work-in-Progress and Intangible Assets under Development, as the development of these intangible assets are aligned with evolving business requirements. Consequently, in the ageing schedule, the projects have been classified under the category 'Completion date and cost to be determined based on business evolution. Accordingly, no additional disclosures are furnished

3G. Other Notes:

- (a) During the last five period ended March 31, 2025, 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.
- (f) During the year, the company has capitalised interest amount relating to leases under Ind AS 116 of Rs. 11,565.24 thousand (Previous year: Nil) to capital work in progress debited to statement of profit and loss.
- (g) During the year, the company has capitalised interest as term loan of Rs.5388.16 thousand (Previous year: 3027.29 thousand) debited to statement of profit and loss.
- (h) Amounts in parenthesis relates to previous year.

3H. Depreciation and amortisation expense

	For the year ended	For the year ended
	March 31, 2025	March 31, 2024
Depreciation on property, plant and equipment	14,987.11	3,106.20
Depreciation on right-of-use assets	50,864.48	21,203.80
Amortisation on intangible assets	10,958.71	3,011.61
	76,810.30	27,321.61
Less: Transferred to capital work in progress	18,687.24	-
Total	58,123.06	27,321.61



KERALA FIRST HEALTH SERVICES PRIVATE LIMITED
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NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025
(All Amounts in Indian Rupees in thousands, except otherwise stated)
4 Non Current Investments
Investment carried (at Cost)

Investment in Unquoted Equity instruments - Subsidiary Company

Baalyam Healthcare Private Limited, a Wholly Owned Subsidiary (WOS) 10,000 (March 31, 2024: 10,000) Equity shares of Rs.10/- each fully paid

Total

As at March 31, 2025	As at March 31, 2024
100.00	100.00
100.00	100.00

Aggregate amount of unquoted investments in equity instruments
100.00 100.00

- 4.1 Baalyam Healthcare Private Limited, a Wholly Owned Subsidiary (WOS), has accumulated losses of ₹.824.23 thousand (March 31, 2024: ₹.786.19 thousand) as at March 31, 2025. The management is actively exploring various opportunities to revive the business and is confident of identifying viable prospects to achieve profitability in the future. Based on this assessment, the management believes that there is no permanent diminution in the value of the investment at this stage and, accordingly, no provision or adjustment is considered necessary. This assessment is considered appropriate by the management

Note: The Company has availed the exemption under Ind AS 101 to continue with the carrying value of its investment in the subsidiary under previous GAAP as the deemed cost on the date of transition.

5 Income Tax Asset

Tax Deducted at Source

Total

As at March 31, 2025	As at March 31, 2024
5,898.11	5,244.19
5,898.11	5,244.19

6 Inventories

(Carried at lower of Cost and net realisable value)

Stock in Trade - Pharmacy items

Total

As at March 31, 2025	As at March 31, 2024
8,118.01	7,271.13
8,118.01	7,271.13

Note: Inventories are valued at the lower of cost and net realisable value. Cost is determined using the First-In-First-Out (FIFO) method.

7 Trade receivables
Unsecured

(a) Considered Good

Less: Expected Credit Loss on above

(b) Credit impaired

Less: Expected Credit Loss on above

Total

As at March 31, 2025	As at March 31, 2024
54,737.12	30,835.31
(887.57)	(105.17)
640.73	640.73
(640.73)	(640.73)
53,849.55	30,730.14

7.1 Ageing schedule for the year ended March 31, 2025 and March 31, 2024

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	20,076.67 (21,126.78)	29,677.65 (2,485.79)	3,541.64 (4,303.32)	- (1,811.33)	1,441.16 (1,108.09)	54,737.12 (30,835.31)
Undisputed - Credit Impaired	-	-	-	-	640.73 (640.73)	640.73 (640.73)
Disputed - Considered Good	-	-	-	-	-	-
Disputed-Credit Impaired	-	-	-	-	-	-
Total (A)	20,076.67 (21,126.78)	29,677.65 (2,485.79)	3,541.64 (4,303.32)	- (1,811.33)	2,081.89 (1,748.82)	55,377.85 (31,476.04)
Less: Allowance for expected credit loss (B)	718.57 -	63.83 (1.00)	105.16 (21.09)	- (83.08)	640.73 (640.73)	1,528.30 (745.90)
Net trade receivable (A-B)	19,358.10 (21,126.78)	29,613.82 (2,484.79)	3,436.48 (4,282.24)	- (1,728.24)	1,441.16 (1,108.09)	53,849.55 (30,730.14)

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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NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(All Amounts in Indian Rupees in thousands, except otherwise stated)

8 Cash and cash equivalents

	As at March 31, 2025	As at March 31, 2024
Cash on hand	634.65	419.67
Balances held with banks in current accounts	2,752.20	1,414.00
TOTAL	3,386.85	1,833.67

Note: Cash on hand includes balances in wallets held with third party vendor.

