

Independent auditor's report

To the members of Saveera Institute of Medical Sciences Private Limited

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

We have audited the accompanying Ind AS financial statements of **Saveera Institute of Medical Sciences 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 loss 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.

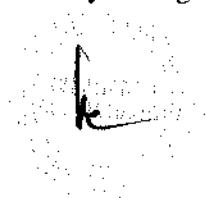
Those charged with governance are also responsible for overseeing the Company's financial reporting process.

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.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

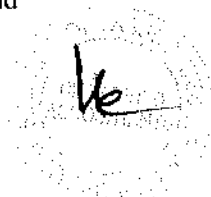
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we 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.

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;
 - (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) In our opinion, the managerial remuneration for the year ended 31 March 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; and



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

(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: 20102328AAAABZ9591

Place of Signature: Hyderabad

Date: 26 June 2020



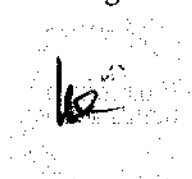
S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

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

Re: Saveera Institute of Medical Sciences 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.

A handwritten signature in black ink is written over a circular, faint stamp. The signature appears to be 'SR Batliboi'. The stamp is mostly illegible but seems to contain text around the perimeter.

S.R. BATLIBOI & ASSOCIATES LLP

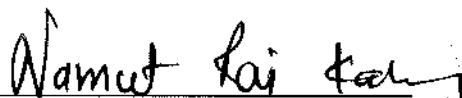
Chartered Accountants

- (ix) In our opinion and according to information and explanations given by the management, the Company has not any money by way of initial public offer / further public offer / debt instruments. In our opinion and according to information and explanation given to us, the term loans taken by the company and applied during the period were for the purpose for which they were raised.
- (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 by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause (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

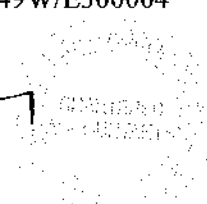
Partner

Membership Number: 102328

UDIN: 20102328AAAABZ9591

Place of Signature: Hyderabad

Date: 26 June 2020



Annexure 2 to the independent auditor's report of even date on the financial statements of Saveera Institute of Medical Sciences 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 Saveera Institute of Medical Sciences 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: 20102328AAAABZ9591

Place of Signature: Hyderabad

Date: 26 June 2020



Saveera Institute of Medical Sciences 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)	537.29	539.50
Intangible assets	2.1 (b)	292.52	297.19
Financial assets			
(i) Loans	2.2 (a)	3.44	3.56
(ii) Other financial asset	2.3 (a)	0.62	-
Non current tax asset		37.89	31.22
Other assets	2.4	15.20	17.22
		886.96	888.69
Current assets			
Inventories	2.5	12.83	16.34
Financial assets			
(i) Loans	2.2 (b)	0.47	-
(ii) Trade receivables	2.6	97.34	69.94
(iii) Cash and cash equivalents	2.7	1.11	4.52
(iv) Other financial asset	2.3 (b)	7.82	6.26
Other assets	2.8	5.17	2.00
		124.74	99.06
Total Assets		1,011.70	987.75
Equity and liabilities			
Equity			
Equity share capital	2.9(a)	310.00	290.10
Other equity	2.9(b)	(45.33)	(15.42)
Total equity		264.67	274.68
Non-current liabilities			
Financial liabilities			
(i) Borrowings	2.10	553.44	495.14
(ii) Others financial liabilities	2.14 (a)	4.27	3.26
Long term provisions	2.11	1.15	0.67
Deferred tax liability (net)	2.31	-	27.80
		558.86	526.87
Current liabilities			
Financial liabilities			
(i) Borrowings	2.12	11.35	84.32
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	2.13	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2.13	107.29	66.53
(iii) Others financial liabilities	2.14 (b)	61.46	30.65
Provisions	2.15	3.12	0.08
Other current liabilities	2.16	4.95	4.62
Total current liabilities		188.17	186.20
Total equity and liabilities		1,011.70	987.75

Significant accounting policies

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

As per our report attached of even date

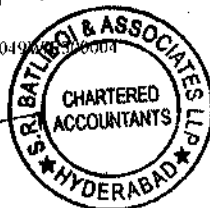
for S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 1010490000000004

Navneet Rai
per Navneet Rai Kabra
Partner

Membership No: 102328



for and on behalf of the Board of Directors of

Saveera Institute of Medical Sciences Private Limited

CIN: U85100AP2018PTC109004

Abhinay
Director
DIN: 01681273

S.V. Kishore Reddy
Managing Director
DIN: 03492323

B. Chandra
Chandra Kumar Bouda
Company Secretary
Membership No: 55162

Place: Hyderabad

Date: 26 June 2020

Place: Hyderabad

Date: 26 June 2020

Saveera Institute of Medical Sciences 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 period ended 31 March 2019
Income			
Revenue from contracts with customers	2.17	582.88	227.15
Other income	2.18	2.22	2.21
Total income		585.10	229.36
Expenses			
Medical consumables and pharmacy items consumed	2.19	157.49	54.32
Employee benefits expense	2.20	122.11	44.36
Depreciation and amortization expense	2.1	45.69	20.42
Finance cost	2.21	63.23	29.56
Other expenses	2.22	255.57	126.93
Total expense		644.09	275.59
Loss before tax		(58.99)	(46.23)
Tax expense			
- Current tax	2.31	-	-
- Deferred tax credit	2.31	(27.95)	(12.86)
Total tax expense		(27.95)	(12.86)
Loss for the year (A)		(31.04)	(33.37)
Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss		0.52	-
- Re-measurement gain on defined benefit plans		(0.15)	-
- Income tax effect		0.38	-
Other comprehensive income/ (loss), net of tax (B)		(30.66)	(33.37)
Total comprehensive loss for the year (A+B)		(31.04)	(33.37)
Earning per share (face value of share Rs. 10 each)			
- Basic	2.26	(3,104.32)	(5,364.67)
- Diluted	2.26	(3,104.32)	(5,364.67)
Significant accounting policies	1.3		

