



## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of  
NARAYANA HOLDINGS PRIVATE LIMITED  
Report on the Standalone Financial Statements**

We have audited the accompanying Standalone financial statements of **NARAYANA HOLDINGS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

### **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 other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Standalone financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the Standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone financial statements.



We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements.

### **Opinion**

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

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

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d) in our opinion, the aforesaid Standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) on the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, is not applicable for this company.
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.



2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, a statement on the matters specified in paragraphs 3 and 4 of the Order is not applicable for this company.

**For KEN & Co.**

**Chartered Accountants**

Firm's Registration No. 015385S

  
E. Narasimhan  
Partner  
Membership No. 228470

Place: Bengaluru

Date: 29 May 2018

**Narayana Holdings Private Limited**  
**Balance sheet as at 31 March 2018**

(Amount in USD)

	Notes	As at 31 March 2018	As at 31 March 2017
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Equity accounted investee	4	6,62,000	6,62,000
		<u>6,62,000</u>	<u>6,62,000</u>
<b>Current assets</b>			
Financial assets			
Cash and cash equivalents	5	63,491	75,396
<b>Total current assets</b>		<u>63,491</u>	<u>75,396</u>
<b>TOTAL ASSETS</b>		<u>7,25,491</u>	<u>7,37,396</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	6	7,50,000	7,50,000
Other equity		(25,831)	(13,984)
<b>Total equity</b>		<u>7,24,169</u>	<u>7,36,016</u>
<b>Current liabilities</b>			
Other current liabilities	7	1,322	1,380
<b>Total current liabilities</b>		<u>1,322</u>	<u>1,380</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>7,25,491</u>	<u>7,37,396</u>

Significant accounting policies 3

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

*E. Narasimhan*  
E. Narasimhan  
Partner  
Membership No. 228470



Place: Bengaluru  
Date: 29th May 2018

for and on behalf of the Board of Directors of  
Narayana Holdings Private Limited

*Ashutosh*  
Dr. Ashutosh Raghuvanshi  
Director  
DIN: 02775637

*Viren Shetty*  
Mr. Viren Prasad Shetty  
Director  
DIN : 02144586

Place: Bengaluru  
Date: 29th May 2018

**Narayana Holdings Private Limited**  
**Statement of profit and loss for the year ended 31 March 2018**

			(Amount in USD)
	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>INCOME</b>			
Income from operations		-	-
Other income	8	68	86
<b>Total income</b>		<b>68</b>	<b>86</b>
<b>EXPENSES</b>			
Other expenses	9	11,915	14,070
<b>Total expenses</b>		<b>11,915</b>	<b>14,070</b>
<b>Loss before tax</b>		<b>(11,847)</b>	<b>(13,984)</b>
<b>Loss for the year</b>		<b>(11,847)</b>	<b>(13,984)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(11,847)</b>	<b>(13,984)</b>
<b>Loss per share</b>			
Basic and diluted	12	(0.16)	(0.19)
Significant accounting policies	3		

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

E. Narasimhan  
Partner  
Membership No. 228470



Place: Bengaluru  
Date: 29th May 2018

for and on behalf of the Board of Directors of  
Narayana Holdings Private Limited

Dr. Ashutosh Raghuvanshi  
Director  
DIN: 02775637

Mr. Viren Prasad Shetty  
Director  
DIN : 02144586

Place: Bengaluru  
Date: 29th May 2018

**Narayana Holdings Private Limited**  
**Cash flow statement for the year ended 31 March 2018**

	<b>For the year ended 31 March 2018</b>	<b>(Amount in USD) For the year ended 31 March 2017</b>
<b>Cash flow from operating activities</b>		
Loss before tax	(11,847)	(13,984)
<b>Operating cash flow before working capital changes</b>	<b>(11,847)</b>	<b>(13,984)</b>
Changes in other current liabilities	(58)	1,380
<b>Net cash (used in) operating activities (A)</b>	<b>(11,905)</b>	<b>(12,604)</b>
<b>Cash flow from investing activities</b>		
Equity accounted investee	-	(6,62,000)
<b>Net cash (used in) investing activities (B)</b>	<b>-</b>	<b>(6,62,000)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of equity shares	-	7,50,000
<b>Net cash provided by financing activities (C)</b>	<b>-</b>	<b>7,50,000</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(11,905)</b>	<b>75,396</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>75,396</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the year (refer note 5)</b>	<b>63,491</b>	<b>75,396</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

