

Health City Cayman Islands Ltd
Unaudited Balance sheet

		(Amount in USD)	
	Note No	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4	5,55,22,239	5,77,95,008
Capital work-in-progress	4	6,49,744	1,48,610
Right of use assets	5	38,79,422	46,75,334
Intangible Assets	4	32,240	59,222
Other non-current Assets	6	5,36,229	5,90,732
Total Non-Current Assets		6,06,19,874	6,32,68,906
Current Assets			
Inventories	7	31,50,454	28,21,199
Financial Assets			
(i) Trade Receivables	8	1,14,49,393	89,45,367
(ii) Cash and Cash Equivalents	9(a)	66,22,954	64,15,292
(iii) Bank Balances Other than (ii) above	9(b)	20,00,000	-
(iv) Investment	10	1,49,66,206	91,70,609
(v) Other financial assets	11	20,05,239	16,66,572
Other Current Assets	12	27,82,271	17,46,183
Total current Assets		4,29,76,517	3,07,65,222
TOTAL ASSETS		10,35,96,391	9,40,34,128
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	13	484	484
Other Equity	14	6,66,77,571	5,21,37,674
Total Equity		6,66,78,055	5,21,38,158
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	15	1,94,54,688	2,49,00,000
(ii) Lease liabilities	16	27,37,968	39,00,378
(iii) Other Financial Liabilities	17	12,13,908	18,87,511
Total Non-Current Liabilities		2,34,06,564	3,06,87,889
Current Liabilities			
Financial Liabilities			
(i) Lease liabilities	16	18,22,338	15,09,878
(ii) Trade Payables	18	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		56,24,029	50,71,756
(iii) Other Financial Liabilities	19	35,00,000	33,00,000
Other current liabilities	20	20,54,310	9,83,168
Provisions	21	5,11,095	3,43,279
Total Current Liabilities		1,35,11,772	1,12,08,081
TOTAL EQUITY AND LIABILITIES		10,35,96,391	9,40,34,128

for and on behalf of the Board of Directors of
Health City Cayman Islands Ltd

Dr. Devi Prasad Shetty
Director

Viren Prasad Shetty
Director

Health City Cayman Islands Ltd
Unaudited Statement of Profit and Loss

(Amount in USD)

	Note No	For the Year ended March 31, 2021	For the Year ended March 31, 2020
INCOME			
Revenue from Operations	22	6,86,15,896	6,11,26,191
Other income	23	2,82,332	81,003
Total Income (A)		6,88,98,228	6,12,07,194
EXPENSES			
Purchase of medical consumables, drugs and surgical instruments		1,16,81,023	1,10,12,980
Changes in inventories of medical consumables, drugs and surgical instruments-(Increase)/ Decrease	24	(3,29,254)	10,64,059
Employee benefit expenses	25	1,91,99,732	2,02,79,278
Professional fees to doctors		17,953	2,57,975
Other expenses	26	1,21,37,918	1,35,03,286
Expense before finance cost, depreciation and amortization and exceptional items (B)		4,27,07,372	4,61,17,578
Earning before finance cost, depreciation and amortization and exceptional items (A-B)		2,61,90,856	1,50,89,616
Finance costs (C)	27	15,06,555	16,77,243
Depreciation and amortisation expense (D)	28	47,64,757	47,00,136
Total expenses (E) = (B+C+D)		4,89,78,684	5,24,94,957
Profit before tax (F) = (A-E)		1,99,19,544	87,12,237
Tax expenses:			
Current Tax		-	-
Deferred tax (credit)/ charge		-	-
Total tax expense (G)		-	-
Profit for the year (H) = (F-G)		1,99,19,544	87,12,237
Other Comprehensive income (OCI)			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Effective portion of (losses) / gains on hedging instruments in cash flow hedges		6,73,603	(13,27,004)
Other comprehensive income for the year (I)		6,73,603	(13,27,004)
Total Comprehensive income for the year (J) = (H+I)		2,05,93,147	73,85,233
Earning per share			
Basic (USD)	31	411.34	179.91
Diluted (USD)		411.34	179.91

for and on behalf of the Board of Directors of
Health City Cayman Islands Ltd

Dr. Devi Prasad Shetty
Director

Viren Prasad Shetty
Director

Health City Cayman Islands Ltd
Unaudited Statement of changes in equity

(a) Equity share capital (Amount in USD)		
Particulars	No. of Shares	Amount
Class X equity shares of USD 0.01 each issued, subscribed and fully paid up		
Balance as at March 31, 2019	-	-
Changes in equity share capital during 2019-20 (refer note 13)	-	-
Balance as at March 31, 2020	-	-
Changes in equity share capital during 2020-21 (refer note 13)	-	-
Balance as at March 31, 2021	-	-

(a) Equity share capital (Amount in USD)		
Particulars	No. of Shares	Amount
Class Y equity shares of USD 0.01 each issued, subscribed and fully paid up		
Balance as at March 31, 2019	48,426	484
Changes in equity share capital during 2019-20 (refer note 13)	-	-
Balance as at March 31, 2020	48,426	484
Changes in equity share capital during 2020-21 (refer note 13)	-	-
Balance as at March 31, 2021	48,426	484

(b) Other Equity (Amount in USD)					
Particulars	Reserves and Surplus			Items of OCI	Total other equity
	Securities premium reserve	Deemed Capital Contribution	Retained earnings	Cash Flow Hedging Reserve	
Balance as at April 1, 2019	7,31,65,131	6,322	(2,71,96,921)	(5,60,507)	4,54,14,025
Adjustment of Retained Earning (refer note no 14)	(2,71,96,921)	-	2,71,96,921	-	-
Impact on account of adoption of Ind AS 116	-	-	(3,61,676)	-	(3,61,676)
Profit for the year	-	-	87,12,237	-	87,12,237
Other comprehensive income	-	-	-	(13,27,004)	(13,27,004)
Total comprehensive income for the year 2019-20	(2,71,96,921)	-	3,55,47,482	(13,27,004)	70,23,557
Transaction recorded directly in equity					
Dividend Paid	(3,00,241)	-	-	-	(3,00,241)
Employee stock option expense during the year	-	333	-	-	333
Balance as at March 31, 2020	4,56,67,969	6,655	83,50,561	(18,87,511)	5,21,37,674
Profit for the year	-	-	1,99,19,544	-	1,99,19,544
Other comprehensive income	-	-	-	6,73,603	6,73,603
Total comprehensive income for the year 2020-21	-	-	1,99,19,544	6,73,603	2,05,93,147
Transaction recorded directly in equity					
Dividend Paid	-	-	(60,53,250)	-	(60,53,250)
Balance as at March 31, 2021	4,56,67,969	6,655	2,22,16,855	(12,13,908)	6,66,77,571

