

B S R & Associates LLP

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Members of KIMS Hospital Enterprises Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of KIMS Hospital Enterprises Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2019, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the 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 financial statements give the information required by the Companies Act, 2013 ("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 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the 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 opinion.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the director's report, but does not include the financial statements and our auditors' report thereon.

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



Independent Auditor's Report on the financial statements of KIMS Hospital Enterprises Private Limited for the year ended 31 March 2019 (continued)

Other Information (continued)

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

Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows 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. 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are 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.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



Independent Auditor's Report on the financial statements of KIMS Hospital Enterprises Private Limited for the year ended 31 March 2019 (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 (Auditors' Report) Order, 2016 ("Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

(A) 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 other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.



Independent Auditor's Report on the financial statements of KIMS Hospital Enterprises Private Limited for the year ended 31 March 2019 (continued)

Report on Other Legal and Regulatory Requirements (continued)

- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its financial statements - Refer Note 2.23 (b) to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer Note 2.35 to the financial statements;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.
- (C) The Company has not paid / provided managerial remuneration to any directors during the financial year ended 31 March 2019. Accordingly, the matter to be included in the Auditors' Report under Section 197(16) is not applicable to the Company.

for B S R & Associates LLP

Chartered Accountants

ICAI Firm Registration No. : 116231 W/ W-100024



Sulabh Kumar Kedia

Partner

Membership No.: 066380

UDIN: 19066380AAAAAN1781

Place : Hyderabad

Date : 03 July 2019

Annexure A to the Independent Auditors' Report on the financial statements of KIMS Hospital Enterprises Private Limited for the year ended 31 March 2019

With reference to the Annexure-A referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of Independent Auditor's report to the Members of KIMS Hospital Enterprises Private Limited, ('the Company') on the financial statements for the year ended 31 March 2019, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. In accordance with the aforesaid programme, management has verified certain assets during the year. No material discrepancies were noticed on such verification.
- (c) The Company does not own any immovable properties. Therefore, the provisions of the paragraph 3(i)(c) of the said Order are not applicable to the Company.
- (ii) The inventories have been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act"). Therefore, the provisions of paragraph 3(iii) of the said Order are not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Therefore, the provisions of paragraph 3(iv) of the said Order are not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73, 74, 75 and 76 of the Act and the rules framed there under. Therefore, the provisions of paragraph 3(v) of the said Order are not applicable to the Company.
- (vi) We have broadly reviewed the books of accounts maintained by the Company in respect of medical and healthcare services pursuant to the rules prescribed by the Central Government of India for the maintenance of cost records under Section 148 (1) of the Act, and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Duty of Customs, Goods and Service tax and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been slight delay in few cases. As explained to us, the Company did not have any dues on account of Cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Duty of customs, Goods and Service tax and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.



Annexure A to the Independent Auditors' Report on the financial statements of KIMS Hospital Enterprises Private Limited for the year ended 31 March 2019 (continued)

- (b) According to the information and explanations given to us, there are no dues of Service tax, Income tax, Duty of customs, Goods and Service tax and Value added tax which have not been deposited with the appropriate authorities on account of any dispute. As explained to us, the Company did not have any dues on account of Duty of Excise and Sales tax.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any banks. The Company did not have any dues to financial institutions or government nor has it issued any debentures as at the balance sheet date.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instrument) and term loans during the year. Therefore, the provisions of paragraph 3(ix) of the said Order are not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) According to the information and explanations given to us and based on our examination of the records, the Company has not paid or provided any remuneration to managerial person during the year under audit. Therefore, the provisions of Section 197 read with Schedule V to the Act are not applicable to the Company.
- (xii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not a Nidhi Company. Therefore, the provisions of paragraph 3(xii) of the said Order are not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with the provisions of Section 188 of the Act and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- The Company has constituted Audit committee as required under Section 177 of the Act vide its board meeting dated 20 December 2018 and have ratified all related parties transactions held during the year prior to its constitution.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of paragraph 3(xiv) of the said Order are not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transaction with the directors or persons connected with him. Therefore, the provisions of paragraph 3(xv) of the said Order are not applicable to the Company.



Annexure A to the Independent Auditors' Report on the financial statements of KIMS Hospital Enterprises Private Limited for the year ended 31 March 2019 (continued)

- (xvi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of paragraph 3(xvi) of the said Order are not applicable to the Company.

for B S R & Associates LLP

Chartered Accountants

ICAI Firm Registration No.: 116231W/ W-100024

Sulabh Kumar Kedia

Sulabh Kumar Kedia

Partner

Membership No.: 066380

UDIN: 19066380AAAAAN1781

Place: Hyderabad

Date: 03 July 2019

Annexure B to the Independent Auditors' report on the financial statements of KIMS Hospital Enterprises Private Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1(A) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of KIMS Hospital Enterprises Private Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 financial statements were established and maintained and whether 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 financial statements, whether due to fraud or error.



Annexure B to the Independent Auditors' report on the financial statements of KIMS Hospital Enterprises Private Limited for the year ended 31 March 2019 (continued)

Auditors' Responsibility (continued)

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 financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 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 financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

for B S R & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 116231W/ W-100024



Sulabh Kumar Kedia

Partner

Membership No: 066380

UDIN: 19066380AAAAAN1781

Place: Hyderabad

Date: 03 July 2019


KIMS Hospital Enterprises Private Limited
Balance sheet

		INR in millions	
	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	2.1(a)	617.18	623.04
Intangible assets	2.1(b)	4.45	-
Financial assets			
(i) Loans	2.2(a)	12.50	11.43
(ii) Other financial assets	2.3(a)	1.17	1.01
Deferred tax assets	2.33	-	24.91
Non-current tax assets (net)		69.81	55.86
Other non-current assets	2.4	24.33	22.57
Total non-current assets		729.44	738.82
Current assets			
Inventories	2.5	30.57	26.17
Financial assets			
(i) Trade receivables	2.6	59.61	73.85
(ii) Cash and cash equivalents	2.7(a)	5.73	9.44
(iii) Bank balances other than (ii) above	2.7(b)	0.10	-
(iv) Loans	2.2(b)	0.09	-
(v) Other financial assets	2.3(b)	7.37	4.67
Other current assets	2.8	9.02	9.76
Total current assets		112.49	123.89
Total assets		841.93	862.71
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	2.9	245.45	245.45
Other equity		120.85	64.94
Total equity		366.30	310.38
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	2.10	296.15	338.16
Provisions	2.11	5.67	3.07
Deferred tax liabilities (net)	2.33	14.06	-
Total non-current liabilities		315.88	341.23
Current liabilities			
Financial liabilities			
(i) Borrowings	2.12	12.52	39.43
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	2.13	1.36	0.73
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2.13	89.87	112.91
(iii) Other financial liabilities	2.14	43.23	45.68
Provisions	2.15	3.06	3.48
Other current liabilities	2.16	9.71	8.86
Total current liabilities		159.75	211.09
Total liabilities		841.93	862.71
Significant accounting policies	1.3		
Notes to the financial statements	2		
The accompanying notes form an integral part of the financial statements.			