9 Other financial assets

	As at March 31, 2025		As at March 31, 2024	
	Non-Current	Current	Non-Current	Current
(Unsecured, considered good)				
Security Deposits	20,292.84	3,442.57	21,882.57	462.33
Other Bank Balances *	4,289.24	-	3,806.06	-
Recoverables from related party **	-	5,213.67	-	5,103.03
Less: Provision for recoverables	-	(4,534.88)	-	(4,289.08)
Other deposit	246.17	-	235.68	-
TOTAL	24,828.25	4,121.36	25,924.31	1,276.28

* Balances held with banks in deposit account as margin money for issue of bank guarantees. 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.

** Recoverables from related party also includes certain advances that are overdue, the Company as a prudent approach and as a matter of abundant caution has made provision to the extent considered doubtful, which is considered appropriate.

10 Other Assets

	As at March 31, 2025		As at March 31, 2024	
	Non-Current	Current	Non-Current	Current
(Unsecured, considered good)				
Prepaid expenses	-	6,219.75	53.57	2,969.96
Prepaid lease rentals	14,916.82	1,932.33	5,180.10	941.05
Advances to employees	-	928.46	-	87.02
Capital Advances ^	59,342.89	-	-	-
Advance to suppliers	-	8,737.94	-	38,889.86
Unbilled revenue	-	42,250.99	-	25,280.31
TOTAL	74,259.71	60,069.47	5,233.67	68,168.20

^ Advances to capital vendors relating to ongoing projects that are at an advanced stage of completion, pending necessary documentation required for capitalisation.

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NOTES FORMING INTEGRAL PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025
(All Amounts in Indian Rupees in thousands, except otherwise stated)
11 Equity Share Capital

	As at March 31, 2025	As at March 31, 2024
a. Authorised Share Capital: 8,00,000 Equity Shares (March 31, 2024: 8,00,000) of Rs.10 each	8,000.00	8,000.00
b. Issued, Subscribed & Paid Up Capital: 626,494 Equity Shares (March 31, 2024: 6,26,494 Equity Shares) of Rs.10 each	6,264.94	6,264.94

11.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting year:

a. Equity Shares of Rs.10 each	March 31, 2025 No. of Shares	March 31, 2024 No. of Shares
Number of Shares at the Beginning	6,26,494	6,26,494
Shares issued during the period	-	-
Number of Shares at the end	6,26,494	6,26,494

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

a. Name of the Share holders holding equity shares	As at March 31, 2025		As at March 31, 2024	
	No. of Shares	% Holding	No. of Shares	% Holding
Apollo Hospital Enterprises Limited (Parent Company)	3,75,896	60.00%	3,75,896	60.00%
Rajiv Vasudevan (Promoter Shareholder)	2,04,105	32.58%	2,04,105	32.58%
Kalmatia Sangam Travels Private Limited	31,325	5.00%	31,325	5.00%
Total	6,11,326	97.58%	6,11,326	97.58%

11.3 Details of shareholdings by the Promoters of the Company:

Promoter name	As at March 31, 2025		As at March 31, 2024		% Change during the year
	No. of Shares	% Holding	No. of Shares	% Holding	
Rajiv Vasudevan (Promoter Shareholder)	2,04,105	32.58%	2,04,105	32.58%	0.00%

11.4 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.

11.5 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.

11.6 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.

11.7 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.

11A Preference Share Capital

	As at March 31, 2025	As at March 31, 2024
a. Authorised Share Capital: 3,00,00,000 Preference Shares (March 31, 2024: Nil) of Rs.10 each	3,00,000.00	-
b. Issued, Subscribed & Paid Up Capital: 2,50,00,000 Preference Shares (March 31, 2024: Nil) of Rs.10 each fully paid (Refer note below)	2,50,000.00	-



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(All Amounts in Indian Rupees in thousands, except otherwise stated)

- c. During the year ended March 31, 2025, the Company issued 2,50,00,000 Redeemable Preference Shares (RPS) of ₹10 each at par redeemable within a period of 8 years from the date of allotment, to Apollo Hospitals Enterprise Limited, its Parent Company, on a private placement basis. The issuance was approved by the members at the Extraordinary General Meeting held on August 23, 2024. The issue was made in two tranches of 1,25,00,000 Redeemable Preference Shares of ₹10 each per tranche in the month of September 2024 and February 2025. The Company has complied with Section 42 of the Companies Act 2013 and has completed the necessary documentation in respect of issue of shares in respect of first tranche amounting to Rs. 125,000 thousand. With regard to second tranche of amount of RPS of Rs. 125,000 thousand received on February 12, 2025 and shares allotted by the Board of Directors on February 14, 2025 the Company is yet to comply with filing of Return of allotment in Form PAS-3 with the Registrar of Companies and also the procedure relating to issue of share certificates. This is mainly due to the application pending for allotment of International Securities Identification Number (ISIN) in relation to the mandated requirement of dematerialisation of its shares under the Companies Act, 2013. The proceeds from the issue are intended to be used for general business purposes and the company has utilised the funds raised by RPS for its business operations. Pursuant to the requirements of Schedule III, Division II of the Companies Act, 2013, the relevant details and disclosures have been provided under Note 11A(d) below. As these instruments are classified as financial liabilities in accordance with the applicable accounting standards, they have been presented under the head 'Borrowings' in these standalone financial statements.

