

Health City Cayman Islands Limited
Standalone Balancesheet

Particulars	Note No	(Amount in USD)	
		As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4	5,43,50,994	5,55,22,239
Capital work-in-progress	4	51,53,343	6,49,744
Right of use assets	5	23,03,147	38,79,423
Intangible Assets	4	30,145	32,240
Financial Assets			
(i) Investments	6 (a)	17,60,900	49,23,412
(ii) Other financial assets	7 (a)	1,95,610	1,95,610
Other non-current assets	8 (a)	8,82,531	3,40,619
Total Non-Current Assets		6,46,76,670	6,55,43,287
Current Assets			
Inventories	9	37,03,392	31,50,454
Financial Assets			
(i) Investment	6 (b)	1,51,99,834	1,49,66,206
(ii) Trade Receivables	10	2,54,79,918	1,14,49,393
(iii) Cash and Cash Equivalents	11 (a)	47,77,012	66,30,078
(iv) Bank Balances Other than above	11 (b)	14,41,464	20,00,000
(v) Other financial assets	7 (b)	29,17,135	20,32,916
Other Current Assets	8 (b)	56,21,091	27,51,595
Total current Assets		5,91,39,846	4,29,80,641
TOTAL ASSETS		12,38,16,516	10,85,23,928
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	12	510	510
Other Equity	13	9,22,62,140	7,16,02,082
Total Equity		9,22,62,650	7,16,02,592
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	14	1,35,26,831	1,94,54,688
(ii) Lease liabilities	15	8,48,556	26,16,683
(iii) Other Financial Liabilities	16	1,40,417	12,13,908
Total Non-Current Liabilities		1,45,15,804	2,32,85,278
Current Liabilities			
Financial Liabilities			
(i) Borrowings	14	38,00,000	35,00,000
(ii) Lease liabilities	15	18,89,412	19,43,623
(iii) Trade Payables	17		
Total outstanding dues of micro enterprises and small enterprises			
Total outstanding dues of creditors other than micro enterprises and small enterprises		61,22,760	56,27,029
Other current liabilities	18	46,16,696	20,54,310
Provisions	19	6,09,194	5,11,095
Total Current Liabilities		1,70,38,062	1,36,36,057
TOTAL EQUITY AND LIABILITIES		12,38,16,516	10,85,23,928

Significant accounting policies

3

The accompanying notes form an integral part of these special purpose standalone financial statements

For and on behalf of the Board of Directors of
Health City Cayman Islands Limited

Anesh Shetty

Dr. Anesh Shetty
Managing Director

Viren Prasad Shetty

Viren Prasad Shetty
Director

Place: London
Date: May 20, 2022

Place: Bengaluru
Date: May 20, 2022



Health City Cayman Islands Limited
Standalone Statement of Profit and Loss

(Amount in USD)

Particulars	Note No	For the Year ended March 31, 2022	For the Year ended March 31, 2021
INCOME			
Revenue from operations	20	9,18,58,291	6,86,15,896
Other income	21	6,58,804	4,06,790
Total Income (A)		9,25,17,095	6,90,22,686
EXPENSES			
Purchase of medical consumables, drugs and surgical instruments	22	1,64,90,598	1,16,81,024
Changes in inventories of medical consumables, drugs and surgical instruments-(Increase)/ Decrease		(5,52,938)	(3,29,255)
Employee benefits expense	23	2,17,76,245	1,91,99,732
Professional fees to doctors		66,253	17,953
Other expenses	24	1,87,47,679	1,21,41,371
Expense before finance cost, depreciation and amortization and exceptional items (B)		5,65,27,837	4,27,10,825
Earning before finance cost, depreciation and amortization and exceptional items (A-B)		3,59,89,258	2,63,11,861
Finance costs (C)	25	12,36,292	15,06,555
Depreciation and amortisation expense (D)	26	51,71,167	47,64,757
Total expenses (E) = (B+C+D)		6,29,35,296	4,89,82,137
Profit before tax (F) = (A-E)		2,95,81,799	2,00,40,549
Tax expenses:			
Current Tax		-	-
Deferred tax (credit)/ charge		-	-
Total tax expense (G)		-	-
Profit for the year (H) = (F-G)		2,95,81,799	2,00,40,549
Other Comprehensive income (OCI)			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Effective portion of (losses) / gains on hedging instruments in cash flow hedges		10,73,491	6,73,603
Other comprehensive income for the year (I)		10,73,491	6,73,603
Total Comprehensive income for the year (J) = (H+I)		3,06,55,290	2,07,14,152
Earning per share	29		
Basic (USD)		580.08	392.98
Diluted (USD)		580.08	392.98
Significant accounting policies	3		
The accompanying notes form an integral part of these special purpose standalone financial			

For and on behalf of the Board of Directors of
Health City Cayman Islands Limited

Anesh Shetty

Dr. Anesh Shetty
Managing Director

Viren Prasad Shetty

Viren Prasad Shetty
Director

Place: London
Date: May 20, 2022

Place: Bengaluru
Date: May 20, 2022



Health City Cayman Islands Limited
Standalone Statement of changes in equity

(a) Equity share capital

Particulars	No. of Shares	(Amount in USD)
		Amount
Class Y equity shares of USD 0.01 each issued, subscribed and fully paid up		
Balance as at April 1, 2020	50,996	510
Changes in equity share capital during 2020-21		
Balance as at March 31, 2021	50,996	510
Changes in equity share capital during 2021-22		
Balance as at March 31, 2022	50,996	510

(b) Other Equity

Particulars	Reserves and Surplus			Items of OCI	Total other equity
	Securities premium reserve	Deemed Capital Contribution	Retained earnings	Cash Flow Hedging Reserve	
Balance as at April 1, 2020	5,09,94,574	6,655	77,91,750	(18,87,511)	5,69,05,468
Profit for the year			2,00,40,549		2,00,40,549
Other comprehensive income				6,73,603	6,73,603
Total comprehensive income for the year 2020-21			2,00,40,549	6,73,603	2,07,14,152
Transaction recorded directly in equity					
Dividend Paid	(60,17,538)				(60,17,538)
Balance as at March 31, 2021	4,49,77,036	6,655	2,78,32,299	12,13,908	7,16,02,082
Profit for the year			2,95,81,799		2,95,81,799
Other comprehensive income				10,73,491	10,73,491
Total comprehensive income for the year 2021-22			2,95,81,799	10,73,491	3,06,55,290
Transaction recorded directly in equity					
Dividend Paid			(99,95,232)		(99,95,232)
Balance as at March 31, 2022	4,49,77,036	6,656	4,74,18,867	(1,40,417)	9,22,62,140

The accompanying notes form an integral part of these special purpose standalone financial statements

As per our report of even date attached

For and on behalf of the Board of Directors of
Health City Cayman Islands Limited

Anesh Shetty *Viren Prasad Shetty*
Dr. Anesh Shetty Viren Prasad Shetty
Managing Director Director

Place: London Place: Bengaluru
Date: May 20, 2022 Date: May 20, 2022



Health City Cayman Islands Limited
Standalone Statement of Cash Flows

Particulars	(Amount in USD)	
	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Cash flow from operating activities		
Profit after tax	2,95,81,799	2,00,40,549
Adjustments:		
Depreciation and amortisation expense	51,71,167	47,64,757
Provision for loss allowance	3,79,892	1,50,542
Impairment of investment	37,56,281	-
Interest income	(6,38,821)	(3,82,387)
Net loss arising on financial assets designated as FVTPL	7,74,733	1,76,346
Finance costs	12,36,292	15,06,555
Profit on sale of property, plant & equipment (net)	-	(6,175)
Operating cash flow before working capital changes	4,02,61,343	2,62,50,187
Changes in trade receivables	(1,44,10,417)	(26,54,568)
Changes in inventories	(5,52,938)	(3,29,255)
Changes in loans, other financial assets and other assets	(36,56,806)	(10,55,216)
Changes in trade payables, other financial liabilities and other liabilities	30,58,118	18,23,415
Changes in provisions	98,099	1,67,816
Net cash generated from operating activities (A)	2,47,97,399	2,42,02,379
Cash flow from investing activities		
Purchase of property plant and equipment	(69,25,149)	(14,82,029)
Proceeds from sale of property, plant and equipment	-	6,534
Investment in bank deposits	-	(20,00,000)
Redemption of bank deposits	5,58,536	-
Investment in equity of subsidiary	(5,00,000)	(1,80,000)
Purchase of short term investments (net)	(11,02,133)	(57,95,598)
Net cash used in investing activities (B)	(79,68,746)	(94,51,093)
Cash flow from financing activities		
Repayment of borrowings	(56,27,857)	(54,45,313)
Interest and other borrowing expenses	(11,15,008)	(13,44,090)
Dividend Paid	(99,95,232)	(60,53,250)
Payment of lease liabilities (Refer note 15)	(19,43,622)	(17,00,971)
Net cash used in financing activities (C)	(1,86,81,719)	(1,45,43,624)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(18,53,066)	2,07,662
Cash and cash equivalent at the beginning of the year	66,30,078	64,22,416
Cash and cash equivalent at the end of the year (refer note 11(a))	47,77,012	66,30,078