*E. Narasimhan*  
**E Narasimhan**  
**Partner**  
Membership No. 228470



Place: Bengaluru  
Date: 29th May 2018

for and on behalf of the Board of Directors of  
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*Ashutosh*  
**Dr. Ashutosh Raghuvanshi**  
**Director**  
DIN: 02775637

Place: Bengaluru  
Date: 29th May 2018

*Viren Prasad Shetty*  
**Mr. Viren Prasad Shetty**  
**Director**  
DIN : 02144586

**Narayana Holdings Private Limited**

**Statement of changes in equity for the year ended 31 March 2018**

<b>(a) Equity share capital</b>		<b>(Amount in USD)</b>
<b>Particulars</b>	<b>No. of Shares</b>	<b>Amount</b>
Equity shares of USD 10 each issued, subscribed and fully paid up		
Balance as at 01 April 2016	-	-
Changes in equity share capital during 2016-17	75,000	7,50,000
Balance as at 31 March 2017	75,000	7,50,000
Changes in equity share capital during Apr - June 17		
Balance as at 31 March 2018	75,000	7,50,000

<b>(b) Other equity</b>				<b>(Amount in USD)</b>
<b>Particulars</b>	<b>Retained earnings</b>	<b>Items of OCI</b>	<b>Total equity</b>	
Balance as at 01 April 2016	-	-	-	-
Loss for the year	(13,984)	-	(13,984)	(13,984)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	(13,984)	-	(13,984)	(13,984)
Balance as at 31 March 2017	(13,984)	-	(13,984)	(13,984)
Loss for the year	(11,847)	-	(11,847)	(11,847)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	(11,847)	-	(11,847)	(11,847)
Balance as at 31 March 2018	(25,831)	-	(25,831)	(25,831)

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 and on behalf of the Board of Directors of  
Narayana Holdings Private Limited

*E. Narasimhan*  
E Narasimhan  
Partner  
Membership No. 228470



*Ashutosh*  
Dr. Ashutosh Raghuvanshi  
Director  
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Mr. Viren Prasad Shetty  
Director  
DIN : 02144586

Place: Bengaluru  
Date: 29th May 2018

Place: Bengaluru  
Date: 29th May 2018

## Narayana Holdings Private Limited

### Notes to the financial statements for the year ended 31 March 2018 (continued)

#### 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 Holdings Private Limited

### Notes to the financial statements for the year ended 31 March 2018 (continued)

- 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.

## **Narayana Holdings Private Limited**

### **Notes to the financial statements for the year ended 31 March 2018 (continued)**

#### *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.

## **Narayana Holdings Private Limited**

### **Notes to the financial statements for the year ended 31 March 2018 (continued)**

#### **3.4. (Loss per Share)**

The Loss per share is computed by dividing the loss attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The Company does not have potential dilutive equity shares outstanding during the year.

#### **3.5. 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.

4 Equity accounted investee		(Amount in USD)	
Particulars	As at 31 March 2018	As at 31 March 2017	
<i>Investment in equity instrument</i>			
(Unquoted, valued at cost, unless stated otherwise)			
ISO Healthcare	6,62,000	6,62,000	
	<b>6,62,000</b>	<b>6,62,000</b>	
 5 Cash and cash equivalents			
Balance with banks			
On current accounts	63,491	75,396	
	<b>63,491</b>	<b>75,396</b>	
 6 Equity share capital			
<i>Authorised</i>			
75,000 equity shares (previous year: 75,000 equity shares) of USD 10 each	7,50,000	7,50,000	
<i>Issued, subscribed and paid up</i>			
75,000 equity shares (previous year: 75,000 equity shares) of USD 10 each, fully paid up	7,50,000	7,50,000	
	<b>7,50,000</b>	<b>7,50,000</b>	

**Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:**

As at 31 March 2018	As at 31 March 2018		As at 31 March 2017	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	75,000	7,50,000	-	-
Issued during the year	-	-	75,000	7,50,000
<b>At the end of the year</b>	<b>75,000</b>	<b>7,50,000</b>	<b>75,000</b>	<b>7,50,000</b>

**Rights, preference and restriction attached to equity shares:**

The Company has a single class of equity shares referred to as equity shares having a nominal value of USD 10 each. Accordingly, all 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. The equity shares are entitled to receive dividend as declared from time to time. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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.