d. Terms of issue of Redeemable Preference Shares:

The Company has issued 2,50,00,000 Redeemable Preference Shares (RPS) through a private placement, each with a face value of ₹10, aggregating to a total of ₹25,00,00,000, in two tranches to its Parent Company, Apollo Hospitals Enterprise Limited. The RPS are offered at their face value of ₹10 without any premium. These shares carry a coupon rate of 12.5% per annum, payable on a cumulative basis. The RPS are redeemable within 8 years from the date of allotment, with a moratorium period of 4 years before redemption begins. However, redemption may occur earlier at the discretion of the Company or the issuer. Redemption will be at par and will be financed either from the Company's profits available for dividends or proceeds from a fresh issue of shares. The RPS hold priority over equity shares in terms of dividend payments and capital repayment, providing a layer of security for investors. However, as redeemable shares, they do not participate in surplus funds, assets, or profits upon winding-up after capital repayment. RPS holders are granted voting rights on matters affecting their interests, in accordance with applicable legal provisions. Following the issuance, Apollo Hospitals Enterprise Limited will hold 100% of the preference share capital of the Company.

11A-1	Redeemable Preference Shares of Rs.10 each	March 31, 2025 No. of Shares	March 31, 2024 No. of Shares
	Number of Shares at the Beginning	-	-
	Shares issued during the year	2,50,00,000	-
	Number of Shares at the end	2,50,00,000	-

11A-2	Name of the Share holders holding redeemable preference shares	As at March 31, 2025		As at March 31, 2024	
		No. of Shares	% Holding	No. of Shares	% Holding
	Apollo Hospital Enterprises Limited (Parent Company)	2,50,00,000	100%	-	-

12	Other Equity	As at March 31, 2025	As at March 31, 2024
	Retained Earnings	(3,79,669.22)	(2,67,730.91)
	Securities Premium	2,66,721.00	2,66,721.00
	Other items of Other Comprehensive Income	143.27	(456.15)
		(1,12,804.95)	(1,466.06)

12.1	Retained Earnings		
	Balance at the beginning of the financial year	(2,67,730.92)	(2,09,020.92)
	Loss for the year as per the statement of profit and loss	(1,11,938.30)	(58,710.00)
	Balance as at the end of the financial year	(3,79,669.22)	(2,67,730.92)

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.

12.2	Securities Premium Account		
	Balance at the beginning of the year	2,66,721.00	2,66,721.00
	Premium on issue of equity shares	-	-
	Balance at end of the year	2,66,721.00	2,66,721.00

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.

12.3	Other items of Other Comprehensive Income		
	Remeasurement of defined benefit obligations		
	Balance at the beginning of the financial year	(456.15)	944.41
	Re-measurement gains/(losses) (net of tax affect) for the year	599.42	(1,400.56)
	Balance as at the end of the financial year	143.27	(456.15)

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.



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- 12.4 The Company has neither declared, paid, nor proposed any dividend for and during the year ended March 31, 2025 (March 31, 2024: Nil). Accordingly, the provisions of Section 123 of the Companies Act, 2013, relating to declaration and payment of dividend, are not applicable to that extent.

13 Borrowings
Secured loan:

Term Loan facilities from bank (Refer Note 13.1 (a.) below)

Overdraft facility from bank (Refer Note 13.1 (b.) below)

Unsecured loan from related parties:

Redeemable Preference Shares (Refer Note 11A above)

Loans and advances from related parties (Refer note 13.2(a) & (b))

Total

As at March 31, 2025		As at March 31, 2024	
Non Current	Current	Non Current	Current
1,91,956.87	-	1,11,150.47	-
-	33,066.54	-	69,830.87
2,55,178.35	-	-	-
-	4,260.52	-	9,260.53
4,47,135.22	37,327.06	1,11,150.47	79,091.40

13.1 Terms of Credit facilities availed from Banks:
a. Term Loan facility from Axis Bank Limited:

The Company has availed three term loans from Axis Bank Limited, with sanctioned limits of ₹48,000.00 thousand, ₹109,000.00 thousand, and ₹50,000.00 thousand respectively (for the year ended March 31, 2024: ₹48,000.00 thousand and ₹109,000.00 thousand). These facilities are secured by an exclusive charge over the current assets and movable assets of the Company, as well as the assets created out of the term loan proceeds. Additionally, the facilities are backed by a Letter of Comfort issued by Apollo Hospitals Enterprise Limited ("the Parent Company"). The term loans carry an interest rate linked to the prevailing Repo Rate plus a spread of 2%, currently aggregating to 8.50% per annum. The loans were availed for purposes including leasing, hospital development, renovation, and purchase of equipment, and have been utilized for the purposes for which they were sanctioned. The Company has created charges and filed the necessary forms and returns in compliance with the provisions of the Companies Act, 2013, in respect of the said facilities. There were no defaults during the year ended March 31, 2025, and no continuing defaults as at the year-end, in repayment of principal or interest. The term loans are repayable over a period of 8 years, with a moratorium period of 24 months on principal repayment.

b. Overdraft Facility from Axis Bank Limited:

The Company has availed an overdraft facility from Axis Bank Limited, with a sanctioned limit of ₹100,000 thousand as at March 31, 2025 (March 31, 2024: ₹70,000 thousand). This facility is secured by an exclusive charge over the current assets and movable assets of the Company, and is further backed by a Letter of Comfort issued by Apollo Hospitals Enterprise Limited ("the Parent Company"). The overdraft facility carries an interest rate linked to the prevailing Repo Rate plus a spread of 2%, aggregating to 8.50% per annum at present. The facility was obtained to meet the working capital requirements of the Company and has been utilized for the intended purpose. The Company has created the necessary charge in respect of the facility in compliance with the provisions of the Companies Act, 2013. There were no defaults during the year ended March 31, 2025, and no continuing defaults as at the year-end in repayment of principal or interest.

