

INDEPENDENT AUDITOR'S REPORT

To the Members of Krishna Institute of Medical Sciences Limited

Report on the Audit of the Standalone Ind AS Financial Statements**Opinion**

We have audited the accompanying standalone Ind AS financial statements of Krishna Institute of Medical Sciences Limited ("the Company"), which comprise the Balance sheet as at 31 March 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Information Other than the Standalone Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management and those charged with governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS 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 also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS 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 standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;



S.R. BATLIBOI & ASSOCIATES LLP

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- (g) In our opinion, the managerial remuneration for the year ended 31 March 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 2.25 to the standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004


per Navneet Rai Kabra

Partner

Membership Number: 102328

UDIN: 21102328AAAADC6483

Place of Signature: Hyderabad

Date: 25 May 2021



Annexure 1 to the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of Krishna Institute of Medical Sciences Limited

Re: Krishna Institute of Medical Sciences Limited ('the Company')

- (i)
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - b) All property, plant and equipment assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - c) According to the information and explanations given by the management, the title deeds of the immovable properties, included in property, plant and equipment of the company are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. There was no inventory lying with third parties.
- (iii)
 - a) The Company has granted loans to four subsidiaries covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.
 - b) The Company has granted loans to four subsidiaries covered in the register maintained under section 189 of the Companies Act, 2013. The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/receipts are regular.
 - c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the medical and healthcare services, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.



- (vii)
- The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues applicable to it. The provisions relating to duty of customs, sales-tax, service tax and duty of excise are not applicable to the Company.
 - According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
 - According to the records of the Company, the dues of value added tax and luxury tax on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount Demanded (Rs.)	Amount paid under protest (Rs.)	Period to which the amount relates (Financial Year)	Forum where the dispute is pending
The Andhra Pradesh Tax Act, 1987	Luxury Tax*	16,140,468	7,993,480	2004-07	Hon'ble High Court of Judicature at Hyderabad for the State of Andhra Pradesh
		52,022,873	29,361,961	2007-11	Sales Tax Appellate Tribunal, Hyderabad
	Penalty on Luxury Tax*	14,101,865	2,115,280	2008-09	
AP VAT Act, 2005	Value Added Tax	1,758,116	1,098,823	November 2009 to February 2013	Appellate Deputy Commissioner, Hyderabad
CGST Act, 2017	CGST and SGST including penalty	6,593,296	-	July 2017 to August 2019	Assistant Commissioner, Ongole

*Interest will be levied as applicable.

- (viii)
- In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank. The Company does not have any loans or borrowings from government or debenture holders.



S.R. BATLIBOI & ASSOCIATES LLP

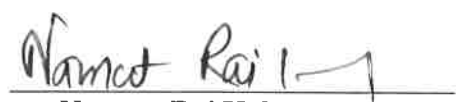
Chartered Accountants

- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Standalone Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Standalone Ind AS financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given by the management the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of allotment of equity shares against share warrants, issued in earlier years. According to the information and explanations given by the management, we report that the amount raised, are idle/surplus funds amounting to Rs 950,238,283 which were not required for immediate utilization and which have been gainfully invested in liquid investments payable on demand. The maximum amount of idle/surplus funds invested during the year was Rs 950,238,283, of which Rs 950,238,283 was outstanding at the end of the year.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Navneet Rai Kabra

Partner

Membership Number: 102328

UDIN: 21102328AAAADC6483

Place of Signature: Hyderabad

Date: 25 May 2021



Annexure 2 to The Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of Krishna Institute of Medical Sciences Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to these Standalone Ind AS Financial Statements of Krishna Institute of Medical Sciences Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these Standalone Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these Standalone Ind AS Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these Standalone Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to these Standalone Ind AS Financial Statements included obtaining an understanding of internal financial controls with reference to these Standalone Ind AS Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these Standalone Ind AS Financial Statements.



Meaning of Internal Financial Controls with Reference to these Standalone Ind AS Financial Statements

A company's internal financial controls with reference to these Standalone Ind AS Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to these Standalone Ind AS Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls with Reference to these Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to these Standalone Ind AS Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to these Standalone Ind AS Financial Statements to future periods are subject to the risk that the internal financial control with reference to these Standalone Ind AS Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these Standalone Ind AS Financial Statements and such internal financial controls with reference to these Standalone Ind AS Financial Statements were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Navneet Rai Kabra

Partner

Membership Number: 102328

UDIN: 21102328AAAADC6483

Place of Signature: Hyderabad

Date: 25 May 2021



Krishna Institute of Medical Sciences Limited

CIN: U55101TG1973PLC040558

Standalone Balance Sheet as at 31 March 2021

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	2.1 (a)	5,771.77	5,537.61
Capital work-in-progress	2.1 (a)	76.03	22.33
Intangible assets	2.1 (b)	31.36	26.89
Right-of-use assets	2.26	20.77	27.63
Financial assets			
(i) Investments	2.2	2,132.23	1,779.60
(ii) Loans	2.3 (a)	283.32	203.30
(iii) Other financial assets	2.4 (a)	15.22	0.11
Non-current tax assets (net)	2.9	40.36	207.53
Other non-current assets	2.5	93.96	77.07
Total non-current assets		8,465.02	7,882.07
Current assets			
Inventories	2.6	164.73	217.07
Financial assets			
(i) Trade receivables	2.7	730.04	991.51
(ii) Cash and cash equivalents	2.8 (a)	345.85	344.67
(iii) Bank balances other than (ii) above	2.8 (b)	2,154.33	50.13
(iv) Loans	2.3 (b)	17.92	15.24
(v) Other financial assets	2.4 (b)	212.73	46.39
Other current assets	2.10	46.65	27.36
Total current assets		3,672.25	1,692.37
Total assets		12,137.27	9,574.44
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	2.11 (a)	775.93	744.90
Other equity	2.11 (b)	8,297.30	5,496.40
Total equity		9,073.23	6,241.30
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	2.12	677.84	1,471.23
(ii) Lease liabilities	2.26	18.89	25.62
(iii) Other financial liabilities	2.13 (a)	0.09	0.09
Provisions	2.14	142.47	122.02
Other non-current liabilities	2.18 (a)	22.72	30.27
Deferred tax liabilities (net)	2.36	301.14	304.39
Total non-current liabilities		1,163.15	1,953.62
Current liabilities			
Financial liabilities			
(i) Borrowings	2.15	500.00	20.81
(ii) Lease liabilities	2.26	6.73	8.52
(iii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises; and	2.16	2.51	3.86
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2.16	849.34	775.92
(iv) Other financial liabilities	2.13 (b)	207.07	417.68
Provisions	2.17	76.49	54.19
Other current liabilities	2.18 (b)	195.34	98.54
Current tax liabilities (Net)		63.41	-
Total current liabilities		1,900.89	1,379.52
Total equity and liabilities		12,137.27	9,574.44

Significant accounting policies

1.3

The accompanying notes referred to above form an integral part of the financial statements.

As per our report attached of even date

for S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration no.: 101049W/ E300004

Namut Rai
per Navneet Rai Kabra
Partner
Membership no.: 102328



for and on behalf of the Board of Directors of
Krishna Institute of Medical Sciences Limited

Dr. B Bhaskara Rao
Managing Director
DIN: 00008985

Vikas Maheshwari
Chief Financial Officer

Dr. B Ashwinay
Chief Executive Officer
DIN: 01681273

Uma Shankar Mantha
Company Secretary
Membership no.: A21035

Place: Hyderabad
Date: 25 May 2021

Place: Hyderabad
Date: 25 May 2021

	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue			
Revenue from operations	2.19	9,326.89	7,899.70
Other income	2.20	96.15	70.90
Total Revenue		9,423.04	7,970.60
Expenses			
Purchase of medical consumables, drugs and surgical instruments		1,959.62	1,825.90
Decrease / (increase) in inventories of medical consumables, drugs and surgical instruments	2.21	52.34	(27.40)
Employee benefits expense	2.22	1,470.36	1,369.70
Finance cost	2.23	147.83	205.69
Depreciation and amortisation expense	2.1(a), 2.1(b) & 2.26	445.98	426.62
Other expenses	2.24	2,804.28	2,705.04
Total expenses		6,880.41	6,505.55
Profit before tax		2,542.63	1,465.05
Tax expense			
- Current tax	2.36	668.12	387.41
- Deferred tax credit	2.36	(1.64)	(113.49)
- Adjustments of tax relating to earlier year	2.36	(10.34)	(19.93)
Total tax expense		656.14	253.99
Profit for the year (A)		1,886.49	1,211.06
Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
- Re-measurement loss on defined benefit plans		(6.40)	(12.08)
- Income tax effect		1.61	3.04
Other comprehensive loss, net of tax (B)		(4.79)	(9.04)
Total comprehensive income for the year (A+B)		1,881.70	1,202.02
Earnings per share (face value of share Rs. 10 each)	2.29		
- Basic		25.20	16.26
- Diluted		24.77	16.13
Significant accounting policies	1.3		
The accompanying notes referred to above form an integral part of the financial statements.			

As per our report attached of even date

for S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration no.: 101049W/ E300004

Namut Rai
per Navneet Rai Kabra
Partner
Membership no.: 102328



for and on behalf of the Board of Directors of
Krishna Institute of Medical Sciences Limited

Dr. B Bhaskara Rao
Managing Director
DIN: 00008985

Vikas Maheshwari
Chief Financial Officer

Dr. B Abhinav
Chief Executive Officer
DIN: 01681273

Uma Shankar Mantha
Company Secretary
Membership no: A21035

Place: Hyderabad
Date: 25 May 2021

Place: Hyderabad
Date: 25 May 2021

	For the year ended 31 March 2021	For the year ended 31 March 2020
I. Cash flows from operating activities:		
Profit before tax	2,542.63	1,465.05
Adjustments for operating activities:		
Depreciation and amortisation expenses	445.98	426.62
Loss on sale of property, plant and equipment	11.71	4.06
Expected credit loss for trade receivables	17.55	27.63
Trade receivables written off	-	0.64
Investment written off	0.10	-
Guarantee commission income	(8.93)	(4.06)
Rental income	(1.27)	(1.46)
Interest income on fixed deposits, security deposit and loan to related parties	(56.43)	(33.08)
Liabilities no longer required written back	(0.89)	(3.16)
Interest income on income tax refund	(8.27)	(2.06)
Finance cost	147.83	205.69
Operating cash flows before working capital changes	3,090.01	2,085.87
Adjustments for:		
Decrease /(increase) in trade receivables	243.92	(19.49)
Decrease /(increase) in inventories	52.34	(27.40)
(Increase) /decrease in loans, Other financial assets and other assets	(258.81)	31.30
Increase in trade payables, other financial liabilities, provisions and other liabilities	213.23	5.65
Cash generated from operations	3,340.69	2,075.93
Income taxes paid, net of refunds	(427.20)	(470.05)
Net cash generated from operating activities (A)	2,913.49	1,605.88
II. Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(726.65)	(212.15)
Proceeds from sale of property, plant and equipment	3.20	2.64
Investment in subsidiaries	(352.73)	(913.67)
Loans given to subsidiaries	(250.00)	(209.05)
Receipt of loans given to subsidiaries	238.70	229.74
Redemption of bank deposits (having original maturity of more than three months)	28.82	146.45
Investment in bank deposits (having original maturity of more than three months)	(2,145.60)	(169.22)
Lease income received	1.27	1.46
Interest received	36.95	43.52
Net cash used in investing activities (B)	(3,166.04)	(1,080.30)
III. Cash flows from financing activities		
Repayment of long-term borrowings	(1,018.63)	(286.80)
Proceeds from long-term borrowings	-	330.00
Proceeds / (repayment) of short-term borrowings (net)	479.19	(64.58)
Payment of lease obligations	(14.27)	(28.05)
Proceeds from issue of shares	950.23	-
Interest paid	(142.79)	(194.07)
Net cash flows generated from / (used in) financing activities (C)	253.73	(243.50)
Net increase in cash and cash equivalents (A+B+C)	1.18	282.08
Cash and cash equivalents at the beginning of the year	344.67	62.59
Cash and cash equivalents at the end of the year	345.85	344.67

Note:

- a) The standalone statement of cash flows has been prepared under the "Indirect Method" as set out in the Indian accounting Standard (Ind 7)-Statement of cash flows:
b) Cash and cash equivalents comprises of:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash on hand	11.54	22.43
Balances with banks		
- On current accounts	209.31	242.24
- In deposit accounts (with original maturity of 3 months or less)	125.00	80.00
Total	345.85	344.67

The accompanying notes referred to above form an integral part of the financial statements.