**Particulars of shareholders holding more than 5% equity shares:**

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number of shares	% holding	Number of shares	% holding
Narayana Hrudayalaya Limited	75,000	100.00%	75,000	100.00%
	<b>75,000</b>	<b>100.00%</b>	<b>75,000</b>	<b>100.00%</b>

The Company has not bought back any shares during the period from date of incorporation (i.e. 11 April 2016) to 31 March 2018. Further, the Company has not issued any bonus shares or shares issued for consideration other than cash during the period from date of incorporation (i.e. 11 April 2016) to 31 March 2018.

**7 Other liabilities****Current***To parties other than related parties*

Other liabilities	1,322	1,380
	<b>1,322</b>	<b>1,380</b>

There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

**Narayana Holdings Private Limited**

**Notes to the financial statements for the year ended 31 March 2018 (continued)**

**8 Other income** **(Amount in USD)**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest Others	68	86
	<b>68</b>	<b>86</b>

**9 Other expenses**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<i>Administrative expenses</i>		
Legal and professional fees	10,950	1,380
Bank charges	690	640
Rates and taxes	275	-
Preliminary Expenses	-	12,050
	<b>11,915</b>	<b>14,070</b>

**10 Contingent liabilities and commitments:**

Estimated amounts of contracts remaining to be executed on capital account (net of advances) amounts to USD Nil (previous year: USD Nil).

**11 Related party disclosures****(a) Details of related parties**

Nature of relationship	Name of related parties
Enterprise having control over the Company	Narayana Hrudayalaya Limited (Holding company)

**12 Loss per share****Basic and diluted loss per share**

The calculation of basic and diluted loss per share for the year ended 31 March 2018 was based on loss attributable to equity shareholders of USD 11,847 (Previous year : USD 13,984) and weighted average number of equity share outstanding 75,000 (Previous year: 75,000).

Particulars	Units	For the year ended 31 March 2018	For the year ended 31 March 2017
Loss after tax	USD	(11,847)	(13,984)
Weighted average number of equity share outstanding during the year for calculation of basic and diluted loss per share	Numbers	75,000	75,000
Basic and diluted loss per share	USD	(0.16)	(0.19)

**13 Financial instruments: Fair value and risk managements****A. Accounting classification and fair values**

(Amount in USD)

As at 31 March 2018	FVTOCI	Amortised cost	Total
<b>Financial assets</b>			
Cash and cash equivalents	-	63,491	63,491
	-	63,491	63,491
<b>Financial liabilities</b>			
Trade payables	-	-	-
	-	-	-
<b>As at 31 March 2017</b>	<b>FVTOCI</b>	<b>Amortised cost</b>	<b>Total</b>
<b>Financial assets</b>			
Cash and cash equivalents	-	75,396	75,396
	-	75,396	75,396
<b>Financial liabilities</b>			
Trade payables	-	-	-
	-	-	-

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  
**E. Narasimhan**  
E. Narasimhan  
Partner  
Membership No. 228470



Place: Bengaluru  
Date: 29th May 2018

for and on behalf of the Board of Directors of  
Narayana Holdings Private Limited

**Ashutosh**  
Dr. Ashutosh Raghuvanshi  
Director  
DIN: 02775637

Place: Bengaluru  
Date: 29 May 2018

**V. Prasad Shetty**  
Mr. Viren Prasad Shetty  
Director  
DIN: 02144586





**INDEPENDENT AUDITOR'S REPORT**

**To the Board of Directors of  
NARAYANA HOLDINGS PRIVATE LIMITED  
Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **NARAYANA HOLDINGS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Consolidated 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 consolidated financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.



