

Independent auditor's report

To the members of KIMS Hospital Enterprises Private Limited

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

We have audited the accompanying Ind AS financial statements of **KIMS Hospital Enterprises Private Limited** ("the Company"), which comprise the Balance sheet as at 31 March 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion


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

Information Other than the Financial Statements and Auditor's report thereon

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

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

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



Responsibilities of management and those charged with governance for the Ind AS financial statements

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

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the Ind AS financial statements

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

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

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



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- 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other matter

The Ind AS financial statements of the Company for the year ended 31 March 2019, included in these Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on 03 July 2019.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, the statement of profit and loss including the statement of other comprehensive income, the statement of cash flows and statement of changes in equity dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;



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- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended 31 March 2020; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 2.25 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Navneet Rai Kabra

Partner

Membership Number: 102328

UDIN: 20102328AAAABX8711

Place of Signature: Hyderabad

Date: 26 June 2020



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Annexure 1, referred to in paragraph 1 of our report of even date

Re: KIMS Hospital Enterprises Private Limited (the 'Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. There was no inventory lying with third parties.
- (iii) 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. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the medical and healthcare services, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed dues in respect of provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.



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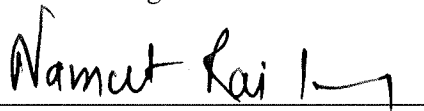
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- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records, the company has not paid or provided any remuneration to managerial person during the period under audit. Therefore, the provisions of section 197 read with Schedule V to the Act are not applicable to the company.
- (xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause (xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per **Navneet Rai Kabra**

Partner

Membership Number: 102328

UDIN: 20102328AAAABX8711

Place of Signature: Hyderabad

Date: 26 June 2020



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Annexure 2 to the independent auditor's report of even date on the financial statements of KIMS Hospital Enterprises Private Limited

Report on the internal financial controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of KIMS Hospital Enterprises Private Limited ("the Company") as of 31 March 2020, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

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

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these financial statements.



Meaning of internal financial controls over financial reporting with reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these 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 control over financial reporting with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 over financial reporting with reference to these Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Navneet Rai Kabra

Partner

Membership Number: 102328

UDIN: 20102328AAAABX8711

Place of Signature: Hyderabad

Date: 26 June 2020



KIMS Hospital Enterprises Private Limited
Balance sheet as at 31 March 2020

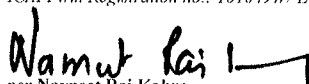
All amounts are in million of Indian Rupees except share data or unless otherwise stated

	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	2.1(a)	615.14	615.83
Intangible assets	2.1(b)	4.18	4.45
Right-of-use assets	2.1(b)	409.44	1.36
Financial assets			
(i) Loans	2.2(a)	14.15	12.50
(ii) Other financial assets	2.3(a)	-	1.17
Deferred tax assets	2.32	2.09	-
Non-current tax assets (net)		88.50	69.81
Other non-current assets	2.4	17.94	24.33
Total non-current assets		1,151.44	729.45
Current assets			
Inventories	2.5	36.76	30.57
Financial assets			
(i) Trade receivables	2.6	90.91	59.61
(ii) Cash and cash equivalents	2.7(a)	11.46	5.73
(iii) Bank balances other than (ii) above	2.7(b)	1.27	0.10
(iv) Loans	2.2(b)	1.71	0.09
(v) Other financial assets	2.3(b)	6.28	7.37
Other current assets	2.8	8.37	9.02
Total current assets		156.76	112.49
Total assets		1,308.20	841.94
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	2.9(a)	245.45	245.45
Other equity	2.9(b)	231.25	120.85
Total equity		476.70	366.30
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	2.10	229.81	296.15
(ii) Lease liabilities	2.24	427.25	-
Provisions	2.11	2.27	2.86
Deferred tax liabilities (net)	2.32	-	14.06
Total non-current liabilities		659.33	313.07
Current liabilities			
Financial liabilities			
(i) Borrowings	2.12	9.08	12.52
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	2.13	11.83	1.36
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2.13	102.00	89.88
(iii) Current lease liabilities	2.24	13.77	-
(iv) Other financial liabilities	2.14	17.12	43.23
Provisions	2.15	6.56	5.87
Other current liabilities	2.16	11.81	9.71
Total current liabilities		172.17	162.57
Total liabilities		1,308.20	841.94
Significant accounting policies	1.3		

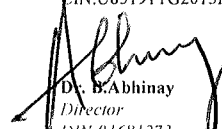
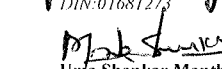
The accompanying notes referred to above form an integral part of the financial statements.

As per our report attached of even date

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


per Navneet Rai Kabra
Partner
Membership no.. 102328

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


Dr. B. Abhinay
Director
DIN:01681273

Uma Shankar Mantha
Company Secretary
Membership no.A21035


Dr. C.H. Harini
Director
DIN: 00356392

Place: Hyderabad
Date: 26 June 2020

Place: Hyderabad
Date: 26 June 2020

KIMS Hospital Enterprises Private Limited**Statement of profit and loss for the year ended 31 March 2020**

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

	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue			
Revenue from operations	2.17	1,412.58	1,177.32
Other income	2.18	9.85	7.39
Total revenue		1,422.43	1,184.71
Expenses			
Medical consumables and pharmacy items consumed	2.19	283.53	235.33
Employee benefits expense	2.20	204.52	160.43
Finance costs	2.21	80.06	42.19
Depreciation and amortisation expense	2.1	151.09	63.74
Other expenses	2.22	582.64	559.16
Total expenses		1,301.84	1,060.85
Profit before tax		120.59	123.86
Tax expense			
- Current tax	2.32	30.55	29.17
- Deferred tax credit / (expense)	2.32	(23.98)	38.90
- Tax pertaining to earlier years	2.32	(0.55)	-
Total tax expense		6.02	68.07
Profit for the year (A)		114.57	55.79
Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
- Re-measurement (loss)/ gains on defined benefit plans		(0.49)	0.19
- Income tax effect		0.14	(0.07)
Other comprehensive income, net of tax (B)		(0.35)	0.12
Total comprehensive income for the year (A+B)		114.22	55.91
Earning per share (face value of share Rs. 10 each)	2.27		
- Basic		4.67	2.27
- Diluted		4.67	2.27

Significant accounting policies

1.3

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

As per our report attached of even date

for S.R.Batlboi & Associates LLP

Chartered Accountants

ICAI Firm Registration no.: 101049W/ E300004

Navneet Rai
per Navneet Rai Kabra
Partner

Membership no.: 102328

for and on behalf of the Board of Directors of

KIMS Hospital Enterprises Private Limited

CIN:U85191TG2013PTC085793

Dr. B. A. Bhinay
Director
DIN:01681273

Dr. CH. Harini
Director
DIN: 00356392

Uma Shankar Mantha
Company Secretary
Membership no. A21035

Place: Hyderabad
Date: 26 June 2020Place: Hyderabad
Date: 26 June 2020

KIMS Hospital Enterprises Private Limited
Statement of cash flows for the year ended 31 March 2020

