

Hiranandani Healthcare Private Limited

Standalone Financial Statements

Statutory audit for the year ended 31 March 2019

OK

B S R & Co. LLP

Chartered Accountants

Building No. 10, 8th Floor, Tower-B
DLF Cyber City, Phase - II
Gurugram - 122 002, India

Telephone: +91 124 719 1000
Fax: +91 124 235 8613

INDEPENDENT AUDITOR'S REPORT

To the Members of Hiranandani Healthcare Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Hiranandani Healthcare Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2019, the statement of profit and loss (including other comprehensive income), statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019 of its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of matter

We draw attention to Note 29(b) of the financial statements regarding the matter relating to the termination of hospital lease agreement by Navi Mumbai Municipal Corporation vide order dated 18 January 2017. Based on the opinion obtained from an independent legal counsel, the management is confident that the Company will be able to suitably defend the termination order and accordingly, the impact if any, on the financial statement can be determined on disposal of the said petition.

Our opinion is not modified in respect of this matter.

Other Information

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

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

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

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matter

The comparative financial information of the Company for the year ended 31 March 2018 included in these financial statements, are based on the previously issued statutory financial statements prepared in accordance with Ind AS which were audited by the predecessor auditor whose report for the year ended 31 March 2018 dated 24 September 2018 expressed an unmodified opinion on those financial statements.

Our opinion on the financial statement is not modified in respect of this matter.

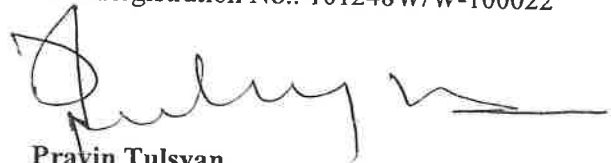
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the cash flow statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) The matter described in 'Emphasis of Matter' paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
3. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 29 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. The disclosures in the statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2019.
4. With respect to the matter to be included in the Auditor's Report under section 197(16):

The Company has not paid or provided managerial remuneration and hence reporting under section 197(16) is not applicable.

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022



Pravin Tulsyan
Partner

Membership No.: 108044

Place: Gurugram
Date: 23 May 2019

Annexure A referred to in our Independent Auditor's Report to the members of Hiranandani Healthcare Private Limited on the financial statements for the year ended 31 March 2019

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (Property, plant and equipment and intangible assets).
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, all fixed assets were verified by the management during the year. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the registered sale deed provided to us, we report that, the title deeds of immovable properties of buildings which are freehold, are held in the name of the Company.
- (ii) Inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. According to information and explanation given to us, discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly adjusted in the books of account.
- (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 paragraph 3(iii) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not given any loan, or provided any guarantee or security or made any investment as specified under Section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for activities carried out by the Company. 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 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' state insurance, Income tax, Goods and services tax (GST), Cess and other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

As explained to us, the Company did not have any dues on account of Duty of customs.

Also refer note 29(c), wherein, it is explained that on account of the uncertainty with respect to the applicability of the Hon'ble Supreme Court judgment on the Provident Fund matter, management has not recognized and deposited any additional Provident Fund amount with respect to the previous years.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Value added tax, Sales tax, Employees' state insurance, Income tax, Service tax, GST, Cess and other material statutory dues, to the extent applicable, were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Service tax, GST and Value added tax which have not been deposited by the Company with the appropriate authorities on account of any dispute as at March 31, 2019 except as mentioned in the annexure below:

Name of Statute	Nature of the Dues	Amount in INR in lakhs	Financial year to which amount relates	Forum where dispute is pending
Income tax Act, 1961	Income tax demand	713.77 *	2011-12	CIT (A)
Income tax Act, 1961	Income tax demand	62.17	2012-13	CIT (A)
Income tax Act, 1961	Income tax demand	91.40	2013-14	CIT (A)
Income tax Act, 1961	Income tax demand	277.12	2014-15	CIT (A)

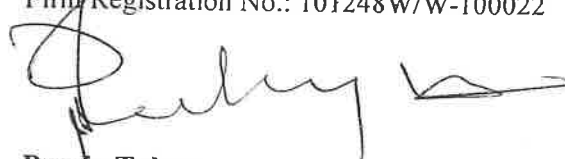
*Net of amount of INR 117.23 lakhs adjusted by the income tax authorities.

