

Independent Auditor's Report on the Financial Statements of  
NH Health Bangladesh Private Limited  
For the period ended March 31, 2023

Submitted by  
Howladar Yunus & Co.  
Chartered Accountants

16 May 2023

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**Independent Auditor's Report****To the Shareholders of NH Health Bangladesh Private Limited  
Report on the Audit of the Financial Statements**

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**Howladar Yunus & Co.**

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**Opinion**

We have audited the financial statements of NH Health Bangladesh Private Limited (the "Company"), which comprise the financial position as at 31 March 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the Company as at 31 March 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, and other applicable laws and regulations.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirement that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Material Uncertainty Related to Going Concern**

We draw attention to Note 2.6 in the financial statements, which shows that Operating Cash Flow is negative for the year ended 31 March 2023 which indicates the Material Uncertainty about the Going Concern of the company. On review, we observe that the Company incurred a net loss of BDT 5,246,124 during the year ended March 31, 2023. Though there is huge loss during the year, the net equity become positive at the closing of this year because the company injected BDT 40,930,856 last year as a share money deposit and subsequently the amount has been converted to paid-up capital on 20 October 2022 and reported under share capital. Our opinion is not modified in respect of this matter.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls**

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs, the Companies Act 1994, and other applicable laws and regulations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 requires the Management to ensure effective internal audit, internal control and risk management functions of the Company.

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 charged with governance are 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 ISAs 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 ISAs, we exercise professional judgement 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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on 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.

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

In accordance with the Companies Act 1994, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made do verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books; and
- c) the statements of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of account.



Mohammad Touhidur Rahman FCA, Partner, Enrolment No.: 1279

Howladar Yunus & Co., Chartered Accountants

Firm Registration Number: [N/A]

Dated: Dhaka, 16 May 2023

DVC No.: 2306181279AS629921

NH Health Bangladesh Private Limited  
Statement of Financial Position  
As at 31 March 2023

Particulars	Note	Amount in Taka	
		2022-2023	2021-2022
<u>ASSETS</u>			
Non-current assets			
Property, plant and equipment	4	38,809	44,446
Intangible assets	5	-	37,775
		<u>38,809</u>	<u>82,221</u>
Current assets			
Inventories	6	1,126,462	1,126,462
Trade receivables	7	178,760	178,760
Cash and cash equivalents	8	5,238,480	18,132,979
Total current assets		<u>6,543,702</u>	<u>19,438,201</u>
TOTAL ASSETS		<u>6,582,511</u>	<u>19,520,422</u>
<u>EQUITY AND LIABILITIES</u>			
Equity			
Share capital	9	124,745,750	83,814,900
Share Money Deposit	10	6	40,930,856
Retained earnings		(122,572,869)	(117,326,745)
Total equity		<u>2,172,887</u>	<u>7,419,011</u>
Liabilities			
Non-current liabilities			
		<u>-</u>	<u>-</u>
Current liabilities			
Trade and other payables	11	3,076,833	11,686,589
Other financial liabilities	12	1,305,222	-
Advance from patients		27,569	27,569
Income tax Provision	13	-	387,253
Total current liabilities		<u>4,409,624</u>	<u>12,101,411</u>
TOTAL EQUITY AND LIABILITIES		<u>6,582,511</u>	<u>19,520,422</u>

The accompanying notes are an integral part of these financial statements.

  
Director  
Dr. Devi Prasad Shetty

  
Managing Director  
Viren Prasad Shetty

Signed in terms of our separate report of even date



Mohammad Touhidur Rahman FCA, Partner, Enrolment No.: 1279  
Howladar Yunus & Co., Chartered Accountants  
Firm Registration Number: [N/A]  
Dated: Dhaka, 16 May 2023  
DVC No.: 2306181279AS629921

NH Health Bangladesh Private Limited  
Statement of Profit or Loss and Other Comprehensive Income  
For the year ended March 31, 2023