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

	For the year ended 31 March 2020	For the year ended 31 March 2019
I. Cash flows from operating activities:		
Profit before tax	120.59	123.86
Adjustments for operating activities:		
Depreciation and amortisation expenses	151.09	63.74
Loss on sale of property, plant and equipment	8.34	-
Expected credit loss for trade receivables	0.97	11.53
Trade receivable written off	2.82	6.28
Commission expenses on guarantee taken from related party	0.54	2.00
Sub lease income	(1.39)	(1.58)
Interest income	(3.19)	(0.08)
Liabilities no longer required written back	(0.96)	(0.73)
Finance cost	80.06	42.19
Operating cash flows before working capital changes	358.87	247.21
Adjustments for:		
Increase in trade receivables	(35.09)	(3.57)
Increase in inventories	(6.19)	(4.40)
Increase in loans and other assets	(0.48)	(3.58)
Increase/(decrease) in liabilities and provisions	16.48	(16.45)
Cash generated from operations	333.59	219.21
Income-taxes paid, net of refund	(40.72)	(43.12)
Net cash flow generated from operating activities (A)	292.87	176.09
II. Cash flows from investing activities		
Purchase of property, plant and equipment	(110.95)	(68.92)
Proceeds from sale of property, plant and equipment	1.74	-
Bank deposits (having original maturity of more than three months)	-	(0.26)
Sub lease income	1.39	1.58
Interest income	1.83	0.01
Net cash used in investing activities (B)	(105.99)	(67.59)
III. Cash flows from financing activities		
Repayment of long-term borrowings	(85.42)	(43.05)
Repayment of short-term borrowings (net)	(3.44)	(26.91)
Payment of lease obligations	(59.54)	(0.99)
Finance cost paid	(32.75)	(41.26)
Net cash flows used in financing activities (C)	(181.15)	(112.21)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	5.73	(3.71)
Cash and cash equivalents at the beginning of the year	5.73	9.44
Cash and cash equivalents at the end of the year	11.46	5.73
Note:		
Components of cash and cash equivalents		
Cash on hand	0.11	0.34
Balances with banks		
- On current accounts	11.35	5.39
Total	11.46	5.73

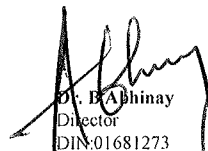
The accompanying notes referred to above form an integral part of the financial statements.


As per our report attached of even date

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


per Navneet Rai Kabra
Partner
Membership no.: 102328

for and on behalf of the Board of Directors of
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Director
DIN: 00356392


Uma Shankar Mantha
Company Secretary

Place: Hyderabad
Date: 26 June 2020

Place: Hyderabad
Date: 26 June 2020

KIMS Hospital Enterprises Private Limited
Statement of changes in equity for the year ended 31 March 2020

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

Particulars	Equity share capital	Other equity			Total of Other equity
		Reserve and surplus		Capital contribution	
		Securities premium	Retained earnings		
Balance as at 1 April 2019	245.45	111.41	(5.73)	15.17	120.85
Profit for the year	-	-	114.57	-	114.57
Guarantee commission	-	-	-	(3.82)	(3.82)
Re-measurement of defined benefit liability (net of tax)	-	-	(0.35)	-	(0.35)
Balance as at 31 March 2020	245.45	111.41	108	11.35	231.25

Particulars	Equity share capital	Other equity			Total of Other equity
		Reserve and surplus		Capital contribution	
		Securities premium	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

As per our report attached of even date

 for **S R Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration no.: 101049W/ E300004

Navneet Rai
per Navneet Rai Kabra
Partner

Membership no.: 102328

for and on behalf of the Board of Directors of

KIMS Hospital Enterprises Private Limited

CIN:U85191TG2013PTC085793

Dr. B. Abhinav
Director
DIN:01681273

Dr. CH. Harini
Director
DIN: 00356392

Uma Shankar Mantha
Company Secretary
Membership no. A21035

Place: Hyderabad

Date: 26 June 2020

Place: Hyderabad

Date: 26 June 2020

KIMS Hospital Enterprises Private Limited

Notes to the financial statements for the year ended 31 March 2020

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

1.1 Company Overview

KIMS Hospital Enterprises Private Limited ('the Company') is private company domiciled in India and is incorporated on 15 February 2013 under the provisions of Companies Act, 1956. The registered office of the company is located at Building No.1-112/86, Survey No. 55/EE, Kondapur Village, Serilingampally Mandal, Hyderabad, Telangana, India – 500084.

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

The financial statements were authorised for issue by the Company's Board of Directors on 26 June 2020.

1.2 Basis of preparation of financial statements

a) Statement of Compliances:

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.

b) 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 or Amortised cost
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

c) Functional and presentation currency:

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

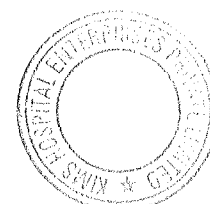
d) Change in accounting policies

New and amended standards

The Company applied Ind AS 116 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in the current year, but do not have an impact on the Financial Statements of the Company. The Company has not early adopted any standards or amendments that have been issued but not yet effective.

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KIMS Hospital Enterprises Private Limited**Notes to the financial statements for the year ended 31 March 2020**

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

Ind AS 116 – Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Effective 01 April 2019, the Company adopted Ind AS 116 "Leases" applied to all lease contracts existing on 01 April 2019 using the modified retrospective method and elected to measure the Right-of-Use assets at an amount equal to the lease liability as at the date of initial application, on the date of initial application. Accordingly, comparatives for the year ended 31 March 2019 have not been retrospectively adjusted. On transition, the adoption of new standard resulted in recognition of Right - of - Use asset (ROU) and lease liabilities of Rs. 449.95 (net off lease payments paid in advance). The effect of this adoption is insignificant on the profit for the year and earning per share.

The Company applied the Standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

The weighted average lessee's incremental borrowing rate applied to lease liabilities recognised in the balance sheet at the date of initial application is 10.5% p.a.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

e) Significant accounting judgement, estimates and assumptions :

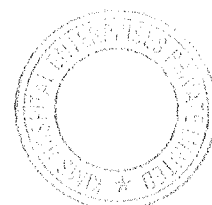
The preparation of Company's financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, estimates and assumptions that affect the reported balances of revenue, expenses, assets and liabilities, accompanying disclosures and the disclosure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

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

Estimates and assumptions

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

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KIMS Hospital Enterprises Private Limited**Notes to the financial statements for the year ended 31 March 2020**

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

Provision for expected credit losses of trade receivables and contract assets

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

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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

Defined benefit plans (gratuity benefits)

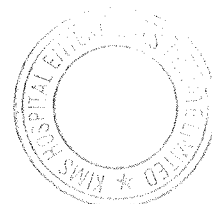
The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Refer Note 2.26 - Measurement of defined benefit obligations, key actuarial assumptions.

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

Impairment of non-financial assets

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

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KIMS Hospital Enterprises Private Limited

Notes to the financial statements for the year ended 31 March 2020

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

f) Current and non-current classification

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

Assets

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

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

All other assets are classified as non-current.

Liabilities

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

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

All other liabilities are classified as non-current.