Significant accounting policies

3

The accompanying notes form an integral part of these special purpose standalone financial statements

Reconciliation of liabilities from financing activities for the year ended March 31, 2022

(Amount in USD)

Particulars	As at April 1, 2021	Proceeds / additions	Repayment	Non cash changes		As at March 31, 2022
				Fair value/ other changes	Foreign exchange	
Long-term borrowings (including current maturities)	2,29,54,688	-	(56,27,857)	-	-	1,73,26,831
Lease liabilities	45,60,306	-	(19,43,622)	1,21,284	-	27,37,968
Total liabilities from financing activities	2,75,14,994	-	(75,71,479)	1,21,284	-	2,00,64,799

Reconciliation of liabilities from financing activities for the year ended March 31, 2021

(Amount in USD)

Particulars	As at April 1, 2020	Proceeds / additions	Repayment	Non cash changes		As at March 31, 2021
				Fair value/ other changes	Foreign exchange	
Long-term borrowings (including current maturities)	2,84,00,001	-	(54,45,313)	-	-	2,29,54,688
Lease liabilities	54,10,255	6,88,557	(17,00,971)	1,62,465	-	45,60,306
Total liabilities from financing activities	3,38,10,256	6,88,557	(71,46,284)	1,62,465	-	2,75,14,994

For and on behalf of the Board of Directors of
Health City Cayman Islands Limited

Anesh Shetty

Dr. Anesh Shetty
Managing Director

Viren Shetty

Viren Prasad Shetty
Director

Place: London
Date: May 20, 2022

Place: Bengaluru
Date: May 20, 2022



Health City Cayman Islands Limited

Notes to the special purpose standalone financial statements for the year ended March 31, 2022

1. Company overview

Health City Cayman Islands Ltd ('the Company') was incorporated on 7 May 2010 as a Company limited by shares under the laws of the Cayman Islands. The registered office of the Company is located at, 89 Nexus Way, Camana Bay, Grand Cayman, KY1 - 9007, Cayman Islands. The Company is 100 % Subsidiary of Narayana Hrudayalaya Limited and is primarily engaged in the business of providing economical healthcare services in Cayman Islands.

2. Basis of preparation of the Special purpose financial statements

2.1. Statement of compliance

The special purpose financial statements which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements ") have been prepared in accordance with Indian Accounting Standards (Ind AS) and the accounting policies of the Holding Company.

The special purpose standalone financial statements of the Company have been prepared for the purposes of providing information to the Holding Company to enable them to prepare consolidated financial statements in accordance with the Indian Accounting Standards.

Details of the accounting policies are included in Note 3.

2.2. Functional and presentation currency

These special purpose financial statements are presented in United States Dollars ("USD"), which is also the Company's functional currency. All amounts are presented in USD, except share data and per share data, unless otherwise stated.

2.3. Basis of measurement

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

Items	Measurement basis
Certain financial assets and liabilities	Fair value

2.4. Use of estimates and judgments

In preparing these special purpose financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.



Health City Cayman Islands Limited

Notes to the special purpose standalone financial statements for the year ended March 31, 2022

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the special purpose financial statements is included in the following notes:

Note 27 – Assessment of contingent liabilities and commitments

Note 31 - Financial instruments

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment in the year ending March 31, 2022, is included in the following notes:

Note 27- recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources.

Note 4 - useful life of property, plant and equipment and intangible assets

Note 6, 7,9,10,11 and 31 - recognition of impairment of financial assets

2.5. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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

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

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

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in note 31 – financial instruments.

3. Significant accounting policies

3.1. Financial instruments

a. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.



Health City Cayman Islands Limited

Notes to the special purpose standalone financial statements for the year ended March 31, 2022

b. Classification and subsequent measurement

Financial assets

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

- amortised cost.
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

3.1. Financial instruments

- how managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows.
- terms that may adjust the contractual coupon rate, including variable interest rate features.
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g., non-recourse features).

Financial assets: Subsequent measurement and gains and losses



Health City Cayman Islands Limited

Notes to the special purpose standalone financial statements for the year ended March 31, 2022

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derivative financial instruments

Hedge accounting

The Group uses derivative financial instruments to manage risks associated with interest rate fluctuations relating to foreign currency loan taken by the group.

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in statement of profit and loss

Cash flow hedge:

The Group has designated derivative financial instruments taken for interest rate as 'cash flow' hedges relating to foreign currency loan taken by the group.

The use of derivative financial instruments is governed by the Group's policies approved by the Board of Directors, which provide written principles on the use of such instruments consistent with the Group's risk management strategy.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cashflow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognized immediately in statement of profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in the statement of profit and loss.



Health City Cayman Islands Limited

Notes to the special purpose standalone financial statements for the year ended March 31, 2022

Others:

Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges and the ineffective portion of cash flow hedges are recognized in the statement of profit and loss and reported within foreign exchange gains/ (losses).

c. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

d. Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the balance sheet when and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.2. Inventories

The inventories of medical consumables, drugs and surgical instruments are valued at lower of cost or net realizable value. In the absence of any further estimated costs of completion and estimated costs necessary to make the sale, the net realizable value is the selling price. The comparison of cost and net realizable is made on an item-by-item basis. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location after adjusting for taxes wherever applicable, applying the first in first out method.



Health City Cayman Islands Limited

Notes to the special purpose standalone financial statements for the year ended March 31, 2022

3.3. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less which are subject to insignificant risk of changes in value.

3.4. Cash flow statement

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

3.5. Revenue recognition

Revenue from operations

The Company recognizes revenue from medical and healthcare services to patients, on sale of medical consumables and drugs within the hospital premises and on providing services towards patient amenities.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized upon transfer of control of promised products or services to customers/patients in an amount that reflects the consideration we expect to receive in exchange for those products or services.

'Unbilled revenue' represents value to the extent of medical and healthcare services rendered to the patients who are undergoing treatment/ observation on the balance sheet date and is not billed as at the balance sheet date. 'Unearned revenue' comprises billings in the excess of earnings.

Interest

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

3.6. Property, Plant and Equipment

Recognition and measurement

Property, plant and equipment are measured at cost which includes capitalized borrowing costs, less accumulated depreciation and impairment losses, if any. The cost of an item of Property, Plant and Equipment comprises its purchase price, including import duties and other non-refundable taxes or levies, freight, any directly attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling and restoring onsite; any trade discounts and rebates are deducted in arriving at the purchase price. Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Cost includes expenditures directly attributable to the acquisition of the asset.



Health City Cayman Islands Limited

Notes to the special purpose standalone financial statements for the year ended March 31, 2022

Depreciation and amortization

The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are ready for intended use. Assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life and lease term. Freehold land is not depreciated. The estimated useful lives of assets for the current and comparative period of significant items of property, plant and equipment are as follows:

Block of assets	Useful life
Building	40 years
Electrical installation	15 years
Medical equipment	10 years
Non - Medical equipment	10 years
Other equipment including air conditioners	15 years
Furniture and fixtures	10 years
Computers	3 years
Vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted appropriately.

The Company believes that the useful life as given above best represent the useful life of the assets based on the internal technical assessment of the estimated useful life of fixed assets.

The cost and related accumulated depreciation are eliminated from the special purpose financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date are recognized as capital advance and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work- in-progress.

3.7. Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use.

Amortisation

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The estimated useful lives of intangibles are as follows:

Block of assets	Useful life
Computer software	5 years

Amortisation method

Useful life and residual values are reviewed at the end of each financial year.



Health City Cayman Islands Limited

Notes to the special purpose standalone financial statements for the year ended March 31, 2022

3.8. Employee benefits

Short term employee benefits

Employee benefits payable wholly within twelve months of receiving services are classified as short-term employee benefits. These benefits include salary and wages, bonus and exgratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by the employees.