for and on behalf of the Board of Directors of
Health City Cayman Islands Ltd

Dr. Devi Prasad Shetty
Director

Viren Prasad Shetty
Director

Health City Cayman Islands Ltd
Unaudited Statement of Cash Flows

	(Amount in USD)	
	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Cash flow from operating activities		
Profit after tax	1,99,19,544	87,12,237
Adjustments:		
Depreciation and amortisation expense	47,64,757	47,00,136
Provision for loss allowance	1,50,542	7,04,314
Finance costs	15,06,555	16,77,244
Share based payment expenses	-	333
Profit on sale of property, plant & equipment (net)	(6,175)	22,382
Operating cash flow before working capital changes	2,63,35,223	1,58,16,646
Changes in trade receivables	(26,54,568)	(11,63,848)
Changes in inventories	(3,29,255)	10,64,059
Changes in loans and advances	54,503	(4,446)
Changes in other current assets	(13,74,755)	3,79,511
Changes in trade payables	5,52,273	8,48,661
Changes in liabilities	12,71,142	6,49,508
Changes in provisions	1,67,816	82,708
Net cash generated from operating activities (A)	2,40,22,379	1,76,72,799
Cash flow from investing activities		
Purchase of property plant and equipment	(14,82,029)	(7,11,852)
Proceeds from sale of property, plant and equipment	6,534	-
Investment in Fixed Deposit	(20,00,000)	-
(Purchase)/Sale of short term investments (net)	(57,95,598)	(91,70,609)
Net cash used in investing activities (B)	(92,71,093)	(98,82,461)
Cash flow from financing activities		
Repayment of borrowings	(54,45,313)	(33,00,000)
Interest and other borrowings expenses except interest on lease	(13,44,090)	(14,82,563)
Dividend Paid	(60,53,250)	(3,00,241)
Payment of lease liabilities (Refer note 39)	(17,00,971)	(12,60,000)
Net cash used in financing activities (C)	(1,45,43,624)	(63,42,804)
Net increase in cash and cash equivalents (A+B+C)	2,07,662	14,47,534
Cash and cash equivalent at the beginning of the year	64,15,292	49,67,758
Cash and cash equivalent at the end of the year (refer note 9(a))	66,22,954	64,15,292

Significant accounting Policies

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

for and on behalf of the Board of Directors of
Health City Cayman Islands Ltd

Dr. Devi Prasad Shetty
Director

Viren Prasad Shetty
Director

Health City Cayman Islands Ltd
Notes to the special purpose unaudited financial statements for the year ended March 31, 2021
4 Property, Plant and Equipment, Intangible Assets and Capital work- in progress
(Amount in USD)

Particulars	Gross block				Accumulated depreciation/amortisation				Net block	
	As at April 1, 2020	Additions	Deletions	As at March 31, 2021	As at April 1, 2020	Depreciation/ Amortisation	Deletions	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Tangible assets (Owned)										
Land and related infrastructure cost	1,32,25,462	-	-	1,32,25,462	-	-	-	-	1,32,25,462	1,32,25,462
Building	3,56,88,070	-	-	3,56,88,070	52,10,573	8,92,202	-	61,02,775	2,95,85,295	3,04,77,497
Medical equipment	1,09,70,480	4,88,288	-	1,14,58,768	54,72,263	11,15,958	-	65,88,221	48,70,547	54,98,217
Electrical installations	43,03,846	-	-	43,03,846	16,59,295	2,86,948	-	19,46,243	23,57,603	26,44,551
Other equipments including air conditioners	56,75,993	3,13,051	-	59,89,044	21,97,949	3,90,521	-	25,88,470	34,00,574	34,78,044
Office equipments	18,31,644	78,560	-	19,10,204	9,38,178	1,85,935	-	11,24,113	7,86,091	8,93,466
Furniture and fixtures	30,10,877	8,802	1,080	30,18,599	15,97,631	3,01,331	721	18,98,241	11,20,358	14,13,246
Computers	7,37,651	92,194	-	8,29,845	6,07,894	62,825	-	6,70,719	1,59,126	1,29,757
Vehicles	1,58,417	-	7,439	1,50,978	1,23,648	17,586	7,439	1,33,795	17,183	34,768
Total tangible (A)	7,56,02,440	9,80,895	8,519	7,65,74,816	1,78,07,431	32,53,307	8,160	2,10,52,577	5,55,22,239	5,77,95,008
Intangible assets										
Computer software	6,06,018	-	-	6,06,018	5,46,796	26,982	-	5,73,778	32,240	59,222
Total intangible assets (B)	6,06,018	-	-	6,06,018	5,46,796	26,982	-	5,73,778	32,240	59,222
Capital work-in-progress (C)	1,48,610	6,82,996	1,81,862	6,49,744	-	-	-	-	6,49,744	1,48,610
Grand Total (A+B+C)	7,63,57,069	16,63,891	1,90,381	7,78,30,578	1,83,54,227	32,80,289	8,160	2,16,26,355	5,62,04,223	5,80,02,840