- 13.2(a) The non-interest bearing unsecured loan from the Managing Director does not have a stipulated repayment schedule and is repayable on demand. Accordingly, it has been classified as a current liability.

13.2(b) Unsecured Loan from Apollo Hospitals Enterprise Limited

During the year, the Company availed an unsecured loan of ₹50,000 thousand (March 31, 2024: Nil) at an interest rate of 8.50% per annum to meet its general business purpose as per the term of the loan. This loan did not have any stipulated repayment schedule and the said loan was fully repaid during the year. The interest accrued on the loan is payable on annual basis, has remained outstanding as of the year-end and has been reported under other financial liabilities.

13.3 Other notes to borrowings:

- The above facilities availed from banks are on the basis of security of current assets, movable assets and other assets created out of the facilities. The Company is not required to furnish the any returns/ statements of the current assets as per the terms of sanction and the Company has materially complied with applicable loan covenants.
- The loans and facilities availed by the Company are not secured by way of pledge of shares or securities of the Company. Further, the Company has not raised any loans during the year ended March 31, 2025, by pledging securities held in its subsidiaries, joint ventures, or associate companies, if any.
- The Company has not utilised any short-term funds for long-term purposes. The short term loans have been applied for the purposes for which they were availed/obtained. The term loans were applied for the purposes for which the loans were obtained.
- The Company is not declared wilful defaulter by any bank or financial institution or other lender.
- The Company has not taken any funds from any entity or person on account of, or to meet the obligations of, its subsidiaries, associates, or joint ventures, if any, during the year ended March 31, 2025.



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14	Lease liabilities	As at March 31, 2025		As at March 31, 2024			
		Non Current	Current	Non Current	Current		
	Lease Liabilities (Also, Refer Note 3B)	5,07,533.06	33,002.75	1,86,998.18	24,420.22		
	Total	5,07,533.06	33,002.75	1,86,998.18	24,420.22		
15	Provisions	As at March 31, 2025		As at March 31, 2024			
		Non Current	Current	Non Current	Current		
	Provision for Gratuity (Refer note 30)	6,259.02	543.14	5,225.08	367.30		
	Total	6,259.02	543.14	5,225.08	367.30		
16	Trade Payables	As at		As at			
		March 31, 2025		March 31, 2024			
	Total outstanding dues of micro enterprises and small enterprises			-	-		
	Total outstanding dues of creditors other than micro and small enterprises*			43,859.52	22,170.04		
	Total			43,859.52	22,170.04		
16.1	The Company has not received confirmations from its suppliers regarding their registration status under the Micro, Small and Medium Enterprises Development Act, 2006, as at March 31, 2025, and March 31, 2024. In the absence of such information, the relevant disclosures under the said Act have not been made. Dues to micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), are disclosed separately under "Trade Payables – Micro and Small Enterprises." Dues to medium enterprises, which are not covered under the definition of micro and small enterprises under the MSMED Act, are included under "Other Trade Payables						
16.2	Trade Payables ageing schedule as at March 31, 2025 and as at March 31, 2024 outstanding from the due date of bill.						
	Particulars	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	Undisputed dues- Micro and Small Enterprises	-	-	-	-	-	-
	Undisputed dues - Others	36,367.84 (20,707.99)	1,373.61 (853.31)	5,567.53 (257.67)	197.35 (117.07)	353.19 (234.00)	43,859.52 (22,170.04)
	Disputed dues - Micro and Small Enterprises	-	-	-	-	-	-
	Disputed dues - Others	-	-	-	-	-	-
	Total	36,367.84 (20,707.99)	1,373.61 (853.31)	5,567.53 (257.67)	197.35 (117.07)	353.19 (234.00)	43,859.52 (22,170.04)
17	Other financial liabilities	As at		As at			
		March 31, 2025		March 31, 2024			
	Interest accrued on loan from Parent Company (Refer Note 13.2(b) above)			737.75	-		
	Total			737.75	-		
18	Other Current Liabilities	As at		As at			
		March 31, 2025		March 31, 2024			
	Advances from customers			10,626.24	5,220.79		
	Statutory Liabilities			3,702.42	6,753.40		
	Employee Payables (Refer Note 18.1 below)			22,006.73	18,040.36		
	Total			36,335.39	30,014.55		
18.1	Includes dues to Mr. Rajiv Vasudevan, Managing Director			6,215.75	4,361.62		

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(All Amounts in Indian Rupees in thousands, except otherwise stated)
19 Revenue from Operations

Hospital services
Pharmacy receipts
Other operating revenue
Total

For the year ended March 31, 2025	For the year ended March 31, 2024
2,46,361.49	1,53,579.75
28,693.92	18,210.00
9,001.76	4,564.41
2,84,057.17	1,76,354.16

Note: Revenue reported are net of share of revenue and discounts.