Post-employment benefits

Defined contribution plans

A defined contribution plan is post-employment benefit plan under which an entity pays specified contributions to separate entity and has no obligation to pay any further amounts. The Company makes specified obligations towards employee pension fund to Government administered pension fund plan which is a defined contribution plan. The Company's contribution is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

Compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on any leave accumulated in excess of sixty days or on termination of employment. Since the employee has unconditional right to avail the leave, the benefit is classified as a short-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

3.9. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

3.10. Leases

The Company's lease asset classes primarily consist of leases for buildings. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 1, 2019.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.



Health City Cayman Islands Limited

Notes to the special purpose standalone financial statements for the year ended March 31, 2022

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (assets of less than USD 5,000 in value). The Company recognizes the lease payments associated with these leases as an expense over the lease term.

3.11. Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

3.12. Income tax

There are no taxes on income, profits or capital gains in the Cayman Islands. The Company has received an undertaking from the Governor in the Cabinet of the Cayman Islands exempting it from all such taxes for a period of 20 years should such taxes be enacted. Accordingly there are no taxes recorded in the special purpose financial statements.

3.13. Foreign exchange transactions and translations

Transactions in foreign currencies are recorded at prevailing rate at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the statement of profit or loss.



Health City Cayman Islands Limited

Notes to the special purpose standalone financial statements for the year ended March 31, 2022

3.14. Impairment

a. Impairment of financial instruments

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at fair value through other comprehensive income (FVOCI) are credit- impaired. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit- impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer.
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise.
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward- looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.



Health City Cayman Islands Limited

Notes to the special purpose standalone financial statements for the year ended March 31, 2022

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the trade receivable does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

b. Impairment of non-financial assets

The Company's non-financial assets, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss.

3.15. Provisions and contingencies

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.



Health City Cayman Islands Limited

Notes to the special purpose standalone financial statements for the year ended March 31, 2022

3.16. Dividend

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. The Company declares and pays dividends in US Dollars.

3.17. Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3.18 Standards Issued but Not Effective

On March 23, 2022, the Ministry of Corporate Affairs (MCA) of India has notified Companies (Indian Accounting Standards) Amendment Rules, 2022. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2022.

- i. Ind AS 101 – First time adoption of Ind AS
- ii. Ind AS 103 – Business Combination
- iii. Ind AS 109 – Financial Instrument
- iv. Ind AS 16 – Property, Plant and Equipment
- v. Ind AS 37 –Provisions, Contingent Liabilities and Contingent Assets
- vi. Ind AS 41 – Agriculture

Application of above standards are not expected to have any significant impact on the company's financial statements.



Health City Cayman Islands Limited

Notes to the special purpose standalone financial statements for the year ended March 31, 2022

4 Property, Plant and Equipment, Intangible Assets and Capital work- in progress

(Amount in USD)

Particulars	Gross block				Accumulated depreciation/amortisation				Net block	
	As at April 1, 2021	Additions	Deletions	As at March 31, 2022	As at April 1, 2021	Depreciation/ Amortisation	Deletions	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Tangible assets (Owned)										
Land and related infrastructure cost	1,32,25,462	-	-	1,32,25,462	-	-	-	-	1,32,25,462	1,32,25,462
Building	3,56,88,070	-	-	3,56,88,070	61,02,775	8,92,202	-	69,94,977	2,86,93,093	2,95,85,295
Medical equipment	1,14,58,768	6,20,374	-	1,20,79,142	65,88,221	11,73,170	-	77,61,391	43,17,751	48,70,547
Electrical installations	43,03,846	-	-	43,03,846	19,46,243	2,86,948	-	22,33,191	20,70,655	23,57,603
Other equipments including air conditioners	59,89,044	-	-	59,89,044	25,88,470	3,99,270	-	29,87,740	30,01,304	34,00,574
Office equipments	19,10,204	1,08,396	-	20,18,600	11,24,113	1,95,502	-	13,19,615	6,98,985	7,86,091
Furniture and fixtures	30,18,599	60,192	-	30,78,791	18,98,241	3,06,135	-	22,04,376	8,74,415	11,20,358
Computers	8,29,845	6,22,635	-	14,52,480	6,70,719	1,85,315	-	8,56,034	5,96,446	1,59,126
Vehicles	1,50,978	31,067	-	1,82,045	1,33,795	11,127	-	1,44,922	37,123	17,183
Tangible assets (Leasehold):										
Leasehold improvements	-	9,65,462	-	9,65,462	-	1,29,702	-	1,29,702	8,35,760	-
Total tangible assets (A) ,	7,65,74,816	24,08,126	-	7,89,82,942	2,10,52,577	35,79,371	-	2,46,31,948	5,43,50,994	5,55,22,239
Intangible assets										
Computer software	6,06,018	13,425	-	6,19,443	5,73,778	15,520	-	5,89,298	30,145	32,240
Total intangible assets (B)	6,06,018	13,425	-	6,19,443	5,73,778	15,520	-	5,89,298	30,145	32,240
Capital work-in-progress (C)	6,49,744	51,41,148	6,37,549	51,53,343	-	-	-	-	51,53,343	6,49,744
Grand Total (A+B+C)	7,78,30,578	75,62,699	6,37,549	8,47,55,728	2,16,26,355	35,94,891	-	2,52,21,246	5,95,34,482	5,62,04,223



Health City Cayman Islands Limited
Notes to the special purpose standalone financial statements for the year ended March 31, 2022

4 Property, Plant and Equipment, Intangible Assets and Capital work-in progress

(Amount in USD)

Particulars	Gross block				Accumulated depreciation/amortisation				Net block	
	As at April 1, 2020	Additions	Deletions	As at March 31, 2021	As at April 1, 2020	Depreciation/ Amortisation	Deletions	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Tangible assets										
(Owned)										
Land and related infrastructure cost	1,32,25,462	-	-	1,32,25,462	-	-	-	-	1,32,25,462	1,32,25,462
Building	3,56,88,070	-	-	3,56,88,070	52,10,573	8,92,202	-	61,02,775	2,95,85,295	3,04,77,497
Medical equipment	1,09,70,480	4,88,288	-	1,14,58,768	54,72,263	11,15,958	-	65,88,221	48,70,547	54,98,217
Electrical installations	43,03,846	-	-	43,03,846	16,59,295	2,86,948	-	19,46,243	23,57,603	26,44,551
Other equipments including air conditioners	56,75,993	3,13,051	-	59,89,044	21,97,949	3,90,521	-	25,88,470	34,00,574	34,78,044
Office equipments	18,31,644	78,560	-	19,10,204	9,38,178	1,85,935	-	11,24,113	7,86,091	8,93,466
Furniture and fixtures	30,10,877	8,802	1,080	30,18,599	15,97,631	3,01,331	721	18,98,241	11,20,358	14,13,246
Computers	7,37,651	92,194	-	8,29,845	6,07,894	62,825	-	6,70,719	1,59,126	1,29,757
Vehicles	1,58,417	-	7,439	1,50,978	1,23,648	17,586	7,439	1,33,795	17,183	34,769
Total tangible assets (A)	7,56,02,440	9,80,895	8,519	7,65,74,816	1,78,07,430	32,53,307	8,160	2,10,52,577	5,55,22,239	5,77,95,009
Intangible assets										
Computer software	6,06,018	-	-	6,06,018	5,46,796	26,982	-	5,73,778	32,240	59,222
Total intangible assets (B)	6,06,018	-	-	6,06,018	5,46,796	26,982	-	5,73,778	32,240	59,222
Capital work-in-progress (C)	1,48,610	6,82,996	1,81,862	6,49,744	-	-	-	-	6,49,744	1,48,610
Grand Total (A+B+C)	7,63,57,069	16,63,891	1,90,381	7,78,30,579	1,83,54,226	32,80,288	8,160	2,16,26,355	5,62,04,223	5,80,02,841

Capital work in Progress ageing schedule

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress					
As at March 31, 2022	51,41,148	12,195	-	-	51,53,343
As at March 31, 2021	6,49,744	-	-	-	6,49,744

As on the date of the balance sheet, there are no capital work-in-progress projects whose completion is overdue or has exceeded the cost based on approved plan.