As per our report attached of even date

for S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration no.: 101049W/ E300004

Navneet Rai
per Navneet Rai Kabra
Partner
Membership no.: 102328



for and on behalf of the Board of Directors of
Krishna Institute of Medical Sciences Limited

Dr. B Bhaskara Rao
Managing Director
DIN:00008985

Vikas Maheshwari
Chief Financial Officer

Dr. P. Adhinay
Chief Executive Officer
DIN: 01681273

Uma Shankar Mantha
Company Secretary
Membership no: A21035

Krishna Institute of Medical Sciences Limited
CIN: U55101TG1973PLC040558
Statement of changes in equity for the year ended 31 March 2021
(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

a) Equity share capital

Equity shares of Rs.10 each issued, subscribed and fully paid	No of shares	Amount
At 1 April 2019	74,489,552	744.90
Add: Shares issued during the year	-	-
At 31 March 2020	74,489,552	744.90
Add: Shares issued during the year	3,103,731	31.03
At 31 March 2021	77,593,283	775.93

b) Other Equity

Particulars	Other equity				Total of other equity
	Reserve and surplus			Share Warrants	
	Securities premium account	Adjustment reserve	Retained earnings		
Balance as at 01 April 2019	7,525.80	57.64	(3,292.16)	3.10	4,294.38
Profit for the year	-	-	1,211.06	-	1,211.06
Other comprehensive loss for the year	-	-	(9.04)	-	(9.04)
Balance as at 31 March 2020	7,525.80	57.64	(2,090.14)	3.10	5,496.40
Profit for the year	-	-	1,886.49	-	1,886.49
Shares issued during the year	922.30	-	-	(3.10)	919.20
Other comprehensive loss for the year	-	-	(4.79)	-	(4.79)
Balance as at 31 March 2021	8,448.10	57.64	(208.44)	-	8,297.30

The accompanying notes referred to above form an integral part of the financial statements.

As per our report attached of even date

for S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration no.: 101049W/ E300004

Navneet Rai Kabra
per Navneet Rai Kabra
Partner
Membership no.: 102328



for and on behalf of the Board of Directors of
Krishna Institute of Medical Sciences Limited

Dr. B Bhaskara Rao
Dr. B Bhaskara Rao
Managing Director
DIN: 00008985

Vikas Maheshwari
Vikas Maheshwari
Chief Financial Officer

Dr. B Abhinav
Dr. B Abhinav
Chief Executive Officer
DIN: 01681273

Uma Shankar Mantha
Uma Shankar Mantha
Company Secretary
Membership no.: A21035

Place: Hyderabad
Date: 25 May 2021

Place: Hyderabad
Date: 25 May 2021

Krishna Institute of Medical Sciences Limited

CIN: U55101TG1973PLC040558

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

1.1 Company Overview

Krishna Institute of Medical Sciences Limited ('the Company') was originally incorporated on 26 July 1973 under the name "Jagjit Singh and Sons Private Limited" which was subsequently changed to "Krishna Institute of Medical Sciences Private Limited" on 2 January 2004. The Company was converted into a public limited company under the Companies Act, 1956 on 29 January 2004 and consequently, the name was changed to "Krishna Institute of Medical Sciences Limited".

The company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at D. No. 1-8-31/1, Minister's Road, Secunderabad, Telangana, India - 500003.

The Company is primarily engaged in the business of rendering medical and healthcare services.

The standalone financial statements were authorised for issue by the Company's Board of Directors on 25 May 2021.

1.2 Basis of preparation of standalone financial statements

a) Statement of Compliances:

The Standalone financial statements of the Company as at and for the year ended 31 March 2021, have been prepared in accordance with requirements of Indian Accounting Standards ("Ind AS"), as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India and presentation requirements of Division II of Schedule III of the Act.

All amounts are in Indian Rupees millions, rounded off to two decimals, except share data, unless otherwise stated.

b) Basis of measurement:

The standalone 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 - refer accounting policy regarding financial instruments
Net defined benefit (asset)/ liability	Defined benefit plan - plan assets measured at fair value

c) Functional and presentation currency:

These standalone financial statements are presented in Indian Rupees Rs. which is also the Company's functional currency. All amounts are in Indian Rupees millions, rounded off to two decimals, except share data and per share data, unless otherwise stated.

d) Significant accounting judgement, estimates and assumptions:

The preparation of Company's standalone financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, estimates and assumptions that affect the reported balances of revenue, expenses, assets and liabilities, accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.



Krishna Institute of Medical Sciences Limited

CIN: U55101TG1973PLC040558

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

The following are the critical judgements, apart from those involving estimations that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the standalone financial statements.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Provision for expected credit losses of trade receivables and contract assets

The Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by product type, customer type and other forms of credit insurance).

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.

At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer Note 2.36 – Recognition of deferred tax assets, availability of future taxable profit against which tax losses carried forward can be used.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Refer Note 2.27 - Measurement of defined benefit obligations, key actuarial assumptions.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.



Krishna Institute of Medical Sciences Limited

CIN: U55101TG1973PLC040558

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 2.35 for further disclosures.

Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted cash flow model ("DCF model"). The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Classification of financial instruments as equity

The Company has entered into Shareholders agreement ('SHA') with private equity ("PE" or the "Investors") investors for purchase of equity shares. As per the terms of the SHA, the Company needs to provide an exit to Investor either through an Initial Public Offering ("IPO") based on best effort basis, till such time that IPO is successful or Marketed sale process based on best effort basis, which are in the control of the Company. Accordingly, the Company has classified and measured the aforesaid instruments as equity.



Krishna Institute of Medical Sciences Limited

CIN: U55101TG1973PLC040558

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

1.3 Significant accounting policies

A. Current and non-current classification

The Company presents assets and liabilities in the balance sheet based current and non-current classification.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- i. it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- ii. it is held primarily for the purpose of being traded;
- iii. it is expected to be realised within 12 months after the reporting date; or
- iv. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- i. it is expected to be settled in the company's normal operating cycle;
- ii. it is held primarily for the purpose of being traded;
- iii. it is due to be settled within 12 months after the reporting date; or
- iv. the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

B. Fair value measurement:

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.



Krishna Institute of Medical Sciences Limited

CIN: U55101TG1973PLC040558

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Chief Financial officer determines the policies and procedures for both recurring fair value measurement and for other non-recurring measurement.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be re measured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

Periodically, the Management present the valuation results to the Board of Directors/ Audit Committee and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in Note 2.35 – financial instruments.



Krishna Institute of Medical Sciences Limited

CIN: U55101TG1973PLC040558

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

C. Revenue from contract with customer

The Company's revenue from medical and healthcare services comprises of income from hospital services and sale of pharmacy items.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Income from hospital services comprises of fees charged for inpatient and outpatient hospital services. The performance obligations for this stream of revenue include accommodation, surgery, medical/clinical professional services, food and beverages, investigation and supply of pharmaceutical and related products.

Revenue is measured based on the transaction price, which is the fixed consideration adjusted for components of variable consideration which constitutes discounts, estimated disallowances and any other rights and obligations as specified in the contract with the customer. Revenue also excludes taxes collected from customers and deposited back to the respective statutory authorities. Revenue is recognised at the point in time for the outpatient hospital services when the related services are rendered at the transaction price. With respect to the inpatients hospital services who are undergoing treatment/ observation on the balance sheet date, revenue is recognised over the period to the extent of services rendered.

Revenue from sale of pharmacy and food and beverages (other than hospital services), where the performance obligation is satisfied at a point in time, is recognised when the control of goods is transferred to the customer.

Revenue from admission fees, tuition fees and other fees for academic courses are recognised on the due date for the receipt of fees and apportioned over the academic term on a time proportion basis. Fee waivers, discounts, rebates provided to students are reduced from fee received.

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Company applies the most likely amount method or the expected value method to estimate the variable consideration in the contract. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The most likely amount is used for those contracts with a single volume threshold, while the expected value method is used for those with more than one volume threshold. The Company then applies the requirements on constraining estimates in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue.

Contract balances

Contract assets 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.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (m) Financial instruments – initial recognition and subsequent measurement.

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of Financial instruments – initial recognition and subsequent measurement.



Krishna Institute of Medical Sciences Limited

CIN: U55101TG1973PLC040558

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

Other Income

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

D. 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 income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:



Krishna Institute of Medical Sciences Limited

CIN: U55101TG1973PLC040558

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.



Krishna Institute of Medical Sciences Limited

CIN: U55101TG1973PLC040558

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

E. Property, plant and equipment

Freehold land is carried at cost net of accumulated impairment, if any. All other items of property, plant and equipment are stated at cost, net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it located. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the consolidated statement of profit and loss as incurred.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

The cost of self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other cost directly attributable to bringing the item to working conditions for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date are recognised as capital advance and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work-in-progress.

The Company has elected to continue with the carrying value for all of its Property, Plant and Equipment recognised as of April 01, 2016 (date of transition to Ind AS) measured as per the previous GAAP and used that carrying value as its deemed cost as at the date of transition.

De recognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

Depreciation

Depreciation/Amortisation is provided on the straight-line method, based on the useful life of the assets as estimated by the management. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The Company has estimated the following useful lives to provide depreciation on its Property, plant and equipment which are in compliance with the Schedule II of Companies Act, 2013:

Category of Assets	Useful life (In years)
Buildings	60
Medical and surgical equipment	13-14
Plant and equipment	15
Office equipment	5
Electrical equipment	10
Computers	3-6
Furniture and fixtures	10
Vehicles	8



Krishna Institute of Medical Sciences Limited

CIN: U55101TG1973PLC040558

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

Based on the planned usage of certain specific assets and technical assessment, the management has estimated the useful lives of Property, plant and equipment which are different from the useful life prescribed in Schedule II to the Companies Act, 2013 for the following:

- Individual asset not exceeding Rs. 5,000 have been fully depreciated in the year of purchase.
- Leasehold land is in the nature of perpetual lease without any limited useful life and hence is not amortised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

F. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

De recognition

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss. when the asset is derecognised.

The Company has elected to continue with the carrying value for all of its other intangibles recognised as of April 01, 2016 (date of transition to Ind AS) measured as per the previous GAAP and used that carrying value as its deemed cost as at the date of transition.

Amortisation

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

The estimated useful lives of intangibles are as follows:

Category of Assets	Useful life (In years)
Software	6



Krishna Institute of Medical Sciences Limited

CIN: U55101TG1973PLC040558

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

G. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

H. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies of Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.



Krishna Institute of Medical Sciences Limited

CIN: U55101TG1973PLC040558

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

I. Inventories

The inventories comprising of medical consumables and pharmacy items are valued at lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. The comparison of cost and net realisable is made on an item by item basis.

J. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries in which the Company operates, or for the market in which the asset is used.



Krishna Institute of Medical Sciences Limited

CIN: U55101TG1973PLC040558

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

K. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the standalone financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

L. Retirement and other employee benefits

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.



Krishna Institute of Medical Sciences Limited

CIN: U55101TG1973PLC040558

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

Defined benefit plans

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned and returned for services in the current and prior periods; that benefit is discounted to determine its present value. The calculation of Company's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method.

The gratuity scheme is administered by third party. Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

The Company determines the net interest expense (income) on the net defined liability (assets) for the period by applying the discount rate used to measure the net defined obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes to the defined benefit liability (asset) as a result of contribution and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss. The Company recognises gains and losses in the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised in the Statement of Profit and Loss account on the earlier of amendment or curtailment.

The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Short term employee benefits

Short term employee benefits are measured on an undiscounted basis and are expensed as the relative service is provided. A liability is recognised for the amount expected to be paid e.g., under short term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of the past service provided by the employee, and the amount of obligation can be estimated reliably.

Compensated Absences

As per the leave encashment policy of the Company, the employees have to utilise their eligible leave during the financial year and lapses at the end of the financial year. Accrual towards compensated absences at the end of the financial year are based on last salary drawn and outstanding leave absence at the end of the financial year.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The company recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.



Krishna Institute of Medical Sciences Limited

CIN: U55101TG1973PLC040558

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the Balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

M. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement

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

- Financial assets at amortised cost
- • Financial assets at fair value through OCI (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)



Krishna Institute of Medical Sciences Limited

CIN: U55101TG1973PLC040558

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions:

- 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.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the profit or loss. The Company's financial assets at amortised cost includes trade receivables, and loan to an associate and loan to a director included under other non-current financial assets. For more information on receivables, refer to Note 2.35.

Financial assets at fair value through OCI (FVTOCI)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss. The Company's debt instruments are not fair value through OCI assets.

Financial assets at fair value through profit or loss

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.

Equity instruments measured at fair value through other comprehensive income (FVTOCI)

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Restated Ind AS Consolidated Statement of Profit and Loss.



Krishna Institute of Medical Sciences Limited

CIN: U55101TG1973PLC040558

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

Derecognition

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. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

The Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.



Krishna Institute of Medical Sciences Limited

CIN: U55101TG1973PLC040558

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to Statement of Profit and Loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

Financial instruments are classified as a liability or equity components based on the terms of the contract and in accordance with Ind AS 32 (Financial instruments: Presentation). Financial instrument issued by the Company classified as equity is carried at its transaction value and shown within "equity". Financial instrument issued by the Company classified as liability is initially recognised at fair value (issue price). Subsequent to initial recognition, such Financial instrument is fair valued through the statement of profit or loss. On modification of Financial instrument from liability to equity, the Financial instrument is recorded at the fair value of Financial instrument classified as equity and the difference in fair value is recorded as a gain/ loss on modification in the Statement of Profit and Loss.



Krishna Institute of Medical Sciences Limited

CIN: U55101TG1973PLC040558

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

N. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

O. Earnings per share

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

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.



Krishna Institute of Medical Sciences Limited

CIN: U55101TG1973PLC040558

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

P. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of Directors is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

Q. Corporate social responsibility

The Company charges its Corporate Social Responsibility expenditure to the statement of profit and loss.

R. Events after reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the standalone financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

1.4 Standards notified but not yet effective

The new and amended standards that are notified, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards if applicable, when they become effective.

Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments to Ind AS 1 Presentation of Financial Statements and Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors align the definition of 'material' across the standards and clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements.

A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

These amendments are applicable prospectively for annual periods beginning on or after the 1 April 2020. The amendments to the definition of material are not expected to have a significant impact on the Company's standalone financial statements.



Krishna Institute of Medical Sciences Limited

CIN: U55101TG1973PLC040558

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

2.1 (a) Property, plant and equipment and capital work in progress

Particulars	Freehold land	Leasehold land (refer note 1 below)	Buildings	Medical and surgical equipment	Plant and equipment	Office equipment	Electrical equipment	Computers	Furniture and fixtures	Vehicles	Total of property, plant and equipment	Capital work- in - progress
Gross Carrying amount												
Balance as at 1 April 2019	83.42	151.82	3,470.34	2,293.65	124.46	31.81	304.88	56.29	211.90	29.45	6,758.02	3.32
Additions	79.82	-	52.43	112.12	3.44	15.23	8.36	23.98	12.65	12.92	320.95	57.50
Reclassification on adoption of Ind AS 116	-	-	-	(38.75)	-	-	-	-	-	-	(38.75)	-
Disposals	-	-	-	(7.05)	-	-	(0.04)	-	-	(0.90)	(7.98)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	37.49
Balance as at 31 March 2020	163.24	151.82	3,522.77	2,359.97	127.90	47.04	313.20	80.27	224.55	41.47	7,032.24	22.33
Balance as at 1 April 2020	163.24	151.82	3,522.77	2,359.97	127.90	47.04	313.20	80.27	224.55	41.47	7,032.24	22.33
Additions	326.65	-	42.18	244.22	1.97	3.80	16.04	30.81	15.08	-	679.75	99.72
Disposals	-	-	-	(43.96)	-	(0.02)	-	(0.05)	-	(0.38)	(44.41)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	46.02
Balance as at 31 March 2021	489.89	151.82	3,564.95	2,560.23	129.87	49.82	329.24	111.03	239.63	41.09	7,667.58	76.03
Accumulated depreciation												
Balance as at 1 April 2019	-	-	167.04	643.48	30.88	23.00	129.02	35.65	78.08	10.86	1,118.01	-
Depreciation charge for the year	-	-	62.48	236.79	10.45	5.22	43.04	15.63	26.99	4.84	405.44	-
Reclassification on adoption of Ind AS 116	-	-	-	(25.65)	-	-	-	-	-	-	(25.65)	-
Disposals	-	-	-	(2.55)	-	-	(0.01)	-	-	(0.62)	(3.18)	-
Balance as at 31 March 2020	-	-	229.52	852.07	41.33	28.22	172.05	51.28	105.07	15.08	1,494.62	-
Balance as at 1 April 2020	-	-	229.52	852.07	41.33	28.22	172.05	51.28	105.07	15.08	1,494.62	-
Depreciation charge for the year	-	-	62.69	259.28	10.12	6.43	43.39	16.76	26.89	5.13	430.69	-
Disposals	-	-	-	(29.10)	-	(0.01)	-	(0.05)	-	(0.38)	(29.54)	-
Balance as at 31 March 2021	-	-	292.21	1,082.25	51.45	34.64	215.44	67.99	131.96	19.83	1,895.81	-
Net book value												
At 31 March 2020	163.24	151.82	3,293.25	1,507.91	86.56	18.82	141.15	28.99	119.48	26.39	5,537.61	22.33
At 31 March 2021	489.89	151.82	3,272.74	1,477.94	78.42	15.18	113.80	43.04	107.67	21.26	5,771.77	76.03

Notes:

1 Lease hold land that is remaining in PPE schedule is related to land taken on perpetual lease.

2 Buildings amounting to gross block Rs. 75.06 (31 March 2020: Rs. 75.06) and net block Rs. 56.05 (31 March 2020: Rs. 56.88) are constructed on the land taken on lease from promoters for a period of 30 years without making any upfront payment and renewable at the option of the Company.

3 Refer note 2.12 and 2.15 for details of assets pledged as security.



Krishna Institute of Medical Sciences Limited

CIN: U55101TG1973PLC040558

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

2.1 (b) Intangible assets

Particulars	Software	Total of Intangible assets
Gross Carrying amount		
Balance as at 1 April 2019	41.40	41.40
Additions	9.38	9.38
Disposals/adjustment	(1.77)	(1.77)
Balance as at 31 March 2020	49.01	49.01
Balance as at 1 April 2020	49.01	49.01
Additions	12.90	12.90
Balance as at 31 March 2021	61.91	61.91
Accumulated amortisation		
Balance as at 1 April 2019	13.46	13.46
Amortisation charge for the year	8.77	8.77
Disposals/adjustment	(0.12)	(0.12)
Balance as at 31 March 2020	22.12	22.12
Balance as at 1 April 2020	22.12	22.12
Amortisation charge for the year	8.43	8.43
Balance as at 31 March 2021	30.55	30.55
Net book value		
At 31 March 2020	26.89	26.89
At 31 March 2021	31.36	31.36



Krishna Institute of Medical Sciences Limited

CIN: U55101TG1973PLC040558

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

2.2 Non current investments

(Unquoted, trade investment)

Investment in subsidiaries - valued at cost

a) Equity shares

	As at 31 March 2021	As at 31 March 2020
1,172,281 (31 March 2020: 1,172,281) equity shares of Rs. 10 each fully paid up held in Arunodaya Hospitals Private Limited	63.34	63.34
16,184,480 (31 March 2020: 16,184,480) equity shares of Rs. 10 each fully paid up held in KIMS Hospitals Private Limited	161.84	161.84
10,000 (31 March 2020: 10,000) equity shares of Rs. 10 each fully paid up held in KIMS Swastha Private Limited	0.10	0.10
Nil (31 March 2020: 10,000) equity shares of Rs. 10 each fully paid up held in KIMS Cuddles Private Limited*	-	0.10
10,000 (31 March 2020: 10,000) equity shares of Rs. 10 each fully paid up held in KIMS Hospital (Bhubaneswar) Private Limited	0.10	0.10
21,185,907 (31 March 2020: 18,472,589) equity shares of Rs. 10 each fully paid up held in KIMS Hospital Enterprises Private Limited	1,310.31	957.58
5,100 (31 March 2020: 5,100) equity shares of Rs. 10 each fully paid up held in Iconkrishi Institute of Medical Sciences Limited	73.63	73.63
8,000 (31 March 2020: 8,000) equity shares of Rs. 10 each fully paid up held in Saveera Institute of Medical Sciences Private Limited	18.79	18.79
3,300,000 (31 March 2020: 3,300,000) equity shares of Rs. 10 each fully paid up held in KIMS Hospital Kurnool Private Limited	94.22	94.22

b) Preference shares

30,990,000 (31 March 2020: 30,990,000) 0.001% optionally convertible redeemable preference shares of Rs. 10 each fully paid up held in Saveera Institute of Medical Sciences Private Limited	309.90	309.90
10,000,000 (31 March 2020: 10,000,000) 12% cumulative optionally convertible redeemable preference shares of Rs. 10 each fully paid up held in Iconkrishi Institute of Medical Sciences Private Limited	100.00	100.00

Total

2,132.23 1,779.60

Aggregate amount of unquoted investments

2,132.23 1,779.60

Aggregate provision for impairment in value of investments

*KIMS Cuddles Private Limited has filed necessary closure forms for strike off with Registrar of Companies (RoC) on February 9, 2021. Hence, Company has written off the Investment.

2.3 Loans (at amortised cost)

(Unsecured, considered good)

(a) Non-current

-To parties other than related parties

Security deposits	92.72	24.00
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-To related parties (refer note 2.28)

Loans to related parties	190.60	179.30
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Total

283.32 203.30

(b) Current

-To parties other than related parties

Security deposits	11.52	8.84
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-To related parties (refer note 2.28)

Loans to related parties	6.40	6.40
--------------------------	------	------

17.92 15.24



	As at 31 March 2021	As at 31 March 2020
2.4 Other financial assets (at amortised cost) (Unsecured, considered good)		
(a) Non-current		
Deposits with remaining maturity more than 12 months*	12.68	0.10
Interest accrued on bank deposits	2.54	0.01
Total	15.22	0.11

* Includes Rs. 2.00 (31 March 2020: 0.10) deposits placed which are restrictive in nature as it pertains to bank guarantee. These guarantees are maturing after 12 months of the reporting date.