Particulars	Note	Amount in Taka	
		2022-2023	2021-2022
<b>INCOME</b>			
Revenue	14	-	64,542,094
Direct Expenses	15	-	(110,290,698)
Gross Profit/ (Loss)		-	(45,748,604)
<b>Operating Expenses</b>			
Administrative Expenses	16	(5,246,124)	(11,067,590)
Profit/ (Loss) from Operations		(5,246,124)	(56,816,194)
Non Operating Income		-	-
Finance Cost		-	-
Profit/ (Loss) before tax		(5,246,124)	(56,816,194)
<b>Provision for taxation</b>			
Current tax expense	17	-	(387,253)
Deferred Tax Expenses		-	-
Profit/(loss) after Tax		(5,246,124)	(57,203,447)
Other comprehensive income/ (Loss)		-	-
Total comprehensive income/ (Loss) for the year		(5,246,124)	(57,203,447)
<b>Earnings per share</b>			
Basic EPS	18	(0.42)	(6.82)

The accompanying notes are an integral part of these financial statements.

Director  
Dr. Devi Prasad Shetty

Managing Director  
Viren Prasad Shetty

Signed in terms of our separate report of even date

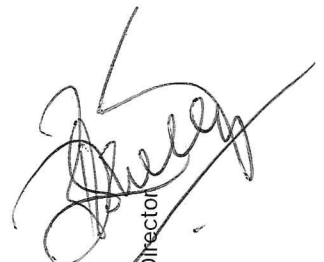
Mohammad Touhidur Rahman FCA, Partner, Enrolment No.: 1279  
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Firm Registration Number: [N/A]  
Dated: Dhaka, 16 May 2023  
DVC No.: 2306181279AS629921


NH Health Bangladesh Private Limited  
Statement of Changes in Equity  
As at March 31, 2023

Particulars	Paid up share capital	Share money deposit	Retained earnings	Total equity
Balance as on April 01, 2022	83,814,900	40,930,856	(117,326,745)	7,419,011
Issued shares during the year	40,930,850	-	-	40,930,850
Share Money Deposit - Addition during the year	-	-	-	-
Share Money Deposit - Transfer to Share Capital	-	(40,930,850)	-	(40,930,850)
Profit/(loss) for the year	-	-	(5,246,124)	(5,246,124)
Balance as at March 31, 2023	124,745,750	6	(122,572,869)	2,172,887

NH Health Bangladesh Private Limited  
Statement of Changes in Equity  
As at March 31, 2022

Particulars	Paid up share capital	Share money deposit	Retained earnings	Total equity
Balance as on April 01, 2021	48,405,000	106,852	(60,123,298)	(11,611,446)
Issued shares during the year	35,409,900	-	-	35,409,900
Share Money Deposit - Addition during the year	-	76,233,904	-	76,233,904
Share Money Deposit - Transfer to Share Capital	-	(35,409,900)	-	(35,409,900)
Profit/(loss) for the year	-	-	(57,203,447)	(57,203,447)
Balance as at March 31, 2022	83,814,900	40,930,856	(117,326,745)	7,419,011

  
Director

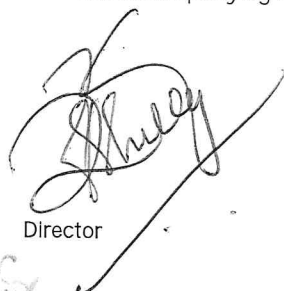
  
Director



NH Health Bangladesh Private Limited  
Statement of Cash Flows  
As at March 31, 2023

Particulars	Note	Amount in Taka	
		2022-2023	2021-2022
<b>A. Cash flows from operating activities</b>			
Profit/(loss) for the year		(5,246,124)	(57,203,447)
Add: Items not involving in movement of cash:			
Depreciation		43,412	48,589
Operating (loss)/profit before changes in working capital		(5,202,712)	(57,154,858)
Changes in working capital:			
Increase of Inventories		-	2,960,537
Increase of Trade receivables		-	(124,732)
Provision for expenses		(8,997,009)	(16,955,288)
Other financial liabilities		1,305,222	(8,400,500)
Non Operating Income (Foreign exchange gain)		-	-
Net cash provided by/(used in) operating activities		(12,894,499)	(79,674,841)
<b>B. Cash flows from investing activities</b>			
Acquisition of furniture, fixtures and fittings		-	-
Net cash provided by/(used in) investing activities		-	-
<b>C. Cash flows from financing activities</b>			
Issuance of share capital		40,930,850	35,409,900
Share Money Deposit		(40,930,850)	40,824,004
Net cash provided by/(used in) financing activities		-	76,233,904
<b>D. Net cash flow from total activities (A+B+C)</b>		(12,894,499)	(3,440,937)
<b>E. Opening cash and cash equivalents</b>		18,132,979	21,573,916
<b>F. Closing cash and cash equivalents (D+E)</b>		5,238,480	18,132,979
<b>Cash and Cash Equivalents</b>			
Cash at Bank		5,238,480	18,132,979
Cash in Hand		-	-
		5,238,480	18,132,979

The accompanying notes are an integral part of these financial statements.