Health City Cayman Islands Limited

Notes to the special purpose standalone financial statements for the year ended March 31, 2022

5 (i) Right of use assets

(Amount in USD)

Category of ROU asset	Gross block			Accumulated depreciation				Net block	
	As at April 1, 2021	Additions	Deletions	As at March 31, 2022	As at April 1, 2021	Depreciation	Deletions	As at March 31, 2022	As at March 31, 2021
Building	68,02,456	-	-	68,02,456	29,23,033	15,76,276	-	44,99,309	23,03,147
Grand total	68,02,456	-	-	68,02,456	29,23,033	15,76,276	-	44,99,309	23,03,147

(ii) Right of use assets

Category of ROU asset	Gross block			Accumulated depreciation				Net block	
	As at April 1, 2020	Additions	Deletions	As at March 31, 2021	As at April 1, 2020	Depreciation	Deletions	As at March 31, 2021	As at March 31, 2020
Building	61,13,899	6,88,557	-	68,02,456	14,38,565	14,84,468	-	29,23,033	38,79,423
Grand total	61,13,899	6,88,557	-	68,02,456	14,38,565	14,84,468	-	29,23,033	38,79,423



6 Investment

		(Amount in USD)	
(a) Non-Current Investment		As at	As at
Particulars		March 31, 2022	March 31, 2021
<u>Unquoted Equity Instruments</u>			
Investment in equity shares			
Narayana Holdings Private Limited			
1,33,000 equity shares (March 31, 2021: 1,15,000) of \$ 10 each		12,60,900	10,80,900
Add: Investment during the year 50,000 equity shares (March 31, 2021: 18,000) of \$ 10 each fully paid up		5,00,000	1,80,000
Investment at the end of the Year		17,60,900	12,60,900
<u>In associate company:</u>			
Reya Health Inc. (formerly Cura Technologies Inc)			
[39,000,000 equity shares (31 March 2021: 39,000,000) of \$ 0.01 each fully paid up]		1,36,833	1,36,833
Less: Impairment of Investment		(1,36,833)	-
Investment at the end of the Year		-	1,36,833
<u>Unquoted debt instruments</u>			
Investment in promissory note of Reya Health Inc. (formerly Cura Technologies Inc) - amortised Cost		31,11,441	31,11,441
Add: Investment during the year		-	-
Total Investment in promissory note- amortised Cost		31,11,441	31,11,441
Add: Accrued interest on the promissory note		5,08,007	4,14,238
Less: Impairment of Investment in promissory note and Accrued interest on the promissory note		(36,19,448)	-
		-	36,62,512
		17,60,900	49,23,412

(b) Current Investment			(Amount in USD)	
Particulars	Qty	Market Rate	As at March 31, 2022	As at March 31, 2021
Short term investment				
- In US Treasury Bills (Previous Year : 16,00,000)	-	-	-	16,05,409
- In US Govt Bonds (Previous Year : 50,000)	7,00,000	0.99	6,90,548	50,000
- In Municipal Bonds (Previous Year : 2,25,000)	3,75,000	1.00	3,75,473	2,34,101
- In Corporate Bonds (Previous Year : 1,08,00,000)	1,21,25,000	1.00	1,21,56,864	1,10,42,003
- In Mutual Funds				
-LORD ABBETT ULTRA SHORT BOND FUND (CLASS Z (USD)(acc)) (Previous Year : 1,90,872)	1,86,681	10.59	19,76,949	20,34,693
Net Investment Fair Value			1,51,99,834	1,49,66,206

7 Other financial assets

		(Amount in USD)	
(a) Non-current		As at	As at
Particulars		March 31, 2022	March 31, 2021
Security deposits		1,95,610	1,95,610
		1,95,610	1,95,610
<u>(b) Current</u>			
Particulars		As at	As at
		March 31, 2022	March 31, 2021
Security deposits		27,676	27,676
Unbilled revenue		28,03,710	19,35,652
Interest Accrued on Short Term Investment		80,118	69,377
Interest Accrued on Fixed Deposits		5,631	210
		29,17,135	20,32,915

8 Other assets

		(Amount in USD)	
(a) Non-current		As at	As at
Particulars		March 31, 2022	March 31, 2021
<u>To parties other than related parties</u>			
Prepaid expenses		8,82,531	3,40,619
		8,82,531	3,40,619
<u>(b) Current</u>			
Particulars		As at	As at
		March 31, 2022	March 31, 2021
Advance to employees		32,860	60,228
Prepaid expenses		8,95,516	18,12,733
Advance to vendors		11,99,230	8,65,240
Capital Advances		34,93,485	13,394
		56,21,091	27,51,595



9 Inventories

(Valued at lower of cost and net realisable value)

Particulars	(Amount in USD)	
	As at March 31, 2022	As at March 31, 2021
Medical consumables, drugs and surgical instruments	45,20,453	35,00,016
Goods in Transit	5,77,410	7,40,310
Less: Provision for write-down to net realisable value	(13,94,471)	(10,89,872)
	37,03,392	31,50,454

10 Trade receivables

Particulars	(Amount in USD)	
	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good	2,75,71,310	1,31,60,893
Less: Allowances for Expected credit losses	(20,91,392)	(17,11,500)
Net Trade Receivables	2,54,79,918	1,14,49,393

Trade receivables ageing schedule

Particulars	Outstanding for the following period from due date of payments						Total
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - Considered Good							
As at March 31, 2022	4,62,562	2,30,13,457	26,99,344	11,54,389	1,33,828	1,07,730	2,75,71,310
As at March 31, 2021	62,50,034	44,41,594	5,37,425	8,98,345	3,04,864	7,28,631	1,31,60,893

The Company uses a provision matrix to determine expected credit loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At each reporting period, the historically observed default rates are updated and changes in forward-looking estimates are analysed. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows.

For the year ended March 31, 2022

Category	Ageing			
	Within Due Date	Due date to 1 Year from Due date	More than 1 year from Due date	More Than 3 Year From Due Date
Government insurance	10.25%	38.02%	38.02%	38.02%
Others	0.32%	5.86%	30.06%	50.50%

For the year ended March 31, 2021

Category	Ageing			
	Within Due Date	Due date to 1 Year from Due date	More than 1 year from Due date	More Than 3 Year From Due Date
Government insurance	1.19%	7.65%	7.65%	7.65%
Others	3.38%	7.54%	23.80%	37.63%

The Company's exposure to credit risk and currency risks, and loss allowances are disclosed in note 31 (iv)

11 Cash and Cash Equivalents

Particulars	(Amount in USD)	
	As at March 31, 2022	As at March 31, 2021
(a) Cash and cash equivalents		
Cash on hand	5,710	21,305
Balance with banks		
-In current accounts	47,71,302	66,08,773
	47,77,012	66,30,078
(b) Bank Balances Other than above		
-In deposit accounts (due to mature within 12 months of the reporting date) *	14,41,464	20,00,000
	14,41,464	20,00,000

For the Purpose of the Statement of cash flows, cash and cash equivalent comprise the following:

Particulars	(Amount in USD)	
	As at March 31, 2022	As at March 31, 2021
Cash on hand	5,710	21,305
Balance with banks		
-In current accounts	47,71,302	66,08,773
Cash and cash equivalents in the statement of the cash flows	47,77,012	66,30,078

* Out of the above mentioned total Balances with banks USD 11,89,893 (March 31, 2021: USD 14,41,464) in deposit accounts is restricted to maintain the DSRA deposit against Loan with FCIB Bank



12 (i) Equity share capital

Particulars	(Amount in USD)	
	As at March 31, 2022	As at March 31, 2021
Authorized		
5,000,000 equity shares (March 31, 2021: 5,000,000 equity shares) of USD 0.01 each	50,000	50,000
Issued, subscribed and paid up		
Nil (March 31, 2021: NIL) class X equity shares of USD 0.01 each, fully paid-up	-	-
50,996 (March 31, 2021: 50,996) class Y equity shares of USD 0.01 each, fully paid-up	510	510
	510	510

(ii) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

Particulars	Amount in USD, except no of shares			
	March 31, 2022		March 31, 2021	
Class Y equity shares	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	50,996	510	50,996	510
Issued during the year	-	-	-	-
At the end of the year	50,996	510	50,996	510

(iii) Shares held by holding company:

Particulars	Amount in USD, except no of shares			
	March 31, 2022		March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Narayana Hrudayalaya Limited	50,996	510	50,996	510
	50,996	510	50,996	510

(iv) List of persons holding more than 5 percent shares in the Company:

Particulars	March 31, 2022		March 31, 2021	
	Number of shares	% holding	Number of shares	% holding
Narayana Hrudayalaya Limited	50,996	100%	50,996	100%
	50,996	100%	50,996	100%

Rights, preference and restriction attached to equity shares including distribution of dividends:

i) As at 31 March 2022, the Company has only one class of equity shares issued, referred to as class Y equity shares, having a par value of USD 0.01 each. All the equity shares rank equally with regard to dividend and share in the Company's residual assets. Each holder of equity shares is entitled to one vote per share. Dividends will be payable as and when the Board propose and the share holders will approve in Annual General Meeting or in the meeting. The Company has declared Interim dividend of USD 196 per share on each fully paid up share of the company on during the FY 2021-22 out of the profits of the Financial Year ended March 31, 2022 on March 24, 2022 and in previous year the Company has declared final dividend of USD 125 per share on each fully paid up share of the company on during the FY 2020-21 out of the securities premium on May 22, 2020.