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

Operating cycle

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

g) Fair value measurement:

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

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

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

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



KIMS Hospital Enterprises Private Limited**Notes to the financial statements for the year ended 31 March 2020**

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

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

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

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

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

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

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

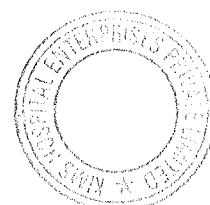
Periodically, the Management present the valuation results to the Board of Directors/ Audit Committee and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

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

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 Note 2.35 – financial instruments.

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KIMS Hospital Enterprises Private Limited**Notes to the financial statements for the year ended 31 March 2020**

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

1.3 Significant accounting policies**A. Revenue from contract with customer**

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

Effective April 1, 2018, the Company has applied Ind AS 115 - Revenue from Contract with customers which establishes a comprehensive framework for revenue recognition. Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. When there is uncertainty on ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

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

Revenue is recognised when the related services are rendered at the transaction price. With respect to the patients who are undergoing treatment/ observation on the balance sheet date, revenue is recognised to the extent of services rendered. Revenue is measured based on the transaction price, which is the fixed consideration adjusted for discounts, principal versus agent considerations, any other rights and obligations as specified in the contract with the customer. Revenue also excludes taxes collected from customers and deposited back to the respective statutory authorities.

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

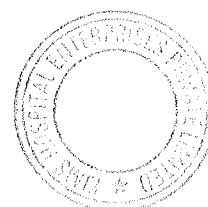
Contract balances

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

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

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

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KIMS Hospital Enterprises Private Limited**Notes to the financial statements for the year ended 31 March 2020**

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

Other Income

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

B. Income tax

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

Current income tax

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

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

Deferred tax

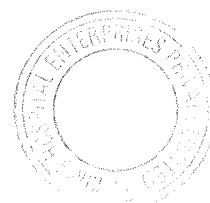
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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

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

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

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KIMS Hospital Enterprises Private Limited

Notes to the financial statements for the year ended 31 March 2020

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

Minimum alternate tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.



KIMS Hospital Enterprises Private Limited**Notes to the financial statements for the year ended 31 March 2020**

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

C. Property, plant and equipment

Property, plant and equipment is stated at original cost, net of accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, borrowing costs, if the recognition criteria are met, 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.

When significant parts of Property, plant and equipment are required to be replaced at intervals, the Company de-recognises the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognised in the statement of profit and loss as incurred.

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

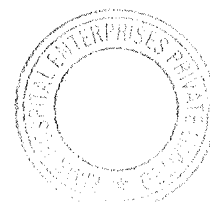
Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

The cost and related accumulated depreciation are de-recognised 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.

De recognition

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

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KIMS Hospital Enterprises Private Limited**Notes to the financial statements for the year ended 31 March 2020**

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

Depreciation

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

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

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

- Individual asset not exceeding Rs. 5,000 have been fully depreciated in the year of purchase.
- Leasehold improvements are depreciated over the lease term.

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

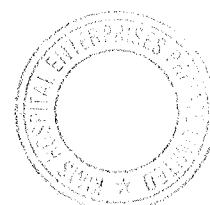
D. Intangible assets

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

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

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

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KIMS Hospital Enterprises Private Limited**Notes to the financial statements for the year ended 31 March 2020**

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

Amortisation

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

The estimated useful lives of intangibles are as follows:

Category of Assets	Useful life (In years)
Software	6

E. Borrowing costs

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

F. Leases

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

Company as a lessee

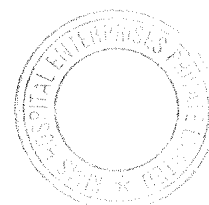
The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

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

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

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KIMS Hospital Enterprises Private Limited**Notes to the financial statements for the year ended 31 March 2020**

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

ii) Lease Liabilities

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

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

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

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

G. Inventories

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

H. Impairment of non-financial assets

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



KIMS Hospital Enterprises Private Limited

Notes to the financial statements for the year ended 31 March 2020

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

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

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

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

1. Provisions

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

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

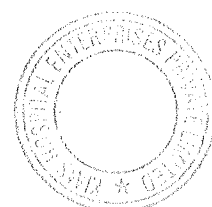
Contingent liabilities

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

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

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

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KIMS Hospital Enterprises Private Limited**Notes to the financial statements for the year ended 31 March 2020**

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

J. Retirement and other employee benefits**Defined contribution plans**

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

Defined benefit plans

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

The gratuity scheme is administered by third party. Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI).

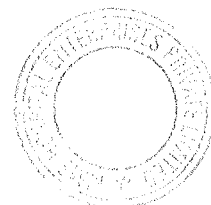
The Company determines the net interest expense (income) on the net defined liability (assets) for the period by applying the discount rate used to measure the net defined obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes 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.

Short term employee benefits

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

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KIMS Hospital Enterprises Private Limited**Notes to the financial statements for the year ended 31 March 2020**

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Compensated Absences

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

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

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

K. Financial instruments

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

Financial Assets**Initial recognition and measurement**

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

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

Subsequent measurement

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

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss (FVTPL)



KIMS Hospital Enterprises Private Limited

Notes to the financial statements for the year ended 31 March 2020

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

Financial assets at amortised cost

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

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

Financial assets at fair value through profit or loss

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

Derecognition

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

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

Impairment of financials assets

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

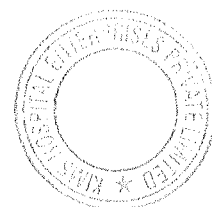
Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18 (referred to as 'contractual revenue receivables' in these financial statements).

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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KIMS Hospital Enterprises Private Limited

Notes to the financial statements for the year ended 31 March 2020

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

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

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

Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

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

Financial liabilities at fair value through profit or loss

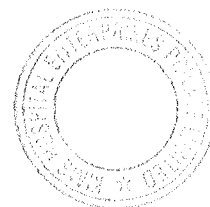
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)

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

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

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KIMS Hospital Enterprises Private Limited**Notes to the financial statements for the year ended 31 March 2020**

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

Derecognition

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

L. Cash and cash equivalents

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

M. Earnings per share

The basic and diluted 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.

N. Segment reporting

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Management evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices. Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

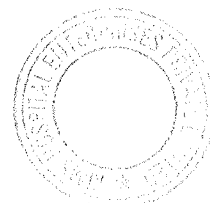
O. Corporate social responsibility

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

P. Events after reporting date

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

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KIMS Hospital Enterprises Private Limited

Notes to the financial statements for the year ended 31 March 2020

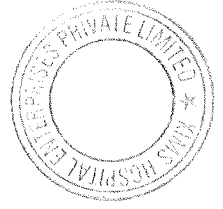
All amounts are in million of Indian Rupees except share data or unless otherwise stated