  
Director

  
Director

**NH Health Bangladesh Private Limited**  
**Summary of significant accounting policies and other explanatory information**  
**For the year ended 31 March 2023**

**1.00 Company overview**

NH Health Bangladesh Private Limited ('the company') is a private limited company incorporated under the provisions of the Companies Act, vide Registration Number C-146130/2018 on 22 July 2018. The company is a fully owned subsidiary of Narayana Holdings Private Limited. The company is primarily engaged in rendering hospital services.

**2.00 Basis of preparation**

**2.01 Statement of compliance**

The financial statements of the company have been prepared under historical cost convention in a going concern concept and on the accrual basis in accordance with generally accepted accounting principles and practice followed in Bangladesh in compliance with The Companies Act 1994, International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and other applicable laws and regulations.

**2.02 Application of standards**

The following IASs and IFRSs are applicable for the preparation of these financial statements for the year under review.

- IAS - 1 Presentation of Financial Statements
- IAS - 7 Statement of Cash Flows
- IAS - 8 Accounting Policies, Changes in Accounting Estimates and Errors
- IAS - 10 Events after the Reporting Period
- IAS - 12 Income Taxes
- IAS - 21 The Effects of Change in Foreign Exchange Rates
- IAS - 24 Related Party Disclosures
- IAS - 37 Provisions, Contingent Liabilities and Contingent Assets.
- IFRS - 13 Fair Value Measurement

**2.03 Regulatory Compliance**

In addition to the provision of Companies Act 1994, the management complies with the applicable provisions of following act & laws:

- i) The Income Tax Ordinance 1984;
- ii) The Income Tax Rules 1984;
- iii) The Value Added Tax & Supplementary Duty Act, 2012;
- iv) The Value Added Tax & Supplementary Duty Rules, 2012;
- v) The Value Added Tax Deduction & Collection at source Rules, 2020

**2.04 Components of the financial statements**

According to the International Accounting Standard-1 'Presentation of Financial Statements' the complete set of Financial Statements includes the following:

- i) Statement of Financial Position
- ii) Statement of Profit or Loss and Other Comprehensive Income
- iii) Statement of Changes in Equity
- iv) Statement of Cash Flows
- v) Notes to the Financial Statements including a summary of significant accounting policies and other explanatory information

## 2.05 Basis of measurement

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

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

## 2.06 Going Concern

The company's financial statements have been prepared using the going concern basis of accounting. The use of the going concern basis of accounting is appropriate unless management either intends to liquidate the company or to cease operations or has no realistic alternative but to do so. But a material uncertainty exists related to events or conditions that may cast significant doubt on this entity's ability to continue as a going concern. During the year the net loss of the company is Taka 5,246,124 due to significant increase of Indirect Expenses. Moreover the paid up capital of the company is Taka 124,745,750 and Share Money Deposits Taka 6 but net accumulated loss is Taka 122,572,869 resulting in net equity balance positive of Taka 2,172,887 during the year. However, the company is trying to diversify activities and identifying the new customers for service activities which may convert in profitability in future.

## 2.07 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the company operates (the functional currency). These financial statements are presented in Bangladesh Taka ["Taka"] which is the functional currency of the Company. The amounts in these financial statements have been rounded off to the nearest Taka except otherwise indicated. As a result of these rounding off, in some instances the totals may not match the sum of individual balances.

## 2.08 Materiality and aggregation

The company presents separately each material class of similar items and items of a dissimilar nature or function unless they are immaterial. Financial statements result from processing large numbers of transactions or other events that are aggregated into classes according to their nature or function.