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

The Company does not have any shares reserved for issue under any other contracts.

Buy back of equity shares:

No Buyback of shares was done during the current financial year.

13 Other Equity

Particulars	(Amount in USD)	
	As at March 31, 2022	As at March 31, 2021
Reserves and surplus		
Securities premium		
At the commencement of the year	4,49,77,036	5,09,94,574
Less: Dividend Paid	-	(60,17,538)
At the end of the year	4,49,77,036	4,49,77,036
Deemed Capital Contribution		
At the commencement of the year	6,655	6,655
Add: Additions during the year	-	-
At the end of the year	6,655	6,655
Retained Earnings		
At the commencement of the year	2,78,32,299	77,91,750
Add: Net profit after tax transferred from statement of profit and loss	2,95,81,799	2,00,40,549
Less: Dividend Paid	(99,95,232)	-
At the end of the year	4,74,18,866	2,78,32,299
Other Comprehensive Income		
Effective portion of Cash flow hedge reserve		
At the commencement of the year	(12,13,908)	(18,87,511)
Add: Additions during the year	10,73,491	6,73,603
At the end of the year	(1,40,417)	(12,13,908)
	9,22,62,140	7,16,02,082



Health City Cayman Islands Limited
Notes to the special purpose standalone financial statements for the year ended March 31, 2022

Securities Premium

Securities premium is used to record the premium received on issue of shares.

Deemed Capital Contribution

Deemed capital contribution by Holding Company on account of employee stock options issued to employees.

Retained Earnings

Retained earnings comprise the Company's prior years' undistributed earnings.

Other Comprehensive Income

Other Comprehensive Income represents the effective portion of the hedge reserve which will be classified to Statement of PL.

Dividend

During the FY 2021-22, the Company has declared Interim dividend of USD 196 per share on each fully paid up share of the Company approved in the board meeting held on March 24, 2022 out of the profits of the financial year ended March 31, 2022 and during the FY 2020-21, final dividend of USD 125 per share on each fully paid up share of the Company was approved and declared in the board meeting held on May 22, 2020 out of the securities premium.

14 Borrowings		(Amount in USD)	
Particulars	As at March 31, 2022	As at March 31, 2021	
(a) Non-current			
Secured			
Term loans			
From banks	1,35,26,831	1,94,54,688	
	1,35,26,831	1,94,54,688	
(b) Current			
Secured			
Term loans			
From banks	38,00,000	35,00,000	
	38,00,000	35,00,000	

The Company has outstanding term loan from First Caribbean International Bank (Cayman) Limited amounting to USD 17,326,831 (including current portion of borrowings) against sanction limit of USD 32,000,000 repayable in 26 quarterly instalments as per loan agreement from 27 November 2017. Interest is payable on a monthly basis at the rate of monthly LIBOR plus 1.75% per annum. The loan is secured by bank guarantee from the Holding Company.

15 Lease liabilities		(Amount in USD)	
Particulars	As at March 31, 2022	As at March 31, 2021	
(a) Non-current			
Opening Lease liability	45,60,306	54,10,255	
Additions during the period		6,88,557	
Finance cost accrued during the period	1,21,284	1,62,465	
Lease payment	(19,43,622)	(17,00,971)	
Closing Lease liability	27,37,968	45,60,306	
Less: Current lease liability	(18,89,412)	(19,43,623)	
	8,48,556	26,16,683	
(b) Current			
Lease liability	18,89,412	19,43,623	
	18,89,412	19,43,623	

16 Other Financial Liabilities		(Amount in USD)	
Particulars	As at March 31, 2022	As at March 31, 2021	
Non-current			
Derivative financial instruments	1,40,417	12,13,908	
	1,40,417	12,13,908	

17 Trade payables		(Amount in USD)	
Particulars	As at March 31, 2022	As at March 31, 2021	
Total outstanding dues of micro enterprises and small enterprises			
Total outstanding dues of creditors other than micro enterprises and small enterprises*	49,42,432	38,81,186	
To related parties [Refer Note no 30 (C)]			
Total Outstanding dues to Related Parties	11,80,328	17,45,843	
	61,22,760	56,27,029	

Trade payables ageing schedule

		(Amount in USD)				
Particulars		Outstanding for following periods from due date of payments				
		Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years
As at March 31, 2022						
(a) Undisputed dues - MSME		-	-	-	-	-
(b) Undisputed dues - Others		36,60,253	23,60,405	50,061	-	52,041
(c) Disputed dues - MSME		-	-	-	-	-
(d) Disputed dues - Others		-	-	-	-	-
Total		36,60,253	23,60,405	50,061	-	52,041
As at March 31, 2021						
(a) Undisputed dues - MSME		-	-	-	-	-
(b) Undisputed dues - Others		13,14,949	41,78,455	63,208	54,363	16,054
(c) Disputed dues - MSME		-	-	-	-	-
(d) Disputed dues - Others		-	-	-	-	-
Total		13,14,949	41,78,455	63,208	54,363	16,054



18 Other current liabilities		(Amount in USD)	
Particulars	As at March 31, 2022	As at March 31, 2021	
Advance received	1,30,368	1,13,323	
Creditors for capital goods	71,254	71,254	
Contract liabilities	44,15,074	18,67,733	
<i>Other Payables</i>			
<i>To related parties (Refer Note no 30 (c))</i>			
Other payables	-	2,000	
	46,16,696	20,54,310	
19 Provisions		(Amount in USD)	
Particulars	As at March 31, 2022	As at March 31, 2021	
<i>Current</i>			
<i>Provision for employee benefit</i>			
Compensated absences	6,09,194	5,11,095	
	6,09,194	5,11,095	



Health City Cayman Islands Limited
Notes to the special purpose standalone financial statements for the year ended March 31, 2022
20 Revenue from Contracts with Customers

		(Amount in USD)	
(i) Revenue from operations			
Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021	
Income from medical and healthcare services	8,85,33,105	6,74,29,009	
Sale of medical consumables and drugs	33,25,186	11,86,887	
	9,18,58,291	6,86,15,896	

(ii) Category of Customer

Cash *	60,75,268	52,21,985
Credit	8,57,83,023	6,33,93,911
Total	9,18,58,291	6,86,15,896

*Includes receipts through digital/electronic mode

(iii) Nature of treatment

In-patient	6,59,50,567	4,38,10,853
Out-patient	2,25,82,538	2,36,18,156
Sale of medical consumables and drugs	33,25,186	11,86,887
Total	9,18,58,291	6,86,15,896

(iv) The revenue from rendering Medical & Healthcare services and medical consumables and drugs satisfies 'at a point in time' recognition criteria as prescribed by Ind AS 115

(v) Revenue from medical and healthcare services is net of rebates/ incentives/ discounts for the year ended March 31, 2022 amounting to USD 49,01,418 (March 31, 2021 - USD 43,48,264)

(vi) Transaction price allocated to the remaining performance obligations

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Contract liabilities	44,15,074	18,67,733

(vii) Use of Practical expedients
Transaction price allocated to the remaining performance obligations

The Company has applied the practical expedient with respect to non disclosure of information in respect of remaining performance obligations considering the fact that the company's performance obligations, i.e. the treatment in case of healthcare segment has an original expected duration of one year or less.