2.1 (a) Property, plant and equipment

Particulars	Leasehold improvements	Machinery and equipment	Medical and surgical equipment	Electrical equipment	Office equipment	Vehicles	Furniture and fixtures	Computers	Total of property, plant and equipment
Balance as at 1 April 2018	154.34	108.85	287.29	50.13	10.37	12.46	65.51	29.21	718.17
Additions	-	1.75	45.33	-	0.37	1.31	2.26	6.71	57.73
Balance as at 31 March 2019	154.34	110.60	332.62	50.13	10.74	13.77	67.77	35.92	775.90
Balance as at 1 April 2019	154.34	110.60	332.62	50.13	10.74	13.77	67.77	35.92	775.90
Additions	20.27	6.02	65.40	6.76	0.58	0.08	8.09	10.61	117.81
Disposals	-	-	(16.34)	(1.25)	-	-	-	-	(17.59)
Balance as at 31 March 20	174.61	116.62	381.68	55.64	11.32	13.85	75.86	46.53	876.12
Accumulated depreciation									
Balance as at 1 April 2018	3.93	12.85	39.07	8.80	4.21	1.53	13.07	13.82	97.28
Depreciation charge for the year	2.78	7.80	25.82	5.57	2.56	1.72	7.90	8.64	62.79
Balance as at 31 March 2019	6.71	20.65	64.89	14.37	6.77	3.25	20.97	22.46	160.07
Balance as at 1 April 2019	6.71	20.65	64.89	14.37	6.77	3.25	20.97	22.46	160.07
Depreciation charge for the year	42.38	7.99	30.84	5.49	1.53	1.85	7.87	10.47	108.42
Disposals	-	-	(6.90)	(0.61)	-	-	-	-	(7.51)
Balance as at 31 March 20	49.09	28.64	88.83	19.25	8.30	5.10	28.84	32.93	260.98
Carrying amounts (net)									
At 31 March 2019	147.63	89.95	267.73	35.76	3.97	10.52	46.80	13.46	615.83
At 31 March 2020	125.52	87.98	292.85	36.39	3.02	8.75	47.01	13.60	615.14

2.1 (b) Intangible assets

Particulars	Software	Right-of-use assets
Balance as at 1 April 2018	-	3.68
Additions	4.60	-
Balance as at 31 March 2019	4.60	3.68
Balance as at 1 April 2019	4.60	3.68
Additions	0.53	-
Additions on adoption of Ind AS 116	-	449.95
At 31 March 2020	5.13	453.63
Accumulated Amortization		
Balance as at 1 April 2018	-	1.52
Amortisation charge for the year	0.15	0.80
Balance as at 31 March 2019	0.15	2.32
Balance as at 1 April 2019	0.15	2.32
Amortisation charge for the year	0.80	41.87
At 31 March 2020	0.95	44.19
Carrying amounts (net)		
At 31 March 2019	4.45	1.36
At 31 March 2020	4.18	409.44



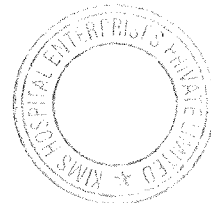
KIMS Hospital Enterprises Private Limited**Notes to the financial statements for the year ended 31 March 2020**

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

	As at 31 March 2020	As at 31 March 2019
2.2 Loans (at amortised cost) (unsecured, considered good)		
(a) Non-current		
Security deposits	14.15	12.50
Total	14.15	12.50
(b) Current		
Security deposits	1.71	0.09
Total	1.71	0.09
2.3 Other financial assets (at amortised cost) (unsecured, considered good)		
(a) Non-current		
Bank deposits (due to mature after 12 months of reporting date)*	-	1.10
Interest accrued	-	0.07
Total	-	1.17
* The above deposits are restrictive in nature as it pertains to bank guarantee.		
(b) Current		
Contract assets (Unbilled revenue)	6.21	7.36
Interest accrued	0.07	0.01
Total	6.28	7.37
2.4 Other non-current assets (unsecured, considered good)		
Capital advances	2.73	3.77
Prepaid expenses	11.51	13.14
Prepaid guarantee commission	3.70	7.42
Total	17.94	24.33
2.5 Inventories (Valued at lower of cost or net realisable value)		
Medical consumables and pharmacy items	36.76	30.57
Total	36.76	30.57
2.6 Trade receivables (at amortised cost)		
Considered good - Unsecured	90.91	59.61
Trade receivables - credit impaired	13.22	12.25
Total receivables	104.13	71.86
Less: Trade receivables - credit impaired	(13.22)	(12.25)
Net trade receivables	90.91	59.61

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

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



KIMS Hospital Enterprises Private Limited

Notes to the financial statements for the year ended 31 March 2020

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

	As at 31 March 2020	As at 31 March 2019
2.7 Cash and bank balances		
a) Cash and cash equivalents		
Cash on hand	0.11	0.34
Balances with banks		
- On current accounts	11.35	5.39
	11.46	5.73
b) Other bank balances*	1.27	0.10
	1.27	0.10
Total	12.73	5.83

* The above deposits are restrictive in nature as it pertains to bank guarantee. These guarantees are maturing within 12 months of the reporting date.

c) Changes in liabilities arising from financing activities

Particulars	As at 1 April 2019	Cash flows	Other	As at 31 March 2020
Current borrowings	12.52	(3.44)	-	9.08
Lease liabilities	2.71	(59.54)	497.85	441.02
Non- current borrowings (including current maturities)	315.45	(85.42)	0.45	230.48
Total liabilities from financing activities	330.68	(148.40)	498.30	680.58

Particulars	As at 1 April 2018	Cash flows	Other	As at 31 March 2019
Current borrowings	39.43	(26.91)	-	12.52
Lease liabilities (included in borrowings)	3.70	(0.99)	-	2.71
Non- current borrowings (including current maturities)	358.62	(44.04)	0.87	315.45
Total liabilities from financing activities	401.75	(71.94)	0.87	330.68

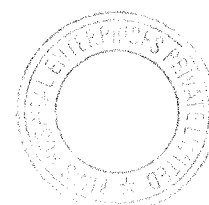
Others in non-current borrowings includes effect of amortization cost. Others in lease liabilities is towards addition of lease liability and interest accrued thereon on adoption of Ind AS 116.

2.8 Other current assets

(Unsecured, considered good)

	As at 31 March 2020	As at 31 March 2019
Staff advances	1.92	2.19
Advance to suppliers	1.22	1.08
Prepaid expenses	3.87	3.75
Prepaid guarantee commission	1.36	2.00
Total	8.37	9.02

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KIMS Hospital Enterprises Private Limited
Notes to the financial statements for the year ended 31 March 2020
All amounts are in million of Indian Rupees except share data or unless otherwise stated

2.9(a) Equity share capital

Authorised

Equity shares

25,000,000 (31 March 2019: 25,000,000) equity shares of Rs. 10 each

Issued, subscribed and paid-up

24,544,657 (31 March 2019: 24,544,657) equity shares of Rs. 10 each fully paid-up

	As at 31 March 2020	As at 31 March 2019
Authorised Equity shares	250.00	250.00
Issued, subscribed and paid-up	245.45	245.45
	<u>245.45</u>	<u>245.45</u>

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
At the commencement of the year	24,544,657	245.45	24,544,657	245.45
Shares outstanding at the end of the year	24,544,657	245.45	24,544,657	245.45