## 2.09 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.

## 2.10 Use of accounting estimates, assumptions and judgments

(a) Preparation of financial statements in conformity with International Financial Reporting Standards (IFRSs) require managements to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

(b) Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected as required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors'.

(c) Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements.

## **2.11 Reporting period**

The reporting period of NH Health Bangladesh Private Limited covers one year from April to March every year and has consistently been followed. These financial statements cover twelve months starting from 01 April 2022 to 31 March 2023.

## **2.12 Date of Authorization**

The financial statements were authorised for issue by the Company's Board of Directors on May 16, 2023.

## **2.13 Management's responsibility in preparation and presentation of financial statements of the Company**

The Management of the Company is responsible for the preparation and presentation of the financial statements in accordance with the applicable laws and regulations (stated in statement of compliance note no. 2.01) and maintains such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

## **2.14 Accrual basis of accounting**

The financial statements have been prepared, except statements of cash flows, under accrual basis of accounting in accordance with applicable International Accounting Standards which do not vary from the requirements of the Companies Act, 1994 and other laws and rules as applicable in Bangladesh.

## **3.00 Significant accounting policies**

### **3.01 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 by Amortised Cost & Fair Value Through Profit & Loss (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;

- 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.

### 3.02 Property, Plant and Equipment

#### i) Recognition and measurement

Items of fixed assets are measured at cost less accumulated depreciation and accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the assets to its working condition for its intended use as per International Accounting Standard (IAS) 16 "Property, Plant and Equipments".

#### ii) Subsequent Cost

Subsequent costs is capitalized only when it is probable that the future economic benefits associated with the costs will flow to the entity. Ongoing repairs and maintenance is expensed as incurred.

### iii) Depreciation

The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are ready for intended use. The estimated useful lives of assets for the current and comparative period of significant items of property, plant and equipment are as follows:

Name of Assets	Useful Life
Equipment	10 Years

#### Derecognition:

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss.

### 3.03 Intangible assets

#### Recognition & measurement:

Intangible asset that is acquired by the company and have a finite useful life is measured at cost less accumulated amortization and accumulated impairment loss, if any. Intangible asset is recognized when all the conditions as per IAS 38 Intangible Assets are met. The cost of the intangible asset comprises its purchase price, import duties & non refundable taxes and any directly attributable costs for preparing the asset for its intended use.

Costs that are directly attributable to the development phase of the asset is recognized as intangible asset, provided they meet the following recognition requirements:

- the development costs can be measured reliably
- the project is technically and commercially feasible
- the company intends to and has sufficient resources to complete the project
- the company has the ability to use or sell the software
- the software will generate probable future economic benefits.

Intangible Assets	Useful Life
Software	3 Years

### 3.04 Employee Benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment. IAS 19 requires an entity to recognize:

- a liability when an employee has provided service in exchange for employee benefits to be paid in the future; and
- an expense when the entity consumes the economic benefit arising from the service provided by an employee in exchange for employee benefits.

### 3.05 Inventories

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

### 3.06 Revenue Recognition

#### Revenue from operations :

Revenue from medical and healthcare services to patients is recognised as revenue when the related services are rendered unless significant future uncertainties exist. Revenue is also recognised in relation to the services rendered to the patients who are undergoing treatment/observation on the balance sheet date to the extent of services rendered.

Revenue from sale of medical consumables and drugs within the hospital premises is recognized when property in the goods or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection.

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

'Unearned revenue' comprises billings in the excess of earnings.

#### Other medical and health care services

Revenue from other medical and health care services are recognized as and when the services are rendered in accordance with the terms of the agreements.

### 3.07 Trade Receivable

Trade Receivables at the Balance Sheet date are stated at amounts which are considered realizable.

### 3.08 Trade Payable

Liabilities are recognized for amounts to be paid in future for goods and services received.

### 3.09 IFRS 16 "Leases"

IFRS 16 Leases, defines a lease as "A contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration". In order for such a contract to exist the user of the asset needs to have the right to:

- Obtain substantially all of the economic benefits from the use of asset (Identifiable asset)
- The right to direct the use of asset

But such kind of leases not performed by the company. So The impact of the standard is not required.