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

As per our Report on financial statements of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration no.: 116231W/W-100024


Sulabh Kumar Kedia
Partner
Membership no.: 066380
UDIN: 19066380AAAAAN1781

for and on behalf of the Board of Directors of
KIMS Hospital Enterprises Private Limited
CIN:U85191TG2013PTC085793


Dr. G. L. Paniraj
Director
DIN: 06779203


Dr. CH. Harini
Director
DIN: 00356392


Uma Shankar Mantha
Company Secretary

Place: Hyderabad
Date: 03 July 2019

Place: Hyderabad
Date: 03 July 2019

KIMS Hospital Enterprises Private Limited
Statement of profit and loss

	123.86	Note	For the year ended 31 March 2019	INR in millions For the year ended 31 March 2018
Revenue				
Revenue from operations		2.17	1,177.32	892.38
Other income		2.18	7.39	2.75
Total revenue			1,184.71	895.13
Expenses				
Medical consumables and pharmacy items consumed		2.19	235.33	187.33
Employee benefits expense		2.20	160.43	142.34
Finance costs		2.21	42.19	51.31
Depreciation and amortisation expense		2.1	63.74	58.21
Other expenses		2.22	559.16	458.18
Total expenses			1,060.85	897.37
Profit / (loss) before tax			123.86	(2.24)
Tax expense				
- Current tax		2.33	29.17	-
- Deferred tax charge / (benefit)		2.33	38.90	(43.78)
Total tax expense			68.07	(43.78)
Profit for the year (A)			55.79	41.54
Other comprehensive income				
Items that will not be reclassified subsequently to profit and loss				
- Re-measurement of defined benefit plans			0.19	0.73
- Income tax effect			(0.07)	(0.23)
Other comprehensive income, net of tax (B)			0.12	0.50
Total comprehensive income for the year (A+B)			55.91	42.04
Earning per share (face value of share INR 10 each)		2.28		
- Basic			2.27	1.70
- Diluted			2.27	1.70

Significant accounting policies 1.3
Notes to the financial statements 2
The accompanying notes form an integral part of the financial statements

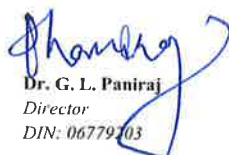
As per our Report on financial statements of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration no.: 116231W/ W-100024



Sulabh Kumar Kedia
Partner
Membership no.: 066380
UDIN: 19066380AAAAANI781

for and on behalf of the Board of Directors of
KIMS Hospital Enterprises Private Limited
CIN:U85191TG2013PTC085793


Dr. G. L. Paniraj
Director
DIN: 06779103



Dr. CH. Harini
Director
DIN: 00356392



Uma Shankar Mantha
Company Secretary

Place: Hyderabad
Date: 03 July 2019

Place: Hyderabad
Date: 03 July 2019

KIMS Hospital Enterprises Private Limited
Statement of cash flows

	INR in millions	
	For the year ended 31 March 2019	For the year ended 31 March 2018
I. Cash flows from operating activities:		
Profit / (loss) before tax	123.86	(2.24)
Adjustments for operating activities:		
Depreciation and amortisation	63.74	58.21
Provision for impairment on receivables	11.53	(0.99)
Trade receivable written off	6.28	-
Commission expenses on guarantee taken from related party	2.00	1.71
Lease income	(1.58)	(1.08)
Interest income on fixed deposits	(0.08)	(0.03)
Interest on income-tax refund	-	(0.44)
Finance cost	42.19	49.60
Operating cash flows before working capital changes	247.94	104.73
Adjustments for:		
Increase in trade receivables	(3.57)	(12.45)
Increase in inventories	(4.40)	(2.67)
(Increase)/Decrease in loans and other assets	(3.58)	7.90
Decrease in liabilities and provisions	(17.18)	(3.26)
Cash generated from operations	219.21	94.25
Income-taxes paid, net of refund	(43.12)	(28.00)
Net cash provided by operating activities (A)	176.09	66.25
II. Cash flows from investing activities		
Purchase of property, plant and equipment	(68.92)	(80.77)
Bank deposits (having original maturity of more than three months)	(0.26)	(1.01)
Redemption of bank deposits (having original maturity of more than three months)	-	1.17
Lease income received	1.58	1.08
Interest received	0.01	0.04
Net cash used in investing activities (B)	(67.59)	(79.49)
III. Cash flows from financing activities*		
Repayment of long-term borrowings	(43.05)	(353.90)
Proceeds from long-term borrowings	-	379.02
Net repayment of short-term borrowings	(26.91)	(21.53)
Repayment of finance lease obligations	(0.99)	(0.68)
Proceeds from issue of shares	-	12.50
Finance cost paid	(41.26)	(45.41)
Net cash used in financing activities (C)	(112.21)	(30.00)
Net decrease in cash and cash equivalents (A+B+C)	(3.71)	(43.24)
Cash and cash equivalents at the beginning of the year	9.44	52.69
Cash and cash equivalents at the end of the year [refer note 2.7 (a)]	5.73	9.44
Note:		
Components of cash and cash equivalents		
Cash on hand	0.34	0.86
Balances with banks		
- On current accounts	5.39	8.58
Total	5.73	9.44

***Changes in liabilities arising from financing activities**

Particulars	As at 01 April 2018	Cash flow changes	Non cash changes - transaction cost	As at 31 March 2019
Long-term borrowings	361.32	(44.04)	(0.88)	318.16
Short-term borrowings	39.43	(26.91)	-	12.52

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

As per our Report of even date attached

for **B S R & Associates LLP**
Chartered Accountants

ICAI Firm Registration No.: 116231W/ W-100024



Sulabh Kumar Kedia
Partner
Membership no.: 066380
UDIN: 19066380AAAAAN1781

Place: Hyderabad
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for and on behalf of the Board of Directors of
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Dr. G. L. Paniraj
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DIN: 06779203



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DIN: 00356392



Uma Shankar Mantha
Company Secretary

Place: Hyderabad
Date: 03 July 2019

KIMS Hospital Enterprises Private Limited
Statement of changes in equity

Particulars	Equity share capital	Other equity				INR in millions
		Share application money pending allotment	Reserve and surplus		Capital contribution	Total of Other equity
			Securities premium account	Retained earnings		
Balance as at 1 April 2018	245.45	-	111.41	(61.64)	15.17	64.94
Profit for the year	-	-	-	55.79	-	55.79
Re-measurement of defined benefit liability (net of tax)	-	-	-	0.12	-	0.12
Balance as at 31 March 2019	245.45	-	111.41	(5.73)	15.17	120.85

Particulars	Equity share capital	Other equity				INR in millions
		Share application money pending allotment	Reserve and surplus		Capital contribution	Total of Other equity
			Securities premium account	Retained earnings		
Balance as at 1 April 2017	229.60	50.89	63.87	(103.68)	10.35	21.43
Loss for the year	-	-	-	41.54	-	41.54
Guarantee commission	-	-	-	-	4.82	4.82
Issue of shares	15.85	(50.89)	47.54	-	-	(3.35)
Re-measurement of defined benefit liability (net of tax)	-	-	-	0.50	-	0.50
Balance as at 31 March 2018	245.45	-	111.41	(61.64)	15.17	64.94

Securities premium account: 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.

Capital contribution: Financial guarantee contracts are recognised as a financial liability at time the guarantee is issued. The liability is measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation, where appropriate.

Where guarantee in relation to loans or other payables of subsidiary is provided for no compensation by the shareholder, fair values are accounted for as contribution in the books of the Company.

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

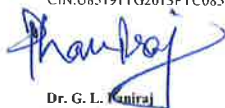
As per our Report on financial statements of even date attached

for BSR & Associates LLP
Chartered Accountants
ICAI Firm Registration no.: 116231W/W-100024



Sulabh Kumar Kedia
Partner
Membership no.: 066380
UDIN: 19066380AAAAAN1781

for and on behalf of the Board of Directors of
KIMS Hospital Enterprises Private Limited
CIN: U85191TG2013PTC085793



Dr. G. L. Kaniraj
Director
DIN: 06779203



Dr. CH. Harini
Director
DIN: 00356392



Uma Shankar mantha
Company Secretary

Place: Hyderabad
Date: 03 July 2019

Place: Hyderabad
Date: 03 July 2019

KIMS Hospital Enterprises Private Limited
Notes to the financial statements

1.1 Company Overview

KIMS Hospital Enterprises Private Limited ('the Company') was incorporated on 15 February 2013 as a private limited company under the Companies Act, 1956. The Company is primarily engaged in business of rendering medical and healthcare services.