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

The Company has only one class of equity shares having par value of Rs. 10/- each. Each equity share holder is entitled to one vote per equity share held. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of shareholder	As at 31 March 2020		As at 31 March 2019	
	Number of shares	% of Holding	Number of shares	% of Holding
Krishna Institute of Medical Sciences Limited	18,472,589	75.26	12,338,155	50.27
Kolla Seshiah	-	-	2,500,000	10.19
S. Sunand	-	-	2,132,949	8.69
S. Padma Priya	1,832,500	7.47	1,832,500	7.47

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

Name of shareholder	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
Krishna Institute of Medical Sciences Limited	18,472,589	184.73	12,338,155	123.38

v) 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 2020	31 March 2019	31 March 2018	31 March 2017	31 March 2016
Issue of equity shares of Rs. 10 each, fully paid up to Krishna Institute of Medical Sciences Limited by conversion of unsecured loan into equity.	-	-	-	937,500	-

2.9(b) Other equity

A) Capital contribution

Opening balance

Add: Decrease during the year

Closing balance (A)

B) Retained earning

Opening balance

Add: Profit for the year

Other comprehensive income:

Remeasurement losses on defined benefit plans (net of tax)

Closing balance (B)

C) Securities premium

Opening balance

Add: Increase/(decrease) during the year

Closing balance (C)

Total other equity (A+B+C)

	As at 31 March 2020	As at 31 March 2019
A) Capital contribution	15.17	15.17
Opening balance	(3.82)	-
Add: Decrease during the year	<u>11.35</u>	<u>15.17</u>
B) Retained earning	(5.73)	(61.64)
Opening balance	114.57	55.79
Add: Profit for the year	(0.35)	0.12
Other comprehensive income:	<u>108.49</u>	<u>(5.73)</u>
Remeasurement losses on defined benefit plans (net of tax)		
Closing balance (B)		
C) Securities premium	111.41	111.41
Opening balance	-	-
Add: Increase/(decrease) during the year	<u>111.41</u>	<u>111.41</u>
Closing balance (C)	<u>231.25</u>	<u>120.85</u>
Total other equity (A+B+C)		

Nature and purpose of reserves:

(i) Retained earnings

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

(ii) Capital contribution

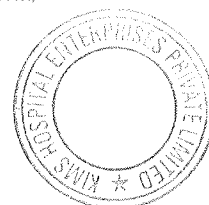
Financial guarantee contracts are recognised as a financial liability at the time of issue of guarantee. The liability is measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation, where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

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

(iii) Securities premium

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

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KIMS Hospital Enterprises Private Limited**Notes to the financial statements for the year ended 31 March 2020**

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

2.10 Borrowings (at amortised cost)

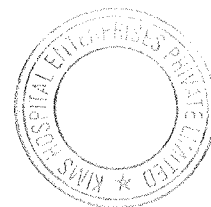
	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current*	Non-current	Current*
Secured				
Term loans from banks				
- Yes bank (refer note i)	226.77	-	291.32	19.81
- HDFC bank (refer note ii)	3.04	0.67	3.70	0.62
Total loans from banks (A)	229.81	0.67	295.02	20.43
Unsecured				
Finance lease obligations	-	-	1.13	1.58
Total unsecured loans (B)	-	-	1.13	1.58
Total (A + B)	229.81	0.67	296.15	22.01

Notes:

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

- i Yes Bank term loan of Rs. 360 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. 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 (Holding Company). Further, the loan is secured by a charge on the escrow account.
- ii Term loan from HDFC Bank of Rs. 5.03 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.
- iii Aggregate amount of secured loans (including current maturities of long-term borrowings) guaranteed by directors and others : Rs. 226.77 (31 March 2019 : Rs. 311.13).

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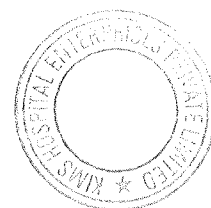


KIMS Hospital Enterprises Private Limited**Notes to the financial statements for the year ended 31 March 2020**

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

	As at 31 March 2020	As at 31 March 2019
2.11 Long-term provisions		
Provision for employee benefits		
Gratuity (refer note. 2.26)	2.27	2.86
Total	2.27	2.86
2.12 Short-term borrowings (at amortised cost)		
Secured		
Working capital loans from banks [refer note i]	9.08	12.52
Total	9.08	12.52
Notes		
i Working capital loan represents loan from Yes Bank of Rs. 40.00 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 Holding company. Further, the loan is secured by a charge on the escrow account. The loan carries an interest rate of quarterly MCLR + 2% (spread).		
2.13 Trade payables (at amortised cost)		
Trade payables		
- total outstanding dues of micro enterprises and small enterprises (refer note 2.29)	11.83	1.36
- total outstanding dues of creditors other than micro enterprises and small enterprises	102.00	89.88
Total	113.83	91.24
The above includes payable to related parties. For details refer note 2.25.		
Trade payables are non-interest bearing and are normally settled on 30-90 day terms.		
2.14 Other financial liabilities (at amortised cost)		
Current		
Current maturities of long term debts (refer note 2.10)	0.67	22.01
Interest accrued but not due on borrowings	1.98	3.01
Employee benefits payable	5.70	14.36
Capital creditors	8.77	2.42
Other deposits	-	1.43
Total	17.12	43.23
2.15 Short term provisions		
Provision for employee benefits		
Compensated absences	6.56	5.87
Total	6.56	5.87
2.16 Other current liabilities		
Statutory dues payable	9.30	7.17
Contract liabilities	2.51	2.54
Total	11.81	9.71

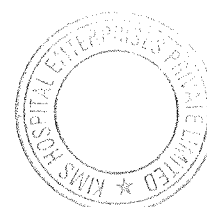
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KIMS Hospital Enterprises Private Limited**Notes to the financial statements for the year ended 31 March 2020**

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

	For the year ended 31 March 2020	For the year ended 31 March 2019
2.17 Revenue from operations		
Income from healthcare services	1,069.29	885.05
Income from sale of pharmacy	337.26	283.81
Total (A)	1,406.55	1,168.86
Other operating income		
Income from sale of food and beverages	2.82	2.51
Other hospital income	3.21	5.95
Total (B)	6.03	8.46
Total revenue from operations (A+B)	1,412.58	1,177.32
2.18 Other income		
Interest income on:		
- Fixed deposits	0.07	0.08
- Income tax refund	1.82	-
- Security deposit	1.30	1.01
- Others	-	0.16
Sub-lease income (refer note 2.24)	1.39	1.58
Liabilities no longer required written back	0.96	0.73
Miscellaneous income	4.31	3.83
Total	9.85	7.39



KIMS Hospital Enterprises Private Limited**Notes to the financial statements for the year ended 31 March 2020**