(b) Current		
-To parties other than related parties		
Contract assets (Unbilled revenue) (refer note 2.37)	95.68	32.80
Interest accrued on bank deposits	21.07	3.06
IPO expenses recoverable (refer note (i) and (ii) below)	78.23	-
-To related parties (refer note 2.28)		
Interest accrued on loans	17.75	10.53
Total	212.73	46.39

(i) During the year ended 31 March 2021, the Company has incurred share issue expenses in connection with proposed public offer of equity shares of which Rs. 78.23 is accounted for various services received for Initial Public Offering (IPO). As per the Offer Agreement entered between the Company and the selling shareholders, the selling shareholders shall reimburse the share issue expenses in proportion to the respective shares offered for sale. Accordingly, the Company will recover the expenses incurred in connection with the Issue on completion of IPO and therefore, the amount has been carried forward and disclosed under the head "IPO expenses recoverable" (to the extent of not written off or adjusted).

(ii) Includes Auditor's remuneration in relation to proposed IPO Fee

19.00	-
19.00	-

2.5 Other non-current assets (Unsecured, considered good)		
Capital advances	25.12	35.24
Balance with government authorities	40.57	40.57
Prepaid expenses	28.27	1.26
Total	93.96	77.07

2.6 Inventories (Valued at lower of cost or net realisable value)		
Medical consumables, drug and surgical instruments	164.73	217.07
Total	164.73	217.07

2.7 Trade receivables (amortised cost) (Unsecured)		
Trade receivables-Consider good	730.04	991.51
Trade receivables-Credit impaired	343.22	325.67
Total receivables	1,073.26	1,317.18
Impairment allowance (allowance for bad and doubtful debts)		
Less: Trade receivable - credit impaired	(343.22)	(325.67)
Net trade receivables	730.04	991.51

* Includes amount receivables from related party amounting to Rs. 15.24 (31 March 2020: Rs. 6.12). (Refer note 2.28).

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and generally on terms of 30 to 90 days.



2.8 Cash and bank balances

a) Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
Cash on hand	11.54	22.43
Balances with banks		
- in current accounts	209.31	242.24
- In deposit accounts (with original maturity of 3 months or less)	125.00	80.00
	345.85	344.67

b) Bank balances other than (a) above

Deposits with remaining maturity less than 12 months*	2,154.33	50.13
	2,154.33	50.13

Total

	2,500.18	394.80
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Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

* Includes Rs. 1.30 (31 March 2020: 29.05) deposits placed which are restrictive in nature as it pertains to bank guarantee. These guarantees are maturing within 12 months of the reporting date.

c) For the purpose of the statement of cash flows, cash and cash equivalent comprise the following:

Particulars	1 April 2020	Cash flows	Others	31 March 2021
Current borrowings	20.81	479.19	-	500.00
Current and Non-current lease liabilities	34.15	(14.27)	5.75	25.62
Non-current borrowings (including current maturities)	1,806.34	(1,018.63)	-	787.71
Total liabilities from financing activities	1,861.30	(553.71)	5.75	1,313.33

Particulars	1 April 2019	Cash flows	Others	31 March 2020
Current borrowings	85.39	(64.58)	-	20.81
Current and Non-current lease liabilities	24.38	(28.05)	37.82	34.15
Non-current borrowings (including current maturities)	1,762.09	43.20	1.05	1,806.34
Total liabilities from financing activities	1,871.86	(49.43)	38.87	1,861.30

Others in non-current borrowings includes effect of amortization cost. Others in lease liabilities is towards addition of lease liability and interest accrued thereon on adoption of Ind AS 116.

2.9 Non-current tax assets (net)

Advance tax (net of provision for taxation)	40.36	207.53
	40.36	207.53

2.10 Other current assets

(Unsecured, considered good)

Advance to suppliers	22.00	10.12
Prepaid expenses	17.03	4.50
Staff advances	7.62	7.74
Other advances	-	5.00
Total	46.65	27.36



2.11 (a) Equity share capital

Authorised
Equity shares

95,000,000 (31 March 2020: 95,000,000) equity shares of Rs. 10 each

	As at 31 March 2021	As at 31 March 2020
	950.00	950.00
	950.00	950.00

Issued, subscribed and paid-up

77,593,283 (31 March 2020: 74,489,552) equity shares of Rs. 10 each fully paid-up

	775.93	744.90
	775.93	744.90

(i) Reconciliation of number of equity shares of Rs. 10 each, fully paid up outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
At the commencement of the year	74,489,552	744.90	74,489,552	744.90
Add: Shares issued during the year	3,103,731	31.03	-	-
Shares outstanding at the end of the year	77,593,283	775.93	74,489,552	744.90
	775.93			

(ii) Rights, preferences and restrictions attached to equity shares of Rs. 10 each, fully paid up:

The Company has only one class of equity shares having par value of Rs. 10/- each. Each equity share holder is entitled to one vote per equity share held. 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 the shareholders.

During the year ended 31 March 2019, the Company has entered into a securities subscription and purchase agreement along with General Atlantic Singapore KH Pte Ltd ("new investor"), India Advantage Fund S31 ("old investor") and other existing shareholders through which new investor have purchased few shares from the existing shareholders and entire shares from the old investor. As per the terms of the SHA, the Company needs to provide an exit to new investor either through an Initial Public Offering ("IPO") based on best effort basis, till such time that IPO is successful or Marketed sale process based on best effort basis, which are in the control of the Company. Accordingly, the Company has classified and measured the aforesaid instruments as equity.

(iii) Particulars of shareholders holding more than 5% equity shares of Rs. 10 each, fully paid up

Name of shareholder	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% of holding	Number of shares	% of holding
Dr. B Bhaskara Rao	21,407,895	27.59%	18,304,164	24.57%
General Atlantic Singapore KH Pte Ltd	31,739,906	40.91%	31,739,906	42.61%
Bollineni Ramanaiah Memorial Hospitals Private Limited	5,228,628	6.74%	5,228,628	7.02%
B. Seenaiah	4,582,517	5.91%	4,582,517	6.15%

(iv) Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of 5 years immediately preceding the reporting date

Particulars	31 March 2021	31 March 2020	31 March 2019	31 March 2018	31 March 2017	31-Mar-16
Equity shares of Rs. 10 each, fully paid up allotted as bonus shares by capitalisation of securities premium	-	-	-	-	-	61,603,374

(v) The Company has not bought back any shares during the period of five years immediately preceding the balance sheet dates.



2.11 (b) Other equity

(i) Securities premium (refer below note 1)

Balance as per last financial statements
Add: Shares issued during the year
Closing balance

As at 31 March 2021	As at 31 March 2020
7,525.80	7,525.80
922.30	-
8,448.10	7,525.80

(ii) Adjustment reserve (refer below note 2)

Balance as per last financial statements
Movement during the year
Closing balance

57.64	57.64
-	-
57.64	57.64

(iii) Share warrants (refer below note 3)

Balance as per last financial statements
Less: Shares issued during the year
Closing balance

3.10	3.10
(3.10)	-
-	3.10

(iv) Retained earnings (refer below note 4)

Balance as per last financial statements
Add: Profit for the year
Closing balance

(2,090.14)	(3,292.16)
1,881.70	1,202.02
(208.44)	(2,090.14)
8,297.30	5,496.40

Note:**1. Securities premium**

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

2. Adjustment reserve

During the year ended 31 March 2014, pursuant to the Scheme of Arrangement approved by Honourable High Court of Andhra Pradesh, the Company has allotted 306,069 Equity Shares of Rs. 10 each to the Share holders of the Bollineni Heart Centre Limited ("transferor Company") against 4,455,000 equity shares of Rs. 10 each outstanding in the transferor Company in the ratio of 9 equity shares of Rs. 10 each for every 131 equity shares of Rs. 10 each of the Transferor Company. The difference of Rs. 41.49 on account of the above share swap has been added to the Adjustment Reserve of the Company as per the Scheme.

During the year ended 31 March 2014, pursuant to the Scheme of Arrangement approved by the High Court, the Company allotted 969,231 equity shares of Rs. 10 each to the shareholders of the Bollineni Ramanaiah Memorial Hospitals Private Limited ("Demerged Company") against 2,100,000 equity shares of Rs. 10 each outstanding in the Demerged Company in the ratio of 6 equity shares of Rs. 10 each for every 13 equity shares of Rs. 10 each of the Demerged Company. The difference between the consideration payable and the value of net assets taken over as per the Scheme amounting to Rs. 16.15 has been added to the Adjustment Reserve of the Company as per the Scheme.

3. Issue of share warrants

During the year ended 31 March 2019, the Company has entered into a securities subscription and purchase agreement (SSPA) along with General Atlantic Singapore KH Pte Ltd ("new investor"), India Advantage Fund S31 ("old investor") and other existing shareholders. In accordance with the aforesaid SSPA, the Company has issued 3,103,731 number of share warrants to Dr B Bhaskara Rao. Each of these share warrants are convertible into 1 equity share of Rs. 10 each at a future date prior to filing of Draft Red Hearing Prospectus with Securities Exchange Board of India as per the terms of SSPA. During the year ended 31 March 2019, the Company received Rs. 1 each against these share warrants issued aggregating to Rs. 3.10. The share warrants were converted to 3,103,731 equity shares on 16 February 2021 at the rate of Rs 307.16 (including securities premium of Rs 297.16) (Refer note 2.11(a) & 2.11(b)(iii).

4. Retained earnings

Retained earnings are the profits/losses (net of appropriations) of the company earned till date, including items of other comprehensive income.



2.12 Long-term borrowings (at amortised cost)

	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current*	Non-current	Current*
Secured				
Term loans from banks				
- HDFC Bank equipment loan - 1 (refer note i)	-	-	63.21	15.85
- HDFC Bank equipment loan - 2 (refer note ii)	-	-	105.91	9.37
- Federal bank term loan (refer note iii)	143.15	65.83	625.16	167.74
Total loans from banks (A)	143.15	65.83	794.28	192.96
Term loans from other parties				
- NIIF Infrastructure Finance Limited (refer note iv)	534.69	44.04	676.95	142.15
Total loans from other parties (B)	534.69	44.04	676.95	142.15
Total (A) + (B)	677.84	109.87	1,471.23	335.11

Notes:

*Refer current maturities of long term borrowings under note 2.13 (b)