20 Other Income

Interest on fixed deposits
Interest on income tax refund
Interest on security deposit measured at amortised cost
Balances/ Provision no longer payable, now written back (net)
Total

For the year ended March 31, 2025	For the year ended March 31, 2024
147.64	608.74
179.21	124.63
1,197.57	610.21
-	1,060.64
1,524.42	2,404.22

21 Changes in Inventories of Stock-in-Trade

Opening Stock
Less: Closing stock
Net Change

For the year ended March 31, 2025	For the year ended March 31, 2024
7,271.13	3,529.25
8,118.01	7,271.13
(846.87)	(3,741.88)

22 Employee benefit expense

Salary, allowances and bonus
Contributions to provident fund
Contributions to Employee State Insurance
Gratuity expenses
Staff welfare expenses

Less: Transferred to Intangible assets under development
Total

For the year ended March 31, 2025	For the year ended March 31, 2024
1,22,911.96	98,648.80
2,218.51	1,575.96
240.62	117.12
1,848.14	1,025.67
19,130.57	10,623.53
1,46,349.80	1,11,991.08
28,244.64	19,799.38
1,18,105.16	92,191.70

23 Finance Costs

Interest on term loans
Interest on delayed remittance of taxes
Interest on overdraft facility
Interest on finance lease
Interest on Redeemable Preference Shares
Interest on loan from parent company (Refer Note 13.2(b))

Less: Transferred to capital work in progress
Total

For the year ended March 31, 2025	For the year ended March 31, 2024
13,436.35	3,027.29
2,193.73	716.13
4,204.07	3,057.45
37,722.18	11,686.57
7,433.87	-
819.73	-
65,809.93	18,487.44
16,953.39	3,027.29
48,856.54	15,460.15



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24 Other expenses

Consultant charges	
Hospital/Office Maintenance charges	
Electricity charges	
Canteen expenses	
Professional charges (For auditors remuneration, Refer 24.1 below)	
Advertisement and sales promotion	
Lab charges	
Rent (Refer Note 3B (e))	
Rates and taxes	
Communication expenses	
Printing & stationery	
Repairs and maintenance	
- Plant and machinery	
- Buildings	
Repairs and maintenance - Others	
Security charges	
Software Expenses	
Bank charges	
Travel and conveyance	
Provision for doubtful recoverables	
Expected credit loss on trade receivables	
Quality certification expenses	
Membership & Subscription charges	
Insurance charges	
Miscellaneous expenses	

For the year ended March 31, 2025	For the year ended March 31, 2024
50,883.65	30,554.54
16,387.85	8,156.22
8,489.42	3,634.45
7,619.57	3,901.27
4,950.39	4,227.23
36,352.40	21,487.27
223.64	86.71
6,709.81	6,038.35
1,391.83	288.00
2,183.93	1,608.01
1,418.50	835.19
805.60	358.01
231.44	172.42
1,146.94	659.97
4,447.21	2,194.18
2,809.09	2,503.75
2,278.55	1,080.04
5,247.31	3,150.31
245.80	-
782.41	419.34
978.64	751.09
490.57	473.52
576.99	2,105.81
1,607.24	1,295.49
1,58,258.78	95,981.17
11,719.80	7,551.30
1,46,538.98	88,429.87

Less: Transferred to Intangible assets under development

Total
24.1 Auditors' Remuneration (Included in professional charges)

As auditor (including limited review and Rs.30 thousand relating to earlier years (March 31, 2024:

a. Nil))	680.00	510.00
b. for tax audits	80.00	70.00
c. Other Certification Services	40.00	40.00
	800.00	620.00

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25 Related Party Disclosures

25.1 Related parties of the Company are as follows:

Name of the Related Party	Nature of relationship
Apollo Hospitals Enterprise Limited	Parent (Holding Company)
Mr. Rajiv Vasudevan	Managing Director - Key Managerial Personnel
Ms. Preetha Reddy	Director (w.e.f. May 13, 2024)
Ms. Anushpala Kamineni	Director (w.e.f. May 13, 2024)
Mr. Krishnan Akhileswaran	Nominee Director
Mrs. Ammini Vasudevan	Relative of Key Managerial Personnel
Baalyam Healthcare Private Limited	Subsidiary Company
Apollo Health and Lifestyle Limited	Fellow Subsidiary
Ayurved Discovery Foundation	Enterprises owned or significantly influenced by KMP or their relatives
Apollo Hospitals Education Trust	Trust of the Parent Company
Imperial Hospital and Research Centre Limited	Fellow Subsidiary