Particulars	Gross block				Accumulated depreciation/amortisation				Net block	
	As at April 1, 2019	Additions / adjustment	Deletions	As at March 31, 2020	As at April 1, 2019	Depreciation/ Amortisation	Deletions	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Tangible assets (Owned)										
Land and related infrastructure cost	1,32,25,462	-	-	1,32,25,462	-	-	-	-	1,32,25,462	1,32,25,462
Building	3,56,80,997	7,073	-	3,56,88,070	43,16,050	8,94,523	-	52,10,573	3,04,77,497	3,13,64,947
Medical equipment	1,07,59,789	2,62,009	51,318	1,09,70,480	44,08,035	10,93,165	28,936	54,72,263	54,98,217	63,51,754
Electrical installations	43,03,846	-	-	43,03,846	13,71,560	2,87,735	-	16,59,295	26,44,551	29,32,286
Other equipments including air conditioners	56,75,993	-	-	56,75,993	18,18,513	3,79,436	-	21,97,949	34,78,044	38,57,480
Office equipments	17,75,905	55,739	-	18,31,644	7,57,376	1,80,802	-	9,38,178	8,93,466	10,18,529
Furniture and fixtures	29,53,873	57,004	-	30,10,877	12,98,326	2,99,305	-	15,97,631	14,13,246	16,55,547
Computers	5,81,072	1,57,438	859	7,37,651	5,48,816	59,937	859	6,07,894	1,29,757	32,256
Vehicles	1,58,417	-	-	1,58,417	99,613	24,035	-	1,23,648	34,769	58,804
Total (A)	7,51,15,354	5,39,263	52,177	7,56,02,440	1,46,18,288	32,18,937	29,795	1,78,07,431	5,77,95,009	6,04,97,065
Intangible assets										
Computer software	5,82,040	23,979	-	6,06,018	5,04,161	42,635	-	5,46,796	59,222	77,879
Total (B)	5,82,040	23,979	-	6,06,018	5,04,161	42,635	-	5,46,796	59,222	77,879
Capital work-in-progress (C)	-	1,48,610	-	1,48,610	-	-	-	-	1,48,610	-
Grand Total (A+B+C)	7,56,97,393	7,11,852	52,177	7,63,57,068	1,51,22,449	32,61,572	29,795	1,83,54,227	5,80,02,841	6,05,74,943

Health City Cayman Islands Ltd

Notes to the special purpose unaudited financial statements for the year ended March 31, 2021

5 (i) Right of use assets

(Amount in USD)

Category of ROU asset	Gross block				Accumulated depreciation/amortisation			Net block		
	As at April 1, 2020	Additions	Deletions	As at March 31, 2021	As at April 1, 2020	Depreciation	Deletions	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Tangible assets										
Building	61,13,899	6,88,557	-	68,02,456	14,38,565	14,84,469	-	29,23,034	38,79,422	46,75,334
Grand total	61,13,899	6,88,557	-	68,02,456	14,38,565	14,84,469	-	29,23,034	38,79,422	46,75,334

(ii) Right of use assets

Category of ROU asset	Gross block				Accumulated depreciation/amortisation			Net block		
	As at April 1, 2019*	Additions	Deletions	As at March 31, 2020	As at April 1, 2019*	Depreciation	Deletions	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Tangible assets										
Building	61,13,899	-	-	61,13,899	-	14,38,565	-	14,38,565	46,75,334	-
Grand total	61,13,899	-	-	61,13,899	-	14,38,565	-	14,38,565	46,75,334	-

*Reclassified on account of adoption of Ind AS 116.

Health City Cayman Islands Ltd
Notes to the special purpose unaudited financial statements for the year ended March 31, 2021

6 Other non-current assets		(Amount in USD)	
Particulars	As at March 31, 2021	As at March 31, 2020	
<i>To parties other than related parties</i>			
Prepaid expenses	3,40,619	4,48,544	
Security deposits	1,95,610	1,42,188	
	5,36,229	5,90,732	
7 Inventories		(Amount in USD)	
<i>(Valued at lower of cost and net realisable value)</i>			
Particulars	As at March 31, 2021	As at March 31, 2020	
Medical consumables, drugs and surgical instruments	35,00,016	37,32,989	
Goods In Transit	7,40,310	2,89,949	
Less: Provision for write-down to net realisable value	(10,89,872)	(12,01,739)	
	31,50,454	28,21,199	
8 Trade receivables		(Amount in USD)	
Particulars	As at March 31, 2021	As at March 31, 2020	
Unsecured, considered good	1,14,49,393	89,45,367	
Unsecured, considered doubtful	17,11,500	15,60,958	
	1,31,60,893	1,05,06,325	
Loss allowance			
Unsecured, considered doubtful	(17,11,500)	(15,60,958)	
Net Trade Receivables	1,14,49,393	89,45,367	

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

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

The Company's exposure to credit risk and currency risks, and loss allowances are disclosed in note 33 (iv)

9 Cash and Cash Equivalents		(Amount in USD)	
Particulars	As at March 31, 2021	As at March 31, 2020	
(a) <i>Cash and cash equivalents</i>			
Cash on hand	21,305	30,975	
Cheque on Hand	-	2,118	
Balance with banks			
-In current accounts	66,01,649	63,82,199	
	66,22,954	64,15,292	
(b) Bank Balances Other than above			
-In deposit accounts (due to mature within 12 months of the reporting date)	20,00,000	-	
	20,00,000	-	

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

Particulars	As at March 31, 2021	As at March 31, 2020	
Cash on hand	21,305	30,975	
DDs/Cheque on Hand	-	2,118	
Balance with banks			
-In current accounts	66,01,649	63,82,199	
	66,22,954	64,15,292	
Less: Bank overdraft used for cash management purpose	-	-	
Cash and cash equivalents in the statement of the cashflows	66,22,954	64,15,292	

Out of the above mentioned total Balances with banks in FY 21, USD 1,189,893 is restricted to maintain the DSRA deposit against Loan with FCIB Bank

Health City Cayman Islands Ltd
Notes to the special purpose unaudited financial statements for the year ended March 31, 2021

10 Investment

(Unsecured, considered good unless otherwise stated)

(Amount in USD)

Particulars	Qty	Market Rate	As at March 31, 2021	As at March 31, 2020
Short term investment				
- In US Treasury Bills (Previous Year : 1,189,893) (refer note below)		-	-	11,89,893
- In US Treasury Bills (Previous Year : 6,000,820)	16,00,000	1	16,05,409	60,00,820
- In US Govt Bonds (Previous Year : Nil)	50,000	1	50,000	-
- In Municipal Bonds (Previous Year : Nil)	2,25,000	1	2,34,101	-
- In Corporate Bonds (Previous Year : Nil)	1,08,00,000	1	1,10,42,003	-
- In Mutual Funds				-
-LORD ABBETT ULTRA SHORT BOND FUND (CLASS Z (USD)(acc)) (Previous Year : 1,979,896)	1,90,872	11	20,34,693	19,79,896
Net Investment Fair Value			1,49,66,206	91,70,609

Out of the above mentioned total investment in US Treasury Bills for FY 20, USD 1,189,893 is invested to maintain the DSRA deposit against Loan with FCIB Bank.

