



**Independent Auditor's Report**

**To the Board of Directors,  
Narayana Health North America LLC**

**Opinion**

We have audited the accompanying standalone financial statements of **Narayana Health North America LLC**, which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, the Statement of Cash Flow, the Statement of Changes in Equity for the year then ended and notes to the financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to



be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of



not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We could quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account.





- d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act.
- e) Reporting on the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, is not applicable for the Company.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act

- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has no pending litigations on its financial position in its standalone financial statements and accordingly no disclosure is made in the standalone financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Ken & Co.**

**Chartered Accountants**

Firm's Registration No. 015385S

*E. Narasimhan*

**E Narasimhan**

**Partner**

Membership number: 228470

Place: Bengaluru

Date : May 19, 2023

UDIN: 23228470BGXLRL2207



## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

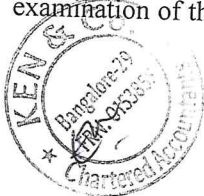
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Narayana Health North America LLC of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets. The Company has no Property, Plant and Equipment and Intangible Assets during the year. Hence reporting under Clause 3(i) of the Order is not applicable.
- (ii) The Company has no inventories during the year. Hence reporting under Clause 3(ii) of the Order is not applicable.
- (iii) The Company has not made investments in companies, firms, limited liability partnerships, and has not granted unsecured loans to other parties, during the year. Hence reporting under Clause 3(iii) of the Order is not applicable.
- (iv) The Company has neither granted any loans nor made any investments and provided guarantees and securities during the year. Hence reporting under Clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under Clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Hence reporting under Clause 3(vi) of the Order is not applicable to the Company.
- (vii) In respect of statutory dues:
  - a) In our opinion, there was no undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service tax, duty of Custom, duty of Excise, Value Added Tax, cess, and any other material statutory dues applicable to the Company. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed during the year as income in the tax assessment under the Income Tax Act 1961(43 of 1961) during the year.
- (ix) The company has not taken loans from any banks or financial institution or other lender. Hence reporting under clause 3(ix) of the order is not applicable to the company.



- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under Clause 3(x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under Clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT- 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report) while determining the nature, timing and extent of our audit procedures.
- (xii) The Company is not a Nidhi Company and hence reporting under Clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) The Company is a Private Limited Company, hence reporting under Clause 3(xiii) of the Order is not applicable to the Company.
- (xiv) In our opinion, there is no requirement for the Company to maintain adequate internal audit system commensurate with the size and the nature of its business.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under Clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under Clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention,





which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company doesn't come under the purview of Corporate Social Responsibility (CSR). Hence reporting under Clause 3(xx) of the order is not applicable.

**For Ken & co.**

Chartered Accountants

Firm's Registration No. 015385S

*E. Narasimhan*

**E Narasimhan**

Partner

Membership No.228470

Place: Bengaluru

Date: May 19,2023

UDIN:23228470BGXLRL2207



**Narayana Health North America LLC**  
**Balance sheet as at Mar 31, 2023**

**ASSETS**

**Current assets**

Financial assets

(i) Trade receivables

(ii) Cash and cash equivalents

**Total current assets**

**TOTAL ASSETS**

**EQUITY AND LIABILITIES**

**Equity**

Equity share capital

Other equity

**Total equity**

**Current liabilities**

Financial liabilities

Trade payables

(A) Total outstanding dues of micro enterprises and small enterprises

(B) Total outstanding dues of creditors other than micro enterprises and small enterprises

Current Tax liabilities(Net)

**Total current liabilities**

**TOTAL EQUITY AND LIABILITIES**

(Amount in USD)		
Note No	As at Mar 31, 2023	As at March 31, 2022
4	-	17,000
5	20,512.33	1,64,695
	<b>20,512</b>	<b>1,81,695</b>
	<b>20,512</b>	<b>1,81,695</b>
6	5,000	5,000
7	15,512	13,742
	<b>20,512</b>	<b>18,742</b>
8	-	-
	-	1,59,300
9	-	3,653
	<b>-</b>	<b>1,62,953</b>
	<b>20,512</b>	<b>1,81,695</b>

The accompanying notes are an integral part of these financial statements.  
As per our report of even date attached