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

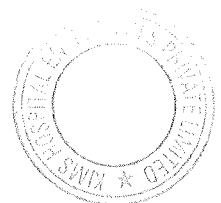
	For the year ended 31 March 2020	For the year ended 31 March 2019
2.19 Medical consumables and pharmacy items consumed		
Opening stock	30.57	26.17
Add: Purchases during the year	289.72	239.73
Less: Closing stock	36.76	30.57
Total	283.53	235.33
2.20 Employee benefits expense		
Salaries, wages and bonus	187.68	146.50
Contribution to provident and other funds	12.11	11.08
Staff welfare expenses	4.73	2.85
Total	204.52	160.43
2.21 Finance costs		
Interest from bank		
- term loans	30.99	36.01
- other loans	0.19	1.80
Interest expense on lease liabilities	47.89	1.51
Guarantee commission expense	0.54	2.00
Others	0.45	0.87
Total	80.06	42.19
2.22 Other expenses		
Consultancy charges	351.59	296.19
Hospital maintenance	54.49	48.93
Power and fuel	27.31	26.00
Catering and patient welfare	21.64	18.94
Rent (refer note 2.24)	20.33	69.80
Tests and investigations	15.78	5.56
Repairs and maintenance:		
- Medical /Non medical equipment	14.35	18.45
- Hospital building and others	16.37	13.12
Printing and stationery	5.86	6.84
Director sitting fee	0.05	-
Payment to auditors (refer note below)	0.60	0.50
Legal and professional charges	4.87	9.46
Rates and taxes	3.15	2.10
Insurance	1.20	0.79
Expected credit loss for trade receivables	0.97	11.53
Trade receivables written off	2.82	6.28
Travelling and conveyance	10.03	1.80
Advertisement and publicity	9.43	12.09
Net loss on sale of property, plant and equipment	8.34	-
Contributions towards Corporate Social Responsibility (refer note 2.35)	0.45	-
Communication charges	4.32	3.10
Bank charges	7.64	4.92
Miscellaneous expenses	1.05	2.76
Total	582.64	559.16

Note:**Payment to auditors [excluding applicable taxes]**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019*
Statutory audit fee	0.60	0.50

*Paid to erstwhile auditor of the company

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KIMS Hospital Enterprises Private Limited**Notes to the financial statements for the year ended 31 March 2020**

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

2.23 Contingent liabilities and commitments**(a) Commitments**

Particulars	As at 31 March 2020	As at 31 March 2019
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	0.98	0.52

(b) Contingent liability

Particulars	As at 31 March 2020	As at 31 March 2019
Claims against the company not acknowledged as debts in respect of:		
i) Medical claims (gross, excluding interest/costs)	5.70	5.70

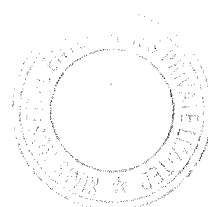
(c) On 28 February 2019, the Supreme Court of India issued a judgement which provided further guidance for companies in determining which components of their employee's compensation are subject to statutory withholding obligations, and matching employer contribution obligations, for Provident Fund contributions under Indian law. There are interpretative issues relating to the retrospective applicability of the judgement. However, from the current year, the Company has complied with the aforesaid Supreme court's judgement. The Company will evaluate the same and update its position for earlier years, if any on receiving further clarity on the subject.

Notes (For note (b) and (c)):

i. 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.

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

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KIMS Hospital Enterprises Private Limited**Notes to the financial statements for the year ended 31 March 2020**

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

2.24 Lease**Operating leases in the capacity of lessee**

The Company has lease contracts for various items of building and medical equipment used in its operations. Leases of building, plant and machinery generally have lease terms between 3 - 15 years. There are several lease contracts that include extension and termination options, which are further discussed below.

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

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

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

Particulars	Building	Medical Equipment	Total
As at 31 March 2019	-	-	-
Addition on adoption of Ind AS 116	449.95	1.37	451.32
Amortization expense	41.07	0.80	41.87
As at 31 March 2020	408.88	0.57	409.45

Set out below are the carrying amounts of lease liabilities (included under borrowings) and the movements during the period:

	As at 31 March 2020	As at 31 March 2019
Opening balance as on 1 April	-	-
Addition on adoption of Ind AS 116	452.67	-
Accretion of interest	47.89	-
Payments	(59.54)	-
As at 31 March	441.02	-
Current	13.77	-
Non-current	427.25	-

The following are the amounts recognised in profit or loss:

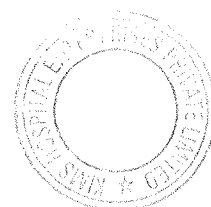
	As at 31 March 2020	As at 31 March 2019
Depreciation expense of right-of-use assets	41.87	-
Interest expense on lease liabilities	47.89	-
Expense relating to short-term leases and low-value assets (included in other expenses)	20.33	69.80
Total amount recognised in profit or loss	110.09	69.80

The Company had total cash outflows for leases of Rs. 79.87 in 31 March 2020 (31 March 2019: Rs. 69.80).

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

	As at 31 March 2020	As at 31 March 2019
Within one year	59.35	-
Between one and five years	268.49	-
After more than five years	428.02	-
Total	755.86	-

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KIMS Hospital Enterprises Private Limited**Notes to the financial statements for the year ended 31 March 2020**

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

2.25 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**

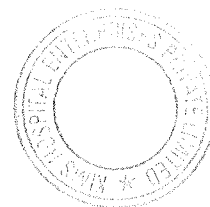
Nature of relationship	Name of related parties	Designation
Key management personnel (KMP)	Dr. Bollineni Abhinay	Director
	Mr. S. Sunand	Director
	Dr. G.L Pani Raj (Resigned w.e.f 26 November 2019)	Director
	Mr Uma Shankar	Company Secretary
	Mr Subodh Singh	Chief Executive Officer
	Mr. G. Rajeshwar Rao (appointed w.e.f. 14 December, 2019)	Independent director
	Mr P Venu	Chief Financial Officer
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

Particulars	For the year ended 31 March 2020	For the period ended 31 March 2019
I. Consultancy charges		
Dr. G. L Pani Raj	4.80	4.80
Dr. Raavi Swetha	-	2.31
II. Rental charges		
Mr. S. Sunand	14.58	13.46
Mrs. S. Padma Priya	14.58	13.46
III. Purchase of medical consumables and pharmacy		
Krishna Institute of Medical Sciences Limited	4.90	9.95
SSC Projects Private Limited	1.15	1.89
IV. Sale of pharmacy items		
Krishna Institute of Medical Sciences Limited	0.18	0.95
V. Test and Investigations expenses		
Krishna Institute of Medical Sciences Limited	11.25	-
VI. Guarantee commission		
Krishna Institute of Medical Sciences Limited	1.37	2.00
VII. Managerial remuneration*		
Subodh Singh B K	5.25	-
Venu P	0.66	-
VIII. Salary paid*		
Mr Uma Shankar Mantha	0.12	-
IX. Directors sitting fee		
G. Rajeshwar Rao	0.05	-

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

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KIMS Hospital Enterprises Private Limited**Notes to the financial statements for the year ended 31 March 2020**

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

2.25 Related party disclosures (continued)**(c) The balances payable to related parties**

Particulars	As at	As at
	31 March 2020	31 March 2019
I. Trade payables		
Dr. G. L. Pani Raj	0.36	0.36
Mr. S. Sunand	2.33	2.23
Mrs. S. Padma Priya	2.17	2.23
Mr Uma Shankar Mantha	0.01	-
SSC Projects Private Limited	-	0.45
II. Corporate guarantee received		
Krishna Institute of Medical Sciences Limited	400.00	400.00
III. Prepaid guarantee commission		
Krishna Institute of Medical Sciences Limited	5.06	9.42

(d) For certain loan availed by the Company, few 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 related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash.