11 Other financial assets

(Amount in USD)

Particulars	As at March 31, 2021	As at March 31, 2020
Unbilled revenue	19,35,652	16,53,509
Interest Accrued on Short Term Investment	69,377	13,062
Interest Accrued on Fixed Deposits	210	-
	20,05,239	16,66,571

12 Other current assets

(Amount in USD)

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	27,676	4,878
Advance to employees	60,228	30,362
Receivable from suppliers and customers for expenses	89,269	-
Prepaid expenses	18,12,733	11,20,460
Advance to vendors	7,75,971	5,49,772
Capital Advances	13,394	40,711
To related parties (Refer Note no 32)		
Loans and advances / other receivables from related parties	3,000	-
	27,82,271	17,46,183

13 (i) Equity share capital

(Amount in USD)

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
5,000,000 equity shares (March 31, 2020: 5,000,000 equity shares) of USD 0.01 each	50,000	50,000
Issued, subscribed and paid up		
Nil (March 31, 2020: NIL) class X equity shares of USD 0.01 each, fully paid-up	-	-
48,426 (March 31, 2020: 48,426) class Y equity shares of USD 0.01 each, fully paid-up	484	484
	484	484

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

Amount in USD, except no of shares

Particulars	March 31, 2021	March 31, 2020
Class Y equity shares	Number of shares	Number of shares
At the beginning of the year	48,426	48,426
Issued during the year	-	-
At the end of the year	48,426	48,426

(iii) Shares held by holding company:

Amount in USD, except no of shares

Particulars	March 31, 2021	March 31, 2020
Number of shares	Amount	Number of shares
Narayana Cayman Holdings Limited	48,426	48,426

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

Particulars	March 31, 2021	March 31, 2020
Number of shares	% holding	Number of shares
Narayana Cayman Holdings Ltd (Class Y equity shares)	48,426	48,426
	100%	100%

Health City Cayman Islands Ltd
Notes to the special purpose unaudited financial statements for the year ended March 31, 2021

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

i) As at 31 March 2021, the Company has only one class of equity shares issued, referred to as class Y equity shares, having a par value of USD 0.01 each. All the equity shares rank equally with regard to dividend and share in the Company's residual assets. Each holder of equity shares is entitled to one vote per share. Dividends will be payable as and when the Board propose and the share holders will approve in Annual General Meeting or in the meeting. The Company has declared final dividend of USD 125 per share on each fully paid up share of the company on during the FY 2020-21 out of the profits of the Financial Year ended 31st March 2020 on 22-May-2020 and in Previous year company had given the final Dividend of USD 6.20 Per share on each fully paid up share of the company through security premium account on 7 September 2019.

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

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

There has been no issue of shares by way of bonus shares or issue of shares pursuant to contract without payment being received in cash during the current year and the previous years/periods since the date of incorporation i.e. 7 May 2010, except that the Company has issued 3000 class Y equity shares to Narayana Cayman Holdings Ltd for considerations other than cash towards capital contribution as per Joint Venture Agreement dated 25 July 2012.

Buy back of equity shares:

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

		(Amount in USD)	
		As at	As at
		March 31, 2021	March 31, 2020
14 Other Equity			
Reserves and surplus			
Securities premium			
At the commencement of the year	4,56,67,969	7,31,65,131	
Less: Dividend Paid	-	(3,00,241)	
Less: Adjustment with Retained Earnings	-	(2,71,96,921)	
At the end of the year	4,56,67,969	4,56,67,969	
Deemed Capital Contribution			
At the commencement of the year	6,655	6,322	
Add: Additions during the year	-	333	
At the end of the year	6,655	6,655	
Retained Earnings			
At the commencement of the year	83,50,561	(2,71,96,921)	
Add: Net profit after tax transferred from statement of profit and loss	1,99,19,544	87,12,237	
Less: Impact on account of adoption of Ind AS 116	-	(3,61,676)	
Add: Adjustment with Securities Premium	-	2,71,96,921	
Less: Dividend Paid	(60,53,250)	-	
At the end of the year	2,22,16,855	83,50,561	
Other Comprehensive Income			
Effective portion of Cash flow hedge reserve			
At the commencement of the year	(18,87,511)	(5,60,507)	
Add: Additions during the year	6,73,603	(13,27,004)	
At the end of the year	(12,13,908)	(18,87,511)	
	6,66,77,571	5,21,37,674	

Securities Premium

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

Deemed Capital Contribution

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

Retained Earnings

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

Other Comprehensive Income

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

Dividend

The Board of Directors have Declared a dividend of USD 125 for each fully paid up shares of the company for the financial year ended 31 March 2020 out of the profits of the Financial Year ended March 31 2020 on May 22, 2020

		(Amount in USD)	
		As at	As at
		March 31, 2021	March 31, 2020
15 Borrowings			
Particulars			
Non-current			
Secured			
Term loans			
From banks	1,94,54,688	2,49,00,000	
	1,94,54,688	2,49,00,000	

The Company has outstanding term loan from First Carribean International Bank (Cayman) Limited amounting to USD 22,954,688 (including current portion of borrowings) against sanction limit of USD 32,000,000 repayable in 26 quarterly instalments as per loan agreement from 27 November 2017. Interest is payable on a monthly basis at the rate of monthly LIBOR *plus* 1.75% per annum. The loan is secured by bank guarantee from the Ultimate Holding Company.