**For Ken & Co**

Chartered Accountants

Firm's Registration No. 015385S

Sd/-

**E Narasimhan**

Partner

Membership No. 228470

Place: Bengaluru

Date: May 19, 2023

UDIN:

**For Narayana Health North America LLC**

Sd/-

**Dr. Anesh Shetty**

Sd/-

**Viren Prasad Shetty**

Place: Cayman Islands

Date: May 19, 2023

Place: Bengaluru

Date: May 19, 2023



**Narayana Health North America LLC**  
**Statement of Profit and Loss for the year ended March 31,2023**

	(Amount in USD)		
	Note No	For the year ended Mar 31, 2023	For the year ended March 31, 2022
<b>INCOME</b>			
Revenue from operations	10	-	1,77,000
<b>Total income</b>		<b>-</b>	<b>1,77,000</b>
<b>EXPENSES</b>			
Other expenses	11	1,883	1,59,605
<b>Total expenses</b>		<b>1,883</b>	<b>1,59,605</b>
<b>Profit before tax</b>		<b>(1,883)</b>	<b>17,395</b>
<b>Tax expense:</b>			
Current Tax		-	-
- Current year		-	3,653
- Prior year		(3,653)	-
MAT credit entitlement		-	-
Deferred tax charge / (credit)		-	-
<b>Total tax expense</b>		<b>(3,653)</b>	<b>3,653</b>
<b>(Loss) / Profit for the year</b>		<b>1,770</b>	<b>13,742</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>1,770</b>	<b>13,742</b>

The accompanying notes are an integral part of these financial statements.  
As per our report of even date attached

**For Ken & Co**  
Chartered Accountants  
Firm's Registration No. 015385S

**For Narayana Health North America LLC**

**Sd/-**  
**E Narasimhan**  
Partner  
Membership No. 228470

**Sd/-**  
**Dr. Anesh Shetty**

**Sd/-**  
**Viren Prasad Shetty**

Place: Bengaluru  
Date: May 19, 2023  
UDIN:

Place: Cayman Islands  
Date: May 19, 2023

Place: Bengaluru  
Date: May 19, 2023

Narayana Health North America LLC  
Statement of changes in equity for the year ended March 31, 2023

(a) Equity share capital		(Amount in USD)
Particulars	No. of Shares	Amount
Equity shares of USD 10 each issued, subscribed and fully paid up		
Balance as at April 1, 2021	-	-
Changes in equity share capital during 2021-22	-	5,000
Balance as at March 31, 2022	-	5,000
Changes in equity share capital during 2022-23	-	-
Balance as at March 31, 2023	-	5,000

(b) Other equity				(Amount in USD)
Particulars	Retained earnings	Items of OCI	Total equity	
Balance as at April 1, 2021	-	-	-	
Profit for the year	13,742	-	13,742	
Other comprehensive income for the year	-	-	-	
Total comprehensive income for the year	13,742	-	13,742	
Balance as at March 31, 2022	13,742	-	13,742	
Profit for the year	1,770	-	1,770	
Other comprehensive income for the year	-	-	-	
Total comprehensive income for the year	1,770	-	1,770	
Balance as at March 31, 2023	15,512	-	15,512	

The accompanying notes are an integral part of these financial statements.  
As per our report of even date attached

For Ken & Co  
Chartered Accountants  
Firm's Registration No. 015385S

For Narayana Health North America LLC

Sd/-  
E Narasimhan  
Partner  
Membership No. 228470

Sd/-  
Dr. Anesh Shetty

Sd/-  
Viren Prasad Shetty

Place: Bengaluru  
Date: May 19, 2023  
UDIN:

Place: Cayman Islands  
Date: May 19, 2023

Place: Bengaluru  
Date: May 19, 2023

**Narayana Health North America LLC**  
**Notes to the financial statements for the year ended 31 March 2023**

**1. Company overview**

Narayana Health North America LLC ('the Company') was incorporated on April 9, 2019 as a limited liability company under the laws of State of Delaware. The Company is a fully owned subsidiary of Narayana Hrudayalaya Limited. The Company is primarily engaged in rendering consultancy services in the field of healthcare and specifically hospitals including but not limited to services for framing, executing and maintaining processes for Clinical, financial, analytical, operational, administrative and any other aspect of running and operating hospitals and clinics, licensing of enterprise resource programme solutions and operating and managing hospitals and clinics.