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

As per our report attached of even date

for S.R. Batliboi & Associates LLP

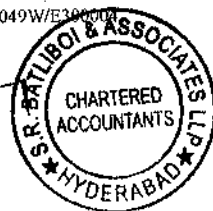
Chartered Accountants

ICAI Firm registration number: 101049W/E300002

Namrat Rai

per Navneet Rai Kabra
Partner

Membership No: 102328



for and on behalf of the Board of Directors of

Saveera Institute of Medical Sciences Private Limited

CIN: U85100AP2018PTC109004

Abhinav
Director
DIN: 01681273

B. Chandral
Chandra Kumar Boddu
Company Secretary
Membership No: 55162

Kishore

S.V. Kishore Reddy
Managing Director
DIN: 03492323

Place: Hyderabad
Date: 26 June 2020

Place: Hyderabad
Date: 26 June 2020

Saveera Institute of Medical Sciences 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	Instruments entirely equity in nature	Other equity		Total of other equity
			Reserve and surplus	Capital contribution	
			Retained earnings		
Balance as at 01 April 2019	0.10	290.00	(33.37)	17.95	(15.42)
Loss for the year	-	-	(31.04)	-	(31.04)
Guarantee commission	-	-	-	0.75	0.75
Issue of shares	-	19.90	-	-	-
Re-measurement of defined benefit plans net of tax	-	-	0.38	-	0.38
Balance as at 31 March 2020	0.10	309.90	(64.04)	18.71	(45.33)

Particulars	Equity share capital	Instruments entirely equity in nature	Other equity		Total of other equity
			Reserve and surplus	Capital contribution	
			Retained earnings		
Balance as at 16 August 2018	-	-	-	-	-
Loss for the period	-	-	(33.37)	-	(33.37)
Guarantee commission	-	-	-	17.95	17.95
Issue of equity shares	0.10	-	-	-	-
Issue of 0.001% cumulative optionally convertible redeemable preference shares	-	290.00	-	-	-
Balance as at 31 March 2019	0.10	290.00	(33.37)	17.95	(15.42)

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 number: 101049W/E200004

Namcet Rai

per Namcet Rai Kabra
Partner

Membership No: 102328



for and on behalf of the Board of Directors of
Saveera Institute of Medical Sciences Private Limited
CIN: U85100AP2018PTC109004

S. V. Kishore Reddy
Director
DIN: 01681273

S.V. Kishore Reddy
Managing Director
DIN: 03492323

B. Chandrad
Chandra Kumar Boddu
Company Secretary
Membership No: 55162

Place: Hyderabad
Date: 26 June 2020

Place: Hyderabad
Date: 26 June 2020

Saveera Institute of Medical Sciences Private Limited

Statement of Cash Flows

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. Operating activities:		
Loss before tax	(58.99)	(46.23)
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation and amortisation expenses	45.69	20.42
Expected credit loss for trade receivables	2.22	4.91
Sub lease income	1.44	1.16
Interest income on Fixed deposit	0.05	-
Finance costs	63.23	30.00
	53.63	10.26
Working capital adjustments:		
Increase in trade receivables	(29.62)	(13.33)
Decrease/(Increase) in inventories	3.51	(10.27)
(Increase)/decrease in financial assets	(5.21)	1.19
Increase in other assets	(2.50)	(0.75)
Decrease/(Increase) in contract assets	2.37	(3.58)
Increase/(decrease) in financial liabilities	40.76	(14.66)
Increase in provisions	4.04	0.75
Increase in contract liabilities	0.37	0.72
Decrease in other liabilities	(0.74)	(6.11)
	66.61	(35.78)
Income taxes-paid (net)	(6.67)	(9.79)
Net cash flows from/(used in) operating activities (A)	59.94	(45.57)
II. Investing activities		
Purchase of property, plant and equipment	(38.23)	(70.10)
Sub lease income received	(1.44)	(1.16)
Interest received on Fixed deposit	(0.05)	-
Net cash flows used in investing activities (B)	(39.71)	(71.26)
III. Financing activities		
Proceeds from issue of shares	19.90	290.10
Payment of purchase consideration for slump sale (refer note 2.33)	-	(197.27)
Proceeds from long-term borrowings	107.00	500.00
Repayment of long-term borrowings	(57.00)	(532.14)
Proceeds from short-term borrowings (net)	(35.97)	84.32
Interest paid	(57.87)	(23.66)
Net cash flows (used in)/ generated from financing activities (C)	(23.94)	121.35
Net increase in cash and cash equivalents (A+B+C)	(3.71)	4.52
Cash and cash equivalents at the beginning of the year	4.52	-
Cash and cash equivalents at the end of the year	0.81	4.52
Note:		
Components of cash and cash equivalents		
Cash on hand	0.59	0.74
Balances with banks		
- On current accounts	0.22	3.78
Total	0.81	4.52

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 number: 101049W/000000

Navneet Rai

per Navneet Rai Kabra
Partner

Membership No: 102328



for and on behalf of the Board of Directors of

Saveera Institute of Medical Sciences Private Limited

CIN: U85100AP2018PTC109004

Dr. B. Abhinav
Director
DIN: 01681273

S.V. Kishore Reddy

S.V. Kishore Reddy
Managing Director
DIN: 03492323

B. Chandra
Chandra Kumar Boddu
Company Secretary
Membership No: 55162

Place: Hyderabad
Date: 26 June 2020

Place: Hyderabad
Date: 26 June 2020

Saveera Institute of Medical Sciences 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

Saveera Institute of Medical Sciences Private Limited ('the Company') is private company domiciled in India and is incorporated on 16 August 2018 under provisions of the the Companies Act, 2013. The registered office of the company is located at D No 1-1348, Srinagar Colony Extension, Opposite to Sakshi Office, Anantapur, Andhra Pradesh, India - 515004.