The above information is as per the demand orders received by the Company (including interest and penalty) wherever indicated in the order.

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to its banks. The Company did not have any outstanding dues to debenture holders and loans or borrowings from financial institutions or government during the year.
- (ix) In our opinion and according to the information and explanations given to us, the term loan have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised money by way of initial public offer/further public offer (including debt instruments).
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us, the Company has not paid or provided managerial remuneration and hence reporting under clause 3(xi) of the Order is not applicable.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

- (xiii) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable and the details have been disclosed in the financial statements as required by the applicable Accounting Standards. According to the information and explanations given to us, the provisions of Section 177 of the Act are not applicable to the Company.
- (xiv) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to information and explanations given to us and based on our examination of the records of Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022



Pravin Tulsyan
Partner

Membership No.: 108044

Place: Gurugram
Date: 23 May 2019

Annexure B to the Independent Auditor's report on the financial statements of Hiranandani Healthcare Private Limited for the year ended 31 March 2019.

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

(Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

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

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 Company's internal financial controls with reference to financial statements.



Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

For B S R & Co. LLP

Chartered Accountants

Registration Number: 101248W/W-100022



Pravin Tulsyan

Partner

Membership No: 108044

Place: Gurugram

Date: 23 May 2019

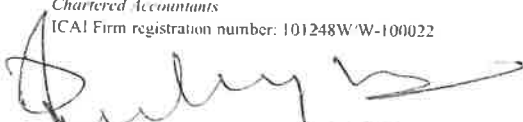
Hiranandani Healthcare Private Limited
Balance Sheet as at March 31, 2019
(Rupees in lakhs, unless otherwise stated)


Particulars	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3 (i)	4,788.90	5,213.55
(b) Capital work-in-progress	3 (ii)	0.33	-
(c) Other intangible assets	3 (iii)	131.30	182.49
(d) Intangible asset under development	3 (iv)	72.16	72.16
(e) Financial assets			
(i) Loans	4a	78.88	76.23
(ii) Other financial assets	4b	4.61	4.05
(f) Deferred tax assets (net)	5	693.69	645.39
(g) Non-current tax assets (net)	6	1,959.34	1,442.52
(h) Other non-current assets	7	9.53	8.30
Total non-current assets (A)		7,738.74	7,644.69
Current assets			
(a) Inventories	8	63.90	75.29
(b) Financial assets			
(i) Trade receivables	9	1,368.74	1,110.25
(ii) Cash and cash equivalents	10	366.98	165.91
(iii) Bank balances other than (ii) above	10	5.11	3.31
(iv) Loans	4a	0.96	0.92
(v) Other financial assets	4b	180.83	157.64
(c) Other current assets	7	85.78	130.16
Total current assets (B)		2,072.30	1,643.48
Total assets (A+B)		9,811.04	9,288.17
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	400.00	400.00
(b) Other equity		2,131.94	2,692.04
Total equity (A)		2,531.94	3,092.04
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	666.67	1,166.67
(ii) Other financial liabilities	14	16.42	20.25
(b) Provisions	15	99.97	84.65
(c) Other non-current liabilities	18	-	4.07
Total non-current liabilities (B)		783.06	1,275.64
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	868.00	-
(ii) Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises		181.71	23.71
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	17	4,378.35	3,126.33
(iii) Other financial liabilities	14	691.75	1,367.93
(b) Provisions	15	87.10	80.81
(c) Other current liabilities	18	289.13	321.71
Total current liabilities (C)		6,496.04	4,920.49
Total liabilities (B+C)		7,279.10	6,196.13
Total equity and liabilities (A+B+C)		9,811.04	9,288.17

The accompanying notes forming integral part of the financial statements 1-37


As per our report of even date attached

For BSR & Co. LLP
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022


Pooja Tulyan
Partner
Membership No. 168044
Place: Gurugram
Date: May 23, 2019



For and on behalf of the Board of Directors of
Hiranandani Healthcare Private Limited