**2. Basis of preparation of the financial statements**

**2.1. Statement of compliance**

The financial statements have been prepared in accordance of Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules 2015 notified under Section 133 of Companies Act 2013 (the 'Act') and other relevant provisions of the Act.

The financial statements were authorized for issue by the Company on 25<sup>th</sup> April 2022.

Details of the accounting policies are included in Note 3.

**2.2. Functional and presentation currency**

These financial statements are presented in USD, which is also the Company's functional currency. All amounts have been rounded-off to the nearest USD unless otherwise indicated.

**2.3. Basis of measurement**

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

<b>Items</b>	<b>Measurement basis</b>
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

**2.4. Use of estimates and judgments**

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

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



### **3. Significant accounting policies**

#### **3.1. Financial instruments**

##### ***a. Recognition and initial measurement***

Trade receivables and debt securities issued 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.

##### ***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.

###### *Financial assets: Business model assessment*

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

## Narayana Health North America LLC

### Notes to the financial statements for the year ended 31 March 2022

- 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.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

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).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

*Financial assets: Subsequent measurement and gains and losses*

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.

**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. 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.



### **3.3. Cash flow statement**

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

### **3.4. Income tax**

The Income-tax expense comprises current tax and deferred tax. It is recognized in profit and loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

#### *Current income tax*

Current tax comprises the expected tax payable or receivable on the taxable income for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantially enacted by the reporting dates.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the assets and settle the liability on a net basis or simultaneously.

#### *Deferred tax*

Deferred tax is recognized in respect of temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax liabilities are recognized for all taxable temporary differences.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

### **3.5. 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.

**Narayana Health North America LLC**  
**Notes to the financial statements for the year ended Mar 31, 2023 (continued)**

<b>4 Trade receivables</b>		<b>(Amount in USD)</b>	
<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	
Unsecured, considered good	-	17,000	
Unsecured, considered doubtful	-	-	
	-	17,000	
<b>Loss allowance</b>			
Unsecured, considered doubtful	-	-	
	-	17,000	
<b>5 Cash and cash equivalents</b>			
Balance with banks			
On current accounts	20,512.33	1,64,695	
	20,512.33	1,64,695	
<b>6 Share capital</b>			
Share Capital	5,000	5,000	
	5,000	5,000	
<b>7 Other Equity</b>			
Securities premium			
At the commencement of the year	-	-	
Add: Premium on issue of equity shares during the year	-	-	
At the end of the year	-	-	
Retained Earnings			
At the commencement of the year	13,742	-	
Add: Net (loss) /profit from statement of profit and loss	1,770	13,742	
At the end of the year	15,512	13,742	
<b>8 Trade payables</b>			
Total outstanding dues of micro enterprises and small enterprises	-	-	
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	1,59,300	
	-	1,59,300	
<b>9 Current Tax Liabilities (Net)</b>			
Opening Balance	3,653.00	-	
Add: Current tax payable of the year	-	3,653	
Less: Taxes paid / reversed	-	3,653.00	
	-	3,653	



**Narayana Health North America LLC**  
**Statement of cash flows for the year ended March 31, 2023**

	(Amount in USD)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Cash flow from operating activities</b>		
Profit after tax	1,770	13,742
<b>Adjustments :</b>		
Income tax expense	(3,653)	3,653
<b>Operating cash flow before working capital changes</b>	<b>(1,883)</b>	<b>17,395</b>
Changes in trade payables, other financial liabilities and other liabilities	(1,59,300)	1,59,300
Changes in trade receivables	17,000	(17,000)
<b>Cash generated from operations</b>	<b>(1,44,183)</b>	<b>1,59,695</b>
Income taxes (paid) / refund received (net)	3,653	(3,653)
<b>Net cash generated from operating activities (A)</b>	<b>(1,40,530)</b>	<b>1,56,042</b>
<b>Cash flow from investing activities (B)</b>	<b>-</b>	<b>-</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of capital	-	5,000
<b>Net cash generated from financing activities (C)</b>	<b>-</b>	<b>5,000</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(1,44,183)</b>	<b>1,64,695</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,64,695</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>20,512</b>	<b>1,64,695</b>

The accompanying notes are an integral part of these financial statements.  
As per our report of even date attached