The Company is primarily engaged in 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.



Saveera Institute of Medical Sciences 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. The effect of this adoption does not have an impact on the assets, liabilities, loss 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).

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.



Saveera Institute of Medical Sciences 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

I. Impairment of non-financial assets

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

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

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

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.

J. 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.



Saveera Institute of Medical Sciences 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

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.

K. 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.



Saveera Institute of Medical Sciences 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 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.

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.

L. 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.



Saveera Institute of Medical Sciences 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

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)

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

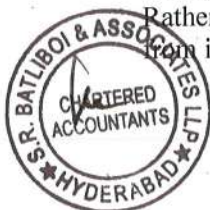
In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

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.



Saveera Institute of Medical Sciences 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 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.



Saveera Institute of Medical Sciences 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.

M. Preference shares

0.001% cumulative optionally convertible redeemable preference shares ("COCRPS") are accounted as equity component based on the terms of the contract. The proceeds are included in equity since shares met Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

N. Cash and cash equivalents

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

O. Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders (after deducting preference dividend) by the weighted average number of equity shares outstanding during the year.

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

P. 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.

Q. 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.





Saaveera Institute of Medical Sciences Private Limited
Notes to financial statement 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 ('PPE')

Particulars	Freehold land	Buildings	Medical equipment	Plant and machinery	Office equipment	Electrical equipment	Computers	Furniture and fixtures	Vehicles	Total
Cost (gross carrying amount)										
Acquisition through business combination	-	253.58	174.59	21.55	6.52	15.23	4.78	10.17	2.58	489.00
Additions	9.86	10.91	41.65	1.30	1.25	-	1.38	0.27	-	66.62
Balance as at 31 March 2019	9.86	264.49	216.24	22.85	7.77	15.23	6.16	10.44	2.58	555.62
Balance as at 1 April 2019	9.86	264.49	216.24	22.85	7.77	15.23	6.16	10.44	2.58	555.62
Additions	-	5.84	13.85	3.77	0.42	4.66	1.34	4.16	0.65	34.69
As at 31 March 2020	9.86	270.33	230.09	26.62	8.19	19.89	7.50	14.60	3.23	590.31
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the period	-	2.28	9.10	0.90	1.05	0.99	0.78	0.80	0.22	16.12
Balance as at 31 March 2019	-	2.28	9.10	0.90	1.05	0.99	0.78	0.80	0.22	16.12
Balance as at 1 April 2019	-	2.28	9.10	0.90	1.05	0.99	0.78	0.80	0.22	16.12
Depreciation charge for the year	-	4.68	20.03	1.92	2.39	2.54	2.61	2.22	0.51	36.90
As at 31 March 2020	-	6.96	29.13	2.82	3.44	3.53	3.39	3.02	0.73	53.02
Carrying amounts (net)										
At 31 March 2019	9.86	262.21	207.14	21.95	6.72	14.24	5.38	9.64	2.36	539.50
At 31 March 2020	9.86	263.37	200.96	23.80	4.75	16.36	4.11	11.58	2.50	537.29

Notes:

1. During the previous period, the Company entered into a business transfer agreement dated 25 September 2018 for the purchase of business undertaking from Saaveera Hospital Private Limited on slump sale basis. Refer note 2.33 for more details.

2.1 (b) Intangible assets

Particulars	Software	Brand	Non complete	Goodwill	Total
Cost (gross carrying amount)					
Balance as at 16 August 2018	1.36	13.10	28.30	258.20	300.96
Acquisition through business combination	0.53	-	-	-	0.53
Additions	1.89	13.10	28.30	258.20	301.49
Balance as at 31 March 2019	1.89	13.10	28.30	258.20	301.49
Balance as at 1 April 2019	1.89	13.10	28.30	258.20	301.49
Additions	4.12	-	-	-	4.12
As at 31 March 2020	6.01	13.10	28.30	258.20	305.61
Accumulated amortisation	-	-	-	-	-
Amortisation charge for the period	0.19	1.30	2.81	-	4.30
Balance as at 31 March 2019	0.19	1.30	2.81	-	4.30
Balance as at 1 April 2019	0.19	1.30	2.81	-	4.30
Amortisation charge for the year	0.48	2.63	5.68	-	8.79
As at 31 March 2020	0.67	3.93	8.49	-	13.09
Carrying amounts (net)					
At 31 March 2019	1.70	11.80	25.49	258.20	297.19
At 31 March 2020	5.34	9.17	19.81	258.20	292.52

Note:

1. During the previous period, the Company entered into a business transfer agreement dated 25 September 2018 for the purchase of business undertaking from Saaveera Hospital Private Limited on slump sale basis. Refer note 2.33 for more details.



Saveera Institute of Medical Sciences Private Limited
Notes to financial statement for the year ended 31 March 2020
All amounts are in million of Indian Rupees except share data or unless otherwise stated

2.2 Loans (at amortised cost)
(Unsecured, considered good)

(a) Non-current
Security deposits

(b) Current
Security deposits

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*
Interest accrued on bank deposits

Total

* The above deposits are restrictive in nature as it pertains to bank guarantee.