- i - Term loan - 1 from HDFC bank was taken by the Company towards purchase of equipment is secured by way of first and exclusive charge on the medical equipment out of sanctioned facility, carrying an interest rate ranging from 9.5% p.a. fixed (31 March 2020: 9.5% p.a. fixed).
- This loan is repayable in 84 unequal monthly instalments starting from July 2017 to June 2024.
- The loan was pre closed during the year ended 31 March 2021.
- ii - Term loan - 2 from HDFC bank was taken by the Company towards purchase of equipment is secured by way of first and exclusive charge on the medical equipment out of sanctioned facility, carrying an interest rate of 1Y MCLR + 0.65% (31 March 2020: 1Y MCLR + 0.65%). Also secured by personal guarantee of Dr B Bhaskara rao.
- This loan is repayable in 84 unequal monthly instalments starting from January 2019 to December 2024.
- The loan was pre closed during the year ended 31 March 2021.
- iii - Federal Bank term loan was taken by the Company and consists of 1 loan (31 March 2020: 3 loans). The first two loans were secured by exclusive charge on existing hospital at Rajahmundry and personal guarantee of Dr. B. Bhaskara Rao. The third loan is secured by Pari Passu first charge on Property, Plant and Equipment of the Company (excluding Rajahmundry hospital) and personal guarantee of Dr. B. Bhaskara Rao and Dr. B. Abhinay. Also the loans are secured by pledge of minimum 29% shareholding of the KIMS Hospital Private Limited, a subsidiary of the Company.
- The loans are repayable in 60 to 66 equal monthly instalments starting from May 2019 to April 2025 and carries an interest rate ranging from 8.85% to 9.50% p.a. (31 March 2020: 9.50% to 9.80% p.a.).
- 2 loans were prepaid during the year ended 31 March 2021.
- iv - Term loan from NIIF Infrastructure Finance Limited (formerly known as IDFC Infrastructure Finance Limited) is taken by the Company and is secured by a first pari-passu mortgage and charge of immovable properties of the Secunderabad hospital and Nellore hospital building of the Company.
- Also secured by a first pari-passu charge by way of hypothecation of Secunderabad hospital and Nellore Hospital movable properties including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable properties of whatsoever nature excluding the equipment which are purchased by Company out of medical equipment loans and a second pari-passu mortgage and charge of immovable properties of the Ongole hospital.
- Also includes a second pari-passu charge by way of hypothecation of Ongole hospital movable properties including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable properties of whatsoever nature excluding the equipment which are purchased by Company out of medical equipment loans; a second charge on the entire cash flows, receivables, book debts and revenues of the Company, of whatsoever nature and wherever arising; subject to the prior charge of the working capital lenders.
- Also secured by personal guarantee of Dr. Bhaskara Rao. The loan is repayable in 72 equal monthly instalments and carries an interest rate of 9.10% p.a. (31 March 2020: 9.10% p.a.).
- viii - Aggregate amount of secured loans (including current maturities of long term borrowings) guaranteed by few Directors is Rs.787.71 (31 March 2020: Rs. 1,727.29)



2.13 Other financial liabilities (at amortised cost)

(a) Non-current

Security deposits

Total

As at 31 March 2021	As at 31 March 2020
0.09	0.09
0.09	0.09

(b) Current

Current maturity of long term borrowings (refer note 2.12)

Capital creditors

Employee related liabilities*

Interest accrued but not due on borrowings

Security and caution deposit

Total

109.87	335.11
23.04	13.45
67.53	61.61
0.28	0.99
6.35	6.52
207.07	417.68

*Includes payables to related parties. For details refer note 2.28.

2.14 Long-term provisions

Provision for employee benefits

Gratuity (refer note 2.27)

Total

142.47	122.02
142.47	122.02

2.15 Short-term borrowings (at amortised cost)

Secured

Working capital loans from banks (refer note i)

Unsecured

Working capital loans from banks (refer note i)

Total

-	20.81
500.00	-
500.00	20.81

Notes

- Federal bank - Loan taken by the Company is secured by primary exclusive charge on current assets of Rajahmundry hospital, both current and future and collateral security by exclusive charge on existing hospital at Rajahmundry. Also secured by personal guarantee of Dr. B. Bhaskara Rao.
- Loan is repayable on demand and carries interest rate of 9.35% p.a. (31 March 2020: 9.35%).
- Outstanding amount as on 31 March 2021 is Rs. Nil (31 March 2020: 20.81).
- Loan from Standard Chartered Bank taken by the company is secured by personal guarantee given by Dr. B Bhaskar Rao. The loan carries an interest rate of 4.90% per annum (31 March 2020: Nil). Outstanding amount as on 31 March 2021 is Rs.500.00 (31 March 2020: Rs. Nil).
- Amount of secured loans guaranteed by directors is Rs. 500.00 (31 March 2020: Rs. 20.81).

2.16 Trade payables (at amortised cost)

Trade payables

- total outstanding dues of micro enterprises and small enterprises (Refer note 2.31)

- total outstanding dues of creditors other than micro enterprises and small enterprises

Total

2.51	3.86
849.34	775.92
851.85	779.79

The above includes payable to related party. For details refer note 2.28

Trade payables are non-interest bearing and are normally settled on 30-90 day terms.

2.17 Short term provisions

Provision for employee benefits

Gratuity (refer note 2.27)

Compensated absences

Total

12.44	2.02
64.05	52.17
76.49	54.19

2.18 Other liabilities

(a) Non-current

Financial guarantee liability

Total

22.72	30.27
22.72	30.27

(b) Current

Statutory dues payable

Contract liabilities (refer note 2.37)

Financial guarantee liability

Other liabilities

Total

50.72	43.73
123.69	18.90
3.86	5.23
17.07	30.68
195.34	98.54



Krishna Institute of Medical Sciences Limited

CIN: U55101TG1973PLC040558

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

2.19 Revenue from operations

A Revenue from contract with customers

Income from medical and healthcare services (Refer note 2.37)

Income from hospital services

Income from pharmacy

Total

B Other operating income

Income from academic courses

Income from sale of food and beverages

Other hospital income

Total

Total revenue from operations (A+B)

2.20 Other income

Interest income on:

- fixed deposits

- income tax refunds

- security deposit

- loans to related parties

Rental income (Refer Note:2.26)

Liabilities no longer required written back

Guarantee commission income

Miscellaneous income

Total

For the year ended 31 March 2021	For the year ended 31 March 2020
-------------------------------------	-------------------------------------

6,175.20	5,049.75
----------	----------

2,977.66	2,666.59
----------	----------

9,152.86	7,716.34
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62.10	61.57
-------	-------

103.74	112.98
--------	--------

8.19	8.81
------	------

174.03	183.36
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9,326.89	7,899.70
-----------------	-----------------

28.03	4.72
-------	------

8.27	2.06
------	------

1.43	-
------	---

26.97	28.36
-------	-------

1.27	1.46
------	------

0.89	3.16
------	------

8.93	4.06
------	------

20.36	27.08
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96.15	70.90
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Krishna Institute of Medical Sciences Limited

CIN: U55101TG1973PLC040558

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
2.21 Decrease / (increase) in inventories of medical consumables, drugs and surgical instruments		
Opening stock	217.07	189.67
Less: Closing stock	164.73	217.07
Total	52.34	(27.40)
2.22 Employee benefit expense		
Salaries, wages and bonus	1,364.54	1,269.97
Contribution to provident and other funds (refer note no 2.27)	90.80	85.77
Staff welfare expenses	15.02	13.96
Total	1,470.36	1,369.70
2.23 Finance cost		
Interest from banks		
- term loans	117.31	177.27
- other loans	0.18	16.50
Interest expense on lease liabilities (refer note no 2.26)	5.75	10.87
Others	24.59	1.05
Total	147.83	205.69
2.24 Other expenses		
Consultancy charges	1,610.94	1,548.74
House keeping expenses	240.32	235.55
Power and fuel	144.82	146.28
Catering and patient welfare expenses	102.30	104.88
Rent (refer note 2.26)	41.52	24.78
Tests and investigations	13.29	10.48
Academic courses expenses	0.70	1.03
Repairs and maintenance:		
- Medical equipment	179.90	141.96
- Hospital building and others	139.07	97.91
Printing and stationery	22.84	28.25
Audit fee (refer note A below)	3.18	5.18
Legal and professional charges	37.86	53.07
Rates and taxes	35.15	56.75
Travelling and conveyance	15.88	22.20
Advertisement and publicity	47.44	55.54
Communication expenses	9.57	9.78
Trade receivable written off	-	0.64
Expected credit loss for trade receivables	17.55	27.63
Insurance	6.28	5.93
Subscriptions and membership fees	4.67	5.26
Investment written off (refer note no 2.2)	0.10	-
Donations (refer note B below)	30.79	51.17
Contributions towards Corporate Social Responsibility (refer note 2.33)	22.44	15.14
Loss on sale of property, plant and equipment (net)	11.71	4.06
Bank charges	35.47	31.89
Directors sitting fee	0.64	1.23
Commission to Directors	1.93	-
Miscellaneous expenses	27.92	19.70
Total	2,804.28	2,705.04

Note A: Payment to auditors (excluding applicable taxes)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Statutory audit fee	3.00	3.00
Fee paid to erstwhile auditor in the capacity of Statutory auditor*	-	2.00
Out of pocket expenses	0.18	0.18

* Paid to erstwhile statutory auditors

Note B: Donations

Donations includes subscription to electoral bonds of Rs. Nil (31 March 2020: Rs. 50).



2.25 Contingent liabilities and commitments

(a) Contingent liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
i) Guarantee issued by the Company on behalf of related entities (Value of loan availed outstanding as at year end against aforesaid guarantee is Rs. 1,076.85 (31 March 2020: Rs. 1,348.95))	1,280.00	1,680.00
ii) Luxury tax matters in dispute	82.27	82.27
iii) Good and Service tax matters in dispute	6.59	-
iv) VAT matters in dispute	1.76	1.76
v) Medical claims (gross, excluding interest/costs)	119.08	94.98
vi) Other claims	23.76	23.76
vii) The Company has obtained a stay from High Court for the state of Andhra Pradesh, dated 11 November 2014, directing the local authorities not to proceed with the acquisition of part of the building in Nellore for the purpose of road widening. No provision thereof has been made in the Standalone financial statements.		
viii) An individual has filed a consumer case at National Consumer Disputes Redressal Commission against the Company along with 3 other hospitals demanding a total compensation of Rs. 235.01 (31 March 2020: Rs. 235.01) along with a further interest @ 18% p.a towards medical negligence. Based on the legal opinion obtained by the company and the internal evaluation by the management, the Company believes that it has strong case in this regard and there shall not be any outflow of resources. No provision thereof has been made in the Standalone financial statement.		
ix) On 28 February 2019, the Supreme Court of India issued a judgement which provided further guidance for companies in determining which components of their employee's compensation are subject to statutory withholding obligations, and matching employer contribution obligations, for Provident Fund contributions under Indian law. There are interpretative issues relating to the retrospective applicability of the judgement. However, from the date of order, the Company has complied with the aforesaid Supreme court's judgement. The Company will evaluate the same and update its position for earlier years, if any on receiving further clarity on the subject.		

Notes:

i. Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of the cash flow, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

ii. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable in its standalone financial statements. The Company does not expect the outcome of these proceeding to have a materially adverse effect on its financial position.

(b) Commitments

Particulars	As at 31 March 2021	As at 31 March 2020
I) Capital commitment		
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	129.06	11.18
II) Other commitments		
i) During the earlier years, the Company had acquired 80% shareholding in Saveera Institute of Medical Sciences Private Limited ('Saveera'). As per the shareholder's agreement, the Company agreed to transfer 3.5% of the equity shares of Saveera to the minority shareholders of Saveera subject to fulfilment of certain conditions.		



2.26 Lease

Operating and Finance leases in the capacity of lessee

The Company has lease contracts for buildings and medical equipment used in its operations. Leases of building, plant and machinery generally have lease terms between 3 and 10 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

Leases of buildings and machinery with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Particulars	Building	Medical equipment	Total
As at 31 March 2019	-	-	-
Reclassification on adoption of Ind AS 116	-	13.10	13.10
Addition on adoption of Ind AS 116 (net)	26.95	-	26.95
Amortization expense	3.79	8.62	12.41
As at 31 March 2020	23.15	4.48	27.63
Amortization expense	4.66	2.20	6.86
As at 31 March 2021	18.49	2.28	20.77

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	As at 31 March 2021	As at 31 March 2020
Opening balance	34.15	-
Reclassification on adoption of Ind AS 116	-	24.38
Additions	-	26.95
Accretion of interest	5.75	10.87
Payments	(14.27)	(28.05)
As at 31 March	25.62	34.15
Current	6.73	8.52
Non-current	18.89	25.62

The effective interest rate for lease liabilities is 9.75% (31 March 2021: 9.75%), with maturity between 2022-2029.