We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

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

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d) in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) on the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, is not applicable for this company.
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.





2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, a statement on the matters specified in paragraphs 3 and 4 of the Order is not applicable for this company.

**For KEN & Co.**

**Chartered Accountants**

Firm's Registration No. 015385S

*E. Narasimhan*

**E Narasimhan**

**Partner**

Membership No. 228470



Place: Bengaluru

Date: 29 May 2018

**Narayana Holdings Private Limited and its associates**  
**Balance sheet as at 31 March 2018**

			(Amount in USD)
	Notes	As at 31 March 2018	As at 31 March 2017
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Financial assets			
Equity accounted investee	4	<u>5,76,410</u>	<u>4,99,319</u>
		<b>5,76,410</b>	<b>4,99,319</b>
<b>Current assets</b>			
Cash and cash equivalents	5	<u>63,491</u>	<u>75,396</u>
<b>Total current assets</b>		<b>63,491</b>	<b>75,396</b>
<b>TOTAL ASSETS</b>		<b>6,39,901</b>	<b>5,74,715</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	6	7,50,000	7,50,000
Other equity		<u>(1,11,421)</u>	<u>(1,76,665)</u>
<b>Total equity</b>		<b>6,38,579</b>	<b>5,73,335</b>
<b>Current liabilities</b>			
Other current liabilities	7	<u>1,322</u>	<u>1,380</u>
<b>Total current liabilities</b>		<b>1,322</b>	<b>1,380</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,39,901</b>	<b>5,74,715</b>
Significant accounting policies	3		

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

E Narasimhan  
Partner  
Membership No. 228470

Place: Bengaluru  
Date: 29 May 2018



for and on behalf of the Board of Directors of  
Narayana Holdings Private Limited

*Ashutosh*  
Dr. Ashutosh Raghuvanshi  
Director  
DIN: 02775637

Place: Bengaluru  
Date: 29 May 2018

*Viren*  
Mr. Viren Prasad Shetty  
Director  
DIN : 02144586

Place: Bengaluru  
Date: 29 May 2018

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**Narayana Holdings Private Limited and its associates**  
**Statement of profit and loss for the year ended 31 March 2018**

		(Amount in USD)	
	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>INCOME</b>			
Income from operations		-	-
Other income	8	68	86
<b>Total income</b>		<b>68</b>	<b>86</b>
<b>EXPENSES</b>			
Cost of raw materials and components consumed			
Other expenses	9	11,915	14,070
<b>Total expenses</b>		<b>11,915</b>	<b>14,070</b>
<b>Earnings before interest, depreciation and amortisation, exceptional items and tax</b>		<b>(11,847)</b>	<b>(13,984)</b>
Finance costs			
Depreciation and amortisation			
<b>Profit before exceptional items and tax</b>		<b>(11,847)</b>	<b>(13,984)</b>
Exceptional items			-
<b>Loss before tax</b>		<b>(11,847)</b>	<b>(13,984)</b>
<b>Share of profit / (loss) of associates</b>		<b>77,091</b>	<b>(1,62,681)</b>
<b>Tax expense</b>		<b>-</b>	<b>-</b>
Current Tax			
Deferred tax (credit)/ charge			
<b>Profit / (Loss) for the year</b>		<b>65,244</b>	<b>(1,76,665)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>65,244</b>	<b>(1,76,665)</b>
<b>Earnings per share</b>			
Basic and diluted	13	0.87	(2.36)
Significant accounting policies	3		

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

*E. Narasimhan*  
**E. Narasimhan**  
Partner  
Membership No. 228470



Place: Bengaluru  
Date: 29 May 2018

for and on behalf of the Board of Directors of  
Narayana Holdings Private Limited