(b) Current
Contract assets
Interest accrued on bank deposits
Other receivables

Total

2.4 Other non-current assets
(unsecured, considered good)

Capital advances
Prepaid guarantee commission

Total

	As at 31 March 2020	As at 31 March 2019
	3.44	3.56
	3.44	3.56
	0.47	-
	0.47	-
	0.57	-
	0.05	-
	0.62	-
	1.21	3.58
	0.04	-
	6.57	2.68
	7.82	6.26
	0.35	0.94
	14.85	16.28
	15.20	17.22



Saveera Institute of Medical Sciences Private Limited
Notes to financial statement for the year ended 31 March 2020
All amounts are in million of Indian Rupees except share data or unless otherwise stated

2.7 Cash and bank balances

a) Cash and cash equivalents

	As at 31 March 2020	As at 31 March 2019
Cash on hand	0.59	0.74
Balances with banks		
- in current accounts	0.22	3.78
	0.81	4.52

b) Other bank balances*-Deposits with remaining maturity less than 12 months

	0.30	-
	0.30	-

Total

	1.11	4.52
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* The above deposits are restrictive in nature as it pertains to bank guarantee. These guarantees are maturing within 12 months of the reporting date.

Changes in liabilities arising from financing activities

Particulars	1 April 2019	Cash flows	Other	31 March 2020
Current borrowings	84.32	(35.97)	(37.00)	11.35
Non-current borrowings	497.43	50.01	37.00	584.44
Total liabilities from financing activities	581.75	14.04	-	595.79
Particulars	1 April 2018	Cash flows	Other	31 March 2019
Current borrowings	-	84.32	-	84.32
Non-current borrowings	-	(32.13)	529.56	497.43
Total liabilities from financing activities	-	52.19	529.56	581.75

Others includes re-classification of borrowings and borrowings acquired through business combination.

2.8 Other current assets

(Unsecured, considered good)

	As at 31 March 2020	As at 31 March 2019
Staff advances	0.46	0.30
Advance to suppliers	2.38	0.20
Prepaid expenses	0.71	1.50
Prepaid guarantee commission	1.61	-
Total	5.17	2.00



2.9 (a) Equity share capital

	As at 31 March 2020	As at 31 March 2019
Authorised		
(a) 10,000 (31 March 2019: 10,000) equity shares of Rs. 10 each	0.10	0.10
(b) 30,990,000 (31 March 2019: 30,990,000) preference shares of Rs. 10 each	309.90	309.90
	310.00	310.00
Issued, subscribed and paid-up		
Equity shares		
10,000 (31 March 2019: 10,000) equity shares of Rs. 10 each, fully paid-up	0.10	0.10
Instruments entirely equity in nature		
30,990,000 (31 March 2019: 29,000,000), 0.001% cumulative optionally convertible redeemable preference shares of Rs. 10 each, fully paid-up	309.90	290.00
	310.00	290.10

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
Shares at the beginning of the year	10,000	0.10	-	-
Shares issued during the period	-	-	10,000	0.10
Shares outstanding at the end of the year	10,000	0.10	10,000	0.10

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
Shares at the beginning of the year	29,000,000	290.00	-	-
Shares issued during the period	1,990,000	19.90	29,000,000	290.00
Shares outstanding at the end of the year	30,990,000	309.90	29,000,000	290.00

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

- (i) **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.
- (ii) **0.001% cumulative optionally convertible redeemable preference shares (COCRPS)**
COCRPS were issued at par to its parent company, Krishna Institute of Medical Sciences Limited. COCRPS carry a cumulative dividend rate of 0.001% p.a. COCRPS have a preferential right of dividend over equity shareholders. Following are the terms and conditions:
i. The COCRPS can be converted into 30,990,000 equity shares of Rs. 10/- each at par (i.e. each COCRPS shall be converted into 1 (one) Equity Share of the Company at any time after the 7th year but before 10th year from the date of issuance and allotment of the COCRPS at the sole option of the Company supported by the resolution passed by all the Directors unanimously in a Board Meeting and approval by all the shareholders (Equity) in a General Meeting.
ii. The COCRPS will be redeemable (in multiple tranches or single tranche) at the option of the Company by way of (i) conversion of COCRPS after 7th year but before 10th year from the date of issuance and allotment of the COCRPS based on the valuation certificate obtained from the Chartered Accountant or Merchant Banker as the case may be or (ii) payment after 2nd year but before the end of 10th year from the date of issuance. The COCRPS will only be redeemed at par i.e. at which such COCRPS are issued (i.e. Rs. 10 per COCRPS aggregating to Rs. 309,900,000), and no other premium will be payable at the time of redemption. However, accumulated dividend will be paid before redemption, at the option of the company.

iii) Particulars of shareholders holding more than 5% 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	8,000	80.00%	8,000	80.00%
S.V. Kishore Reddy	765	7.65%	765	7.65%
Yelakala Surendra Reddy	668	6.68%	668	6.68%

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	30,990,000	100.00%	29,000,000	100.00%

iv) Shares of the Company held by 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*	8,000	0.08	8,000	0.08

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*	30,990,000	309.90	29,000,000	290.00

*With effect from 05 September 2018, the Company became a subsidiary of Krishna Institute of Medical Sciences Limited.

2.9 (b) Other equity

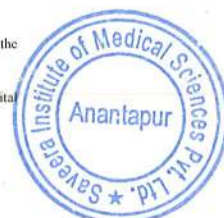
	As at 31 March 2020	As at 31 March 2019
(A) Retained earnings		
Balance as per last financial statements	(33.37)	-
Add: loss for the year	(31.04)	(33.37)
Closing balance (A)	(64.41)	(33.37)
(B) Other comprehensive income		
Balance as per last financial statements	-	-
Add: Re-measurement gain on employee defined benefit plans	0.38	-
Closing balance (B)	0.38	-
(C) Capital Contribution		
Opening balance	17.95	-
Add: Increase during the year	0.75	17.95
Closing balance (C)	18.71	17.95
Total other equity (A+B+C)	(45.33)	(15.42)

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.