The Company is a subsidiary of Krishna Institute of Medical Sciences Limited with effect from 30 March 2018.

1.2 Basis of preparation of financial statements

a) Statement of compliance:

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under section 133 of Companies Act 2013 (the 'Act') and other relevant provisions of the Act.

As at 31 March 2019, the current liabilities of the Company exceeded its current assets by INR 47.26 million. The Company has however earned a cash profit (Earnings before depreciation, after tax) of INR 158.43 million for the year ended 31 March 2019. Management is also confident that based on its past records of maintaining short term borrowing and its ability to honour the payment of interest and repayment of principal, it will be able to maintain the short term borrowings at the current levels and also of support from Shareholders. Accordingly, Management considers it appropriate to prepare their accounts on a going concern basis.

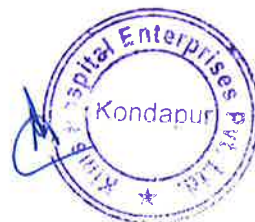
The financial statements were authorised for issue by the Company's Board of Directors on 03 July 2019.

b) New and amended standards adopted by the Company

Effective 1 April 2018, Ind AS 115 "Revenue from Contracts with Customers" (hereafter "Ind AS 115") introduced a 5-step approach to revenue recognition, which establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced Ind AS 18 "Revenue", Ind AS 11 "Construction Contracts" and related interpretations.

The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. 1 April 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the profit or loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11.

Management reviewed and assessed the Company's existing policy for recognising the revenue at 1 April 2018 and concluded that, apart from more extensive disclosures for the Company's revenue transactions, the initial application of Ind AS 115 has had no significant impact on the Company's statement of financial position as at 31 March 2019 and its statement of profit or loss and other comprehensive income for the year then ended. Consequently, there were no adjustments as at 1 April 2018.



KIMS Hospital Enterprises Private Limited
Notes to the financial statements (continued)

c) Functional and presentation currency:

These financial statements are presented in Indian Rupees INR, 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) Basis of measurement:

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

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

e) Use of estimates and judgements:

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

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

f) Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 2.25 – leases: whether an arrangement contains a lease and

Note 2.25 – lease classification

g) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment in the year ending 31 March 2019 is included in the following notes:

- Note 2.33 – Recognition of deferred taxes, availability of future taxable profit against which tax losses carried forward can be used
- Note 2.26 - Measurement of defined benefit obligations, key actuarial assumptions
- Note 2.23(b) - Recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources.
- Note 2.32 (B) (ii) - Impairment test of financial assets

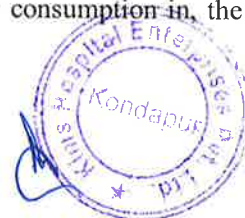
h) Current–non-current classification

All assets and liabilities are classified into current and non-current.

Assets

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

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;



KIMS Hospital Enterprises Private Limited
Notes to the financial statements (continued)

h) Current–non-current classification

- 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.

Current assets include the current portion of non-current financial assets. 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.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

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

i) Measurement of fair values:

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- 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)

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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 the following notes:

Note 2.32 – financial instruments



KIMS Hospital Enterprises Private Limited
Notes to the financial statements (continued)

1.3 Significant accounting policies

a) Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial asset

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

- Amortised cost;
- FVTPL

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit and loss. Any gain or loss on Derecognition is recognised in profit and loss.



KIMS Hospital Enterprises Private Limited
Notes to the financial statements (continued)

a) Financial instruments (continued)

Financial liabilities: Classification, subsequent measurement and gains and losses

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit and loss. Any gain or loss on derecognition is also recognised in profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit and loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

b) 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 the estimated costs necessary to make the sale. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

The Company follows the weighted average method for determining the cost of such inventories.

The comparison of cost and net realisable is made on an item by item basis.



KIMS Hospital Enterprises Private Limited
Notes to the financial statements (continued)

c) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

d) Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

e) Revenue recognition

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 is recognised as revenue when the related services are rendered unless significant future uncertainties exist. Revenue is also recognised in relation to the services rendered, to the patients who are undergoing treatment/ observation on the balance sheet date to the extent of services rendered. In determining the transaction price for the hospital services, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any). Income is recognised net of discounts and concessions given to the patients.

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.

Revenue from sale of pharmacy and sale of food and beverages is recognised when it transfers control over a good or service to the customer, generally on delivery and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection.

Income from interest on deposits, loans and interest bearing securities is recognised on the time proportionate method.



KIMS Hospital Enterprises Private Limited
Notes to the financial statements (continued)

f) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, which include capitalised borrowing costs, less accumulated depreciation and accumulated impairment loss, 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.

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.

If significant parts of item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit and loss.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with expenditure will flow to the Company.

Depreciation and amortisation

The Company provides depreciation under straight-line method on Property, Plant and Equipment, other than assets costing less than INR 5,000 based on the useful life specified in Schedule II of the Companies Act, 2013, as in the opinion of the Management, the same reflects the estimated useful life. Depreciation is calculated on pro-rata basis from the date on which the assets are ready for use or till the date the assets are sold or disposed off.

Leasehold land is in the nature of perpetual lease without any limited useful life and hence is not amortised. Assets costing less than INR 5,000 based on internal assessment and materiality the Management has estimated that the same shall be depreciated in the year of purchase.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted appropriately.

The cost and related accumulated depreciation are derecognised from the financial statements upon sale or disposition of the asset and the resultant gains or losses are recognised in the statement of profit and loss. 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.



KIMS Hospital Enterprises Private Limited
Notes to the financial statements (continued)

g) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

h) Employee benefits

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 group 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.

Post-employment benefits

Defined contribution plans

A defined contribution plan is post-employment benefit plan under which an entity pays specified contributions to separate entity and has no obligation to pay any further amounts. The Company makes specified obligations towards employee provident fund and employee state insurance to Government administered provident fund scheme and ESI scheme which is a defined contribution plan. The Company's contributions are recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

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.

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 other comprehensive income (OCI). 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.



KIMS Hospital Enterprises Private Limited
Notes to the financial statements (continued)

Compensated Absences

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit and the accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

i) Leases

Determining whether an arrangement contains a lease

At the inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on the reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for the other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

Finance leases

Lease of Property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance lease. The leased asset are measured initially at an amount equal to lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases

Asset held under lease that do not transfer to the Company and associate substantially all the risks and rewards of ownership (i.e. operating lease) are not recognised in the balance sheet.

Lease payments under operating lease are generally recognised as an expense in the statement of profit and loss on a straight line basis over the term of lease unless such payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.



KIMS Hospital Enterprises Private Limited
Notes to the financial statements (continued)

j) 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 earnings per share is computed by dividing the net profit attributable to equity shareholders for the year relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

k) Income tax

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

Current income tax

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

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

Deferred tax

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period 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.

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

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



KIMS Hospital Enterprises Private Limited
Notes to the financial statements (continued)

l) Foreign exchange transactions and translations

Transactions in foreign currencies are recorded at prevailing rate at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the statement of profit and loss.

m) Impairment

a. Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost;

At each reporting date, the Company assesses whether financial assets carried at amortised cost through other comprehensive income (FVOCI) are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit- impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and



KIMS Hospital Enterprises Private Limited
Notes to the financial statements (continued)

supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the trade receivable does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

n) Provisions and contingent liabilities

General

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 disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.