Health City Cayman Islands Ltd
Notes to the special purpose unaudited financial statements for the year ended March 31, 2021

16	Lease liabilities	(Amount in USD)	
	Particulars	As at March 31, 2021	As at March 31, 2020
	(a) Non-current		
	Lease liability	27,37,968	39,00,378
	Total non-current Lease Liabilities	27,37,968	39,00,378
	(b) Current		
	Lease liability	18,22,338	15,09,878
	Total current Lease Liabilities	18,22,338	15,09,878
17	Derivative Liabilities	(Amount in USD)	
	Non-current		
	Particulars	As at March 31, 2021	As at March 31, 2020
	Derivative financial instruments	12,13,908	18,87,511
		12,13,908	18,87,511
18	Trade payables	(Amount in USD)	
	Particulars	As at March 31, 2021	As at March 31, 2020
	Total outstanding dues of micro enterprises and small enterprises	-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises*	38,78,186	34,77,166
	<i>To related parties [Refer Note no 32 (C)]</i>		
	Total Outstanding dues to Related Parties	17,45,843	15,94,590
		56,24,029	50,71,756
19	Other financial liabilities (current)	(Amount in USD)	
	Particulars	As at March 31, 2021	As at March 31, 2020
	Current maturities of long-term borrowings (refer note 15)	35,00,000	33,00,000
		35,00,000	33,00,000
20	Other current liabilities	(Amount in USD)	
	Particulars	As at March 31, 2021	As at March 31, 2020
	Advance received	1,13,323	61,698
	Creditors for capital goods	71,254	71,254
	Contract liabilities	18,67,733	7,59,086
	Statutory liabilities	-	90,130
	<i>Other Payables</i>		
	<i>To related parties (Refer Note no 32(c))</i>		
	Other payables	2,000	1,000
		20,54,310	9,83,168
21	Provisions	(Amount in USD)	
	Particulars	As at March 31, 2021	As at March 31, 2020
	Compensated absences	5,11,095	3,43,279
		5,11,095	3,43,279

Health City Cayman Islands Ltd
Notes to the special purpose unaudited financial statements for the year ended March 31, 2021
22 Revenue from Contracts with Customers
(i) Revenue from operations (Amount in USD)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Income from medical and healthcare services	6,74,29,010	5,98,96,910
Sale of medical consumables and drugs	11,86,887	12,29,281
	6,86,15,897	6,11,26,191

(ii) Category of Customer

Cash	47,95,805	57,89,871
Credit	6,38,20,091	5,53,36,320
Total	6,86,15,897	6,11,26,191

(iii) Nature of treatment

In-patient	4,38,10,854	4,08,92,853
Out-patient	2,36,18,156	1,90,04,057
Sale of medical consumables and drugs	11,86,887	12,29,281
Total	6,86,15,897	6,11,26,191

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

(v) Revenue from sale of medical and healthcare services is net of rebates/ incentives/ discounts for the year ended March 31, 2021 amounting to USD 4,348,264 (March 31, 2020 - USD 5,484,906)

(vi) Transaction price allocated to the remaining performance obligations

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Contract liabilities	18,67,733	7,59,086

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

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

23 Other income
(Amount in USD)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Interest income from financial asset at amortised cost	2,48,075	64,079
Profit on sale of property, plant & equipment	6,175	-
Interest income from Fixed Deposits	9,854	-
Miscellaneous income	18,228	16,924
	2,82,332	81,003

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

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Inventory at the beginning of the year	28,21,199	38,85,258
Inventory at the end of the year	31,50,453	28,21,199
	(3,29,254)	10,64,059

25 Employee benefit expenses
(Amount in USD)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Salaries, wages and bonus	1,89,68,985	1,89,38,044
Contribution to pension and other funds	1,577	5,43,002
Expense on employee stock option scheme	-	333
Staff welfare expenses	2,29,169	7,97,899
	1,91,99,731	2,02,79,278

26 Other expenses**(Amount in USD)**

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
<i>Hospital operating expenses</i>		
Variable cost of utilities	16,18,678	19,14,123
Hospital general expenses	9,13,020	12,73,449
House keeping expenses	1,76,368	1,72,422
Patient welfare expenses	10,20,439	10,77,916
Loss on Disposal of Assets	-	22,382
Rent **	17,561	1,07,091
Medical gas charges	24,706	63,588
Repairs and maintenance	-	-
- Hospital equipments	11,78,981	11,14,348
- Buildings	1,89,488	2,84,820
- Others	7,48,658	7,53,677
	58,87,899	67,83,816
<i>Administrative expenses</i>		
Net loss arising on financial assets designated as FVTPL	1,76,346	7,393
Travelling and conveyance	30,792	70,280
Printing and stationery	1,95,632	1,93,180
Rent (A)	2,25,255	2,18,222
Advertisement and publicity	16,16,425	22,90,206
Legal and professional fees*	21,18,423	17,05,626
Landscaping expenses	1,02,347	1,02,822
Telephone and communication	2,59,223	2,15,725
Bank charges	1,37,785	1,46,297
Insurance	10,38,991	9,03,537
Rates and taxes	1,47,443	1,15,787
Cafeteria expenses	(173)	8,769
Cable charges	36,754	22,883
Books and periodicals	12,937	13,001
Provision for loss allowance	1,50,542	7,04,313
Foreign exchange loss, (net)	362	(612)
Miscellaneous expenses	935	2,041
	62,50,019	67,19,470
	1,21,37,918	1,35,03,286

* Includes Statutory Audit Fee of USD 7,000 for Current year (PY USD 7,000)

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

27 Finance costs**(Amount in USD)**

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Interest expense on financial liabilities measured at amortized cost		
- term loans from banks	12,03,206	13,48,125
- others	1,40,884	1,34,438
Interest expense on lease liabilities	1,62,465	1,94,680
	15,06,555	16,77,243

28 Depreciation and amortisation expense**(Amount in USD)**

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Depreciation of property, plant and equipment (refer note 4)	32,53,307	32,18,936
Amortisation of intangible assets (refer note 4)	26,982	42,635
Depreciation-Right of use Asset (refer note 5)	14,84,468	14,38,565
	47,64,757	47,00,136

Health City Cayman Islands Ltd
Notes to the special purpose unaudited financial statements for the year ended March 31, 2021

29 Contingent liabilities and commitments

(i) Contingent Liabilities

The Company does not have any contingent liability as on 31 March, 2021 (previous year - NIL).

(ii) Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) as at 31 March 2021 amount to USD 187,546 (31 March 2020: USD 24,876.52).

30 Segment reporting

Operating Segments

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

Geographical information

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

31 Earnings per share

Basic earnings per share

The calculation of basic earnings per share for the year ended on March 31, 2021 was based on earnings attributable to equity shareholders of USD 1,99,19,543 (previous year: USD 87,12,237) and weighted average number of equity shares outstanding 48,426 (March 31, 2020: 48,426).

Diluted earnings per share

The Company has not issued any potential dilutive equity shares.