2.10 Long-term borrowings (at amortised cost)

	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current*	Non-current	Current*
Secured				
Term loans from bank				
- HDFC Bank Limited (refer note (a) below)	493.44	31.00	495.14	2.29
Total loans from bank (A)	493.44	31.00	495.14	2.29
Unsecured				
Loan from related party (refer note (b) below)	60.00	-	-	-
Total unsecured loans (B)	60.00	-	-	-
Total (A+B)	553.44	31.00	495.14	2.29

Notes:

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

a) Term loan from banks represents loans obtained from HDFC Bank Limited. The loans are repayable in Equated Monthly Instalments covering Principle and Interest for term loans. These loans are for a term of 12 years, with a structured EMI payments for the first 1.5 years and uniform EMI payables for the balance 10.5 years and carries a interest rate of 9.75% p.a floating rate linked to bank's 1 year MCLR for term loans.

The loans are secured by first and exclusive charge on moveable and immovable assets, current assets of the Company and equitable mortgage on the property owned by the Company situated at Sy no.155, D.No.1-1348,NH 44, Rudrampet Panchayat, Sri Nagar Colony extension, Near Ayyappa Swamy Temple, Anantapur-515004. Further, the loan is secured by way of Corporate guarantee given by the holding Company and personal guarantee given by the directors:- Mr. S.V Kishore Reddy and Mr. Yelakala Surendra Reddy.

b) Unsecured loan from related parties as at 31 March, 2020 represented loans obtained from the holding company and carrying interest rate of 12% per annum. refer note 2.25 for related parties balances.



Saveera Institute of Medical Sciences Private Limited
Notes to financial statement 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 2.24)	1.15	0.67
Total	1.15	0.67
2.12 Short-term borrowings		
Secured		
Working capital loans from banks (refer note i)	11.35	47.32
Unsecured		
- from related parties (refer note ii)	-	37.00
	11.35	84.32
(i). Secured working capital loan represents overdraft facility from HDFC Bank Limited. The facility carries interest rate of 9.95% per annum, linked to 1 year MCLR. The loan is secured by first and exclusive charge on moveable and immoveable assets, current assets of the Company and equitable mortgage on the property owned by the Company situated at Sy no.155, D.No.1-1348,NH 44, Rudrampet Panchayat, Sri Nagar Colony extension, Near Ayyappa Swamy Temple, Anantapur-515004. Further, the loan is secured by way of Corporate guarantee given by Krishna Institute of Medical Sciences Limited ("the holding company") and personal guarantee given by the directors:- Mr. S.V Kishore Reddy and Mr. Yelakala Surendra Reddy.		
(ii). Unsecured loan from related parties as at 31 March 2020 represented loans obtained from holding company and carrying interest rate of 12% per annum. refer note 2.25 for related parties balances.		
2.13 Trade payables (at amortised cost)		
Trade payables	-	-
- total outstanding dues of micro and small enterprises (refer note 2.28)		
- total outstanding dues of creditors other than micro and small enterprises	107.29	66.53
	107.29	66.53
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)		
(a) Non-current		
Capital creditors	4.27	3.26
	4.27	3.26
(b) Current		
Current maturity of long term debts (refer note 2.10)	31.00	2.29
Capital creditors	14.82	16.13
Employee benefits payable	11.81	6.61
Interest accrued but not due on borrowings	3.83	5.62
	61.46	30.65
The Company's exposure to interest rate, foreign currency and liquidity risks is included in note 2.30.		
2.15 Provisions		
Provision for employee benefits		
Compensated absences	3.12	0.08
Total	3.12	0.08
2.16 Other current liabilities		
Statutory dues	3.85	3.90
Contract liabilities	1.09	0.72
Total	4.95	4.62



Saveera Institute of Medical Sciences Private Limited

Notes to financial statement 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 period ended 31 March 2019
2.17 Revenue from operations (refer note 2.32)		
Income from hospital services	299.27	206.46
Income from sale of pharmacy items	283.61	20.69
	582.88	227.15
2.18 Other income		
Income on fixed deposits	0.05	-
Sub lease income	1.44	1.16
Income from sale of food and beverages	-	0.86
Miscellaneous Income	0.73	0.19
Total	2.22	2.21



Saveera Institute of Medical Sciences Private Limited

Notes to financial statement 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 period ended 31 March 2019
2.19 Medical consumables and pharmacy items consumed		
Opening stock	16.34	6.06
Add: Purchases during the period	153.97	64.60
Less: Closing stock	(12.83)	(16.34)
	157.49	54.32
2.20 Employee benefits expense		
Salaries, wages and bonus	112.91	40.17
Contribution to provident and other funds (refer note 2.24)	7.89	3.25
Staff welfare expenses	1.31	0.94
	122.11	44.36
2.21 Finance costs		
Interest from bank		
- Term loan	48.36	23.77
- Others	3.75	0.59
Interest on other loans	9.38	2.69
Guarantee commission	1.53	-
Others	0.21	2.51
	63.23	29.56
2.22 Other expenses		
Consultancy charges	157.79	64.29
Hospital maintenance	12.17	3.87
Power and fuel	18.07	8.07
Rent (refer note 2.34)	1.46	0.11
Rates and taxes	0.99	3.58
Repairs and maintenance		
- Medical equipment	6.48	3.23
- Hospital building and others	11.18	5.48
Advertisement expense	10.49	6.70
Traveling and conveyance	3.93	2.83
Communication expenses	1.03	0.40
Printing and stationery	3.91	7.12
Legal and professional charges	2.10	4.47
Payment to auditors (Refer note below)	0.60	0.60
Catering and patient welfare expenses	11.96	5.96
Expected credit loss for trade receivables	2.22	4.91
Insurance	0.55	0.06
Subscriptions and membership fees	0.81	0.60
Bank charges	1.03	0.44
Miscellaneous expenses	8.82	4.19
	255.57	126.93

Payment to auditor (excluding applicable taxes)

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



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)	0.36	1.04

(b).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.