*Ashutosh*  
**Dr. Ashutosh Raghuvanshi**  
Director  
DIN: 02775637

Place: Bengaluru  
Date: 29 May 2018

*Viren Prasad Shetty*  
**Mr. Viren Prasad Shetty**  
Director  
DIN: 02144586

Place: Bengaluru  
Date: 29 May 2018

**Narayana Holdings Private Limited and its associates**  
**Cash flow statement for the year ended 31 Mar 2018**

	For the year ended 31 March 2018	(Amount in USD) For the year ended 31 March 2017
<b>Cash flow from operating activities</b>		
Loss before tax	(11,847)	(13,984)
<b>Operating cash flow before working capital changes</b>	<b>(11,847)</b>	<b>(13,984)</b>
Changes in other current liabilities	(58)	1,380
<b>Net cash (used in) operating activities (A)</b>	<b>(11,905)</b>	<b>(12,604)</b>
<b>Cash flow from investing activities</b>		
Equity accounted investee	-	(6,62,000)
<b>Net cash (used in) investing activities (B)</b>	<b>-</b>	<b>(6,62,000)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of equity shares	-	7,50,000
<b>Net cash provided by financing activities (C)</b>	<b>-</b>	<b>7,50,000</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(11,905)</b>	<b>75,396</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>75,396</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the year (refer note 5)</b>	<b>63,491</b>	<b>75,396</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

E. Narasimha  
  
E Narasimhan  
Partner  
Membership No. 228470

Place: Bengaluru  
Date: 29 May 2018

for and on behalf of the Board of Directors of  
Narayana Holdings Private Limited

Ashutosh  
Dr. Ashutosh Raghuvanshi  
Director  
DIN: 02775637

Place: Bengaluru  
Date: 29 May 2018

Viren Prasad Shetty  
Mr. Viren Prasad Shetty  
Director  
DIN : 02144586

Place: Bengaluru  
Date: 29 May 2018

**Narayana Holdings Private Limited and its associates**  
**Statement of changes in equity for the year ended 31 March 2018**

<b>(a) Equity share capital</b>		<b>(Amount in USD)</b>
<b>Particulars</b>	<b>No. of Shares</b>	<b>Amount</b>
Equity shares of USD 10 each issued, subscribed and fully paid up		
Balance as at 31 March 2016	-	-
Changes in equity share capital during 2016-17	75,000	7,50,000
Balance as at 31 March 2017	75,000	7,50,000
Changes in equity share capital during 2017 -18		
Balance as at 31 March 2018	75,000	7,50,000

<b>(b) Other equity</b>				<b>(Amount in USD)</b>
<b>Particulars</b>	<b>Retained earnings</b>	<b>Items of OCI</b>	<b>Total equity</b>	
Loss for the year	(1,76,665)	-	(1,76,665)	
Other comprehensive income for the year	-	-	-	
<b>Total comprehensive income for the year</b>	<b>(1,76,665)</b>	<b>-</b>	<b>(1,76,665)</b>	
<b>Balance as at 31 March 2017</b>	<b>(1,76,665)</b>	<b>-</b>	<b>(1,76,665)</b>	
Loss for the year	65,244	-	65,244	
Other comprehensive income for the year	-	-	-	
<b>Total comprehensive income for the year</b>	<b>65,244</b>	<b>-</b>	<b>65,244</b>	
<b>Balance as at 31 March 2018</b>	<b>(1,11,421)</b>		<b>(1,11,421)</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

for and on behalf of the Board of Directors of  
**Narayana Holdings Private Limited**

*E. Narasimhan*  
**E Narasimhan**  
Partner  
Membership No. 228470



*Ashutosh*  
**Dr. Ashutosh Raghuvanshi**  
Director  
DIN: 02775637

*Viren Prasad Shetty*  
**Mr. Viren Prasad Shetty**  
Director  
DIN : 02144586

Place: Bengaluru  
Date: 29 May 2018

Place: Bengaluru  
Date: 29 May 2018

Place: Bengaluru  
Date: 29 May 2018

**Narayana Holdings Private Limited and its associates**  
**Notes to the standalone financial statements for the year ended 31 March 2018**

**1. Group overview**

Narayana Holdings Private Limited ('the Company' or 'the Holding company') is a private limited Company incorporated under the provisions of the Companies Act, on 11 April 2016. The Company is a wholly owned subsidiary of Narayana Hrudayalaya Limited. The Company is primarily engaged in rendering hospital services.