**For Ken & Co**  
Chartered Accountants  
Firm's Registration No. 015385S

**For Narayana Health North America LLC**

**Sd/-**  
**E Narasimhan**  
Partner  
Membership No. 228470

Place: Bengaluru  
Date: May 19, 2023  
UDIN:

**Sd/-**  
**Dr. Anesh Shetty**

Place: Cayman Islands  
Date: May 19, 2023

**Sd/-**  
**Viren Prasad Shetty**

Place: Bengaluru  
Date: May 19, 2023

**Narayana Health North America LLC**

**Notes to the financial statements for the year ended Mar 31, 2023 (continued)**

<b>10 Revenue from operations</b>		<b>(Amount in USD)</b>	
<b>Particulars</b>	<b>For the year ended Mar 31, 2023</b>	<b>For the year ended March 31, 2022</b>	
Other operating revenue:			
Other healthcare services	-	1,77,000	
	-	<b>1,77,000</b>	
<b>11 Other expenses</b>		<b>(Amount in USD)</b>	
<b>Particulars</b>	<b>For the year ended Mar 31, 2023</b>	<b>For the year ended March 31, 2022</b>	
Repairs and maintenance			
- Others	-	1,59,300	
Bank charges	383.08	305	
Legal and professional fees	1,500.00	-	
	<b>1,883.08</b>	<b>1,59,605</b>	

**Narayana Health North America LLC**  
**Notes to Financial Statements for the year ended March 31, 2023**

**12 Contingent liabilities and commitments**

**(i) Contingent liabilities**

The Company does not have any contingent liability as on March 31, 2023 (March 31, 2022 - Nil)

**(ii) Commitments**

Estimated amounts of contracts remaining to be executed on capital account (net of advances) and other commitments and not provided for amounts to Nil (March 31 2023: Nil).

- 13** According to the information available with the Company, there are no dues payable to Micro, Small and Medium Enterprises as defined under the “The Micro, Small and Medium Enterprises Development Act, 2006” as at March 31, 2023 (March 31, 2022: Nil).

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
-Principal	-	-
-Interest	-	-
The amount of interest paid by the buyer as per the MSMED Act	-	-
The amount of payments made to micro and small suppliers beyond the appointed day during the accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act	-	-

**Narayana Health North America LLC**

**Notes to Financial Statements for the year ended March 31, 2023**

**14 Related party disclosures**

**(a) Details of related parties**

<b>Nature of relationship</b>	<b>Name of related parties</b>
Enterprise having control over the Company	Narayana Hrudayalaya Limited
Fellow subsidiaries	Meridian Medical Research & Hospital Limited (MMRHL) Narayana Hrudayalaya Surgical Hospital Private Limited (NHSHP) Narayana Health Institutions Private Limited (Under Striking Off) Narayana Hospitals Private Limited (NHPL) Narayana Cayman Holdings Ltd (NCHL) (till March 31, 2021) Health City Cayman Islands Ltd (HCCI) Narayana Vaishno Devi Specialty Hospitals Private Limited (NVDSHPL) Narayana Institute for Advanced Research Private Limited (NIARPL) (under Liquidation) ENT in Cayman Ltd. (EICL) w.e.f. March 3, 2023 NH Health Bangladesh Private Limited (NHDPL) Narayana Holdings Private Limited (NHPL, Mauritius) ATHMA HEALTHTECH PRIVATE LIMITED Cayman Integrated Healthcare Limited (CIHL) September 28, 2022 NH Integrated Care Private Limited Narayana Health North America LLC
Key Management Personnel (KMP)	Dr. Emmanuel Rupert Viren Prasad Shetty Dr. Aneesh Shetty
Key Management Personnel (KMP) of the Holding Company	Dr. Emmanuel Rupert-Managing Director Sandhya J- Chief Financial Officer Sridhar S- Company Secretary
Associate of Holding Company	Trimedx India Private Limited

**(b) Transactions with related party during the year**

<b>Transactions</b>	<b>Enterprise having control over the Company</b>	<b>Total</b>
<b>Services Rendered</b>		
Narayana Hrudayalaya Limited	- (1,59,300.00)	- (1,59,300.00)

Figures in brackets are for previous year.

**(c) Balances payable to related parties**

<b>Transactions</b>	<b>Year</b>	<b>Enterprise having control over the Company</b>	<b>Total</b>
<b>Other -current liabilities</b>			
Narayana Hrudayalaya Limited	March 31, 2023 March 31, 2022	- (1,59,300.00)	- (1,59,300.00)

Figures in brackets are for previous year.