Weighted average number of equity shares (basic)

Shares	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Opening balance	48,426	48,426
Effect of buy back of shares	-	-
Effect of fresh issue of shares for cash	-	-
Weighted average number of equity shares for the year	48,426	48,426

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

Particulars	(Amount in USD except no. of shares)	
	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Profit after tax for the year, attributable to equity shareholders	1,99,19,544	87,12,237
Weighted average number of equity shares of USD 0.01 each used for calculation of loss per share	48,426	48,426
Basic earnings per share (USD)	411.34	179.91
Diluted earnings per share (USD)	411.34	179.91

Healthcity Cayman Islands Ltd
Notes to the special purpose unaudited financial statements for the year ended March 31, 2021
32 Related party disclosures
(a) Details of related parties

Nature of relationship	Name of Related Parties
Ultimate Holding Company	Narayana Hrudayalaya Limited
Holding Company	Narayana Cayman Holdings Ltd (NCHL)
Key Managerial Personnel (KMP):	Dr. Devi Prasad Shetty Muthuraman Balasubramanian (w.e.f. April, 30 2019) Dr. Varun Shetty Viren Prasad Shetty
Key Management Personnel (KMP) of the Ultimate Holding Company	Dr. Emmanuel Rupert - Managing Director Kesavan Venugopalan- Chief Financial Officer Sridhar S- Company Secretary
Fellow Subsidiaries	Narayana Institute for Advanced Research Private Limited (NIARPL) Narayana Hrudayalaya Surgical Hospital Private Limited (NHSHP) Narayana Hospitals Private Limited (NHPL) Narayana Health Institutions Private Limited (NHIPL) Meridian Medical Research & Hospital Limited (MMRHL) Narayana Holdings Private Limited (NHDPL) (Subsidiary of NCHL) Narayana Vaishno Devi Specialty Hospitals Private Limited (NVDSPHPL) Narayana Health North America LLC NH Health Bangladesh Private Limited (Subsidiary of NHDPL)
Entity under control/ joint control of KMP/KMP of Ultimate Holding company and their relatives	Narayana Hrudayalaya Foundation Amaryllis Healthcare Private Limited
Associate of Holding Company	Cura Technologies Inc ISO Healthcare
Associate of Ultimate Holding Company	Trimedx India Private Limited

(b) Transactions with related party during the year ended March 31, 2021
(Amount in USD)

Transactions	Ultimate Holding Company	Holding Company	Enterprises under control or joint control of KMP and their relatives	Fellow Subsidiary	Total
Purchase of medical consumables and drugs and Services					
Narayana Hrudayalaya Ltd	23,66,793 (26,55,621)	- (-)	- (-)	- (-)	23,66,793 (26,55,621)
Purchase of Fixed Assets					
Narayana Hrudayalaya Ltd	13,961 (32,380)	- (-)	- (-)	- (-)	13,961 (32,380)
TOTAL	13,961 (32,380)	- (-)	- (-)	- (-)	13,961 (32,380)

Figures in brackets are for the previous year.

(b) Transactions with related party during the year ended March 31, 2021
(Amount in USD)

Transactions	Ultimate Holding Company	Holding Company	Enterprises under control or joint control of KMP and their relatives	Fellow Subsidiary	Total
Other Expenses					
Narayana Hrudayalaya Ltd	2,10,600 (1,44,000)	- (-)	- (-)	- (-)	2,10,600 (1,44,000)
TOTAL	2,10,600 (1,44,000)	- (-)	- (-)	- (-)	2,10,600 (1,44,000)

Healthcity Cayman Islands Ltd
Notes to the special purpose unaudited financial statements for the year ended March 31, 2021

Advance to Suppliers					
Payment of expenses on behalf of the Company:					
Narayana Hrudayalaya Ltd	2,24,485 (2,43,502)	- (-)	- (-)	- (-)	2,24,485 (2,43,502)
Meridian Medical Research & Hospital Limited (MMRHL)	- (-)	- (-)	- (-)	1,000 (500)	1,000 (500)
Narayana Vaishno Devi Specialty Hospitals Private Limited (NVDSHPL)	- (-)	- (-)	- (-)	- (500)	- (500)
TOTAL	2,24,485 (2,43,502)	- (-)	- (-)	1,000 (1,000)	2,25,485 (2,44,502)
Payment of expenses by the Company on behalf of:					
Narayana Cayman Holdings Ltd	- (-)	3,000 (4,537)	- (-)	- (-)	3,000 (4,537)
TOTAL	- (-)	3,000 (4,537)	- (-)	- (-)	3,000 (4,537)
Dividend Paid					
Narayana Cayman Holdings Ltd	- (-)	60,53,250 (3,00,241)	- (-)	- (-)	60,53,250 (3,00,241)

Figures in brackets are for the previous year.

Note:

- (a) No amount in respect of related parties have been written off/back or provided for during the year.
- (b) Related party relationships have been identified by the Management and relied upon by the auditors.
- (c) The terms and conditions of the transactions with related parties were no more favourable than those available, or those which might reasonably be expected to be available, in respect of similar transactions with other than related entities on an arm's length basis.

Healthcity Cayman Islands Ltd
Notes to the special purpose unaudited financial statements for the year ended March 31, 2021
32 Related party disclosures(continued)
c) The balances receivable from and payable to related parties

(C in USD)					
Balances	Ultimate Holding Company	Holding Company	Enterprises under control or joint control of KMP and their relatives	Fellow Subsidiary	Total
Trade payables					
Narayana Hrudayalaya Ltd	17,45,843 (15,94,590)	- (-)	- (-)	- (-)	17,45,843 (15,94,590)
TOTAL	17,45,843 (15,94,590)	- (-)	- (-)	- (-)	17,45,843 (15,94,590)
(C in USD)					
Balances	Subsidiaries	Holding Company	Enterprises under control or joint control of KMP and their relatives	Fellow Subsidiary	Total
Other Payables:					
Meridian Medical Research & Hospital Limited (MMRHL)	- (-)	- (-)	- (-)	1,500 (500)	1,500 (500)
Narayana Vaishno Devi Specialty Hospitals Private Limited (NVDSHPL)	- (-)	- (-)	- (-)	500 (500)	500 (500)
TOTAL	- (-)	- (-)	- (-)	2,000 (1,000)	2,000 (1,000)
(C in USD)					
Balances	Subsidiaries	Holding Company	Enterprises under control or joint control of KMP and their relatives	Fellow Subsidiary	Total
Loans and advances / other receivables:					
Narayana Cayman Holdings Ltd	- (-)	3,000 (-)	- (-)	- (-)	3,000 (-)
TOTAL	- (-)	3,000 (-)	- (-)	- (-)	3,000 (-)