**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 Group's Board of Directors on 29 May 2018.

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 Group'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 recognised prospectively.

**Narayana Holdings Private Limited and its associates**  
**Notes to the financial statements for the year ended 31 March 2018 (continued)**

**3. Significant accounting policies**

**3.1. Basis of consolidation**

***Equity accounted investees***

The Group's interests in equity accounted investees comprise interests in associates.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity-accounted investees until the date on which significant influence ceases.

**3.2. 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:

**Narayana Holdings Private Limited and its associates**  
**Notes to the financial statements for the year ended 31 March 2018 (continued)**

- 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 Group'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;
- 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 Group'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 Group'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.



**Narayana Holdings Private Limited and its associates**  
**Notes to the financial statements for the year ended 31 March 2018 (continued)**

*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.

**Narayana Holdings Private Limited and its associates**  
**Notes to the financial statements for the year ended 31 March 2018 (continued)**

**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 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.

**3.5. (Loss) or Profit per Share**

The Loss per share is computed by dividing the loss attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The Company does not have potential dilutive equity shares outstanding during the year.

**3.6. Income tax**

The Income-tax expense comprises current tax and deferred tax. It is recognised in profit and loss except to the extent that it relates to an item recognised 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 recognised 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 realised simultaneously.

**Narayana Holdings Private Limited and its associates**  
**Notes to the financial statements for the year ended 31 March 2018 (continued)**

**3.7. 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.

4 Equity accounted investee		(Amount in USD)
Particulars	As at 31 March 2018	As at 31 March 2017
<i>Investment in equity instrument</i>		
(Unquoted, valued at cost, unless stated otherwise)		
ISO Healthcare	5,76,410	4,99,319
	<b>5,76,410</b>	<b>4,99,319</b>

5 Cash and cash equivalents		
Balance with banks		
On current accounts	63,491	75,396
	<b>63,491</b>	<b>75,396</b>

6 Equity share capital

<i>Authorised</i>		
75,000 equity shares (previous year: Nil equity shares) of USD 10 each	7,50,000	7,50,000
<i>Issued, subscribed and paid up</i>		
75,000 equity shares (previous year: NIL equity shares) of USD 10 each, fully paid up	7,50,000	7,50,000
	<b>7,50,000</b>	<b>7,50,000</b>

Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:

	As at 31 March 2018		As at 31 March 2017	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	75,000	7,50,000	-	-
Issued during the year	-	-	75,000	7,50,000
At the end of the year	<b>75,000</b>	<b>7,50,000</b>	<b>75,000</b>	<b>7,50,000</b>

Rights, preference and restriction attached to equity shares:

The Company has a single class of equity shares referred to as equity shares having a nominal value of USD 10 each. Accordingly, all 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. The equity shares are entitled to receive dividend as declared from time to time. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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.

Particulars of shareholders holding more than 5% equity shares:

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number of shares	% holding	Number of shares	% holding
Narayana Hrudayalaya Limited	75,000	100.00%	75,000	100.00%
	<b>75,000</b>	<b>100.00%</b>	<b>75,000</b>	<b>100.00%</b>

The Company has not bought back any shares during the period from date of incorporation (i.e. 11 April 2016) to 31 March 2018. Further, the Company has not issued any bonus shares or shares issued for consideration other than cash during the period from date of incorporation (i.e. 11 April 2016) to 31 March 2018.

7 Other liabilities

Current

To parties other than related parties

Other liabilities	1,322	1,380
	<b>1,322</b>	<b>1,380</b>

\* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

**Narayana Holdings Private Limited and its associates**  
**Notes to the financial statements as at 31 March 2018 (continued)**

(Amount in USD)		
<b>8 Other income</b>		
Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest Others	68	86
	<b>68</b>	<b>86</b>

<b>9 Other expenses</b>		
Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<i>Administrative expenses</i>		
Legal and professional fees	10,950	1,380
Bank charges	690	640
Rates and taxes	275	-
Preliminary Expenses	-	12,050
	<b>11,915</b>	<b>14,070</b>

**10 Contingent liabilities and commitments:**

Estimated amounts of contracts remaining to be executed on capital account (net of advances) amounts to USD Nil (previous year: USD Nil).