21 Other income

		(Amount in USD)	
Particulars		For the Year ended March 31, 2022	For the Year ended March 31, 2021
Interest income from financial asset at amortised cost		5,37,795	2,48,075
Interest Income on Promissory Notes		93,769	1,24,458
Profit on sale of property, plant & equipment		-	6,175
Interest income from Fixed Deposits		7,257	9,854
Miscellaneous income		19,983	18,228
		6,58,804	4,06,790

22 Changes in inventories of medical consumables, drugs and surgical instruments - (increase)/decrease

		(Amount in USD)	
Particulars		For the Year ended March 31, 2022	For the Year ended March 31, 2021
Inventory at the beginning of the year		31,50,454	28,21,199
Inventory at the end of the year		37,03,392	31,50,454
		(5,52,938)	(3,29,255)



Health City Cayman Islands Limited
Notes to the special purpose standalone financial statements for the year ended March 31, 2022
23 Employee benefits expense
(Amount in USD)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Salaries, wages and bonus	2,16,12,610	1,89,68,985
Contribution to pension and other funds	-	1,577
Staff welfare expenses	1,63,635	2,29,170
	2,17,76,245	1,91,99,732

24 Other expenses
(Amount in USD)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Hospital operating expenses		
Power and fuel	19,24,926	16,18,678
Hospital general expenses	15,82,603	9,13,020
House keeping expenses	2,55,322	1,76,368
Patient welfare expenses	14,52,222	10,20,439
Rent **	17,561	17,561
Medical gas charges	92,715	24,706
Repairs and maintenance		
- Hospital equipments	11,97,138	11,78,981
- Buildings	10,34,170	1,89,488
- Others	15,05,614	7,48,658
	90,62,271	58,87,899
Administrative expenses		
Security Charges	57,650	-
Net loss arising on financial assets designated as FVTPL	7,74,733	1,76,346
Impairment of investment	37,56,281	-
Travelling and conveyance	37,453	30,792
Printing and stationery	2,08,073	1,95,632
Rent **	3,07,677	2,25,255
Advertisement and publicity	16,18,693	16,16,425
Legal and professional fees*	4,41,541	21,21,423
Landscaping expenses	1,76,489	1,02,347
Telephone and communication	3,60,168	2,59,223
Bank charges	2,27,861	1,38,238
Insurance	10,64,658	10,38,991
Rates and taxes	1,82,093	1,47,443
Cable charges	24,377	36,754
Books and periodicals	14,150	12,937
Provision for loss allowance	3,79,892	1,50,542
Foreign exchange loss, (net)	213	362
Miscellaneous expenses	53,406	762
	96,85,408	62,53,472
	1,87,47,679	1,21,41,371

* Includes Audit Fee of USD 10,000 for March 31, 2022 (March 31, 2021: USD 10,000)

** Represents lease rentals for short term leases and low value assets.

25 Finance costs
(Amount in USD)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Interest expense on financial liabilities measured at amortized cost		
- term loans from banks	9,53,909	12,03,206
- others	1,61,099	1,40,884
Interest expense on lease liabilities	1,21,284	1,62,465
	12,36,292	15,06,555

26 Depreciation and amortisation expense
(Amount in USD)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Depreciation of property, plant and equipment (refer note 4)	35,79,371	32,53,307
Amortisation of intangible assets (refer note 4)	15,520	26,982
Depreciation of Right of use Asset (refer note 5)	15,76,276	14,84,468
	51,71,167	47,64,757



Health City Cayman Islands Limited
Notes to the special purpose standalone financial statements for the year ended March 31, 2022

27 Contingent liabilities and commitments

(i) Contingent Liabilities

The Company does not have any contingent liability as on March 31, 2022 (March 31, 2021 - Nil).

(ii) Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) as at March 31, 2022 amount to USD 12,23,136 (March 31, 2021: 1,87,546).

28 Segment reporting

Operating Segments

Ind AS 108 "Operating Segment" ("Ind AS 108") establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, Operating segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM evaluates the Company's performance and allocates resources on overall basis. The Company's sole operating segment is therefore 'Medical and Healthcare Services'. Accordingly, there are no additional disclosure to be provided under Ind AS 108, other than those already provided in the financial statements.

Geographical information

Geographical information analyses the Company's revenue and non-current assets by the Company's country of domicile (i.e. Cayman) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of the customers and segment assets which have been based on the geographical location of the assets. Since, the Company has only one geographical location i.e. Cayman, with respect to location of assets and location of customers, further details about geographical information is not applicable.

29 Earnings per share

Basic earnings per share

The calculation of basic earnings per share for the year ended on March 31, 2022 was based on earnings attributable to equity shareholders of USD 2,95,81,799 (March 31, 2021: USD 2,00,40,549) and weighted average number of equity shares outstanding 50,996 (March 31, 2021: 50,996).

Diluted earnings per share

The Company has not issued any potential dilutive equity shares.

Weighted average number of equity shares (basic)

Shares	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Opening balance	50,996	50,996
Effect of buy back of shares	-	-
Effect of fresh issue of shares on Merger	-	-
Effect of fresh issue of shares for cash	-	-
Weighted average number of equity shares for the year	50,996	50,996

The following table sets forth the computation of profit per share:

Particulars	(Amount in USD except no. of shares)	
	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Profit after tax for the year, attributable to equity shareholders	2,95,81,799	2,00,40,549
Weighted average number of equity shares of USD 0.01 each used for calculation of loss per share	50,996	50,996
Basic earnings per share (USD)	580.08	392.98
Diluted earnings per share (USD)	580.08	392.98



30 Related party disclosures

(a) Details of related parties

Name of relationship	Name of Related Parties
Ultimate Holding Company	Narayana Hrudayalaya Limited (till March 31, 2021)
Holding Company	Narayana Hrudayalaya Limited (w.e.f. April 1, 2021) Narayana Cayman Holdings Limited (till March 31, 2021)
Key Managerial Personnel (KMP):	Dr. Devi Prasad Shetty (till March 31, 2021) Dr. Aneesh Shetty (w.e.f. June 1, 2021) Muthuraman Balasubramanian Dr. Varun Shetty Terri Smith Bresnahan (w.e.f. August 5, 2021) Vireni Prasad Shetty
Key Management Personnel (KMP) of the Holding Company	Dr. Emmanuel Rupert - Managing Director Keshava Venugopala - Chief Financial Officer (till November 12, 2021) Sandeepa Jayaram - Chief Financial Officer (w.e.f. December 8, 2021) Sridhar S. - Company Secretary
Fellow Subsidiaries	Meridian Medical Research & Hospital Limited (MMRHL) Narayana Hrudayalaya Surgical Hospital Private Limited (NHSIPL) Narayana Institute for Advanced Research Private Limited (NIARPL) Narayana Vaishno Devi Specialty Hospitals Private Limited (NVDSHPL) Narayana Health Institutions Private Limited (NIHPL) NII Health Bangladesh Private Limited (NIIDPL) (till March 31, 2021) Narayana Holdings Private Limited (NIPL, Mauritius) (till March 31, 2021) Narayana Health North America LLC Narayana Hospitals Private Limited (NIPL)
Subsidiaries	Narayana Holdings Private Limited (NIPL, Mauritius) (w.e.f. April 1, 2021) NII Health Bangladesh Private Limited (NIIDPL) (w.e.f. April 1, 2021)
Entity under control/joint control of KMP/KMP of Holding company and their relatives	Amity IIS Healthcare Private Limited Hrudayalaya Pharmacy Charmakki Infrastructures Trombosis Research Institute (TRI) Narayana Hrudayalaya Foundation (NHF) Mazumdar Shaw Medical Foundation (MSMF) Narayana Health Academy Private Limited (NHAPL) Asia Heart Foundation (AHF)
Associate	Reya Health Inc. (formerly Cura Technologies Inc)
Associate of Subsidiary	I&O Healthcare (Associate of NIIDPL - Mauritius)
Associate of Holding Company	Timediv India Private Limited

(b) Transactions with related party during the year ended March 31, 2022

Transactions	Holding Company	Enterprises under control or joint control of KMP and their relatives	Subsidiary / Fellow Subsidiary	Key Management Personnel (KMP)	Total
Purchase of medical consumables and drugs and Services					
Narayana Hrudayalaya Limited	36,42,841 (23,66,793)	- (-)	- (-)	- (-)	36,42,841 (23,66,793)
Purchase of Fixed Assets					
Narayana Hrudayalaya Limited	14,598 (13,961)	- (-)	- (-)	- (-)	14,598 (13,961)
TOTAL	14,598 (13,961)	- (-)	- (-)	- (-)	14,598 (13,961)
Other Expenses					
Narayana Hrudayalaya Limited	9,92,322 (2,10,600)	- (-)	- (-)	- (-)	9,92,322 (2,10,600)
TOTAL	9,92,322 (2,10,600)	- (-)	- (-)	- (-)	9,92,322 (2,10,600)
Impairment of Investment					
Reya Health Inc. (formerly Cura Technologies Inc)	- (-)	37,56,281 (-)	- (-)	- (-)	37,56,281 (-)
TOTAL	- (-)	37,56,281 (-)	- (-)	- (-)	37,56,281 (-)
Payment of expenses on behalf of the Company:					
Narayana Hrudayalaya Limited	3,01,648 (2,12,678)	- (-)	- (-)	- (-)	3,01,648 (2,12,678)
Meridian Medical Research & Hospital Limited (MMRHL)	- (-)	- (-)	1,000 (500)	- (-)	1,000 (500)
Narayana Vaishno Devi Specialty Hospitals Private Limited (NVDSHPL)	- (-)	- (-)	- (500)	- (-)	- (500)
TOTAL	3,01,648 (2,12,678)	- (-)	1,000 (1,000)	- (-)	3,02,648 (2,13,678)
Dividend Paid					
Narayana Hrudayalaya Limited	99,95,232 (60,17,538)	- (-)	- (-)	- (-)	99,95,232 (60,17,538)
Investment in Equity					
Narayana Holding Private Limited	- (-)	- (-)	5,00,000 (1,80,000)	- (-)	5,00,000 (1,80,000)

Figures in brackets are for the previous year.