KIMS Hospital Enterprises Private Limited
Notes to the financial statements (continued)

Onerous contracts

Provision for onerous contracts, i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

o) Recent accounting pronouncements:

Standards issued but not effective on Balance sheet date:

The Company is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

The Company has initiated detail study to ascertain the impact, if any, on its financial statements due to adoption Ind AS 116 and the same is not reasonably estimable at present.



KIMS Hospital Enterprises Private Limited
Notes to the financial statements (continued)

2.1 (a) Property, plant and equipment

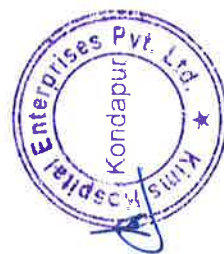
Particulars	Leaschold improvements	Machinery and equipment	Medical and surgical equipment	Electrical equipment	Office equipment	Vehicles	Furniture and fixtures	Computers	INR in millions Total of property, plant and equipment
Cost									
Balance as at 1 April 2017	139.24	106.64	243.62	49.27	10.18	5.86	62.42	25.66	642.89
Additions	15.10	2.21	47.35	0.86	6.19	6.00	3.09	3.55	78.95
Disposals	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2018	154.34	108.85	290.97	50.13	16.37	12.46	65.51	29.21	721.84
Balance as at 1 April 2018	154.34	108.85	290.97	50.13	16.37	12.46	65.51	29.21	721.84
Additions	-	1.75	45.33	-	0.37	1.31	2.26	6.71	57.73
Disposals	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	154.34	110.60	336.30	50.13	16.74	13.77	67.77	35.92	779.57
Accumulated depreciation									
Balance as at 1 April 2017	1.27	4.90	17.68	3.27	1.73	0.67	5.56	5.51	40.59
Depreciation charge for the year	2.66	7.95	22.91	5.53	2.48	0.86	7.51	8.31	58.21
Disposals	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2018	3.93	12.85	40.59	8.80	4.21	1.53	13.07	13.82	98.80
Balance as at 1 April 2018	3.93	12.85	40.59	8.80	4.21	1.53	13.07	13.82	98.80
Depreciation charge for the year	2.78	7.80	26.62	5.57	2.56	1.72	7.90	8.64	63.59
Disposals	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	6.71	20.65	67.21	14.37	6.77	3.25	20.97	22.46	162.39
Carrying amounts (net)									
At 31 March 2018	150.41	96.00	250.38	41.33	6.16	10.93	52.44	15.39	623.04
At 31 March 2019	147.63	89.95	269.09	35.76	3.97	10.52	46.80	13.46	617.18

Notes :

1. Refer note 2.34 for details of assets pledged as security.
2. Refer note 2.24 for incidental expenditure incurred during the construction period.
3. Refer note 2.25 for assets taken on finance lease.

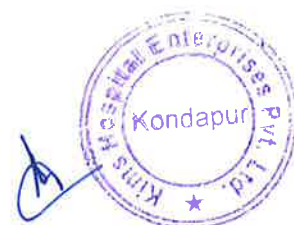
2.1 (b) Intangible assets

Particulars	INR in millions Software
Cost	
Balance as at 1 April 2017	-
Additions	-
Disposals	-
Balance as at 31 March 2018	-
Balance as at 1 April 2018	-
Additions	4.60
Disposals	-
Balance as at 31 March 2019	4.60
Accumulated depreciation	
Balance as at 1 April 2017	-
Amortisation charge for the year	-
Disposals	-
Balance as at 31 March 2018	-
Balance as at 1 April 2018	-
Amortisation charge for the year	0.15
Disposals	-
Balance as at 31 March 2019	0.15
Carrying amounts (net)	
At 31 March 2018	-
At 31 March 2019	4.45



KIMS Hospital Enterprises Private Limited
Notes to the financial statements (continued)

		INR in millions	
		As at 31 March 2019	As at 31 March 2018
2.2 Loans			
	(Unsecured, considered good)		
(a) Non-current			
	Security deposits	12.50	11.43
	Total	12.50	11.43
(b) Current			
	Security deposits	0.09	-
	Total	0.09	-
2.3 Other financial assets			
	(unsecured, considered good)		
(a) Non-current			
	Bank deposits (due to mature after 12 months of reporting date)*	1.10	1.01
	Interest accrued	0.07	-
	Total	1.17	1.01
* The above deposits are restrictive in nature as it pertains to bank guarantee.			
(b) Current			
	Contract assets (Unbilled revenue)	7.36	4.67
	Interest accrued	0.01	-
	Total	7.37	4.67
2.4 Other non-current assets			
	(unsecured, considered good)		
	Capital advances	3.77	0.55
	Prepaid expenses	13.14	12.60
	Prepaid guarantee commission	7.42	9.42
	Total	24.33	22.57



KIMS Hospital Enterprises Private Limited
Notes to the financial statements (continued)

	INR in millions	
	As at 31 March 2019	As at 31 March 2018
2.5 Inventories*		
(Valued at lower of cost or net realisable value)		
Medical consumables and pharmacy items	30.57	26.17
Total	30.57	26.17
*Refer note 2.34 for assets pledged as security.		
2.6 Trade receivables*		
Considered good - Secured	-	-
Considered good - Unsecured	71.86	74.58
Total receivables	71.86	74.58
Less : Provision for impairment	(12.25)	(0.72)
Net trade receivables	59.61	73.85
*Refer note 2.34 for assets pledged as security.		
The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 2.32 (B).		
2.7 Cash and bank balances		
a) Cash and cash equivalents		
Cash on hand	0.34	0.86
Balances with banks		
- On current accounts	5.39	8.58
	5.73	9.44
b) Other bank balances*	0.10	-
	0.10	-
Total	5.83	9.44
* The above deposits are restrictive in nature as it pertains to bank guarantee. These guarantees are maturing within 12 months of the reporting date.		
2.8 Other current assets		
(Unsecured, considered good)		
Staff advances	2.19	2.32
Advance to suppliers	1.08	1.43
Prepaid expenses	3.75	4.01
Prepaid guarantee commission	2.00	2.00
Total	9.02	9.76



2.9 Equity share capital

Authorised
Equity shares
25,000,000 (31 March 2018: 25,000,000) equity shares of INR 10 each

Issued, subscribed and paid-up
24,544,657 (31 March 2018: 24,544,657) equity shares of INR 10 each fully paid-up

INR in millions	
As at 31 March 2019	As at 31 March 2018
250.00	250.00
250.00	250.00
245.45	245.45
245.45	245.45

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
At the commencement of the year	24,544,657	245.45	22,959,976	229.60
Shares issued during the year	-	-	1,584,681	15.85
Shares issued as bonus shares	-	-	-	-
Shares outstanding at the end of the year	24,544,657	245.45	24,544,657	245.45

b) Rights, preferences and restrictions attached to equity shares:

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

c) Particulars of shareholders holding more than 5% equity shares

Name of shareholder	As at 31 March 2019		As at 31 March 2018	
	Number of shares	% of Holding	Number of shares	% of Holding
Krishna Institute of Medical Sciences Limited	12,338,155	50.27	12,338,155	50.27
Kolla Seshiah	2,500,000	10.19	2,500,000	10.19
S. Sunand	2,132,949	8.69	2,132,949	8.69
S. Padma Priya	1,832,500	7.47	2,962,500	12.07

d) Shares held by holding company including shares held by subsidiaries or associate of holding company

Name of shareholder	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Krishna Institute of Medical Sciences Limited*	12,338,155	123.38	12,338,155	123.38

*With effect from 30 March 2018, the Company became a subsidiary of Krishna Institute of Medical Sciences Limited.

e) 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 2019	31 March 2018	31 March 2017	31 March 2016	31 March 2015
Issue of equity shares of INR 10 each, fully paid up to Krishna Institute of Medical Sciences Limited by conversion of unsecured loan into equity.	-	-	937,500	-	-

f) There has been no issuance of shares other than cash and no buy back of share for a period of five years immediately preceding the balance sheet date.