### 3.10 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.

### 3.11 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.

### 3.12 Profit (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.



### 3.13 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.

### 3.14 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.

Note	Particulars	Amount in Taka	
		March 31, 2023	March 31, 2022
4.00	Property, plant and equipment:		
	Office Equipments	38,809	44,446
		<u>38,809</u>	<u>44,446</u>
	For details Please refer Annexure-A		
5.00	Intangible Assets		
	Software	-	37,775
		<u>-</u>	<u>37,775</u>
	For details Please refer Annexure-A		
6.00	Inventories		
	Opening Balance	1,126,462	4,086,999
	Cost of Medicine and surgical instruments purchased	-	15,257,907
	Less: Cost of Medicine and surgical instruments Consumed	-	(16,157,157)
	Less: Return of Medicine & Consumable	-	(2,061,287)
		<u>1,126,462</u>	<u>1,126,462</u>
7.00	Trade receivables		
	Receivable from Patient	178,760	178,760
		<u>178,760</u>	<u>178,760</u>
8.00	Cash and cash equivalents		
	Cash on hand	-	-
	Balance with banks		
	Eastern Bank Limited	13,133	13,822
	State Bank of India	5,225,347	18,119,157
		<u>5,238,480</u>	<u>18,132,979</u>
	Cash and cash equivalents as per statement of cash flows	<u>5,238,480</u>	<u>18,132,979</u>
9.00	Share capital		
	Authorised		
	15,000,000 equity shares of TK 10 each	150,000,000	100,000,000
		<u>150,000,000</u>	<u>100,000,000</u>
	Issued, subscribed and paid up		
	8381490 equity shares of TK 10 each, fully paid up	83,814,900	48,405,000
	Issue during the year (4093085 shares for TK 10 each)	40,930,850	35,409,900
		<u>124,745,750</u>	<u>83,814,900</u>

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

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	8,381,490	83,814,900	4,840,500	48,405,000
Issued during the year	4,093,085	40,930,850	3,540,990	35,409,900
At the end of the year	<u>12,474,575</u>	<u>124,745,750</u>	<u>8,381,490</u>	<u>83,814,900</u>

Rights, preference and restriction attached to equity shares

The Company has one class of equity shares referred to as equity shares having a nominal value of BDT 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.

Note	Particulars	Amount in Taka	
		March 31, 2023	March 31, 2022

Particulars of shareholders holding more than 5% shares

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
Narayana Holding Pvt LTD	12,474,575	99.99%	8,381,490	99.99%
	12,474,575	99.99%	8,381,490	99.99%

The Company has not bought back any shares during the period from date of incorporation (i.e. 22 July 2018 to 31 March 2023). 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. 22 July 2018 to 31 March 2023).

10.00 Share Money Deposit

Opening balance	40,930,856	106,852
Add: Addition during the period	-	76,233,904
Less: Transfer to Share Capital	(40,930,850)	(35,409,900)
	<u>6</u>	<u>40,930,856</u>

11.00 Trade payables

Audit Fee	195,500	195,500
Other payables	2,819,438	11,410,992
Accrued salaries and benefits	7,448	7,448
Balances due to statutory/ government authorities	54,447	72,649
	<u>3,076,833</u>	<u>11,686,589</u>

12.00 Other financial liabilities

Provision on Loss of Inventories	1,126,462	-
Provision on Bad & Doubtful Debts	178,760	-
	<u>1,305,222</u>	<u>-</u>

13.00 Income tax provision

Opening Balance	387,253	-
Provision made during the year	-	387,253
Income tax payment during the year	(387,253)	-
	<u>-</u>	<u>387,253</u>

14.00 Revenue from operations

Income from medical and healthcare services	-	55,493,279
Other operating revenue	-	9,048,815
Other Income	-	64,542,094
	<u>-</u>	<u>64,542,094</u>

15.00 Direct Expenses

Salaries, wages and bonus	-	94,133,541
Cost of Medicine and surgical instruments Consumed (Notes 15.1)	-	16,157,157
	<u>-</u>	<u>110,290,698</u>

15.01 Cost of Medicine and surgical Instruments Consumed

Opening Balance	1,126,462	4,086,999
Purchase during the year	-	15,257,907
Return material	-	(2,061,287)
Closing Inventory	(1,126,462)	(1,126,462)
	<u>-</u>	<u>16,157,157</u>