Saurabh Gupta
Director
DIN: 08343264

Place: Gurugram
Date: May 23, 2019


Manu Kapila
Director
DIN: 03403096

Place: Gurugram
Date: May 23, 2019



Hiranandani Healthcare Private Limited
Statement of Profit and Loss for the year ended March 31, 2019
(Rupees in lakhs, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
I Revenue from operations	19	9,906.28	11,610.57
II Other income	20	50.01	101.66
III Total income (I+II)		9,956.29	11,712.23
IV Expenses			
Purchases of medical consumable and drugs		1,542.23	1,636.10
Changes in inventories of medical consumable and drugs	21	11.39	(3.00)
Employee benefits expense	22	1,641.34	1,691.70
Finance costs	23	276.73	375.39
Depreciation and amortisation expense	24	533.29	587.17
Other expenses	25	6,630.02	7,674.18
Total expenses		10,635.00	11,961.54
V Loss before tax (III-IV)		(678.71)	(249.31)
VI Tax expense			
(1) Current tax	26	-	-
(2) Deferred tax (credit)	26	(115.05)	(138.98)
		(115.05)	(138.98)
VII Loss for the year (V-VI)		(563.66)	(110.33)
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit plans		4.92	11.17
Tax effect relating to items that will not be reclassified to profit or loss	26	(1.36)	(3.87)
VIII Total other comprehensive income		3.56	7.30
IX Total comprehensive loss for the year (VII+VIII)		(560.10)	(103.03)
Earnings per equity share of INR 10 each:			
(1) Basic (in INR.)	28	(14.09)	(2.76)
(2) Diluted (in INR.)	28	(14.09)	(2.76)

The accompanying notes forming integral part of the financial statements

1-37

As per our report of even date attached

For BSR & Co. LLP

Chartered Accountants

ICAI Firm registration number: 101248W/W-100022

Pravin Tulysan

Partner

Membership No. 108044

Place : Gurugram

Date : May 23, 2019



For and on behalf of the Board of Directors of
Hiranandani Healthcare Private Limited

Saurabh Gupta

Director

DIN: 08343264

Place : Gurugram

Date : May 23, 2019

Manoj Kapila

Director

DIN: 03403696

Place : Gurugram

Date : May 23, 2019

Hiranandani Healthcare Private Limited
Statement of Changes in Equity for the year ended March 31, 2019
(Rupees in lakhs, unless otherwise stated)

Particulars	Amount
a. Equity share capital	
Balance at April 1, 2017	400.00
Changes in equity share capital during the year	-
Balance at March 31, 2018	400.00
Changes in equity share capital during the year	-
Balance at March 31, 2019	400.00

Particulars	Reserves and surplus		
	Securities premium reserve *	Retained earnings	Total
Balance at April 1, 2017	2,545.04	250.03	2,795.07
Loss for the year	-	(110.33)	(110.33)
Other comprehensive income for the year, net of income tax	-	7.30	7.30
Total comprehensive income for the year	-	(103.03)	(103.03)
Balance at March 31, 2018	2,545.04	147.00	2,692.04
Loss for the year	-	(563.66)	(563.66)
Other comprehensive income for the year, net of income tax	-	3.56	3.56
Total comprehensive loss for the year	-	(560.10)	(560.10)
Balance at March 31, 2019	2,545.04	(413.10)	2,131.94

*** Nature of reserves**

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve will be utilised in accordance with provisions of Companies Act, 2013.

The accompanying notes forming integral part of the financial statements

i-37

As per our report of even date attached

For BSR & Co. LLP

Chartered Accountants

ICAI Firm registration number: 101248W/W-100022

Pravin Tulysan

Partner

Membership No.: 108044



Place : Gurugram

Date : May 23, 2019

For and on behalf of the Board of Directors of
Hiranandani Healthcare Private Limited