KIMS Hospital Enterprises Private Limited
Notes to the financial statements (continued)

2.10 Borrowings

	INR in millions			
	As at 31 March 2019		As at 31 March 2018	
	Non-current	Current*	Non-current	Current*
Secured				
Term loans from banks				
- Yes bank (refer note i)	291.32	19.81	331.13	21.60
- HDFC bank (refer note ii)	3.70	0.62	4.32	0.57
Total loans from banks (A)	295.02	20.43	335.45	22.17
Unsecured				
Finance lease obligations (refer note iii)	1.13	1.58	2.71	0.99
Total unsecured loans (B)	1.13	1.58	2.71	0.99
Total (A+B)	296.15	22.01	338.16	23.16

Notes:

*Refer current maturities of long term debts under note 2.14 Other financial liabilities

- i Yes Bank term loan of INR 360 millions is secured by first exclusive charge on entire movable fixed assets including leasehold improvements, present and future, by way deed of hypothecation and first exclusive charge on all current assets of the Company (Refer note 2.34). Further, the loan is secured by unconditional and irrevocable personal guarantees of Dr. B. Abhinay, Mrs. CH. Harini and Mr. S. Sunand (Directors of the Company) and Dr. B. Bhaskara Rao (promoter of Krishna Institute of Medical Sciences Limited). The amount is repayable in 72 monthly instalments starting from January 2018 to December 2023. The loan carries an interest rate of 1Y MCLR + 1.15% (spread) per annum. The loan is also secured by corporate guarantee given by Krishna Institute of Medical Sciences Limited. Further, the loan is secured by a charge on the escrow account. Outstanding amount as on 31 March 2019 is INR 311.13 millions (31 March 2018: INR 352.73 millions).
- ii Term loan from HDFC Bank of INR 5.03 millions is secured by first exclusive hypothecation charge on the vehicle acquired from the said loans. The loan carries interest rate of 8.01% per annum. These loans are repayable in 84 equated monthly instalments starting from January 2018 to December 2024. Outstanding amount as on 31 March 2019 is INR 4.32 millions (31 March 2018: INR 4.89 millions).
- iii Finance lease obligations pertain to medical equipment taken on finance lease. The lease term of such medical equipment is 6 years with equated monthly payments. The same carries an interest rate ranging from 36.31% to 43.51% per annum (31 March 2018: 36.31% to 43.51% per annum). Outstanding amount as on 31 March 2019 is INR 2.71 million (31 March 2018: INR 3.70 million)



KIMS Hospital Enterprises Private Limited
Notes to the financial statements (continued)

2.10 Long-term borrowings (continued)

iv. Finance lease obligations are payable as follows:

	31 March 2019			31 March 2018		
	Future minimum lease payments (MLP)	Interest element of MLP	Present value of minimum lease payments	Future minimum lease payments (MLP)	Interest element of MLP	Present value of minimum lease payments
Within less than one year	2.68	1.10	1.58	2.49	1.50	0.99
Between one and five years	1.88	0.75	1.13	4.56	1.85	2.71
After more than five years	-	-	-	-	-	-
Total	4.56	1.85	2.71	7.05	3.35	3.70

Certain items of medical equipment have been obtained on finance lease basis. The legal title to these items vests with their lessor. The lease term of such medical equipment is 6 years with equated monthly payments beginning from the month subsequent to the commencement of lease. The legal title of medical equipment will be transferred to the Company at the end of the lease term of the respective agreements at nominal values. The said lease arrangement does not contain any contingent rent.

- v. Aggregate amount of secured loans (including current maturities of long-term borrowings) guaranteed by directors and others : INR 311.13 millions (31 March 2018 : INR 352.73 millions).
- vi. Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in note 2.32.



KIMS Hospital Enterprises Private Limited
Notes to the financial statements (continued)

		INR in millions	
		As at 31 March 2019	As at 31 March 2018
2.11 Long-term provisions			
Provision for employee benefits			
Gratuity (refer note. 2.26)		2.86	1.94
Compensated absences		2.81	1.13
Total		5.67	3.07
2.12 Short-term borrowings			
Secured			
Working capital loans from banks [refer note i]		12.52	39.43
Total		12.52	39.43
Notes			
i	Working capital loans consists of loans from:		
	a) Working capital loan represents loan from Yes Bank of INR 40.00 millions secured by first exclusive charge on entire movable fixed assets including leasehold improvements, present and future, by way deed of hypothecation and first exclusive charge on all current assets of the Company. Further, the loan is secured by unconditional and irrevocable personal guarantees of Dr. B. Abhinay, Mrs. CH. Harini and Mr. S. Sunand and Dr. B. Bhaskara Rao. The loan is also secured by corporate guarantee given by Krishna Institute of Medical Sciences Limited aggregating to INR 400 millions. Further, the loan is secured by a charge on the escrow account. The loan carries an interest rate of quarterly MCLR + 2% (spread). Outstanding amount as on 31 March 2019 is INR 12.52 millions (31 March 2018: INR 39.43 millions).		
ii	Aggregate amount of secured loans guaranteed by directors and others is INR 12.52 millions (31 March 2018: INR 39.43 millions).		
iii	Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in note 2.32.		
2.13 Trade payables			
Trade payables			
- total outstanding dues of micro enterprises and small enterprises (refer note 2.30)		1.36	0.73
- total outstanding dues of creditors other than micro enterprises and small enterprises		89.87	112.91
Total		91.23	113.64
The above includes payable to related parties. For details refer note 2.27.			
All trade payables are 'current'. The Company's exposure to currency and liquidity risks related to trade payable is included in note 2.32.			
2.14 Other financial liabilities*			
Current			
Current maturities of long term debts (refer note 2.10)		22.01	23.16
Interest accrued but not due on borrowings		3.01	2.96
Employee benefits payable		14.36	11.63
Capital creditors		2.42	5.77
Other deposits		1.43	2.16
Total		43.23	45.68
The Company's exposure to interest rate, foreign currency and liquidity risks is included in note 2.32.			
2.15 Short term provisions			
Provision for employee benefits			
Gratuity (refer note 2.26)		3.06	0.04
Compensated absences		3.06	3.44
Total		3.06	3.48
2.16 Other current liabilities			
Statutory dues payable		7.17	6.09
Contract liabilities*		2.54	2.77
Total		9.71	8.86
* Represents advances received from patients.			