Note	Particulars	Amount in Taka	
		2022-2023	2021-2022
16.00	Administrative expenses		
	Hospital general expenses	-	2,212,994
	Advertisement and publicity	-	182,782
	Bank charges	18,625	38,070
	Legal and Professional fees	3,878,865	2,081,566
	Rent (Staff Accommodation)	-	845,310
	Printing and stationery	-	34,990
	Registration & License Expenses	-	2,802,166
	Traveling and conveyance	-	979,225
	Foreign exchange loss/gain	-	72,616
	Telephone and communication	-	147,320
	Repairs and maintenance - Others	-	897,963
	Repairs and maintenance - Hospital equipment	-	169,219
	Depreciation of property, plant and equipment	5,637	5,637
	Amortisation of intangible assets	37,775	42,952
	Laundry	-	3,700
	Linen & Uniform	-	103,510
	Catering and patient welfare expenses	-	447,570
	Loss on Inventories	1,126,462	-
	Provision for doubtful debts (P&L)	178,760	-
		<u>5,246,124</u>	<u>11,067,590</u>
17.00	Current tax expense		
	Provision for the year	-	387,253
	Tax provision for previous years	-	-
			<u>387,253</u>
18.00	Basis Earning Per Share (EPS) Disclosure under IAS 33 "Earning Per Share"		
	The Computation of Earning Per Share (EPS) is given below:		
	Net Profit for the Year	(5,246,124)	(57,203,447)
	Number of Ordinary Share	12,474,575	8,381,490
	Basic Earning Per Share (EPS)	<u>(0.42)</u>	<u>(6.82)</u>

19.00 Contingent liabilities and commitments:

Company has following contingent liabilities in terms of Income tax. Tax authorities has claimed tax regarding Tax audit Liability Taka 11,83,762 for the assessment year 2020-2021 which has been arisen from tax audit. Against this demand submitted an appeal to the appellate commissioner, the appeal submission date is: February 15, 2023. Its currently under trial

Income Year	Assessment Year	Tax Audit Liability by tax authority	Remarks
2019-2020	2020-2021	1,183,762	Appeal to the Appellate Commissioner & currently under trial.
Total BDT		<u>1,183,762</u>	

There are no other contingent liabilities other than the matters reported above.

20.00 Related party disclosures

(a) Details of related parties

Nature of relationship	Name of related parties
Enterprise having control over the Company	Narayana Holdings Private Limited (Holding company)
Ultimate Holding Company	Narayana Hrudayalaya Limited
Key Management Personnel (KMP)	Dr. Devi Prasad Shetty - Director
	Mr. Viren Prasad Shetty - Director
	Mr. Doomraj Sooneelall - Director
	Mr. Baboo Teeruth Rajsing Ramgolam - Director



Note	Particulars	Amount in Taka		
		March 31, 2023	March 31, 2022	
	(b) Transactions with related party during the period			
	Allotment of equity shares			
	Narayana Holdings Private Limited	124,745,750	83,814,900	
	Share Money Deposit	6	40,930,850	
	Reimbursement of expenses			
	Narayana Hrudayalaya Limited	-	-	
21.00	Profit (Loss) per share			
	The calculation of basic and diluted loss per share for the year ended 31 March 2023 was based on loss attributable to equity shareholders of BDT (5,246,124) (Previous year: BDT (57,203,447) and weighted average number of equity shares outstanding 12,474,575 (Previous year: 8,381,490).			
	Particulars	Units	March 31, 2023	March 31, 2022
	Loss after tax	BDT	(5,246,124)	(57,203,447)
	Weighted average number of equity share outstanding during the year for calculation of basic and diluted loss per share	Numbers	12,474,575	8,381,490
	Share Money Deposit	Numbers	-	-
	Basic and diluted loss per share	BDT	(0.42)	(6.82)
22.00	Financial Instruments: Fair value and risk managements			
	Accounting classification and fair values			
	Financial assets			
	Cash and cash equivalents		5,238,480	18,132,979
			5,238,480	18,132,979
	Financial liabilities			
	Provision for Expenses		3,076,833	11,686,589
			3,076,833	11,686,589

  
 Director

  
 Director