The following are the amounts recognised in the statement of profit or loss:

	As at 31 March 2021	As at 31 March 2020
Amortization expense of right-of-use assets	6.86	12.41
Interest expense on lease liabilities	5.75	10.87
Expense relating to short-term leases and low-value assets (included in other expenses)	41.52	24.78
Total amount recognised in profit or loss	54.13	48.06

The Company had total cash outflows for leases of Rs. 55.79 in 31 March 2021 (31 March 2020: Rs. 52.83).

The table below provides details regarding the undiscounted contractual maturities of lease liabilities:

	As at 31 March 2021	As at 31 March 2020
Within less than one year	11.24	14.27
Between one and five years	16.62	24.50
After more than five years	11.14	14.50
Total	39.00	53.27



2.27 Employee benefits**(i) Defined benefit plan**

The Company operates post-employment defined benefit plan that provides for gratuity. The Company accrues gratuity as per the provisions of the payment of Gratuity Act, 1972 as applicable as at the balance sheet date. The gratuity plan entitles an employee, who has rendered at least five years of continuous services, to receive one-half month's salary for each year of completed services at the time of retirement/exit. The gratuity fund is administered by trust formed for this purpose and is managed by Life Insurance Corporation of India. The Company's obligation in respect of gratuity plan, which is a defined benefit plan is provided for based on actuarial valuation carried out by an independent actuary using the projected unit credit method.

A Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's standalone financial statements as at the balance sheet date:

Particulars	As at	As at
	31 March 2021	31 March 2020
Defined benefit obligations	171.32	148.08
Fair value of plan assets	16.42	24.05
Net defined benefit obligations	154.90	124.03
Total employee benefit liability	154.90	124.03
Non-current	142.47	122.02
Current	12.44	2.02

B Reconciliation of net defined benefit obligation

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit obligation, plan assets and its components.

i) Reconciliation of present value of defined benefit obligation

Particulars	As at	As at
	31 March 2021	31 March 2020
Defined benefit obligation as at beginning of the year	148.08	111.40
Benefits paid	(6.13)	(0.50)
Current service cost	21.93	17.71
Interest cost	7.90	7.63
Actuarial losses/(gains) recognised in other comprehensive income		
- Changes in demographic assumptions	-	(0.41)
- Changes in financial assumptions	0.49	12.86
- experience adjustments	(0.95)	(0.62)
Defined benefit obligation at the end of the year	171.32	148.08

ii) Reconciliation of fair value of plan assets

Particulars	As at	As at
	31 March 2021	31 March 2020
Plan assets at beginning of the year	24.05	19.77
Contributions paid into the plan	4.57	4.07
Interest income	0.79	0.95
Benefits paid	(6.86)	(0.50)
Return on plan assets	(6.13)	(0.24)
Plan assets at end of the year	16.42	24.05

C i) Expenses recognised in the statement of profit and loss

Particulars	For the year ended	For the year ended
	31 March 2021	31 March 2020
Current service cost	21.93	17.71
Interest on net defined benefit obligation	7.11	6.68
Net gratuity cost, included in 'employee benefits expense'	29.04	24.39

C ii) Re-measurements recognised in other comprehensive income (OCI)

Particulars	For the year ended	For the year ended
	31 March 2021	31 March 2020
Actuarial loss on net defined benefit obligation	(6.40)	(12.08)

D Plan assets

Plan assets comprises of the following:

Particulars	As at	As at
	31 March 2021	31 March 2020
Fund managed by Insurer	16.42	24.05



Krishna Institute of Medical Sciences Limited

CIN: U55101TG1973PLC040558

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

2.27 Employee benefits (continued)

E Defined benefit obligation

i) Actuarial assumptions

The following are the principal actuarial assumptions at the reporting date (expressed as weighted averages):

Principal actuarial assumptions	As at	As at
	31 March 2021	31 March 2020
Discount rate	5.80%	5.85%
Salary escalation rate	8.00%	8.00%

Maturity profile of defined benefit obligation

Particulars	As at	As at
	31 March 2021	31 March 2020
1st following year	28.88	26.07
Year 2 to 5	85.88	72.24
Year 6 to 9	54.33	47.76
Year 10 and above	81.64	73.00

ii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions would have affected the defined benefit obligation by the amounts shown below:

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(9.35)	10.43	(8.06)	8.96
Salary escalation rate (1% movement)	9.62	(8.92)	8.36	(7.73)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does not provide an approximation of the sensitivity of the assumption shown.

(ii) Defined contribution plan

Particulars	For the year ended	For the year ended
	31 March 2021	31 March 2020
Amount recognised in the statement of profit and loss towards		
i) Provident fund	46.03	43.01
ii) Employee state insurance	15.73	18.36

- (iii) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company is assessing the impact of the Code and will record any related impact in the period of the Code becomes effective.



2.28 Related party disclosures

(a) Nature of relationship and name of related parties

Nature of relationship	Name of related parties
Subsidiaries	Arunodaya Hospitals Private Limited KIMS Hospitals Private Limited KIMS Swastha Private Limited KIMS Cuddles Private Limited KIMS Hospital Enterprises Private Limited KIMS Hospital (Bhubaneswar) Private Limited Iconkrishi Institute of Medical Sciences Private Limited Saveera Institute of Medical Sciences Private Limited KIMS Hospitals Kurnool Private Limited (w.e.f 01 April 2019)
Key Management personnel (KMP)	Dr. B Bhaskara Rao - Managing Director Dr. B Abhinay - Chief Executive Officer (CEO) (w.e.f. 03 July 2019) Mr. Uma Shanker Mantha - Company Secretary Mr. Vikas Maheshwari - Chief Financial Officer Mrs. Dandamudi Anitha - Whole-time Director
Directors	Mr. G Rajeswara Rao Mrs. Jyothi Prasad (resigned on 8 January 2021) Mr. Sandeep Achyut Naik Mr. Shantanu Raslogi Mr. Saumen Chakraborty (w.e.f 8 January 2021) Mr. Pankaj Vaish (w.e.f 8 January 2021) Mr. Venkata Ramudu Jasthi (w.e.f 8 January 2021) Mr. Kaza Ratna Kishore (w.e.f 8 January 2021)
Relative of KMP	Dr. Raavi Swetha - Daughter in law of Managing Director
Enterprises under control or joint control of KMP and close family member of KMP	Sri Viswa Medicare Limited KIMS Foundation and Research Centre BSCPL Infrastructure Limited
Enterprise having significant influence over the company	General Atlantic Singapore KH Pte. Ltd

(b) Transactions with related parties

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
i. Loans and advances given		
KIMS Hospitals Private Limited	-	2.00
KIMS Swastha Private Limited	-	0.05
Iconkrishi Institute of Medical Sciences Private Limited	40.00	42.50
Saveera Institute of Medical Sciences Private Limited	105.00	77.00
KIMS Hospitals Kurnool Private Limited	105.00	87.50
ii. Repayment of loans and advances		
KIMS Foundation and Research Centre	-	10.01
KIMS Hospitals Private Limited	-	135.74
Iconkrishi Institute of Medical Sciences Private Limited	26.80	-
Saveera Institute of Medical Sciences Private Limited	135.00	54.00
KIMS Hospitals Kurnool Private Limited	76.90	40.00
iii. Interest income earned on loans given		
KIMS Hospitals Private Limited	-	8.39
KIMS Swastha Private Limited	0.51	0.51
Iconkrishi Institute of Medical Sciences Private Limited	10.34	5.56
Saveera Institute of Medical Sciences Private Limited	7.24	9.38
KIMS Hospitals Kurnool Private Limited	8.88	4.52
iv. Conversion of Share warrants in to equity shares		
Dr. B Bhaskara Rao (refer note 2.11(b)(iii)) (Amount received during the year Rs. 950.23)	953.33	-
v. Payment for purchase of land		
Dr. B Bhaskara Rao	-	4.25
BSCPL Infrastructure Limited	292.50	-
vi. Professional fee to KMP		
Dr. B Bhaskara Rao	18.00	18.00
vii. Professional fee to relative of KMP		
Dr. Raavi Swetha	2.03	2.16
viii. Rent to KMP		
Dr. B Bhaskara Rao	0.10	0.10
ix. Managerial remuneration *		
Dr. B Bhaskara Rao	22.00	24.00
Mrs. Dandamudi Anitha	3.60	3.60
Mr. B Abhinay	9.00	7.75
Vikas Maheshwari	8.73	7.37
Uma Shankar Mantha	2.23	1.98
x. Directors sitting fee		
Mr. G Rajeswara Rao	0.32	0.64
Mrs. Jyothi Prasad	0.32	0.58
xi. Commission to Directors		
Mr. G Rajeswara Rao	0.20	-
Mr. Saumen Chakraborty	0.88	-
Mr. Pankaj Vaish	0.45	-
Mr. Kaza Ratna Kishore	0.20	-
Mr. Venkata Ramudu Jasthi	0.20	-



Krishna Institute of Medical Sciences Limited

CIN: U55101TG1973PLC040558

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

2.28 Related party disclosures (continued)

(b) Transactions with related parties (continued)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
xii. Expenditure towards CSR KIMS Foundation and Research Centre	21.29	14.52
xiii. Purchase of medical consumables, drugs and surgical instruments Arunodaya Hospitals private Limited	0.67	-
KIMS Hospital Enterprises Private Limited	1.61	0.18
Iconkrishi Institute of Medical Sciences Private Limited	0.93	0.26
Saveera Institute of Medical Sciences Private Limited	0.76	0.03
KIMS Hospitals Kurnool Private Limited	0.83	0.30
xiv. Income from pharmacy KIMS Hospital Enterprises Private Limited	8.49	4.90
Arunodaya Hospitals private Limited	1.46	0.17
Iconkrishi Institute of Medical Sciences Private Limited	5.60	0.65
Saveera Institute of Medical Sciences Private Limited	7.98	0.56
KIMS Hospitals Kurnool Private Limited	6.57	0.39
xv. Investment in subsidiaries Saveera Institute of Medical Sciences Private Limited (equity shares)	-	0.75
Saveera Institute of Medical Sciences Private Limited (preference shares)	-	19.90
Iconkrishi Institute of Medical Sciences Private Limited (equity shares)	-	0.25
KIMS Hospital Enterprises Private Limited	352.73	706.52
KIMS Hospitals Kurnool Private Limited	-	94.22
KIMS Hospital Private Limited	-	161.74
xvi. Write off of investment KIMS Cuddles Private Limited	0.10	-
xvii. Revenue from Test and Investigations KIMS Hospital Enterprises Private Limited	8.13	11.25
Iconkrishi Institute of Medical Sciences Private Limited	-	0.66
Saveera Institute of Medical Sciences Private Limited	0.75	1.30
KIMS Hospitals Kurnool Private Limited	-	1.74
xviii. Guarantee given on behalf of KIMS Hospitals Kurnool Private Limited	-	530.00
Saveera Institute of Medical Sciences Private Limited	-	30.00
xix. Guarantee closed KIMS Hospital Enterprises Private Limited	400.00	-
xx. Commission income on guarantees given to KIMS Hospital Enterprises Private Limited	5.07	0.55
Iconkrishi Institute of Medical Sciences Private Limited	0.52	0.52
Saveera Institute of Medical Sciences Private Limited	1.61	1.52
KIMS Hospitals Kurnool Private Limited	1.73	1.47