KIMS Hospital Enterprises Private Limited
Notes to the financial statements (continued)

		INR in millions	
		For the year ended 31 March 2019	For the year ended 31 March 2018
2.17 Revenue from operations			
A Income from medical and healthcare services			
Income from hospital services	885.05	680.21	
Income from pharmacy	283.81	199.15	
Total (A)	1,168.86	879.36	
B Other operating income			
Income from sale of food and beverages	2.51	1.44	
Other hospital income	5.95	11.58	
Total (B)	8.46	13.02	
Total revenue from operations (A+B)	1,177.32	892.38	

Reconciliation of revenue recognised with the contracted price is as follows:

	For the year ended 31 March 2019
Contract price	1,208.84
Adjustments for:	
Discounts and disallowances	(41.09)
Others	1.11
Income from medical and healthcare services	1,168.86

2.18 Other income		
Interest income on:		
- fixed deposits	0.08	0.03
- security deposit	1.01	0.88
- Others	0.16	0.44
Sub-lease income (refer note 2.25)	1.58	1.08
Sponsorship income	1.96	-
Liabilities no longer required written back	0.73	-
Miscellaneous income	1.87	0.32
Total	7.39	2.75



KIMS Hospital Enterprises Private Limited
Notes to the financial statements (continued)

	INR in millions	
	For the year ended 31 March 2019	For the year ended 31 March 2018
2.19 Medical consumables and pharmacy items consumed		
Opening stock	26.17	23.50
Add: Purchases during the year	239.73	190.00
Less: Closing stock	30.57	26.17
Total	235.33	187.33
2.20 Employee benefits expense*		
Salaries, wages and bonus	146.50	129.11
Contribution to provident and other funds (refer note 2.26)	11.08	11.06
Staff welfare expenses	2.85	2.17
Total	160.43	142.34
*Net of amount capitalised (refer note 2.24)		
2.21 Finance costs		
Interest expense on		
- term loans	36.01	39.26
- other loans	1.80	4.39
- finance lease obligation	1.51	1.79
Guarantee commission expense	2.00	1.71
Other borrowing costs	0.87	4.16
Total	42.19	51.31
2.22 Other expenses*		
Consultancy charges	296.19	231.91
Hospital maintenance	48.93	44.67
Power and fuel	26.00	22.32
Catering and patient welfare	18.94	19.30
Rent (refer note.2.25)	69.80	69.71
Tests and investigations	5.56	3.83
Repairs and maintenance:		
- Medical /Non medical equipment	18.45	16.35
- Hospital building and others	13.12	7.08
Printing and stationery	6.84	7.16
Legal and professional charges	9.96	5.87
Rates and taxes	2.10	3.57
Insurance	0.79	0.12
Provision for impairment on receivables	11.53	(0.99)
Trade receivables written off	6.28	-
Travelling and conveyance	1.80	0.70
Advertisement and publicity	12.09	17.06
Communication	3.10	2.51
Bank charges	4.92	6.54
Miscellaneous	2.76	0.46
Total	559.16	458.18
* Net of amount capitalised (refer note 2.24)		

Note:

Payment to auditors [excluding applicable tax]

Particulars	INR in millions	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Statutory audit fee	0.50	0.50
Out of pocket expenses	0.04	0.03



2.23 Contingent liabilities and commitments

(a) Commitments		INR in millions	
Particulars	As at 31 March 2019	As at 31 March 2018	
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	0.52	0.08	

(b) Contingent liability		INR in millions	
Particulars	As at 31 March 2019	As at 31 March 2018	
Claims against the company not acknowledged as debts in respect of:			
i) Medical claims (gross, excluding interest/costs)	5.70	5.70	

(c) The Hon'ble Supreme Court of India ("SC") by their order dated 28 February, 2019, in the case of Surya Roshani Limited & others v/s Employee Provident Fund Organisation (EPFO), set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. Pending decision on the subject review petition and directions from the EPFO, the Management based on a legal opinion has a view that the applicability of the decision is prospective and accordingly provided the liability for March 2019. The impact for the past period, will depend upon the outcome of subject review petition and directions from the EPFO and hence disclosed as a Contingent liability in the financial statements. The impact of the same is not ascertainable.

Notes:

- Pending resolution of the respective proceedings, it is not practicable for the Company and its associate 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.
- 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 financial statements. The Company does not expect the outcome of these proceeding to have a materially adverse effect on its financial position.

2.24 Incidental expenditure during the construction period

During the year, the Company has capitalised the following expenses of revenue nature to the cost of property, plant and equipment, as they are directly attributable expenses. Consequently amounts disclosed under the respective notes as mentioned below are net of amounts capitalised by the Company.

Particulars	INR in millions	
	As at 31 March 2019	As at 31 March 2018
Other expenses (refer note 2.22)		
Travelling and other expenses	-	0.01
Consultancy technical fee	-	0.68
Total (A)	-	0.69
Employee benefit expenses (B) (refer note 2.20)	-	1.73
Grand total (A+B)	-	2.42

2.25 Lease

Operating lease in the capacity of lessee

The Company has taken offices and residential premises under cancellable and non-cancellable operating lease agreements. The Company intends to renew such lease in the normal course of its business. Total rental expenses under non-cancellable operating leases amounts to INR 65.32 millions (31 March 2018: INR 64.67 millions) and cancellable amounts to INR 4.48 millions (31 March 2018: INR 5.04 millions). The same are grouped under other expenses in the statement of profit and loss.

The total of minimum lease payment (MLP) under non-cancellable operating leases is as follows:

Particulars	INR in millions	
	Total MLP outstanding as at 31 March 2019	Total MLP outstanding as at 31 March 2018
Due within one year	35.95	53.44
Due later than one year and not later than one five years	60.01	95.96
Due after five years	-	-
Total	95.96	149.40

A part of the leased property has been sublet by the Company. The lease expires in May 2073 and the sublease expires in March 2023. An amount of INR 1.58 millions is recognised under 'Other income' in respect of sublease (31 March 2018: INR 1.08 millions).

Finance lease in the capacity of lessee

Medical equipment includes the following amounts where the Company is a lessee under finance lease:

Particulars	INR in millions	
	As at 31 March 2019	As at 31 March 2018
Cost	3.68	3.68
Accumulated depreciation	(2.32)	(1.52)
Net carrying amount	1.36	2.16

The lease term in respect of assets acquired under finance leases generally expires within 6 years. Under the term of leases, the Company has the option to acquire the leased assets at nominal value at the expiry of the leases.



2.26 Employee benefits

Defined benefit plan

The Company operate post-employment defined benefit plan that provides gratuity. 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. The Company accrues gratuity as per the provisions of the payment of Gratuity Act, 1972 as applicable as at the balance sheet date and accordingly the maximum payment is restricted to INR 2 million per employee.

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 financial statements as at the balance sheet date:

Particulars	INR in millions	
	As at 31 March 2019	As at 31 March 2018
Defined benefit obligation	4.90	3.43
Fair value of plan assets	2.03	1.45
Net defined benefit obligation	2.87	1.98
Total employee benefit liability	2.87	1.98
Non-current (Refer note 2.11)	2.87	1.94
Current (refer note 2.15)	-	0.04

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 and its components.

i) Reconciliation of present value of defined benefit obligation		INR in millions	
Particulars	As at	As at	
	31 March 2019	31 March 2018	
Defined benefit obligation as at 1 April	3.43	2.56	
Current service cost	1.38	1.43	
Interest cost	0.26	0.19	
Actuarial (gains) / losses recognised in other comprehensive income			
- Changes in demographic assumptions	(1.20)	-	
- Changes in financial assumptions	1.06	(0.75)	
Benefit paid	(0.03)	-	
Defined benefit obligation as at 31 March	4.90	3.43	

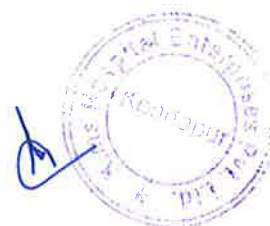
ii) Reconciliation of fair value of plan assets		INR in millions	
Particulars	As at 31 March 2019	As at 31 March 2018	
Plan assets as at 1 April	1.45	1.50	
Contributions paid into the plan	0.68	-	
Administration expenses	(0.25)	-	
Return on plan assets	0.14	0.11	
Return on plan assets recognised in other comprehensive income (actuarial gain/loss)	0.05	(0.02)	
Benefit paid	(0.03)	(0.14)	
Plan assets as at 31 March	2.04	1.45	

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

Particulars	INR in millions	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Current service cost	1.38	1.43
Interest cost	0.13	0.08
Administration expenses	0.25	-
Net gratuity cost, included in 'employee benefits'	1.76	1.51

C ii) Re-measurements recognised in other comprehensive income

Particulars	INR in millions	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Actuarial gain on defined benefit obligation	(0.19)	(0.73)



KIMS Hospital Enterprises Private Limited
Notes to the financial statements for the year ended 31 March 2019 (continued)

D Plan assets

Plan assets comprises of the following:

Particulars	INR in millions	
	As at 31 March 2019	As at 31 March 2018
Fund managed by Insurer	2.04	1.45

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	INR in millions	
	As at 31 March 2019	As at 31 March 2018
Discount rate	7.50%	7.77%
Salary escalation rate	8.00%	6.00%

Maturity profile of defined benefit obligation

Particulars	INR in millions	
	As at 31 March 2019	As at 31 March 2018
1st following year	1.53	-
Year 2 to 5	3.35	-
Year 6 to 9	1.03	-
Year 10 and above	0.44	3.43

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Salary escalation rate: The estimates of future salary increases considered takes into accounts the inflation, seniority, promotion and other relevant factors.