Saveera Institute of Medical Sciences Private Limited

Notes to financial statement for the year ended 31 March 2020

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

2.24 Employee benefits

Defined benefit plan

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

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 obligations liability	1.15	0.67
Plan assets	-	-
Net defined benefit liability	1.15	0.67
Total employee benefit liability	1.15	0.67
Non-current	1.15	0.67
Current	-	-

B Reconciliation of net defined benefit (assets) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (assets) liability 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	0.67	-
Current service cost	0.95	0.67
Interest cost	0.05	-
Actuarial (gains)/losses recognised in other comprehensive income		
- Changes in demographic assumptions	(0.72)	-
- Changes in financial assumptions	0.12	-
- due to other reason	0.08	-
Defined benefit obligation as at balance sheet date	1.15	0.67

ii) Reconciliation to fair value of plan assets

Particulars	As at 31 March 2020	As at 31 March 2019
Plan assets at beginning of the year	-	-
Contributions paid into the plan	-	-
Benefits paid	-	-
Return on plan assets	-	-
Return on plan assets recognised in other comprehensive income (actuarial gain/loss)	-	-
Plan assets at end of the year	-	-
Net defined benefit liability	1.15	0.67

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	0.95	0.67
Interest cost	0.05	-
Net gratuity cost, included in 'employee benefits'	1.00	0.67



Saveera Institute of Medical Sciences Private Limited

Notes to financial statement for the year ended 31 March 2020

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

D Plan assets

Plan assets comprises of the following:

Particulars	As at 31 March 2020	As at 31 March 2019
Fund managed by Insurer	-	-

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 31 March 2020	As at 31 March 2019
Discount rate	5.85%	7.50%
Salary escalation rate	8.00%	8.00%

Maturity profile of defined benefit obligation

Particulars	As at 31 March 2020	As at 31 March 2019
1st following year	-	-
Year 2 to 5 years	0.63	0.13
Year 6 to 9 years	0.57	0.34
More than 10 years	0.60	1.52

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.

Expected rate of return on plan assets: This is based on the expectation of the average long term rate of return expected on investment of the fund during the estimated term of the obligations.

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)	(1.07)	1.23	(0.60)	0.76
Future salary increase (1% movement)	1.24	(1.07)	0.76	(0.60)

F Amount of current year and previous four years are as follows

Particulars	As at 31 March 2020	As at 31 March 2019
Present value of defined benefit obligation	1.15	0.67
Fair value of plan assets	-	-
(Surplus)/ deficit in the plan	1.15	0.67

G Defined contribution plan

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Amount recognised in the statement of profit and loss towards		
i) Provident fund	4.18	1.23
ii) Employee state insurance	2.71	1.35



Saveera Institute of Medical Sciences Private Limited

Notes to financial statement 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
Key management personnel (KMP)	S.V. Kishore Reddy, Managing Director Chandra Kumar B, Company Secretary P Sudhakar, Chief Financial officer (Appointed w.e.f. 01 July 2019)
Directors	Dr. B Abhinay Yelakala Surendra Reddy Giri Thalluru Ramakrishna Reddy Garisa Rajeswara Rao Gandu
Enterprises under control or joint control of KMP and other relative	Saveera Educational Society Saveera Hospital Private Limited Surajram Hotels Yelakala Industries Private Limited
Relative of KMP	Yelakala Preethi Reddy
Holding Company	Krishna Institute of Medical Sciences Limited

(b) Transactions with related parties

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
i. Managerial remuneration paid to key managerial personnel		
S.V. Kishore Reddy	3.21	1.53
Yelakala Surendra Reddy	2.19	0.87
Chandra Kumar B	0.24	-
P Sudhakar	0.75	-
ii. Allotment of equity shares**		
S.V. Kishore Reddy	-	0.05
Yelakala Surendra Reddy	-	0.05
iii. Advances given		
Saveera Educational Society	3.90	1.71
iv. Medical camp and marketing expenses		
Yelakala Industries Private Limited	0.95	0.19
Surajram Hotels	1.33	-
v. Payment of purchase consideration		
Saveera Hospital Private Limited	-	197.27
vi. Reimbursement of expenses incurred on behalf of the Company		
Saveera Hospital Private Limited	-	2.96
vii. Amount collected on behalf of the Company and transferred to the Company (including tax deducted at source)		
Saveera Hospital Private Limited	123.45	84.23
viii. Director Sitting Fees		
Rajeswara Rao Gandu	0.03	-
Ramakrishna Reddy Garisa	0.03	-
ix. Purchase of freehold land (including stamp duty and registration fee)		
Mr.S.V Kishore Reddy and Mrs.Yelakala Preethi Reddy	-	9.86
x. Krishna Institute of Medical Sciences Limited		
Loan received	77.00	37.00
Loan repaid	54.00	-
Issue of preference shares	19.90	290.00
Pharmacy items purchased and other services	0.56	-
Test & Investigations Fees	1.30	-
Pharmacy items sales	0.03	-
Corporate guarantee received	30.00	-
Fair value of corporate guarantee received	0.69	-
Commission income on corporate guarantees	1.53	-
Interest on unsecured loan	9.38	2.69



Saveera Institute of Medical Sciences Private Limited
Notes to financial statement 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 receivable from and payable to related parties

Particulars	As at 31 March 2020	As at 31 March 2019
i. Managerial remuneration payable		
S.V. Kishore Reddy	0.22	0.26
Yelakala Surendra Reddy	0.19	0.15
B Chandra Kumar	0.02	-
P Sudhakar	0.06	-
ii Receivable/(payable) balance (net)		
Saveera Hospital Private Limited	-	0.59
Saveera Educational Society	6.57	2.68
Surajram Hotels	(0.10)	-
iii. Krishna Institute of Medical Sciences Limited		
Trade Receivables	0.03	15.46
Trade payables	(1.16)	-
Corporate guarantee received*	580.00	550.00
Unsecured Loan	(60.00)	(37.00)
Prepaid guarantee commission	16.46	-

(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.