Saurabh Gupta

Director

DIN: 08343264

Place : Gurugram

Date : May 23, 2019

Manu Kapila

Manu Kapila

Director

DIN: 03403696

Place : Gurugram

Date : May 23, 2019

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Hiranandani Healthcare Private Limited
Statement of Cash Flows for the year ended March 31, 2019
(Rupees in lakhs, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flows from operating activities			
Loss before tax		(678.71)	(249.31)
<i>Adjustments for:</i>			
Finance costs recognised in statement of profit and loss		264.91	358.91
Interest income recognised in statement of profit and loss		(2.01)	(2.21)
(Gain) / Loss on disposal of property, plant and equipment		4.55	(5.76)
Unclaimed balances written back		-	(11.83)
Provision for doubtful debts on trade receivables		318.28	473.93
Depreciation and amortisation expense		533.29	587.17
Operating Profit before working capital changes		440.31	1,150.90
Movements in working capital:			
(Increase) in trade receivables		(576.77)	(135.30)
(Increase)/decrease in inventories		11.39	(3.00)
(Increase)/decrease in other assets		48.63	(15.61)
(Increase) in other financial assets		(22.36)	(9.22)
Increase in trade payables		1,410.01	1,207.53
Increase in provisions		21.61	18.86
(Decrease) in other financial liabilities		(2.91)	(26.25)
(Decrease) in other liabilities		(36.65)	(11.46)
Cash generated from operations		1,293.26	2,176.45
Income taxes paid, net		450.82	98.83
Net cash generated by operating activities		842.44	2,077.62
Cash flows from investing activities			
Interest received		1.02	1.79
Loans given		-	(145.00)
Repayment received of loans given		-	145.00
Maturity proceeds from fixed deposits placed with banks (net)		(2.26)	(5.31)
Sale of fixed assets		(0.02)	-
Payments against purchase of property, plant and equipment		(53.24)	(95.72)
Net cash used in investing activities		(54.50)	(99.24)
Cash flows from financing activities			
Proceeds from short-term borrowings		868.00	-
Repayment of long-term borrowings		(1,233.33)	(1,300.00)
Repayment of short term borrowings, net		-	(177.05)
Interest paid		(221.54)	(481.68)
Net cash used in financing activities		(586.87)	(1,958.73)
Net increase in cash and cash equivalents		201.07	19.65
Cash and cash equivalents at the beginning of the year		165.91	146.26
Cash and cash equivalents at the end of the year	10	366.98	165.91

Reconciliation of cash and cash equivalents with the Balance Sheet :

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Cash and cash equivalents as per Balance Sheet (refer note 10)	372.09	169.22
Less: Fixed deposits with original maturity of more than 3 months (refer note 10)	(5.11)	(3.31)
Cash and cash equivalents at the end of the year	366.98	165.91



Hiranandani Healthcare Private Limited
Statement of Cash Flows for the year ended March 31, 2019
(Rupees in lakhs, unless otherwise stated)

Changes in liabilities arising from financing activities

Particulars	Long term borrowings *	Short term borrowings, net	Interest accrued but not due (Current)
As at 31 March 2017	3,700.00	177.05	144.58
Proceeds from borrowings	-	-	-
Repayment of borrowings	(1,300.00)	(177.05)	-
Finance cost	-	-	356.85
Finance cost paid	-	-	(481.68)
Reclassifications	-	-	-
As at 31 March 2018	2,400.00	-	19.75
Proceeds from borrowings	-	868.00	-
Repayment of borrowings	(1,233.33)	-	-
Finance cost	-	-	264.92
Finance cost paid	-	-	(221.54)
Reclassifications	-	-	-
As at 31 March 2019	1,166.67	868.00	63.13

*Includes current maturity of long term debt which is presented under 'other financial liabilities'.

The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) Statement of Cash Flows notified under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder.

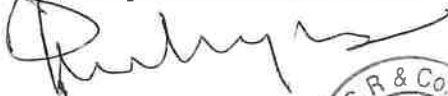
The accompanying notes forming integral part of the financial statements 1-37

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

CAI Firm registration number. 101248W/W-100022



Pravin Tulyan

Partner

Membership No.: 108044

Place : Gurugram

Date : May 23, 2019



For and on behalf of the Board of Directors of
Hiranandani Healthcare Private Limited



Saurabh Gupta

Director

DIN: 08343264

Place : Gurugram

Date : May 23, 2019




Manu Kapila

Director

DIN: 03403696

Place : Gurugram

Date : May 23, 2019



Note 1. Corporate Information

Hiranandani Healthcare Private Limited ("HHPL" or "the Company") was incorporated on July 15, 2005 to setup, manage and operate a multi-specialty hospital at Vashi, Navi Mumbai. HHPL is a wholly owned subsidiary of Fortis Healthcare Limited, a listed company.

On November 13, 2019, IHH Healthcare Berhad, Malaysia acquired 31.10% stake in Fortis Healthcare Limited, thereby becoming the controlling shareholder of Fortis Healthcare Limited.