**Note:**

(a) No amounts 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 auditors.

(c) The terms and conditions of the transactions with their 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.

**15 Financial instruments: Fair value and risk managements**

**A. Accounting classification and fair values**

As at March 31, 2023	FVOCI	FVTPL	Amortised cost	Total	Fair value			
					Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Trade receivables	-	-	-	-	-	-	-	-
Cash and cash equivalents	-	-	20,512	20,512	-	-	-	-
	-	-	20,512	20,512	-	-	-	-
<b>Financial liabilities</b>								
Trade payables	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
<b>As at March 31, 2022</b>	<b>FVOCI</b>	<b>FVTPL</b>	<b>Amortised cost</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>								
Trade receivables	-	-	17,000.00	-	-	-	-	-
Cash and cash equivalents	-	-	1,64,695.00	1,64,695.00	-	-	-	-
	-	-	1,64,695.00	1,64,695.00	-	-	-	-
<b>Financial liabilities</b>								
Trade payables	-	-	1,59,299.95	1,59,299.95	-	-	-	-
	-	-	1,59,299.95	1,59,299.95	-	-	-	-

**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. The 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) 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.

**(iii) 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.

The table below provides details regarding the undiscounted contractual maturities of significant Trade Receivable as of March 31, 2023:

Particulars	less than 1 year	1-2 years	3-5 years	more than 5 years	Total
Trade Receivable	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2023:

Particulars	less than 1 year	1-2 years	3-5 years	more than 5 years	Total
Trade payables	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

The table below provides details regarding the undiscounted contractual maturities of significant Trade Receivable as of March 31, 2022:

Particulars	less than 1 year	1-2 years	3-5 years	more than 5 years	Total
Trade Receivables	17,000.00	-	-	-	17,000.00
<b>Total</b>	17,000.00	-	-	-	17,000.00

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

Particulars	less than 1 year	1-2 years	3-5 years	more than 5 years	Total
Trade payables	1,59,300.00	-	-	-	1,59,300.00
<b>Total</b>	1,59,300.00	-	-	-	1,59,300.00

**(iv) 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, interest rates and equity prices.

**Foreign currency risk**

The Company is not exposed to foreign exchange risk .

**16 Financial Ratios**

Ratio	Methodology	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Current ratio	Current assets over current liabilities	-	1.12
(b) Debt equity ratio	Debt over total shareholders' equity	-	-
(c) Debt service coverage ratio	EBIT over current debt	-	-
(d) Return on equity %	PAT over total average equity	0.09%	0.73%
(e) Trade receivables turnover ratio	Revenue from operations over average trade receivables	-	20.82
(f) Trade payables turnover ratio	Adjusted expenses over average trade payables	-	1.96
(g) Net capital turnover ratio	Revenue from operations over average working capital	-	-
(h) Net profit %	Net profit over revenue	-	7.76%
(i) EBITDA %	EBITDA over revenue	-	9.83%
(j) EBIT %	EBIT over revenue	-	10.00%
(k) Return on capital employed %	PBIT over average capital employed	0.09%	0.93%
(l) Return on investment	Interest income, net gain on sale of investments and net fair value gain over average investments.	-	-

**Notes**

**Narayana Health North America LLC**  
**Notes to Financial Statements for the year ended March 31, 2023**

EBIT - Earnings before interest and taxes  
PBIT - Profit before interest and taxes including other income  
EBITDA - Earnings before interest, taxes, depreciation and amortisation  
PAT - Profit after taxes  
Debt includes current and non-current lease liabilities  
Adjusted expenses refers to other expenses net of non-cash expenses and donations.  
Capital employed refers to total shareholders' equity and debt.  
Investments includes non-current investment, current investment and margin-money deposit

**For Ken & Co**  
Chartered Accountants  
Firm's Registration No. 015385S

Sd/-  
**E Narasimhan**  
Partner  
Membership No. 228470

Place: Bengaluru  
Date: May 19, 2023  
UDIN:

**For Narayana Health North America LLC**

Sd/-  
**Dr. Anesh Shetty**                      Sd/-  
**Viren Prasad Shetty**

Place: Cayman Islands                      Place: Bengaluru  
Date: May 19, 2023                      Date: May 19, 2023