* Considering the financial guarantee is provided for no compensation, fair value of financial guarantee amounting to Rs. 18.71 is recognized as capital contribution in the books of the Company.

** During the previous period, pursuant to a Share Purchase Agreement entered on 05 September 2018, S.V. Kishore Reddy and Yelakala Surendra Reddy have transferred 4,134 and 3,866 equity shares of Rs. 10 each respectively to Krishna Institute of Medical Sciences Limited.

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.



Saveera Institute of Medical Sciences Private Limited

Notes to financial statement for the year ended 31 March 2020

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

2.26 Earnings per share(EPS)

Particulars	As at 31 March 2020	As at 31 March 2019
Earnings		
Net loss for the year attributable to equity shareholders	(31.04)	(33.37)
Less: Dividend payable to preference shareholders**	(0.00)	(0.00)
Loss considered for EPS calculation	(31.04)	(33.37)
Shares		
Number shares at the beginning of the year	10,000	-
Add: Equity shares issued during the year	-	10,000
Total number of equity shares outstanding at the end of the year	10,000	10,000
Weighted average number of equity shares outstanding during the year	10,000	6,219
Weighted average number of equity shares outstanding during the year -Basic	10,000	6,219
Weighted average number of equity shares outstanding during the year -diluted	10,000	6,219
Earnings/ (loss) per share of par value Rs. 10 each-Basic (Rs.)	(3,104.32)	(5,364.90)
Earnings/ (loss) per share of par value Rs. 10 each-Diluted (Rs.)*	(3,104.32)	(5,364.90)

* Potential equity shares of the Company are anti-dilutive in nature, hence, diluted earnings per share is considered as equal to basic earnings per share.

**the amount is below rounding off norms adopted by the company.



Saveera Institute of Medical Sciences 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 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.

2.28 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	As at
	31 March 2020	31 March 2019
The amounts remaining unpaid to micro and small supplies as at end of the year		
- Principal	-	-
- Interest	-	-
The amount of interest paid by the buyer as per the MSMED Act	-	-
The amount of payments made to micro and small suppliers beyond the appointed day during the year;	-	-
The amount of interest due and payable for the period of delay in making payment (which have 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	-	-
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 the MSMED act.	-	-



Saveera Institute of Medical Sciences 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

2.29 Capital management

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

For this purpose, adjusted net debt is defined as total 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	595.79	581.75
Less: Cash and cash equivalents	1.11	4.52
Adjusted net debt	594.68	577.23
Total equity	245.96	256.72
Adjusted net debt to equity ratio	2.42	2.25



2.30 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. 104.48 as on 31 March 2020 (31 March 2019: Rs. 74.85). 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		
Opening balance	4.91	-
Credit loss added / (reversed)	2.22	4.91
Closing balance	7.13	4.91

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

(iii) Liquidity risk

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

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

Particulars	Carrying Value	Less than 1 year	1 - 5 years	More than 5 years	Total
Non current borrowings*	553.44	-	283.62	269.81	553.44
Short term borrowings	11.35	11.35	-	-	11.35
Trade payables	107.29	107.29	-	-	107.29
Other financial liabilities	65.73	61.46	4.27	-	65.73
Total	737.81	180.10	287.89	269.81	737.81

*excluding current maturities

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
Non current borrowings*	495.14	-	170.38	324.76	495.14
Short term borrowings	84.32	84.32	-	-	84.32
Trade payables	66.53	66.53	-	-	66.53
Other financial liabilities	33.91	30.65	3.26	-	33.91
Total	679.90	181.50	173.64	324.76	679.90

*excluding current maturities

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.



Saveera Institute of Medical Sciences Private Limited

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

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

(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	535.78	544.75
Total borrowings	535.78	544.75

(b) Cash flow sensitivity analysis

Particulars	As at	As at
	31 March 2020	31 March 2019
Sensitivity		
1% increase in MCLR	(5.36)	(5.45)
1% decrease in MCLR	5.36	5.45

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

(v) Currency risk

The Company is not exposed to currency risk.



2.31 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	-	-
Deferred tax attributable to temporary differences	(27.95)	(12.86)
Tax expenses for the year	(27.95)	(12.86)

b. Amount recognised in other comprehensive income

	For the period ended 31 March 2020			For the period 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	0.52	(0.15)	0.38	-	-	-

c. Reconciliation of effective tax rate

	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit before tax	(58.99)	(46.23)
Enacted tax rates	27.82%	27.82%
Tax expense at enacted rates	(16.41)	(12.86)
Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income		
Reversal of deferred tax accounted on business combination	(11.54)	-
	(27.95)	(12.86)

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		
Provision for doubtful receivables	1.98	1.37
Provision for employee benefits	1.19	0.21
Business loss	2.27	22.49
Others	-	2.40
Total deferred tax asset	5.44	26.47
Deferred tax liability		
Excess of depreciation on the fixed assets under income tax, 1961 over depreciation under Companies Act	5.44	54.27
Others	-	-
Total deferred tax liability	5.44	54.27
Deferred tax liability/asset (net)	-	(27.80)