KIMS Hospital Enterprises Private Limited
Notes to the financial statements for the year ended 31 March 2020

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

2.26 Employee benefits
Defined benefit plan

The Company operates 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.

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	As at 31 March 2020	As at 31 March 2019
Defined benefit obligation	6.11	4.89
Fair value of plan assets	3.84	2.03
Net defined benefit obligation	2.27	2.86
Total employee benefit liability	2.27	2.86
Non-current (Refer note 2.11)	-	-
Current (refer note 2.15)	-	-

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

Particulars	As at 31 March 2020	As at 31 March 2019
Defined benefit obligation as at 1 April	4.89	3.42
Current service cost	1.22	1.38
Interest cost	0.31	0.26
Actuarial (gains) / losses recognised in other comprehensive income	0.35	(1.20)
- Changes in demographic assumptions	(0.10)	1.06
- Changes in financial assumptions	-	-
- Experience adjustments	(0.55)	(0.03)
Benefit paid	6.11	4.89
Defined benefit obligation as at 31 March	6.11	4.89

ii) Reconciliation of fair value of plan assets

Particulars	As at 31 March 2020	As at 31 March 2019
Plan assets as at 1 April	2.03	1.45
Contributions paid into the plan	2.47	0.68
Administration expenses	-	(0.25)
Return on plan assets	0.13	0.14
Return on plan assets recognised in other comprehensive income (actuarial gain/loss)	(0.24)	0.05
Benefit paid	(0.55)	(0.03)
Plan assets as at 31 March	3.84	2.03

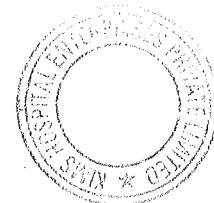
C i) Expenses recognised in the statement of profit and loss

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	1.22	1.38
Interest cost	0.18	0.13
Administration expenses	-	0.25
Net gratuity cost, included in 'employee benefits'	1.39	1.75

C ii) Re-measurements recognised in other comprehensive income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Actuarial gain on defined benefit obligation	0.49	(0.19)

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KIMS Hospital Enterprises Private Limited**Notes to the financial statements for the year ended 31 March 2020 (continued)**

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

2.26 Employee benefits (continued)**D Plan assets**

Plan assets comprises of the following:

Particulars	As at	As at
	31 March 2020	31 March 2019
Fund managed by Insurer	3.84	2.03

E Defined benefit obligation**i) Actuarial assumptions**

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

Principal actuarial assumptions	As at	As at
	31 March 2020	31 March 2019
Discount rate	5.85%	7.50%

Maturity profile of defined benefit obligation

Particulars	As at	As at
	31 March 2020	31 March 2019
1st following year	1.43	1.53
Year 2 to 5	3.85	3.35
Year 6 to 9	1.19	1.03
Year 10 and above	1.58	0.44

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	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(0.24)	0.26	(0.16)	0.15
Salary escalation rate (1% movement)	0.26	(0.24)	0.15	(0.16)

F Defined contribution plan

Particulars	For the year ended	For the year ended
	31 March 2020	31 March 2019
Amount recognised in the statement of profit and loss towards		
i) Provident fund	7.99	6.26
ii) Employee state insurance	2.73	3.07

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KIMS Hospital Enterprises Private Limited**Notes to the financial statements for the year ended 31 March 2020**

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

2.27 Earnings per share(EPS)

Particulars	As at 31 March 2020	As at 31 March 2019
Earnings		
Net profit for the year attributable to equity shareholders	114.57	55.79
Shares		
Number shares at the beginning of the year	24,544,657	24,544,657
Add: Equity shares issued during the year	-	-
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	24,544,657
Weighted average number of equity shares outstanding during the year	24,544,657	24,544,657
Weighted average number of equity shares outstanding during the year -diluted	24,544,657	24,544,657
Earnings per share of par value Rs. 10 each - Basic (Rs.)	4.67	2.27
Earnings per share of par value Rs. 10 each - Diluted (Rs.)	4.67	2.27

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

2.28 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.

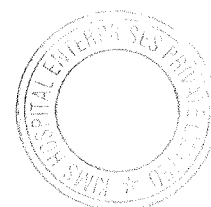
Further the business operation of the Company are concentrated in India, and hence, the Company is considered to operate only in one geographical segment.

2.29 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 2020 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	As at 31 March 2020	As at 31 March 2019
The amounts remaining unpaid to micro and small supplies as at end of the year	11.83	1.36
- Principal	-	-
-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.	-	-

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KIMS Hospital Enterprises Private Limited**Notes to the financial statements for the year ended 31 March 2020**

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

2.30 Capital management

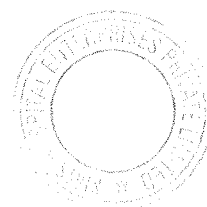
The Company's policy is to maintain a stable capital base so as to maintain investor and creditor confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the 'adjusted net debt' to 'total equity' ratio.

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

The Company's adjusted net debt to equity ratio was as follows:

Particulars	As at	As at
	31 March 2020	31 March 2019
Total borrowings	239.56	330.68
Less: Cash and cash equivalents	(11.46)	(5.73)
Adjusted net debt	228.10	324.95
Total equity	465.35	351.13
Adjusted net debt to equity ratio	0.49	0.93

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KIMS Hospital Enterprises Private Limited**Notes to the financial statements for the year ended 31 March 2020**

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

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

The management assessed that loans, trade receivables, cash and cash equivalents, other financial assets, borrowings, trade payables and other financial liabilities approximate their carrying amounts as fair value.

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 Rs. 104.13 as on 31 March 2020 (31 March 2019 : Rs. 71.86). The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows:

	As at 31 March 2020	As at 31 March 2019
Allowance for credit losses	12.25	0.72
Opening balance	0.97	11.53
Credit loss added / (reversed)	13.22	12.25
Closing balance		

(iii) Liquidity risk

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

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

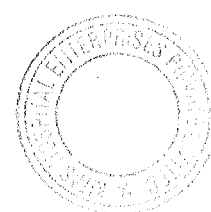
Particulars	Carrying Value	Less than 1 year	1 - 5 years	More than 5 years	Total
Long-term borrowings (excluding current maturities)	229.81	-	229.81	-	229.81
Lease liability	755.86	59.35	268.49	428.02	755.86
Short-term borrowings	9.08	9.08	-	-	9.08
Trade payables	113.83	113.83	-	-	113.83
Other financial liabilities	17.12	17.12	-	-	17.12
Total	1,125.70	199.38	498.30	428.02	1,125.70

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

Particulars	Carrying Value	Less than 1 year	1 - 5 years	More than 5 years	Total
Long-term borrowings (excluding current maturities)	296.15	-	296.15	-	296.15
Short-term borrowings	12.52	12.52	-	-	12.52
Trade payables	91.24	91.24	-	-	91.24
Other financial liabilities	43.23	43.23	-	-	43.23
Total	443.14	146.99	296.15	-	443.14

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.