25.2 Related Party Transactions during the Year:

Name of the Related Party	Nature of transactions	For the year ended March 31, 2025	For the year ended March 31, 2024
Apollo Hospitals Enterprise Limited	Issue of Redeemable Preference shares ^	2,50,000.00	-
	Share of revenue (Expense)	4,603.33	1,922.33
	Reimbursement of Expenses	796.20	-
	Loan taken and repaid during the year	50,000.00	-
	Interest on Redeemable Preference Shares	7,433.87	-
	Interest on loan	819.73	-
Mr. Rajiv Vasudevan	Loan/ advances taken during the year	13,500.00	5,000.00
	Loan/ advances repaid during the year	18,500.00	-
	Remuneration	7,190.25	6,188.30
	Reimbursement for expenses	-	17.50
	Sale of Pharmacy Products & services	63.33	5.01
Baalyam Healthcare Private Limited	Advances Given	94.58	29.96
Apollo Health and Lifestyle Limited	Share of revenue (Expense)	-	39.86
Ayurved Discovery Foundation	Reimbursement for expenses	16.05	12.18
	Provision for doubtful recoverable	245.80	-
Apollo Hospitals Education Trust	Rent for medical centre	2,592.00	-
Imperial Hospital and Research Centre Limited	Share of revenue (Expense)	1,180.00	-

^ Redeemable Preference Shares of Rs.10 each at a par Rs. 10 per share. Also Refer Note 11A for details.

Note: As stated in Note 13, Apollo Hospitals Enterprise Limited has furnished letter of comfort for the banking facilities availed by the Company.

25.3 Balance outstanding as at end of the year:

Name of the Related Party	Particulars	As at March 31, 2025	As at March 31, 2024
Apollo Hospitals Enterprise Limited	Trade receivable	3,616.65	1,922.33
	Redeemable Preference Shares (Refer Note 11A)	2,55,178.35	-
	Reimbursement of expenses (payable)	796.20	-
	Interest accrued on loan (Refer Note 13.2(b))	737.75	-
Mr. Rajiv Vasudevan	Loan due (Payable)	4,260.52	9,260.53
	Remuneration Payable	6,170.98	4,316.85
	Reimbursement of expenses (payable)	44.77	44.77
Ayurved Discovery Foundation	Recoverable - Advances given *	277.14	506.88
Baalyam Healthcare Private Limited	Recoverable - Reimbursement for expenses **	401.64	307.06
Apollo Hospitals Education Trust	Trade Payable	1,296.00	-
Imperial Hospital and Research Centre Limited	Trade Payable	1,160.00	-
Apollo Health and Lifestyle Limited	Trade Payable	39.86	39.86

* Net of provision of Rs.4,257.78 thousand (March 31, 2024: Rs.4011.98 thousand)

** Net of provision of Rs.277.10 thousand (March 31, 2024: Rs.277.10 thousand)

Note:

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

- Most of the account balances of trade receivables, advances and trade payables other than subsidiary are subject to confirmation. In the view of the management, had the balances were confirmed, impact if any is insignificant Further 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.



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27 Earnings Per Equity Share
Earnings Per Share has been computed as under:

	For the year ended March 31, 2025	For the year ended March 31, 2024
Loss for the year	(1,11,938.30)	(58,710.00)
Weighted average number of equity shares outstanding during the year	6,26,494	6,26,494
Earnings Per Share (Rs.) - Basic & Diluted (Face value of Rs.10 per share)	(178.67)	(93.71)

28 Contingent liability and Capital commitments

- a. The estimated amount of contracts remaining to be executed on capital account (net of advances) is Rs. Nil (March 31, 2024: Nil)
- b. The Company has furnished a bank guarantee amounting to ₹600.00 thousand (March 31, 2024: ₹800.00 thousand) in favour of the Central Government Health Scheme. This facility from the bank is secured by fixed deposits held by the Company as margin money. (Also, Refer Note 9)
- c. Demand of ₹ 1,418.33 thousand (March 31, 2024: ₹957.55 thousand) as per the TRACES portal of the Income Tax Department. The Company is in the process of filing necessary rectifications in respect of this demand. The Company has filed necessary rectifications in the past and in the current year and also is in the process of filing remaining rectifications in respect of this demand. Pending the outcome of the rectification process, no provision has been made in the financial statements in this regard.
- 29 In view of the losses incurred during the year, and based on the applicable provisions of prevailing tax laws, the Management of the Company does not expect any current tax liability. Accordingly, no provision has been made towards current tax expenses for the year. Further, the position of deferred tax is an asset and is not recognised in view of absence of virtual uncertainty of profits in the foreseeable future.