(i) Movement in temporary differences

Particulars	Balance as at 1 April 2018	Recognised in profit or loss	Recognised in OCI	Balance as at 31 March 2019	Balance as at 1 April 2019	Recognised in profit or loss	Recognised in OCI	Balance as at 31 March 2020
Provision for doubtful receivables	-	1.37	-	1.37	1.37	0.62	-	1.98
Provision for gratuity	-	0.21	-	0.21	0.21	1.12	(0.15)	1.19
Business loss	-	22.49	-	22.49	22.49	(20.22)	-	2.27
Others items - assets	-	2.40	-	2.40	2.40	(2.40)	-	-
Expenses of depreciation on the fixed assets under income tax, 1961 over depreciation under Companies Act.	-	(54.27)	-	(54.27)	(54.27)	48.83	-	(5.44)
Total	-	(27.80)	-	(27.80)	(27.80)	27.95	(0.15)	-



Saveera Institute of Medical Sciences 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 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	299.27	206.46
Revenue from sale of pharmacy	283.61	20.69
Total revenue from operations	582.88	227.15
India	582.88	227.15
Outside India	-	-
Timing of revenue recognition		
Services transferred over time	299.27	206.46
Goods transferred at a point of time	283.61	20.69
Total revenue from contracts with customers	582.88	227.15
Reconciliation of revenue recognised with the contracted price is as follows:		
Contract price	659.27	262.80
Less: Discounts and disallowances	(70.42)	(28.82)
Less: Others	(5.97)	(6.83)
Total revenue from contracts with customers	582.88	227.15

The Company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations.

Contract balances

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Trade receivables	97.34	69.94
Contract assets	1.21	3.58
Contract liabilities	1.09	0.72

Contract liability: During the financial year ended 31 March 2020, the company has recognised revenue of Rs. 0.72 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. Nil 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. 3.58 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. Nil of contract assets as at 31 March 2018 to trade receivables on completion of performance obligation.



Saveera Institute of Medical Sciences Private Limited
Notes to the financial statements for the year ended 31 March 2020
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2.33 Business Combination

The Company through Business transfer agreement, purchased the hospital and healthcare division of Saveera Hospital Private Limited under slump sale on 25 September 2018 for a consideration of Rs.197.27 on a going concern basis with effect from 01 October 2018. Accordingly, an amount of Rs.258.20 being the excess of purchase consideration over net value of assets acquired (based on a valuation report) has been recognised as Goodwill on acquisition. The details of purchase price allocation is as follows:

Particulars	31 March 2019
Total assets (Current and non current)	489.00
Property, plant and equipment	42.76
Intangible assets	61.52
Trade Receivables	6.07
Inventories	7.73
Financial assets	21.43
Non Current tax assets	628.51
Total Liabilities (Current and non current)	529.55
Borrowings	40.67
Deferred tax liabilities	109.21
Financials Liabilities	10.01
Other liabilities	689.44
Net Assets	(60.93)
Less: Purchase consideration	(197.27)
Goodwill on Acquisition	(258.20)

2.34 Lease

Operating leases in the capacity of lessee

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

The Company has residential premises under cancellable operating leases. The Company intends to renew such lease in the normal course of business. Total rental expenses under cancellable operating lease amounted to Rs. 1.46 (31 March 2019 Rs. 0.11). The same are grouped under other expenses in the statement of profit and loss.

2.35 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.

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

As per our report attached of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E000004

Navneet Rai
per Navneet Rai Kabra
Partner

Membership No: 102328



For and on behalf of the Board of Directors of
Saveera Institute of Medical Sciences Private Limited
CIN: U85100AP2018PTC109004

B. Chandra
per B. Chandra
Director
DIN: 01681273

Chandra Kumar Baidya
Chandra Kumar Baidya
Company Secretary
Membership No: 55162

S.V. Kishore Reddy
S.V. Kishore Reddy
Managing Director
DIN: 03492323

Place: Hyderabad
Date: 26 June 2020

Place: Hyderabad
Date: 26 June 2020

Saveera Institute of Medical Sciences Private Limited**Notes to the financial statements for the year ended 31 March 2020**

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Provision for expected credit losses of trade receivables and contract assets

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

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

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

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer Note 2.31 – Recognition of deferred tax assets, availability of future taxable profit against which tax losses carried forward can be used.

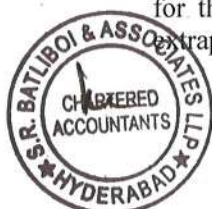
Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Refer Note 2.24 - 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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Classification of financial instruments as equity

The Company has issued 0.001% cumulative optionally convertible redeemable preference shares ("COCRPS") to Krishna Institute of Medical Sciences Limited ("KIMS" or "Holding Company"). As per the terms of the COCRPS, the Company needs to convert at any time after 15th year but before 19th year from the date of issuance or redeem at the 20th year from the date of issuance, which is in the control of the Company. Accordingly, the Company has classified and measured the aforesaid instruments as equity, carried at cost.

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.



Saveera Institute of Medical Sciences Private Limited

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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.

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.



Saveera Institute of Medical Sciences Private Limited

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

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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 2.30 – financial instruments.

1.3 Significant accounting policies

A. Business Combination and goodwill.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.



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A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

B. 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, amounts payable to customer, 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 (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.



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

Other Income

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

C. Income tax

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

Current income tax

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

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

Deferred tax

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

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

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



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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:

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

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

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

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

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

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



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D. 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.



Saveera Institute of Medical Sciences 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)
Buildings	60
Medical and surgical equipment	13
Plant and equipment	15
Office equipment	5
Electrical equipment	10
Computers	3-6
Furniture and fixtures	10
Vehicles	8

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.

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.

E. 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.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.



Saveera Institute of Medical Sciences 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

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.

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
Brand	5
Non-compete fee	5

F. 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.

G. 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.



Saveera Institute of Medical Sciences 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

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

ii) Lease Liabilities

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

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

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.

H. 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.