Note:

(a) No amount in respect of related parties have been written off/back or provided for during the year.

(b) Related party relationships have been identified by the Management and relied upon by the Management.

(c) The terms and conditions of the transactions with related parties were no more favourable than those available, or those which might reasonably be expected to be available, in respect of similar transactions with other than related entities on an arm's length basis.



Health City Cayman Islands Limited

Notes to the special purpose standalone financial statements for the year ended March 31, 2022

30 Related party disclosures(continued)

c) The balances receivable from and payable to related parties

(Amount in USD)

Balances	Holding Company	Enterprises under control or joint control of KMP and their relatives	Fellow Subsidiary	Total
Trade payables				
Narayana Hrudayalaya Limited	11,80,328 (17,45,843)	- (-)	- (-)	11,80,328 (17,45,843)
TOTAL	11,80,328 (17,45,843)	- (-)	- (-)	11,80,328 (17,45,843)

(Amount in USD)

Balances	Holding Company	Enterprises under control or joint control of KMP and their relatives	Fellow Subsidiary	Total
Other Payables:				
Meridian Medical Research & Hospital Limited (MMRHL)	- (-)	- (-)	- (1,500)	- (1,500)
Narayana Vaishno Devi Specialty Hospitals Private Limited (NVDSHPL)	- (-)	- (-)	- (500)	- (500)
TOTAL	- (-)	- (-)	- (2,000)	- (2,000)
Guarantee given by holding company				
Narayana Hrudayalaya Limited	3,20,00,000 (3,20,00,000)	- (-)	- (-)	3,20,00,000 (3,20,00,000)
TOTAL	3,20,00,000 (3,20,00,000)	- (-)	- (-)	3,20,00,000 (3,20,00,000)



31 Financial instruments: Fair value and risk managements

Fair Value

The fair value of cash and cash equivalents, Investments, trade receivables, unbilled revenues, borrowings, trade payables, other current financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Company's long-term debt has been contracted at market rates of interest. Accordingly, the carrying value of such long-term debt approximates fair value.

The fair value of derivative financial instruments is determined based on observable market inputs including currency spot and forward rates, yield curves, currency volatility etc.

Fair value hierarchy

Level 1 - Includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted prices. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

A. Accounting classification and fair values

As at March 31, 2022	Carrying amount			Fair value hierarchy			
	Amortised cost	FVTPL	Fair value Hedging instruments	Total	Level 1	Level 2	Level 3
Financial assets							
Trade receivables	2,54,79,918	-	-	2,54,79,918	-	-	-
Investment	-	1,51,99,834	-	1,51,99,834	1,51,99,834	-	-
Cash and cash equivalents	47,77,012	-	-	47,77,012	-	-	-
Bank Balances Other than above	14,41,464	-	-	14,41,464	-	-	-
	3,02,56,930	1,51,99,834	-	4,54,56,764	1,51,99,834	-	-
Financial liabilities							
Borrowings	1,73,26,831	-	-	1,73,26,831	-	-	-
Trade payables	61,22,760	-	-	61,22,760	-	-	-
Other financial liabilities	-	-	1,40,417	1,40,417	-	1,40,417	-
Lease Liability	27,37,968	-	-	27,37,968	-	-	-
	2,61,87,559	-	1,40,417	2,63,27,976	-	1,40,417	-

As at March 31, 2021	Carrying amount			Fair value hierarchy			
	Amortised cost	FVTPL	Fair value Hedging instruments	Total	Level 1	Level 2	Level 3
Financial assets							
Trade receivables	1,14,49,393	-	-	1,14,49,393	-	-	-
Investment	-	1,49,66,206	-	1,49,66,206	1,49,66,206	-	-
Cash and cash equivalents	66,30,078	-	-	66,30,078	-	-	-
Bank Balances Other than above	20,00,000	-	-	20,00,000	-	-	-
	2,00,79,471	1,49,66,206	-	3,50,45,677	1,49,66,206	-	-
Financial liabilities							
Borrowings	2,29,54,688	-	-	2,29,54,688	-	-	-
Trade payables	56,27,029	-	-	56,27,029	-	-	-
Other financial liabilities	-	-	12,13,908	12,13,908	-	12,13,908	-
Lease Liability	45,60,306	-	-	45,60,306	-	-	-
	3,31,42,022	-	12,13,908	3,43,55,930	-	12,13,908	-

Derivative instruments (assets and liabilities)

The Company has entered into derivative financial instruments with a counter-party (bank) with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps. The most frequently applied valuation techniques include swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, interest rate curves and forward rate curves of the underlying. As at March 31, 2022, the changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognized at fair value.

Measurement of fair values

The carrying value of all financial assets approximates the fair value



Derivatives assets and liabilities:

The Company is exposed to interest rate fluctuations on its borrowings. The Company follows established risk management policies, including the use of derivatives to hedge such risks. The counter party in these derivative instruments is a bank and the Company considers the risks of non-performance by the counterparty as not material.

The following table presents the aggregate contracted principal amounts of the Company's derivative contracts outstanding:

	As at	
	March 31, 2022	March 31, 2021
Designated derivative instruments		
Interest rate swaps	USD 1,73,26,831	USD 22,954,688

The following table summarizes activity in the cash flow hedging reserve within equity related to all derivative instruments classified as cash flow hedges:

	As at	
	March 31, 2022	March 31, 2021
Balance as at the beginning of the year	(12,13,908)	(18,87,511)
Effective portion of (losses) / gains on hedging instruments in cash flow hedges	10,73,491	6,73,603
Gain / (loss) on cash flow hedging derivatives, net	10,73,491	6,73,603
Balance as at the end of the year	(1,40,417)	(12,13,908)

As at March 31, 2022 and March 31, 2021, there were no significant gains or losses on derivative transactions or portions thereof that have become ineffective as hedges, or associated with an underlying exposure that did not occur.

B. Financial risk management

The Company's activities expose it to a variety of financial risks: credit risk, market risk and liquidity risk.

(i) Risk management framework

The Company's risk management is carried out by a central treasury department under policies approved by the Board of Directors of the Holding Company. The Holding Companies Board supervises overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk and use of financial instruments.

(ii) Foreign currency risk

The Company is exposed to currency risk on account of cash balances. The functional currency of the Company is USD. The summary quantitative data about the companies exposure to currency risk from non derivative financial instruments is as follows:

	As at March 31, 2022	
	Caymanian Dollar (KYD)	Total
Cash and cash equivalents	5,86,207	5,86,207
Net assets	5,86,207	5,86,207
	As at March 31, 2021	
	Caymanian Dollar (KYD)	Total
Cash and cash equivalents	23,96,539	23,96,539
Net assets	23,96,539	23,96,539

(iii) Interest rate risk

Interest rate risk primarily arises from floating rate borrowing. The Company manages its net exposure to interest rate risk relating to borrowings by entering into interest rate swap agreements, which allows it to exchange periodic payments based on a notional amount and agreed upon fixed and floating interest rates. Certain borrowings are also transacted at fixed interest rates. If interest rates were to increase by 100 bps from March 31, 2022, additional net annual interest expense on floating rate borrowing would amount to approximately Nil.



(iv) Credit risk

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

Credit risk is controlled by analysing credit limits and creditworthiness of the counterparty on a continuous basis to whom the loans has been granted after obtaining necessary approvals for credit.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trend. The maximum exposure to credit risk as at reporting date is primarily from trade receivables amounting to USD 2,091,392 (31 March 2021: USD 1,711,500). The movement in allowance for impairment in respect of trade and other receivables during the year was as follows:

Allowance for Impairment	(Amount in USD)	
	As at March 31, 2022	As at March 31, 2021
Opening balance	17,11,500	15,60,958
Impairment loss recognised	3,79,892	150,542
Closing balance	20,91,392	17,11,500

No single customer accounted for more than 10% of the revenue as of 31 March 2022 and 31 March 2021. There is no significant concentration of credit risk.