**11 Related party disclosures****(a) Details of related parties**

Nature of relationship	Name of related parties
Enterprise having control over the Company	Narayana Hrudayalaya Limited (Holding company)
Step down subsidiary	ISO Health limited (step down subsidiary)

**(b) Associates**

The consolidated financial statements of the group includes associates listed in the table below:

Name	Principal Activities	Country of incorporation/ Principal place of business	% equity interest	
			31 March 2018	31 March 2017
ISO Healthcare limited	Medical and Healthcare services	Mauritius	20.02%	20.02%

**12 Summarised financial information of material associate and step down subsidiary, ISO Health limited and ISO Health care limited:-****(a) Balance sheet :-****(Presented in USD)**

Particulars	ISO Health limited		ISO Healthcare limited	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Non-Current Assets	8,16,794	7,25,165	67,20,000	67,20,000
Current Assets	54,65,899	56,10,156	2,18,494	1,35,247
Current liabilities	1,49,355	76,644	-	5,13,000
<b>Net assets</b>	<b>61,33,338</b>	<b>62,58,677</b>	<b>69,38,494</b>	<b>63,42,247</b>
Ownership held by Group	20.02%	20.02%	20.02%	20.02%
<b>Group's share of net assets</b>	<b>12,27,812</b>	<b>12,52,904</b>	<b>13,88,994</b>	<b>12,69,633</b>

**(a) Profit & Loss statement :-****(Presented in USD)**

Particulars	ISO Health limited		ISO Healthcare limited	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Total Revenue	1,46,706	47,600	-	-
Profit / (Loss) before tax	(1,25,338)	(4,15,891)	5,10,435	(6,23,285)
Income tax				
Profit / (Loss) for the year	(1,25,338)	(4,15,891)	5,10,435	(6,23,285)
Ownership held by Group	20.02%	20.02%	20.02%	20.02%
<b>Group's share of net assets</b>	<b>(25,091)</b>	<b>(83,256)</b>	<b>1,02,182</b>	<b>(1,24,773)</b>

**13 Earnings per share****Basic and diluted loss per share**

The calculation of basic and diluted loss per share for the year ended 31 March 2018 was based on profit / (loss) attributable to equity shareholders of USD 65,224 (Previous year : loss of USD 176,665) and weighted average number of equity share outstanding 75,000 (Previous year: 75,000).

Particulars	Units	For the year ended 31 March 2018	For the year ended 31 March 2017
Loss after tax	USD	65,244	(1,76,665)
Weighted average number of equity share outstanding during the year for calculation of basic and diluted loss per share	Numbers	75,000	75,000
<b>Basic and diluted loss per share</b>	<b>USD</b>	<b>0.87</b>	<b>(2.36)</b>

14 Financial instruments: Fair value and risk managements

A. Accounting classification and fair values		(Amount in USD)	
As at 31 March 2018		Amortised cost	Total
<b>Financial assets</b>			
Cash and cash equivalents		63,491	63,491
Equity accounted investee		5,76,410	5,76,410
Loans			
Other financial assets		-	-
Derivative assets (current)		-	-
		<b>6,39,901</b>	<b>6,39,901</b>
<b>Financial liabilities</b>			
Trade payables		-	-
		-	-
<b>As at 31 March 2017</b>			
		Amortised cost	Total
<b>Financial assets</b>			
Cash and cash equivalents		75,396	75,396
Equity accounted investee		4,99,319	4,99,319
		<b>5,74,715</b>	<b>5,74,715</b>
<b>Financial liabilities</b>			
Trade payables		-	-
		-	-

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

E. Narasimhan  
Partner  
Membership No. 228470



Place: Bengaluru  
Date: 29 May 2018

for and on behalf of the Board of Directors of  
Narayana Holdings Private Limited

Ashutosh  
Dr. Ashutosh Raghuvanshi  
Director  
DIN: 02775637

Viren Prasad Shetty  
Mr. Viren Prasad Shetty  
Director  
DIN : 02144586

Place: Bengaluru  
Date: 29 May 2018