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KIMS Hospital Enterprises Private Limited**Notes to the financial statements for the year ended 31 March 2020**

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

(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:

Particulars	As at	As at
	31 March 2020	31 March 2019
Variable rate borrowings including current maturities and short term borrowings	235.85	323.65
Total borrowings	235.85	323.65

(b) Cash flow sensitivity analysis

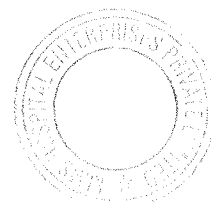
Particulars	Impact on profit and loss		Equity, net of tax	
	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
Sensitivity				
1% increase in MCLR	(2.36)	(3.24)	(1.62)	(2.22)
1% decrease in MCLR	2.36	3.24	1.62	2.22

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.

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KIMS Hospital Enterprises Private Limited
Notes to the financial statements for the year ended 31 March 2020
All amounts are in million of Indian Rupees except share data or unless otherwise stated

2.32 Income-tax

a. Amount recognised in statement of profit and loss

	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax	30.55	29.17
Taxes for earlier years	(0.55)	-
Deferred tax attributable to temporary differences	(23.98)	38.90
Tax expenses for the year	6.02	68.07

b. Amount recognised in other comprehensive income

	For the year ended 31 March 2020			For the year ended 31 March 2019		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
Re-measurement on defined benefit plans	(0.49)	0.14	(0.35)	0.19	(0.07)	0.12

c. Reconciliation of effective tax rate

	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit before tax	120.59	123.86
Enacted tax rates	29.12%	34.94%
Tax expense at enacted rates	35.12	43.28
Tax effect of amounts which are not deductible/ taxable in calculating taxable income	0.29	-
Non-deductible expenses	(7.51)	(2.94)
Impact of change in rate of tax	(21.43)	-
Utilization of previously unrecognized tax losses	-	26.71
Reversal of deferred tax created on tax losses	(0.55)	-
Taxes for earlier years	0.11	1.02
Others	6.02	68.07
Total	6.02	68.07

d. Recognition of deferred tax assets and liabilities

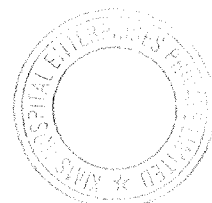
(i) Deferred tax assets and liabilities are attributable to the following

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax asset	3.85	4.28
Provision for doubtful receivables	3.96	4.12
Provision for employee benefits	-	2.61
Accumulated Business loss	21.56	29.52
Minimum alternate tax credit entitlement	9.19	1.24
Others	38.56	41.77
Total deferred tax asset	35.65	55.33
Deferred tax liability	0.82	0.50
Excess of depreciation on the fixed assets under income tax, 1961 over depreciation under	36.47	55.83
Others	2.09	(14.06)
Total deferred tax liability	2.09	(14.06)
Deferred tax asset/ (liability) (net)	33.56	41.27

(i) Movement in temporary differences

Particulars	Balance as at 1 April 2018	Recognised in		Balance as at 31 March 2019	Balance as at 1 April 2019	Recognised in		Others	Balance as at 31 March 2020
		Profit or loss during 2018- 19	OCI during 2018-19			Profit or loss during 2019- 20	OCI during 2019-20		
Provision for doubtful receivables	0.14	4.14	-	4.28	4.28	(0.43)	-	-	3.85
Provision for employee benefits payable	1.69	2.50	(0.07)	4.12	4.12	(0.30)	0.14	-	3.96
Business loss	66.93	(64.32)	-	2.61	2.61	(2.61)	-	-	-
Minimum alternate tax entitlement	0.35	29.17	-	29.52	29.52	-	-	7.96	21.56
Others items - assets	2.26	(1.02)	-	1.24	1.24	7.95	-	-	9.19
Expenses of depreciation on the fixed assets under income tax, 1961 over depreciation under Companies Act.	(45.36)	(9.97)	-	(55.34)	(55.34)	19.68	-	-	(35.66)
Others items - liability	(1.10)	0.60	-	(0.51)	(0.51)	(0.31)	-	-	(0.82)
	24.91	(38.90)	(0.07)	(14.06)	(14.06)	23.98	0.14	7.96	2.09

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KIMS Hospital Enterprises Private Limited**Notes to the financial statements for the year ended 31 March 2020**

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

2.33 Revenue from contracts with customers:**Disaggregated revenue information**

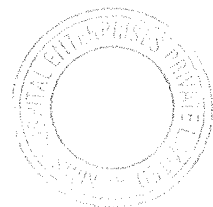
Set out below is the disaggregation of the Company's revenue from contracts with customers:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Income from hospital services	1,069.29	885.05
Income from sale of pharmacy	337.26	283.81
Other operating income	6.03	8.46
Total revenue from contracts with customers	1,412.58	1,177.32
India	1,412.58	1,177.32
Outside India	-	-
Timing of revenue recognition		
Services transferred over time	1,069.29	885.05
Goods transferred at a point of time	337.26	283.81
Other operating income	6.03	8.46
Total revenue from contracts with customers	1,412.58	1,177.32
Reconciliation of revenue recognised with the contracted price is as follows:		
Contract price	1,491.27	1,177.32
Less: Discounts and disallowances	(77.62)	(67.89)
Less: Others	(1.06)	(1.11)
Total revenue from contracts with customers	1,412.58	1,108.32
Contract balances		
Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivables	90.91	59.61
Contract assets	6.21	7.36
Contract liabilities	2.51	2.54

Contract liability: During the financial year ended March 31, 2020, the company has recognised revenue of Rs. 2.54 from advance received from patients outstanding as on 31 March 2019. During the financial year ended 31 March 2019, the company has recognised revenue of Rs. 2.77 from advance received from patients outstanding as on 31 March 2018.

Contract asset: During the financial year ended 31 March 2020, the company has transferred Rs. 7.36 of contract assets as at 31 March 2019 to trade receivables on completion of performance obligation. During the financial year ended 31 March 2019, the company has transferred Rs. 4.67 of contract assets as at 31 March 2018 to trade receivables on completion of performance obligation.

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KIMS Hospital Enterprises Private Limited**Notes to the financial statements for the year ended 31 March 2020**

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

2.34 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 2020 and 31 March 2019

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
a) Gross amount required to be spent by the Company during the year	0.45	-
b) Amount spent during the year		
(i) Construction/acquisition of any assets	-	-
(ii) On purpose other than (i) above.	-	-
Promoting preventive healthcare	0.45	-
Total	0.45	-

2.36 Global Health Pandemic

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

2.37 There were no significant adjusting events that occurred subsequent to the reporting period.

2.38 Previous year figures have been audited by a Firm of Chartered accountants other than S.R. Batliboi & Associates LLP:

As per our report attached of even date

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

Chartered Accountants

ICAI Firm Registration no : 101049W/ E300604

Navneet Rai

per Navneet Rai Kabra
Partner

Membership no.: 102328



for and on behalf of the Board of Directors of

KIMS Hospital Enterprises Private Limited

CIN:U85191TG2013PTC085793

Dr. B. Abhinav
Director
DIN:01681273

Dr. CH. Harini
Director
DIN: 00356392

Uma Shankar Mantha
Company Secretary
Membership no.A21035

Place: Hyderabad
Date: 26 June 2020

Place: Hyderabad.
Date: 26 June 2020