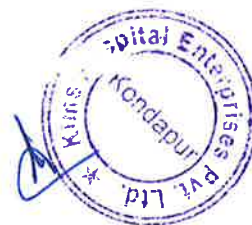
ii) Sensitivity analysis

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	INR in millions			
	For the year ended 31 March 2019		For the year ended 31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(0.16)	0.15	(0.35)	0.42
Salary escalation rate (1% movement)	0.15	(0.16)	0.80	(0.64)

F Defined contribution plan

Particulars	INR in millions	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Amount recognised in the statement of profit and loss towards		
i) Provident fund	6.26	6.45
ii) Employee state insurance	3.07	3.10



2.27 Related party disclosures

(a) Parties where control exists or where significant influence exists and with whom transactions have taken place during the current year or previous year

Nature of relationship	Name of related parties
Key management personnel (KMP)	Dr. Bollineni Abhinay Mr. S. Sunand Dr. G. L. Pani Raj
Holding Company	Krishna Institute of Medical Sciences Limited
Relative of KMP	Dr. Raavi Swetha Mrs. S. Padma Priya
Enterprises under control or joint control of KMP and other relative	SSC Projects Private Limited

(b) Transactions with related parties *

INR in millions

Particulars	For the year ended 31 March 2019	For the period ended 31 March 2018
i. Dr. Bollineni Abhinay Consultancy charges	-	0.90
ii. Dr. G. L. Pani Raj Consultancy charges	4.80	4.28
iii. Dr. Raavi Swetha Consultancy charges	2.31	2.30
iv. Mr. S. Sunand Rent paid	13.46	13.08
v. Mrs. S. Padma Priya Rent paid	13.46	13.18
vi. Krishna Institute of Medical Sciences Limited Purchase of medical consumables and pharmacy	9.95	11.16
Interest on loan given	-	0.27
Re-imbursement of claims	9.00	20.36
Sale of pharmacy items	0.95	1.76
Advance received	-	6.00
Corporate guarantee received	-	400.00
Corporate guarantee closed	-	310.00
Interest given to related parties	-	0.71
Purchase of medical equipment (excluding taxes)	-	16.17
Guarantee commission	2.00	1.71
vii. SSC Projects Private Limited Purchase of goods and services	1.89	0.43

* During the year, the Company has constituted Audit committee as required under Section 177 of the Companies Act, 2013 vide its board meeting dated 20 December 2018 and have ratified all related party transactions held during the year prior to its constitution. Management believes that the delay in constitution of Audit committee will not have any significant impact on these financial statement as all the transaction were ratified by the said committee

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

INR in millions

Particulars	As at 31 March 2019	As at 31 March 2018
i. Trade payables Dr. Bollineni Abhinay	-	0.14
Dr. G. L. Pani Raj	0.36	0.32
Dr. Raavi Swetha	-	0.23
Mr. S. Sunand	2.23	2.23
Mrs. S. Padma Priya	2.23	2.23
SSC Projects Private Limited	0.45	0.32
ii. Corporate guarantee received Krishna Institute of Medical Sciences Limited	400.00	400.00
iii. Prepaid guarantee commission Krishna Institute of Medical Sciences Limited	9.42	11.42

(d) For certain loan availed by the Company, Directors of the Company have given personal guarantee. Refer note 2.10 and 2.12 for details on the same.

Terms and conditions:

All transactions with these related parties are priced on an arm's length basis and resulting outstanding receivables and payables including financial assets and financial liabilities balances are settled in cash within a range of 30-120 days of the transaction date. None of the balances are secured.



KJMS Hospital Enterprises Private Limited
Notes to the financial statements (continued)

2.28 Earnings per share(EPS)

INR in millions

Particulars	As at 31 March 2019	As at 31 March 2018
Earnings		
Net profit for the year attributable to equity shareholders	55.79	41.54
Shares		
Number shares at the beginning of the year	24,544,657	22,959,976
Add: Equity shares issued during the year	-	1,584,681
Total number of equity shares outstanding at the end of the year	24,544,657	24,544,657
Weighted average number of equity shares outstanding during the year	24,544,657	24,370,993
Weighted average number of equity shares outstanding during the year -Basic-after considering	24,544,657	24,370,993
Weighted average number of equity shares outstanding during the year -diluted	24,544,657	24,370,993
Earnings/ (loss) per share of par value INR 10-Basic (INR)	2.27	1.70
Earnings/ (loss) per share of par value INR 10-Diluted (INR)	2.27	1.70

There are no potentially dilutive equity shares and therefore basic and diluted EPS are the same.



KIMS Hospital Enterprises Private Limited
Notes to the financial statements (continued)

2.29 Segment information

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

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

Further the business operation of the Company are concentrated in India, and hence, the Company is considered to operate only in one geographical segment.

2.30 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 2019 has been made in the 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	INR in millions	
	As at 31 March 2019	As at 31 March 2018
The amounts remaining unpaid to micro and small supplies as at end of the year		
- Principal	1.36	0.73
- Interest	-	-
The amount of interest paid by the buyer as per the MSMED Act	-	-
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.	-	-



KIMS Hospital Enterprises Private Limited
Notes to the financial statements (continued)

2.31 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 'adjusted equity' ratio.

For this purpose, adjusted net debt is defined as total liabilities, including interest bearing loans and borrowings, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio as of 31 March 2019 and 31 March 2018 was as follows:

Particulars	INR in millions	
	As at 31 March 2019	As at 31 March 2018
Total liabilities	475.62	552.32
Less: Cash and cash equivalents	(5.73)	(9.44)
Adjusted net debt	469.89	542.88
Total equity	366.30	310.38
Adjusted net debt to equity ratio	1.28	1.75



2.32 Financial instruments : Fair value and risk management
A. Accounting classification and fair values

As at 31 March 2019	Carrying amount			INR in millions
	Financial assets - amortised cost	Financial liabilities - amortised cost	Total carrying amount	Fair value level
Financial assets and financial liabilities measured at fair value	-	-	-	-
Financial assets not measured at fair value (Refer note below)				
Trade receivables	59.61	-	59.61	-
Cash and cash equivalents	5.73	-	5.73	-
Bank balances other than above	0.10	-	0.10	-
Loans	12.59	-	12.59	-
Other financial assets	8.54	-	8.54	-
Total	86.57	-	86.57	-
Financial liabilities not measured at fair value (Refer note below)				
Long-term borrowings (excluding current maturities)	-	296.15	296.15	-
Short-term borrowings	-	12.52	12.52	-
Trade payables	-	91.23	91.23	-
Other financial liabilities	-	43.23	43.23	-
Total	-	443.13	443.13	-

As at 31 March 2018	Carrying amount			INR in millions
	Financial assets - amortised cost	Financial liabilities - amortised cost	Total carrying amount	Fair value level
Financial assets and financial liabilities measured at fair value	-	-	-	-
Financial assets not measured at fair value (Refer note below)				
Trade receivables	73.85	-	73.85	-
Cash and cash equivalents	9.44	-	9.44	-
Loans	11.43	-	11.43	-
Other financial assets	5.68	-	5.68	-
Total	100.40	-	100.40	-
Financial liabilities not measured at fair value (Refer note below)				
Long-term borrowings (excluding current maturities)	-	338.16	338.16	-
Short-term borrowings	-	39.43	39.43	-
Trade payables	-	113.64	113.64	-
Other financial liabilities	-	45.68	45.68	-
Total	-	536.91	536.91	-

Note: The Company has not disclosed the fair values for financial instruments such as short-term trade receivables or short-term trade payables because their carrying amounts are a reasonable approximation of fair values.