33 Financial instruments: Fair value and risk managements

Fair Value

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

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

Fair value hierarchy

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

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

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

A. Accounting classification and fair values

A. Accounting classification and fair values								
	Carrying amount				Fair value hierarchy			
As at March 31, 2021	Amortised cost	FVTPL	Fair value Hedging instruments	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Trade receivables	1,14,49,393	-	-	1,14,49,393	-	-	-	-
Investment	-	1,49,66,206	-	1,49,66,206	1,49,66,206	-	-	1,49,66,206
Cash and cash equivalents	66,22,954	-	-	66,22,954	-	-	-	-
Bank Balances Other than above	20,00,000	-	-	20,00,000	-	-	-	-
	1,80,72,347	1,49,66,206	-	3,30,38,552	1,49,66,206	-	-	1,49,66,206

Financial liabilities								
Borrowings	1,94,54,688	-	-	1,94,54,688	-	-	-	-
Trade payables	56,24,029	-	-	56,24,029	-	-	-	-
Other financial liabilities	35,00,000	-	-	35,00,000	-	-	-	-
Derivative Liability	-	-	12,13,908	12,13,908	-	12,13,908	-	12,13,908
Lease Liability	45,60,306	-	-	45,60,306	-	-	-	-
	3,31,39,023	-	12,13,908	3,43,52,931	-	12,13,908	-	12,13,908

	Carrying amount				Fair value hierarchy			
As at March 31, 2020	Amortised cost	FVTPL	Fair value Hedging instruments	Total	Level 1	Level 2	Level 3	Total
<i>Financial assets</i>								
Trade receivables	89,45,367	-	-	89,45,367	-	-	-	-
Investment	-	91,70,609	-	91,70,609	91,70,609	-	-	91,70,609
Cash and cash equivalents	64,15,292	-	-	64,15,292	-	-	-	-
	1,53,60,659	91,70,609	-	2,45,31,268	91,70,609	-	-	91,70,609

Financial liabilities								
Borrowings	2,49,00,000	-	-	2,49,00,000	-	-	-	-
Trade payables	50,71,756	-	-	50,71,756	-	-	-	-
Other financial liabilities	33,00,000	-	-	33,00,000	-	-	-	-
Derivative Liability	-	-	18,87,511	18,87,511	-	18,87,511	-	18,87,511
Lease Liability	54,10,256	-	-	54,10,256	-	-	-	-
	3,86,82,012	-	18,87,511	4,05,69,523	-	18,87,511	-	18,87,511

Derivative instruments (assets and liabilities)

The Company has entered into derivative financial instruments with a counter-party (bank) with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps. The most frequently applied valuation techniques include swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, interest rate curves and forward rate curves of the underlying. As at March 31, 2021, the changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognized at fair value.

Measurement of fair values

The carrying value of all financial assets approximates the fair value

Derivatives assets and liabilities:

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

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

Designated derivative instruments	As at	
	March 31, 2021	March 31, 2020
Interest rate swaps	USD 22,954,688	USD 28,200,000

Health City Cayman Islands Ltd
Notes to the special purpose unaudited financial statements for the year ended March 31, 2021

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

	As at	
	March 31, 2021	March 31, 2020
Balance as at the beginning of the year	(18,87,511)	(5,60,507)
Effective portion of (losses) / gains on hedging instruments in cash flow hedges	6,73,603	(13,27,004)
Gain / (loss) on cash flow hedging derivatives, net	6,73,603	(13,27,004)
Balance as at the end of the year	(12,13,908)	(18,87,511)

As at March 31, 2021 and March 31, 2020, there were no significant gains or losses on derivative transactions or portions thereof that have become ineffective as hedges, or associated with an underlying exposure that did not occur.

B. Financial risk management

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

(i) Risk management framework

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

(ii) Foreign currency risk

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

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

	As at March 31, 2020	
	Caymanian Dollar (KYD)	Total
Cash and cash equivalents	9,20,836	9,20,836
Net assets	9,20,836	9,20,836

(iii) Interest rate risk

Interest rate risk primarily arises from floating rate borrowing. The Company manages its net exposure to interest rate risk relating to borrowings by entering into interest rate swap agreements, which allows it to exchange periodic payments based on a notional amount and agreed upon fixed and floating interest rates. Certain borrowings are also transacted at fixed interest rates. If interest rates were to increase by 100 bps from March 31, 2021, additional net annual interest expense on floating rate borrowing would amount to approximately Nil.

(iv) Credit risk

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

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

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trend. The maximum exposure to credit risk as at reporting date is primarily from trade receivables amounting to USD 1,711,500 (31 March 2020: USD 1,560,958). The movement in allowance for impairment in respect of trade and other receivables during the year was as follows:

	(Amount in USD)	
	As at March 31, 2021	As at March 31, 2020
Allowance for Impairment		
Opening balance	15,60,958	8,56,645
Impairment loss recognised	1,50,542	704,313
Closing balance	17,11,500	15,60,958

No single customer accounted for more than 10% of the revenue as of 31 March 2021 and 31 March 2020. There is no significant concentration of credit risk.

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

(v) Liquidity risk

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

The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. In addition, the Company maintains line of credits as stated in Note 12.