30 Employee benefits
30.1 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 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 these scheme have been debited to statement of profit and loss and disclosed under employee cost. The Company has no further obligations in regard of these contribution plans

30.2 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, are measured using the projected unit credit method.

a.	Change in Defined Benefit Obligation	For the year ended March 31, 2025	For the year ended March 31, 2024
	Present value of defined benefit obligation as at the beginning of the year	5,592.38	3,395.13
	Current service cost	1,471.49	1,144.84
	Interest cost	376.65	245.13
	Remeasurement (gains)/losses on account of change in actuarial assumptions	(599.42)	807.28
	Employers Direct Benefits Payments	(38.94)	-
	Present value of defined benefit obligation as at the end of the year	6,802.16	5,592.38
b.	Expenses recognised in statement of profit and loss	For the year ended March 31, 2025	For the year ended March 31, 2024
	Current service cost	1,471.49	1,144.84
	Net interest expense	376.65	245.13
	Total Expenses/ (Income) recognised in profit and loss	1,848.14	1,389.97
c.	Expenses recognised in Other Comprehensive Income	For the year ended March 31, 2025	For the year ended March 31, 2024
	Actuarial (gains) / losses arising from changes in actuarial assumptions	160.04	6.44
	Actuarial (gains) / losses arising from experience adjustments	(759.46)	800.84
	Total of remeasurement (gain)/loss recognised in Other Comprehensive Income (OCI)	(599.42)	807.28
d.	Significant Actuarial Assumptions	March 31, 2025	March 31, 2024
	Discount rate(s)	6.82%	7.22%
	Expected rate(s) of salary increase	5%	5%
	Attrition Rate (Graded Rates Age 35 - 12.5%, Age 40 - 8.33%, Age 45 - 4.17%, Age 50 - 2.08%, Age 55 - 0.83%, Age 60 - 0.42%)	15%	15%
	Retirement Age	60	58
	Pre-retirement mortality (Indian Assured Lives Mortality Ultimate (IALU) (2012-14))	IALU (2012-14)	IALU (2012-14)



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, 2025		March 31, 2024	
	Defined benefit obligation		Defined benefit obligation	
	Increase	Decrease	Increase	Decrease
Liability Recognised in Balance Sheet	6,802.16	6,802.16	5,592.38	5,592.38
Discount rate (100 base points movement)	(384.67)	447.38	(221.59)	250.72
Future salary growth (100 base points movement)	437.42	(381.13)	239.88	(214.87)
Attrition rate (100 base points movement)	4.02	(8.11)	1.16	(2.99)

f. **Maturity profile of defined benefit plan:**

Projected benefits payable in future years from the date of reporting

Particulars	March 31, 2025		March 31, 2024	
	Discounted Value/ Present value	undiscounted / Actual value	Discounted/ Present value	undiscounted / Actual value
Within 1 year	621.46	633.45	367.30	385.22
1-2 year	270.00	303.05	277.78	313.67
2-3 year	224.49	269.15	366.85	435.16
3-4 year	380.46	477.95	181.02	234.86
4-5 year	145.59	199.17	155.62	216.41
5-10 years	765.72	1,219.35	692.75	1,112.99
Thereafter	4,394.45	8,935.27	3,551.07	5,764.28

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

Particulars	March 31, 2025	March 31, 2024
Total Number of Employees	243	146
Per month salary cost on which Gratuity is payable for all active members (₹ thousand)	5,137.07	3,771.30
Average Monthly Salary (₹ thousand)	21.14	25.48
Average past service (years)	2.23	2.59
Average Age (years)	32.51	35.39
Average expected future service (years)	27.49	22.61
Term of Liability (years)	10.75	9.15
Vested Discontinuation Gratuity (₹ thousand)	5,989.46	5,106.06
Discontinuation Gratuity (₹ thousand)	8,422.41	6,674.81

31 **Financial instruments**31.1 **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)

31.2 **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.



31.3 Financial Instruments by category**Financial assets***Carried at Cost/ Amortised cost*

	As at March 31, 2025	As at March 31, 2024
Investments	100.00	100.00
Other financial assets	28,949.61	27,200.59
Trade receivables	53,849.55	30,730.14
Cash and cash equivalents	3,386.85	1,833.67
	86,286.01	59,864.40

Financial liabilities*Carried at Cost/ Amortised cost*

Borrowings	4,84,462.28	1,90,241.87
Lease liabilities	5,40,535.81	2,11,418.40
Trade payables	43,859.52	22,170.04
Other financial liabilities	737.75	-
	10,69,595.36	4,23,830.31

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.

31.4 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. Since there are no assets and liabilities classified as Level 1, all 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 from prices).

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

32 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 and 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	Less than 1 year	1 Year to 5 years	> 5 years	Total
Non-interest bearing	48,120.03 (31,430.57)	- -	- -	48,120.03 (31,430.57)
Variable interest rate instruments	6,000.00 -	54,316.67 (46,304.28)	1,31,640.20 (64,846.19)	1,91,956.87 (1,11,150.47)
Fixed interest rate instruments	33,066.54 (69,830.87)	- -	2,55,178.35 -	2,88,244.89 (69,830.87)
Lease Liabilities	33,283.26 (24,420.22)	2,44,198.87 -	2,63,053.67 -	5,40,535.81 (24,420.22)

* Amounts in parenthesis relates to previous year

33 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.

34 Internal control system with reference to financial statements

- a. 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 and Payroll activities are outsourced to external consultants. The company has implemented 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 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 continuously monitored by the directors and these were found to be effectively operating during the year and at the year end.



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- b. Information systems referred above which is used for maintaining its books of account has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all the relevant transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the requirements of the Companies Act, 2013 and rules thereunder. The audit trail at the database level for the accounting software is not available.