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

(v) Liquidity risk

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

The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. In addition, the Company maintains line of credits as stated in Note 14.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2022:

Particulars	(Amount in USD)				
	Less than 1 year	1 - 2 years	3-5 years	more than 5 years	Total
Lease Liabilities	19,50,430	6,04,201	2,65,138	-	28,19,769
Borrowings (Current & Non-Current)	38,00,000	40,00,000	95,26,831	-	1,73,26,831
Trade payables	61,22,760	-	-	-	61,22,760
Total	1,18,73,190	46,04,201	97,91,969	-	2,62,69,360

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2021:

Particulars	(Amount in USD)				
	Less than 1 year	1 - 2 years	3-5 years	more than 5 years	Total
Lease Liabilities	19,43,623	19,50,430	8,69,340	-	47,63,393
Borrowings (Current & Non-Current)	35,00,000	38,00,000	1,56,54,688	-	2,29,54,688
Trade payables	56,27,029	-	-	-	56,27,029
Total	1,10,70,652	57,50,430	1,65,24,028	-	3,33,45,110

(vi) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates and interest rates.

(vii) Sensitivity

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

Particulars	Impact on profit or loss		Impact on other components of equity	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Sensitivity				
1% increase in interest rate	(1,73,268)	(2,29,547)	(1,73,268)	(2,29,547)
1% decrease in interest rate	1,73,268	2,29,547	1,73,268	2,29,547

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



32 Employee benefits:
Defined contribution plan

The Company makes contributions towards pension fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

The amount recognized as an expense towards contribution to pension funds for the period aggregated to USD NIL (March 31, 2021: USD 1,577).

Compensated Absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on any leave accumulated in excess of sixty days or on termination of employment. Since the employee has unconditional right to avail the leave, the benefit is classified as a short term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

Particulars	As at March 31, 2022	As at March 31, 2021
Liability for Compensated absences	6,09,194	5,11,095
Total employee benefit liability	6,09,194	5,11,095

A. Financial Assumptions

Particulars	As at March 31, 2022	As at March 31, 2021
Discount Rate	3.50%	3.50%
Salary Increase Rate	1.00%	1.00%

B. Demographic Assumptions

Particulars	As at March 31, 2022	As at March 31, 2021
Mortality Rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Withdrawal Rate	1.85%	1.85%
Retirement age	65 years	65 years
In Service Encashment (%)	0.00%	0.00%

33 Lease

The Company has taken premises under cancellable operating leases, which are renewable at the option of the lessee. Total rental expense under cancellable operating leases amount to USD 3,25,238 (March 31, 2021: USD 2,42,816).

34 Capital Management

The Company policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio.

For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity reserves.

The capital structure as of 31 March 2022 and 31 March 2021 was as follows:

Particulars	(Amount in USD)	
	As at March 31, 2022	As at March 31, 2021
Total equity	9,22,62,650	7,16,02,592
As a percentage of total capital	84%	76%
Long-term borrowings including current maturities	1,73,26,831	2,29,54,688
Total borrowings	1,73,26,831	2,29,54,688
As a percentage of total capital	16%	24%
Total capital (Equity and Borrowings)	10,95,89,481	9,45,57,280

35 Dividend Paid

Particulars	As at March 31, 2022	As at March 31, 2021
No of Equity Share Outstanding	50,996.00	48,426.00
Dividend Paid per Share	196.00	124.26
Total Paid	99,95,216	60,17,538
As a percentage of Total Capital	11%	8%



36 Ind AS 116 Lease disclosure

Transition

The Company has adopted Ind AS 116 'Leases', effective annual reporting period beginning April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The Company has applied the standard to its leases, using the modified retrospective approach, with the cumulative effect of initially applying the Standard, recognized on the date of initial application (April 1, 2019). Comparative information has not been restated.

Accordingly, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application.

In adopting Ind AS 116, the Company has applied the below practical expedients:

The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics

The Company has treated the leases with remaining lease term of less than 12 months as if they were "short term leases"

The Company has not applied the requirements of Ind AS 116 for leases of low value assets

The Company has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease

- (i) The following is the break-up of current and non-current lease liabilities

Particulars	(Amount in USD)	
	As at March 31, 2022	As at March 31, 2021
Current lease liabilities	18,89,412	19,43,623
Non-current lease liabilities	8,48,556	26,16,683
	27,37,968	45,60,306

- (ii) The following is the movement in the lease liabilities during the year ended March 31, 2022 and March 31, 2021

Particulars	(Amount in USD)	
	As at March 31, 2022	As at March 31, 2021
Balance as at April 1	45,60,306	54,10,255
Additions	-	6,88,557
Finance cost accrued during the year	1,21,284	1,62,465
Deletions	-	-
Payment of lease liabilities	(19,43,622)	(17,00,971)
Balance as at March 31	27,37,968	45,60,306

Rental expense recorded for short-term leases was USD 3,25,237 for the year ended March 31, 2022.

- (iii) The table below provides details regarding the contractual maturities of rental payments as of 31 March 2022

Particulars	(Amount in USD)			
	Less than 1 year	1 - 2 years	2-5 years	Total
Lease Liabilities	18,89,412	5,90,851	2,57,705	27,37,968
Total	18,89,412	5,90,851	2,57,705	27,37,968

The table below provides details regarding the contractual maturities of rental payments as of 31 March 2021

Particulars	(Amount in USD)			
	Less than 1 year	1 - 2 years	2-5 years	Total
Lease Liabilities	19,43,622	17,68,128	8,48,556	45,60,306
Total	19,43,622	17,68,128	8,48,556	45,60,306

37 Financial Ratios

Ratio	Methodology	For the year ended March 31, 2022	For the year ended March 31, 2021	Variance
(a) Current ratio	Current assets over current liabilities	3.47	3.15	10.12%
(b) Debt equity ratio ¹	Debt over total shareholders' equity	0.19	0.32	-41.42%
(c) Debt service coverage ratio ¹	Earnings available for debt service over debt service	1.94	1.08	80.73%
(d) Return on equity %	PAT over total average equity	36.11%	32.39%	3.71%
(e) Trade receivables turnover ratio ²	Credit Revenue from operations over average trade receivables	4.65	6.22	-25.27%
(f) Trade payables turnover ratio ³	Total purchases over average trade payables	2.81	2.18	28.55%
(g) Net capital turnover ratio	Revenue from operations over working capital	2.18	2.34	-6.69%
(h) Net profit %	Net profit over revenue from operations	32.20%	29.21%	3.00%
(k) Return on capital employed %	PBIT over capital employed	28.13%	22.80%	5.33%
(l) Inventory turnover ratio	Cost of goods sold over average inventory	4.65	3.80	22.33%
		0.04	0.02	73.46%
k) Return on investment ⁴	Income generated from investments over average quoted investment			

Notes

PBIT - Profit before interest and taxes including other income

PAT - Profit after taxes

Capital employed refers to total shareholders' equity and debt

Investments includes current quoted investment

¹ Debt equity ratio and Debt service coverage ratio have improved on account of improvement in overall profitability and reduction of debt resulting from repayment

² Trade receivables turnover ratio has reduced due to delayed recovery of receivables

³ Trade payables turnover ratio has increased on account of increase in operations

⁴ The increase in return is on account of increase in income from current investments



Health City Cayman Islands Limited

Notes to the special purpose standalone financial statements for the year ended March 31, 2022

38 The Company, i.e. Health City Cayman Islands Limited (HCCI), in its meeting of its shareholders held on February 9, 2021 approved the merger of the Company with its erstwhile Holding Company, Narayana Cayman Holdings Limited (NCHL), w.e.f. April 1, 2021, wherein HCCI will be the surviving entity. The said merger had also been approved by the Registrar of Companies Cayman Islands on March 2, 2021.

Pursuant to the above, the previous year's figures in the special purpose standalone financial statements has been restated to give effect of the said merger as though the merger had occurred from the beginning of the the preceding period in the financial statements in accordance with Ind AS 103.

39 These special purpose standalone financial statements have been prepared by the Company specifically to provide information to Narayana Hrudayalaya Limited for the purposes of preparation of consolidated financial statements for the year ended on March 31, 2022 and may not be suitable for other purposes.

For and on behalf of the Board of Directors of
Health City Cayman Islands Limited

Anesh Shetty

Dr. Anesh Shetty
Managing Director

Place: London
Date: May 20, 2022

Viren Shetty

Viren Prasad Shetty
Director

Place: Bengaluru
Date: May 20, 2022