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

Particulars	(Amount in USD)				
	Less than 1 year	1 - 2 years	2-5 years	more than 5 years	Total
Lease Liabilities	18,22,338	18,89,412	8,48,556	-	45,60,306

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Borrowings (Current & Non-Current)	35,00,000	38,00,000	1,56,54,688	-	2,29,54,688
Trade payables	56,24,029				56,24,029
Total	1,09,46,367	56,89,412	1,65,03,244	-	3,31,39,023

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2020:

(Amount in USD)					
Particulars	Less than 1 year	1 - 2 years	3-5 years	more than 5 years	Total
Lease Liabilities	15,09,878	16,98,388	22,01,989	-	54,10,256
Borrowings (Current & Non-Current)	33,00,000	35,00,000	1,18,00,000	96,00,000	2,82,00,000
Trade payables	50,71,756	-	-	-	50,71,756
Total	98,81,634	51,98,388	1,40,01,989	96,00,000	3,86,82,012

(vi) Market risk

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

(vii) Sensitivity

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

Particulars	Impact on profit or loss		Impact on other components of equity	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Sensitivity				
1% increase in interest rate	(2,29,547)	(2,82,000)	(2,29,547)	(2,82,000)
1% decrease in interest rate	2,29,547	2,82,000	2,29,547	2,82,000

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

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34 Employee benefits:
Defined contribution plan

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

The amount recognized as an expense towards contribution to pension funds for the period aggregated to USD 1,577 (31 March 20: USD 543,002).

Compensated Absences

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

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Liability for Compensated absences	5,11,095	3,43,279
Total employee benefit liability	5,11,095	3,43,279

A. Total Expense Recognised in the Statement of Profit & Loss Account

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Service Cost		
a. Current Service cost	1,64,329	1,34,415
b. Past service cost	-	-
c. (Gain) / loss on settlements	-	-
d. Total service cost	1,64,329	1,34,415
Net interest cost		
a. Interest expense on DBO	11,677	8,960
b. Interest (income) on plan assets		
c. Interest expense on effect of (asset ceiling)		
d. Total net interest cost	11,677	8,960
Immediate Recognition of (Gains)/ Losses - Other	90,568	-8,447
Long Term Benefits		
Defined Benefit Cost included in P&L	2,66,574	1,34,928

B. Net Defined Benefit Asset / (Liability)

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Defined Benefit Obligation	5,11,095	3,43,279
Fair value of Plan Assets	-	-
(Surplus) / Deficit	5,11,095	3,43,279
Effect of Asset Ceiling	-	-
Net Defined Benefit Liability / (Asset)	5,11,095	3,43,279

C. Financial Assumptions

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Discount Rate	3.50%	3.50%
Salary Increase Rate	1.00%	3.00%

D. Demographic Assumptions

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Mortality Rate	IALM (2012-14) Ultimate	IALM (2006-08) Ultimate
Withdrawal Rate	1.85%	1.85%
Retirement age	65 years	65 years
In Service Encashment (%)	0.00%	0.00%

35 Lease

The Company has taken premises under cancellable operating leases, which are renewable at the option of the lessee. Total rental expense under cancellable operating leases amount to USD 17,561 (31 March 2020: USD 107,091).

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36 Capital Management

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

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

The capital structure as of 31 March 2021 and 31 March 2020 was as follows:

Particulars	(Amount in USD)	
	As at March 31, 2021	As at March 31, 2020
Total equity	6,66,78,055	5,21,38,158
As a percentage of total capital	74%	65%
Long-term borrowings including current maturities	2,29,54,688	2,82,00,000
Total borrowings	2,29,54,688	2,82,00,000
As a percentage of total capital	26%	35%
Total capital (Equity and Borrowings)	8,96,32,743	8,03,38,158

37 Dividend Paid

Particulars	As at March 31, 2021	As at March 31, 2020
No of Equity Share Outstanding	48,426.00	48,426.00
Dividend Paid per Share	125.00	6.20
Total Paid	60,53,250	3,00,241
As a percentage of total capital	9%	1%

- 38 On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and suggested guidelines for containment and mitigation worldwide. Whilst Q1 of FY2021 was severely impacted due to the pandemic, the Company's operations started to gradually increase during Q2 and Q3 of FY21 consequent to the reduction of the impact of the pandemic in Cayman Islands.

The pandemic has impacted the operations of the Company in a limited manner during the year ended March 31, 2021 and the Company continues to actively manage its business, including taking various initiatives to optimise costs and meet its financial commitments, duly considering the evolving nature of the pandemic and the estimated duration of its impact. As at March 31, 2021, the Management has used internal and external sources of information upto the date of approval of these financial statements, including availability of banking facilities for maintaining liquidity for its operations, in determining the impact of COVID-19 pandemic. The Management has used the principles of prudence in developing estimates, assumptions, exercising judgements and performing sensitivity analysis. The Company as of the reporting date does not expect any long term adverse impact of COVID-19 on its ability to recover the carrying value of assets and meeting its financial obligations.

The eventual outcome of the impact of the pandemic may be different from that estimated as on the date of approval of these special purpose financial statements and any significant impact of these changes would be recognized in the financial statements as and when these material changes to economic conditions arise.

39 Ind AS 116 Lease disclosure

Transition

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

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

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

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

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

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

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

- (i) The following is the break-up of current and non-current lease liabilities as at March 31, 2021

Particulars	As at March 31, 2021
Current lease liabilities	18,22,338
Non-current lease liabilities	27,37,968
	45,60,306

Health City Cayman Islands Ltd**Notes to the special purpose unaudited financial statements for the year ended March 31, 2021**

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

Particulars	As at 31 March 2021
Balance as at April 1, 2020	54,10,256
Additions	6,88,557
Finance cost accrued during the year	-
Deletions	1,62,465
Payment of lease liabilities	(17,00,971)
Balance as at March 31, 2021	45,60,306

Rental expense recorded for short-term leases was USD 225,255 for the year ended March 31, 2021.

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

Particulars	Less than 1 year	1 - 2 years	2-5 years	Total
Lease Liabilities	18,22,339	18,89,412	8,48,556	45,60,306
Total	18,22,339	18,89,412	8,48,556	45,60,306

40 The Company in its meeting of its shareholders held on February 9, 2021 approved the reverse merger of the Company with its Holding Company Narayana Cayman Holdings Limited (NCHL) w.e.f. April 1, 2021, wherein HCCI will be the surviving entity. Pursuant to the above, the reverse merger has also been approved by the Registrar of Companies Cayman Islands on March 2, 2021.

41 These special purpose financial statements have been prepared by the Company specifically to provide information to Narayana Cayman Holdings Ltd. and Narayana Hrudayalaya Limited for the purposes of preparation of consolidated financial statements for the year ended on 31 March 2021 and may not be suitable for other purposes.

for and on behalf of the Board of Directors of
Health City Cayman Islands Ltd

Dr. Devi Prasad Shetty
Director

Viren Prasad Shetty
Director