35 Segment Reporting

There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company. The Company operates in single segment i.e., Health care services. There are no operations outside India and hence there is no external revenue or assets which require disclosure. Further, Company business model includes operations under revenue share arrangement and there are revenue from transactions with a single external ultimate customer amounting to 10% or more of the Company's total revenue in year ended March 31, 2025 and March 31, 2024.

- 36 The Company has incurred cash losses amounting to Rs.79,112.74 thousand during the financial year ended March 31, 2025 and a cash loss amounting to Rs. 46,752.52 thousand in the immediately preceding financial year i.e., March 31, 2024.

Additional Disclosures pursuant to schedule III of the Act;
37 Accounting Ratios

Ratio	For the year ended March 31, 2025	For the year ended March 31, 2024	% Variance	Reason for change in ratio by 25%
Current Ratio (in times)	0.85	0.70	21.87%	Refer Note 37.2 below
Debt-equity Ratio	-4.55	39.64	-111.47%	Refer Note 37.2 below
Debt service coverage ratio	-0.56	-0.38	49.94%	Refer Note 37.2 below
Return on equity Ratio (ROE)	220%	-1194%	-118.44%	Refer Note 37.2 below
Inventory turnover ratio	36.92	56.36	-34.50%	Refer Note 37.2 below
Trade Receivables Turnover Ratio	6.72	11.20	-40.04%	Refer Note 37.2 below
Trade Payables Turnover Ratio	0.63	1.05	-39.76%	Refer Note 37.2 below
Net Capital Turnover Ratio	-12.76	-3.77	238.52%	Refer Note 37.2 below
Net Profit Ratio	-39%	-33%	18.37%	Refer Note 37.2 below
Return on capital employed (ROCE)	-17%	-22%	-24.73%	Refer Note 37.2 below

37.1 Items included in numerator and denominator for computing the above mentioned ratios:

Particulars	Numerator / Denominator	For the year ended March 31, 2025	For the year ended March 31, 2024
Current Ratio	Current assets	1,29,545.23	1,09,279.42
	Current liabilities	1,51,805.62	1,56,063.51
Debt-equity ratio	Total Debt	4,84,462.28	1,90,241.87
	Shareholder's Equity	(1,06,540.01)	4,798.88
Debt service coverage ratio	Earnings available for debt service	(63,081.76)	(15,928.25)
	Debt Service	1,11,706.86	42,292.98
Return on equity ratio	Net profit after tax	(1,11,938.30)	(58,710.00)
	Average shareholder's equity*	(50,870.57)	4,918.68
Inventory turnover ratio	Cost of goods sold OR sales	2,84,057.17	1,76,354.16
	Average Inventory	7,694.57	3,129.06
Trade Receivable Turnover ratio	Net credit sales	2,84,057.17	1,76,354.16
	Average accounts receivable	42,289.85	15,742.60
Trade Payable Turnover ratio	Net credit purchases	20,787.31	14,226.53
	Average accounts payables	33,014.78	13,611.77
Net Capital Turnover ratio	Net sales	2,84,057.17	1,76,354.16
	Average working capital**	(22,260.38)	(46,784.09)
Net Profit Ratio	Net Profit	(1,11,938.30)	(58,710.00)
	Net sales	2,84,057.17	1,76,354.16
Return on capital employed (ROCE)	Earning before interest and taxes (EBIT)	(63,081.76)	(43,249.85)
	Capital employed (Shareholders fund)	3,77,922.27	1,95,040.75

* Shareholder's equity includes shareholder funds and reserves and surplus

** Average working capital = current assets - current liabilities

37.2 Reasons for change in ratio in excess of 25% compared to previous financial year.

Subsequent to the acquisition of a majority stake in the Company by Apollo Hospitals Enterprise Limited (the 'Parent Company'), the Company has experienced significant business growth, supported by the Parent Company, along with a substantial outlay of capital expenditure. These developments have resulted in changes in certain accounting ratios by more than 25%.

- 37.3 Although the net worth of the Company is negative as at March 31, 2025, the management is confident of the Company's ability to continue as a going concern, primarily on account of continued financial support from the Parent Company. As disclosed in Note 11A, the Parent Company has also extended a Redeemable Preference shares and unsecured loans during the year to meet the financial requirements of the Company.

Based on this support, the analysis of key accounting ratios presented above, the ageing and expected realisation of assets, the schedule of repayment of liabilities, and other relevant information included in the financial statements, the management is of the opinion that no material uncertainty exists as at the balance sheet date regarding the Company's ability to meet its liabilities as and when they fall due within a period of one year from the balance sheet date.



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38 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.

39 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.

40 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 : The Company was not declared as wilful defaulter.

(Signatures to all notes from 1 to 40)

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



RAJIV VASUDEVAN
Managing Director
DIN: 01786120

Place: Bengaluru
Date: April 30, 2025



KRISHNAN AKHILESWARAN
Director
DIN: 05299539

Place: Chennai
Date: April 30, 2025

For VARMA & VARMA
Chartered Accountants
FRN 004532S



MITHUN LAKSHMANA PAI
Partner
Membership No. 219813

Place : Bengaluru
Date: April 30, 2025