2.28 Related party disclosures (continued)

(c) The balances receivables from and payable to related parties

Particulars	As at 31 March 2021	As at 31 March 2020
i. Trade receivables		
Sri Viswa Medicare Limited	1.90	2.13
Iconkrishi Institute of Medical Sciences Private Limited	2.81	1.32
Saveera Institute of Medical Sciences Private Limited	9.40	1.16
KIMS Hospitals Kurnool Private Limited	0.91	1.52
Arunodaya Hospitals private Limited	0.23	-
ii. Loans		
KIMS Swastha Private Limited	6.40	6.40
Iconkrishi Institute of Medical Sciences Private Limited	85.00	71.80
Saveera Institute of Medical Sciences Private Limited	30.00	60.00
KIMS Hospitals Kurnool Private Limited	75.60	47.50
iv. Interest accrued on loans		
KIMS Swastha Private Limited	1.97	1.46
Iconkrishi Institute of Medical Sciences Private Limited	7.51	5.00
Saveera Institute of Medical Sciences Private Limited	6.68	-
KIMS Hospitals Kurnool Private Limited	1.59	4.07
vi. Trade payables		
Dr. B Bhaskara Rao	0.10	0.10
Dr. Raavi Sweata	0.18	0.16
Iconkrishi Institute of Medical Sciences Private Limited	-	0.26
Saveera Institute of Medical Sciences Private Limited	-	0.03
KIMS Hospitals Kurnool Private Limited	-	0.30
vii. Employee benefits payable		
Mr. B Abhinay	-	0.32
Mr. Vikas Maheshwari *	-	0.31
Mr. Uma Shankar Mantha	-	0.12
Mrs. Dandamudi Anitha	-	0.16
viii. Commission payable to Directors		
Mr G Rajeswara Rao	0.16	-
Mr. Saumen Chakraborty	0.69	-
Mr. Pankaj Vaish	0.35	-
Mr. Kaza Ratna Kishore	0.16	-
Mr. Venkata Ramudu Jasthi	0.16	-
ix. Guarantee given on behalf of		
KIMS Hospital Enterprises Private Limited	-	400.00
Iconkrishi Institute of Medical Sciences Private Limited	170.00	170.00
Saveera Institute of Medical Sciences Private Limited	580.00	580.00
KIMS Hospitals Kurnool Private Limited	530.00	530.00
x. Financial guarantee liability		
KIMS Hospital Enterprises Private Limited	-	5.07
Iconkrishi Institute of Medical Sciences Private Limited	2.41	2.92
Saveera Institute of Medical Sciences Private Limited	14.85	16.46
KIMS Hospitals Kurnool Private Limited	9.32	11.06

(d) For certain loans availed by the Company, few Directors of the Company have given personal guarantee amounting to Rs. 1,287.71 (31 March 2020: Rs. 1,748.10).

* The managerial personnel are covered by the Company's gratuity policy and are eligible for leave encashment along with other employees of the Company. The proportionate amount of gratuity and leave encashment pertaining to the managerial personnel has not been included in the aforementioned disclosures as these are determined on an actuarial basis for the Company as a whole.

Terms and conditions:

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the above year ended, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken on a forward-looking basis at each reporting period end through examining the historical information and financial position of the related party that is adjusted to reflect current conditions of market in which the related party operates as well as information about forecasts of future economic conditions.



2.29 Earnings per share (EPS)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Earnings		
Profit for the year attributable to equity shareholders	1,886.49	1,211.06
Shares		
Number shares at the beginning of the year	74,489,552	74,489,552
Add: Equity shares issued during the year	3,103,731	-
Total number of equity shares outstanding at the end of the year	77,593,283	74,489,552
Weighted average number of equity shares outstanding during the year - Basic	74,872,204	74,489,552
Weighted average number of equity shares arising out of issue of share warrant that have dilutive effect on EPS	1,276,322	594,936
Weighted average number of equity shares outstanding during the year - Diluted	76,148,525	75,084,488
Earnings per equity share of par value Rs. 10 - Basic (Rs.)	25.20	16.26
Earnings per equity share of par value Rs. 10 - Diluted (Rs.)	24.77	16.13

2.30 Segment information

The Managing Director of the Company takes decision in respect of allocation of resources and assesses the performance basis the report/ information provided by functional heads and are thus considered to be Chief Operating Decision Maker.

Based on the Company's business model, medical and healthcare services have been considered as a single business segment for the purpose of making decision on allocation of resources and assessing its performance. Accordingly, there are no separate reportable segments in accordance with the requirements of Ind AS 108 'Operating segment' and hence, there are no additional disclosures to be provided other than those already provided in the Standalone Financials Statements. Presently, the Company's operations are predominantly confined in India. There are no individual customer contributing more than 10% of Company's total revenue. All non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets of the Company are located in India.

2.31 Due to Micro and Small Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amount payable to such enterprises as at 31 March 2021 has been made in the standalone financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ("The MSMED Act") is not expected to be material. The Company has not received any claim for interest from any supplier.

Particulars	As at 31 March 2021	As at 31 March 2020
The amounts remaining unpaid to micro and small supplies as at end of the year		
- Principal	2.51	3.86
- Interest	-	-
The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act.	-	-



2.32 Investments, loans, guarantees and security:

(a) The Company has made investment in the following Companies:

Entity	As at 01 April 2020	Allotted / purchased during the year	Sold/Written off during the year	Adjustment	As at 31 March 2021
Investment in subsidiaries					
KIMS Hospital Private Limited	161.84	-	-	-	161.84
KIMS Cuddles Private Limited	0.10	-	0.10	-	-
KIMS Swastha Private Limited	0.10	-	-	-	0.10
Arunodaya Hospitals Private Limited	63.34	-	-	-	63.34
KIMS Hospitals Enterprises Private Limited	957.58	352.73	-	-	1,310.31
KIMS Hospital (Bhubaneswar) Private Limited	0.10	-	-	-	0.10
Iconkrishi Institute of Medical Sciences Private Limited	173.63	-	-	-	173.63
Saveera Institute of Medical Sciences Private Limited	328.69	-	-	-	328.69
KIMS Hospitals Kurnool Private Limited	94.22	-	-	-	94.22

Entity	As at 01 April 2019	Allotted / purchased during the year	Sold during the year	Adjustment	As at 31 March 2020
Investment in subsidiaries					
KIMS Hospital Private Limited	0.10	161.74	-	-	161.84
KIMS Cuddles Private Limited	0.10	-	-	-	0.10
KIMS Swastha Private Limited	0.10	-	-	-	0.10
Arunodaya Hospitals Private Limited	63.34	-	-	-	63.34
KIMS Hospitals Enterprises Private Limited	251.06	710.34	-	(3.82)	957.58
KIMS Hospital (Bhubaneswar) Private Limited	0.10	-	-	-	0.10
Iconkrishi Institute of Medical Sciences Private Limited	173.38	-	-	0.25	173.63
Saveera Institute of Medical Sciences Private Limited	308.03	20.65	-	-	328.69
KIMS Hospitals Kurnool Private Limited	-	94.22	-	-	94.22

(b) The Company has given unsecured loans to its following subsidiaries:

Entity	Purpose of loans	As at 01 April 2020	Given during the year	Repaid during the year	As at 31 March 2021
KIMS Swastha Private Limited	Financial assistance	6.40	-	-	6.40
Iconkrishi Institute of Medical Sciences Private Limited	Financial assistance	71.80	40.00	(26.80)	85.00
Saveera Institute of Medical Sciences Private Limited	Financial assistance	60.00	105.00	(135.00)	30.00
KIMS Hospitals Kurnool Private Limited	Financial assistance	47.50	105.00	(76.90)	75.60

Entity	Purpose of loans	As at 01 April 2019	Given during the year	Repaid during the year	As at 31 March 2020
KIMS Hospital Private Limited	Financial assistance	133.74	2.00	(135.74)	-
KIMS Swastha Private Limited	Financial assistance	6.34	0.05	-	6.40
Iconkrishi Institute of Medical Sciences Private Limited	Financial assistance	29.30	42.50	-	71.80
Saveera Institute of Medical Sciences Private Limited	Financial assistance	37.00	77.00	(54.00)	60.00
KIMS Hospitals Kurnool Private Limited	Financial assistance	-	87.50	(40.00)	47.50

(c) Details of guarantee provided

The Company has provided guarantees to the following subsidiaries:

For the year ended 31 March 2021

Particulars	KIMS Hospital Enterprises Private Limited	Iconkrishi Institute of Medical Sciences Private Limited	Saveera Institute of Medical Sciences Private Limited	KIMS Hospitals Kurnool Private Limited	Total for the year ended 31 March 2021
Guarantee provided outstanding as at the beginning of the year	400.00	170.00	580.00	530.00	1,680.00
Guarantee provided during the financial year	-	-	-	-	-
Guarantee provided settled/expired during the financial year	400.00	-	-	-	400.00
Guarantee provided outstanding as at the end of the year	-	170.00	580.00	530.00	1,280.00

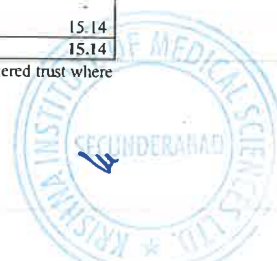
For the year ended 31 March 2020

Particulars	KIMS Hospital Enterprises Private Limited	Iconkrishi Institute of Medical Sciences Private Limited	Saveera Institute of Medical Sciences Private Limited	KIMS Hospitals Kurnool Private Limited	Total for the year ended 31 March 2020
Guarantee provided outstanding as at the beginning of the year	400.00	170.00	550.00	-	1,120.00
Guarantee provided during the financial year	-	-	30.00	530.00	560.00
Guarantee provided settled/expired during the financial year	-	-	-	-	-
Guarantee provided outstanding as at the end of the year	400.00	170.00	580.00	530.00	1,680.00

2.33 Consequent to the requirements of Section 135 of the Companies Act 2013, the Company has made contributions as stated below. The same is in line with activities specified in Schedule VII of the Companies Act, 2013 and activities approved by the CSR committee:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
a) Gross amount required to be spent by the Company during the year	21.22	15.14
b) Amount spent during the year		
(i) Construction/acquisition of any assets	-	-
(ii) On purpose other than (i) above:		
Promoting preventive healthcare*	21.22	15.14
Total	21.22	15.14

* The above amounts include Rs. 21.29 (31 March 2020: Rs. 14.52) Spent by way of contribution to KIMS Foundation and Research Centre, a registered trust where KIMP have significant influence.



Krishna Institute of Medical Sciences Limited

CIN: U55101TG1973PLC040558

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

2.34 Capital management

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

For this purpose, adjusted net debt is defined as total borrowings, less cash and cash equivalents. Total equity comprises all components of equity excluding adjustment reserve.

The Company's adjusted net debt to equity ratio as of 31 March 2021 and 31 March 2020 was as follows:

Particulars	As at	As at
	31 March 2021	31 March 2020
Total borrowings	1,287.71	1,827.15
Less: Cash and cash equivalents	(345.85)	(344.67)
Adjusted net debt	941.86	1,482.48
Total equity	9,015.59	6,183.66
Adjusted net debt to equity ratio - Gearing Ratio	10.45%	23.97%

No changes were made in the objectives, policies or processes for managing capital during and for year ended 31 March 2021 and 31 March 2020.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no recall during the year due to breaches in the financial covenants of any interest-bearing loans and borrowing.