2.32 Financial Instruments : Fair value and risk management (continued)

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 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 Board of Directors 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 Board of Directors 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 Board of Directors.

(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.

The Company establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trend. The maximum exposure to credit risk as at reporting date is primarily from trade receivables amounting to INR 71.86 millions as on 31 March 2019 (31 March 2018 : INR 74.58 millions). The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows:

	INR in millions	
	As at 31 March 2019	As at 31 March 2018
Allowance for credit losses		
Opening balance	0.72	1.71
Credit loss added / (reversed)	11.53	(0.99)
Closing Balance	12.25	0.72

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. Revenue from customers accounted for more than 10% of the revenue for the year ended 31 March 2019 and 31 March 2018 is as below:

	INR in millions	
Name of the customer	For the year ended 31 March 2019	For the year ended 31 March 2018
Customer I	159.34	113.53

(iii) Liquidity risk

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

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2019:

	Carrying Value	Less than 1 year	1 - 5 years	More than 5 years	INR in millions Total
Long-term borrowings (excluding current maturities)	296.15	-	296.26	0.68	296.94
Short-term borrowings	12.52	12.52	-	-	12.52
Interest on long-term borrowings	-	34.19	61.91	0.02	96.12
Trade payables	91.22	91.22	-	-	91.22
Other financial liabilities	43.23	43.23	-	-	43.23
Total	443.12	181.16	358.17	0.70	540.03

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2018:

	Carrying Value	Less than 1 year	1 - 5 years	More than 5 years	INR in millions Total
Long-term borrowings (excluding current maturities)	338.16	-	270.64	68.94	339.58
Short-term borrowings	39.43	39.43	-	-	39.43
Interest on long-term borrowings	-	34.92	91.78	3.22	129.92
Trade payables	113.64	113.64	-	-	113.64
Other financial liabilities	45.68	45.68	-	-	45.68
Total	536.91	233.67	362.42	72.16	668.25

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.

(iv) Market risk

(a) Interest rate risk exposure

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

	INR in millions	
Particulars	As at 31 March 2019	As at 31 March 2018
Variable rate borrowings including current maturities and short term borrowings	323.65	394.45
Total borrowings	323.65	394.45

(b) Cash flow sensitivity analysis

	Impact on profit and loss		Equity, net of tax		INR in millions
Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	
Sensitivity					
1% increase in MCLR	(3.24)	(3.94)	(2.22)	(2.71)	
1% decrease in MCLR	3.24	3.94	2.22	2.71	

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

(v) Currency risk

The Company is not exposed to currency risk.



2.33 Income-tax

	INR in millions	
	For the year ended 31 March 2019	For the year ended 31 March 2018
a. Amount recognised in statement of profit and loss		
Current tax	29.17	-
Deferred tax attributable to temporary differences	38.90	(43.78)
Tax expenses for the year	68.07	(43.78)

	For the year ended 31 March 2019			For the year ended 31 March 2018		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
b. Amount recognised in other comprehensive income						
Re-measurement on defined benefit plans	0.19	(0.07)	0.12	0.73	(0.23)	0.50

	INR in millions	
	For the year ended 31 March 2019	For the year ended 31 March 2018
c. Reconciliation of effective tax rate		
Profit before tax	123.86	(2.21)
Enacted tax rates	34.94%	30.90%
Tax expense at enacted rates	43.28	(0.68)
Tax effect of amounts which are not deductible/ taxable in calculating taxable income		
Non-deductible expenses	-	0.38
Impact of change in rate of tax	(2.94)	(0.22)
Recognition of previously unrecognized tax losses	26.71	(42.67)
Others	1.02	(0.59)
	68.07	(43.78)

d. Recognition of deferred tax assets and liabilities

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

Particulars	INR in millions	
	As at 31 March 2019	As at 31 March 2018
Deferred tax asset		
Provision for doubtful receivables	4.28	0.14
Provision for employee benefits	4.12	1.69
Business loss	2.61	66.93
Minimum alternate tax credit entitlement	29.52	0.35
Others	1.24	2.26
Total deferred tax asset	41.77	71.38
Deferred tax liability		
Excess of depreciation on the fixed assets under income tax, 1961 over depreciation under Companies Act	55.33	45.36
Others	0.50	1.10
Total deferred tax liability	55.83	46.46
Deferred tax (liability)/ asset (net)	(14.06)	24.91

(ii) Movement in temporary differences

Particulars	INR in millions							
	Balance as at 1 April 2017	Recognised in profit or loss during 2017-18	Recognised in OCI during 2017-18	Balance as at 31 March 2018	Balance as at 1 April 2018	Recognised in profit or loss during 2018-19	Recognised in OCI during 2018-19	Balance as at 31 March 2019
Provision for doubtful receivables	0.14	0.00	-	0.14	0.14	4.14	-	4.28
Provision for employee benefits payable	1.28	0.64	(0.23)	1.69	1.69	2.50	(0.07)	4.12
Business loss	17.22	49.72	-	66.93	66.93	(64.32)	-	2.61
Minimum alternate tax entitlement	0.35	-	-	0.35	0.35	29.17	-	29.52
Others items - assets	1.80	0.46	-	2.26	2.26	(1.02)	-	1.24
Expenses of depreciation on the fixed assets under income tax, 1961 over depreciation under Companies Act	(38.89)	(6.47)	-	(45.36)	(45.36)	(9.97)	-	(55.33)
Others items - liability	(0.54)	(0.56)	-	(1.10)	(1.10)	0.60	-	(0.50)
	(18.64)	43.79	(0.23)	24.91	24.91	(38.90)	(0.07)	(14.06)



KIMS Hospital Enterprises Private Limited
Notes to the financial statements (continued)

2.34 Assets pledged as security

Particulars	INR in millions	
	As at 31 March 2019	As at 31 March 2018
Charge on property, plant and equipment		
Leasehold improvements	147.63	150.41
Medical equipment and Surgical equipment	269.09	250.38
Machinery and equipment	89.95	96.00
Office equipment	3.97	6.16
Electrical equipment	35.76	41.33
Computers	13.46	15.39
Furniture and fixtures	46.80	52.44
Vehicles	10.52	10.93
Total property, plant and equipment pledged as security	617.18	623.05
Charge on current assets		
Trade receivables (gross)	71.86	74.58
Inventories	30.57	26.17
Total current assets pledged as security	102.43	100.75

2.35 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 2019.

As per our Report on financial statements of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration no.: 116231W/ W-100024



Sulabh Kumar Kedia
Partner
Membership no.: 066380
UDIN: 19066380AAAAAN1781

Place: Hyderabad
Date: 03 July 2019

for and on behalf of the Board of Directors of
KIMS Hospital Enterprises Private Limited
CIN:U85191TG2013PTC085793


Dr. G. L. Panigrahi
Director
DIN: 06779203


Dr. CH. Harini
Director
DIN: 00356392


Uma Shankar Mantha
Company Secretary

Place: Hyderabad
Date: 03 July 2019