2.35 Financial instruments : Fair value and risk management

A. Accounting classification and fair values

As at 31 March 2021			Fair value level
	Carrying value	Fair Value	
Financial assets at amortised cost (Refer note below)			Level 3
Trade receivables	730.04	730.04	
Investments	2,132.23	2,132.23	
Cash and cash equivalents	345.85	345.85	
Bank balances other than above	2,154.33	2,154.33	
Loans	301.24	301.24	
Other financial assets	227.95	227.95	
Total	5,891.64	5,891.64	
Financial liabilities at amortised cost (Refer note below)			
Long-term borrowings (excluding current maturities)	677.84	677.84	
Lease liabilities	25.62	25.62	
Short-term borrowings	500.00	500.00	
Trade payables	851.85	851.85	
Other financial liabilities	207.16	207.16	
Total	2,262.47	2,262.47	

As at 31 March 2020			Fair value level
	Carrying value	Fair Value	
Financial assets at amortised cost (Refer note below)			Level 3
Trade receivables	991.51	991.51	
Investments	1,779.60	1,779.60	
Cash and cash equivalents	344.67	344.67	
Bank balances other than above	50.13	50.13	
Loans	218.54	218.54	
Other financial assets	46.50	46.50	
Total	3,430.95	3,430.95	
Financial liabilities at amortised cost (Refer note below)			
Long-term borrowings (excluding current maturities)	1,471.23	1,471.23	
Lease liabilities	34.15	34.15	
Short-term borrowings	20.81	20.81	
Trade payables	779.78	779.78	
Other financial liabilities	417.77	417.77	
Total	2,723.74	2,723.74	

The carrying amounts of trade receivables, trade payables, other financial assets, other financial liabilities (excluding current maturities), short term borrowings and cash and cash equivalents and bank balances other than cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

The fair values for loans were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of non-current borrowings (including current maturities) are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair value hierarchy due to the use of unobservable inputs including own credit risk.

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 Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all the employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by the internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(ii) Credit risk

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

Credit risk is controlled by analysing credit limits to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.



2.35 Financial instruments : Fair value and risk management (continued)

(ii) Credit risk (continued)

The Company establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade receivables and contract assets 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 Rs. 1,168.94 as on 31 March 2021 (31 March 2020: Rs. 1,349.98). The movement in allowance for credit loss in respect of trade receivables during the year was as follows:

Allowance for credit losses	As at 31 March 2021	As at 31 March 2020
Opening balance	325.67	298.04
Credit loss added	17.55	27.63
Closing balance	343.22	325.67
Trade receivable write off not routed through the above movement	-	0.64

The Company uses a provision matrix to determine the expected credit loss on the portfolio of its trade receivables and contract assets. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and contract assets and is adjusted for forward looking estimates. The expected credit loss allowance is based on the ageing of the days the receivables are due in the provision matrix. Set out below is the information about the credit risk exposure of the Company's trade receivables and contract asset using provision matrix:

	Not past due	0-180 days due past due date	More than 180 days past due date	Gross trade receivables and contract assets
For the year ended 31 March 2021	447.20	472.19	249.55	1,168.94
For the year ended 31 March 2020	167.09	722.43	460.46	1,349.98

Customer Concentration

No single customer represents 10% or more of the Company's total revenue during the year ended 31 March 2021 and 31 March 2020. Therefore the customer concentration risk is limited due to the large and unrelated customer base.

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.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

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

Particulars	Carrying value	Less than 1 year	1 - 5 years	More than 5 years	Total
Long-term borrowings (excluding current maturities)	677.84	-	679.71	-	679.71
Lease liabilities	25.62	11.24	27.76	-	39.00
Short-term borrowings	500.00	500.00	-	-	500.00
Trade payables	851.85	851.85	-	-	851.85
Other financial liabilities	207.16	207.07	0.09	-	207.16
Total	2,262.47	1,570.16	707.56	-	2,277.72

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

Particulars	Carrying value	Less than 1 year	1 - 5 years	More than 5 years	Total
Long-term borrowings (excluding current maturities)	1,471.23	-	1,474.72	-	1,474.72
Lease liabilities	34.15	14.27	39.00	-	53.27
Short-term borrowings	20.81	20.81	-	-	20.81
Trade payables	779.78	779.78	-	-	779.78
Other financial liabilities	417.77	417.68	0.09	-	417.77
Total	2,723.74	1,232.54	1,513.81	-	2,746.35

The Company has secured loans from bank that contain loan covenants. A future breach of covenant may require the Company to repay the loan earlier than indicated in the above table.

C. Market risk

(i) Interest rate risk exposure

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term and short-term borrowings with variable interest rates.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting year are as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Variable rate long term borrowings (including current maturities) and short term borrowings	787.71	1,748.10
Total borrowings	787.71	1,748.10

(i) Sensitivity

Particulars	Impact on profit or loss		Impact on equity, net of tax	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Sensitivity				
1% increase in MCLR	(7.88)	(17.48)	(5.89)	(11.37)
1% decrease in MCLR	7.88	17.48	5.89	11.37

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

D. Currency risk

The Company is not exposed to currency risk.



2.36 Income-tax

a. Amount recognised in statement of profit and loss

	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax	668.12	387.41
Taxes for earlier years	(10.34)	(19.93)
Deferred tax attributable to temporary differences	(1.64)	(113.49)
Tax expenses for the year	656.14	253.99

b. Amount recognised in other comprehensive income

	For the year ended 31 March 2021			For the year ended 31 March 2020		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
Re-measurement on defined benefit plans	(6.40)	1.61	(4.79)	(12.08)	3.04	(9.04)

c. Reconciliation of effective tax rate

	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit before tax	2,542.63	1,465.05
Enacted tax rates	25.168%	25.168%
Tax expense at enacted rates	639.93	368.72
Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income		
Non-deductible expenses	26.55	23.50
Impact of change in rate of tax	-	(118.30)
Adjustment in respect of income-tax for earlier years	(10.34)	(19.93)
Total	656.14	253.99

d. Recognition of deferred tax assets and liabilities

(i) Deferred tax assets and liabilities are attributable to the following

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax asset		
Expected credit loss for trade receivables	86.38	81.97
Provision for employee benefits	65.00	53.19
Others	2.37	3.37
Total deferred tax asset	153.75	138.52
Deferred tax liability		
Property, plant and equipment (liability)	454.22	441.66
Others	0.66	1.25
Total deferred tax liability	454.89	442.91
Deferred tax liability (net)	(301.14)	(304.39)

(ii) Movement in temporary differences

	Expected credit loss for trade receivables	Provision for employee benefits	Others - assets	Property, plant and equipment (liability)	Others - liability	Total
Balance as at 1 April 2019	104.15	59.22	6.34	(588.93)	(1.69)	(420.91)
Recognised in profit or loss during 2019-20	(22.18)	(9.07)	(2.98)	147.28	0.44	113.49
Recognised in OCI during 2019-20	-	3.04	-	-	-	3.04
Balance as at 31 March 2020	81.97	53.19	3.36	(441.65)	(1.25)	(304.38)
Recognised in profit or loss during 2020-21	4.42	10.19	(1.00)	(12.57)	0.59	1.64
Recognised in OCI during 2020-21	-	1.61	-	-	-	1.61
Balance as at 31 March 2021	86.38	65.00	2.36	(454.22)	(0.66)	(301.14)



Krishna Institute of Medical Sciences Limited

CIN: U55101TG1973PLC040558

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

2.37 Revenue from contracts with customers:

Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Income from hospital services	6,175.20	5,049.75
Income from pharmacy	2,977.66	2,666.59
Total revenue from contracts with customers	9,152.86	7,716.34
India	9,152.86	7,716.34
Outside India		
Timing of revenue recognition		
Services transferred over time	6,175.20	5,049.75
Goods transferred at a point of time	2,977.66	2,666.59
Total revenue from contracts with customers	9,152.86	7,716.34
Reconciliation of revenue recognised with the contracted price is as follows:		
Contract price	9,836.74	8,282.44
Less: Discounts and disallowances	(683.88)	(566.10)
Total revenue from contracts with customers	9,152.86	7,716.34

Contract balances

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Trade receivables	730.04	991.51	1,000.30
Contract assets	95.68	32.80	56.54
Contract liabilities	123.69	18.90	35.70

Contract liability: During the financial year ended 31 March 2021, the company has recognised revenue of Rs. 18.90 from advance received from patients outstanding as on 31 March 2020. During the financial year ended 31 March 2020, the company has recognised revenue of Rs. 35.70 from advance received from patients outstanding as on 31 March 2019. It expects similarly to recognise revenue in year ended 31 March 2022 from the closing balance of advance from customers as at 31 March 2021.

Contract asset: During the financial year ended 31 March 2021, the company has transferred Rs. 32.80 of contract assets as at 31 March 2020 to trade receivables on completion of performance obligation. During the financial year ended 31 March 2020, the company has transferred Rs. 56.54 of contract assets as at 31 March 2019 to trade receivables on completion of performance obligation.



Krishna Institute of Medical Sciences Limited

CIN: U55101TG1973PLC040558

Notes to the standalone financial statements for the year ended 31 March 2021

(All amounts are in million of Indian Rupees, except share data or unless otherwise stated)

2.38 Investments during the year ended 31 March 2021

- (i) The Company has increased its stake in KIMS Hospitals Enterprise Private Limited from 75.26 % to 86.32% through secondary purchase of 2,713,307 equity shares from existing shareholders for a total amount of Rs. 352.73. The shares were purchased at Rs. 130 (premium of Rs. 120) per share. The same has been shown as non current investments in the standalone financial statements.

Investments during the year ended 31 March 2020

- (ii) The Company has entered into a share purchase agreement dated 01 April 2019 with the existing shareholders of KIMS Hospitals Kurnool Private Limited to acquire 55% equity shares at a total consideration of Rs. 81.68. The same has been shown as non current investments in the standalone financial statements.
- (iii) The Company has increased its stake in KIMS Hospitals Enterprise Private Limited from 50.27 % to 75.26% through secondary purchase of 6,134,434 equity shares from existing shareholders in three tranches for a total amount of Rs. 710.34. In the first two tranche 4,357,021 shares were purchased at Rs. 110 (premium of Rs. 100) per share and in the third tranche 1,777,413 shares were purchased at Rs. 130 (premium of Rs. 120) per share. The same has been shown as non current investments in the standalone financial statements.

- 2.39 The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses. The Company does not have any unhedged foreign currency exposure as at 31 March 2021 and 31 March 2020.

2.40 Global Health Pandemic

The outbreak of COVID-19 in many countries has brought about disruptions to businesses around the world and uncertainty to the global economy. The Company is closely monitoring the impact of the pandemic on all aspects of its business, including how it will impact its employees, vendors and business partners. The Company based on the information available to date, both internal and external, considered the uncertainty relating to the COVID-19 pandemic in assessing its impact. Based on the current estimates, the Company expects to fully recover the carrying amount of assets, and does not foresee any material adverse impact on its operations. As the outbreak continues to evolve, the Company will continue to closely monitor any material changes to future economic condition.

- 2.41 There were no significant adjusting events that occurred subsequent to the reporting year.

As per our report attached of even date

for S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration no.: 101049W/ E300004

per Naveet Rai Kabra
Partner

Membership no.: 102328



Place: Hyderabad

Date: 25 May 2021

for and on behalf of the Board of Directors of
Krishna Institute of Medical Sciences Limited

Dr. B Bhaskara Rao
Managing Director
DIN:00008985

Dr. B Adnan
Chief Executive Officer
DIN: 01681273

Vikas Maheshwari
Chief Financial Officer

Uma Shanker Mantha
Company Secretary
Membership no: A21035

Place: Hyderabad

Date: 25 May 2021