Note 2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. The accounting policies adopted are consistent with those of the previous financial year except for changes in revenue recognition and accounting for foreign currency transactions due to amendment in applicable accounting guidance (also refer to respective policies for these two captions).

(a) Basis of preparation

(i) Statement of compliance

These Ind AS Financial Statements ("financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, ("the Act") and other relevant provisions of the Act. All the amounts included in the financial statements are reported in lakhs of Indian Rupees ("INR") and are rounded to the nearest lakhs, except per share data and unless stated otherwise.

The financial statements have been authorized for issue by the Company's Board of Directors on May 23, 2019.

(ii) Historical cost convention

The financial statements have been prepared under historical cost convention on accrual basis, unless otherwise stated.

(b) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or



- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

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 for the purpose of current/ non-current classification of assets and liabilities.

(c) Property, plant and equipment (PPE) and intangible assets

(i) Property, plant and equipment

Property, plant and equipment are stated at cost, which includes capitalized finance costs, less accumulated depreciation and any accumulated impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the items. The cost of an item of a PPE comprises its purchase price including import duty, and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition of its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

All repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Advances paid towards acquisition of property, plant and equipment outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

(ii) Intangible assets

- Internally generated goodwill is not recognised as an asset. With regard to other internally generated intangible assets:
 - Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Statement of Profit and Loss as incurred.
 - Development expenditure including regulatory cost and legal expenses leading to product registration/ market authorisation relating to the new and/or improved product and/or process development capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable finance costs (in the same manner as in the case of tangible fixed assets). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.
- Intangible assets that are acquired and implementation of software system are measured initially at cost.
- After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.



(iii) Depreciation and amortization methods, estimated useful lives and residual value

Depreciation is provided on straight line basis on the original cost / acquisition cost of assets or other amounts substituted for cost of fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act, read with notification dated 29 August 2014 of the Ministry of Corporate Affairs, except for the following classes of fixed assets which are depreciated based on the internal technical assessment of the management as under:

Category of assets	Management estimate of useful life	Useful life as per Schedule II
Plant and equipment	11-22 years	15 years
Medical equipment	12-15 years	13 years
Furniture and fixtures	7-10 years	10 years
Electricals, Central air conditioner system and Fire- safety systems	15 years	10 years

Depreciation on leasehold improvements is provided over the period of lease or over the useful lives of the respective assets, whichever is shorter.

The estimated useful lives of Intangible assets are follows:

Computer software	6 years
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Depreciation and amortization on property, plant and equipment and intangible assets added/disposed off during the year has been provided on pro-rata basis with reference to the date/month of addition/disposal.

Depreciation and amortization methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

(iv) Derecognition

A property, plant and equipment and intangible assets is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

(d) Impairment of non-financial assets

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

For impairment testing, assets that do not generate independent cash inflows (i.e. corporate assets) are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.



An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognized in prior periods, the Company reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(e) Financial instrument

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

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the asset's contractual cash flows represent SPPI.



Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVPL

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL. In addition, at initial recognition, the Company may irrevocably elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss to retained earnings.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Impairment of financial assets

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.



When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

Derecognition of financial liabilities

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.

Offsetting

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

(f) Inventories

Inventories are valued at lower of cost or net realisable value except scrap, which is valued at net estimated realisable value.

Net realizable value represents the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(g) Cash and cash equivalents

Cash and cash equivalent comprise cash at banks and on hand (including imprest) and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(h) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.



The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(i) Revenue recognition

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 "Revenue" and Ind AS 11 "Construction Contracts". The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The impact of adoption of the standard on the financial statements of the Company is insignificant.

Revenue primarily comprises fees charged under contract for inpatient and outpatient hospital services and also includes sale of medical and non-medical items. Hospital services include charges for accommodation, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used in treatments given to Patients.

Contracts with customers could include promises to transfer multiple services/ products to a customer. The Company assesses the product/ services promised in a contract and identifies distinct performance obligation in the contract. Revenue for each distinct performance obligation is measured to at an amount that reflects the consideration which the Company expects to receive in exchange for those products or services and is net of tax collected from customers and remitted to government authorities such as goods and service tax and applicable discounts and allowances including claims. Further, the Company also determines whether the performance obligation is satisfied at a point in time or over a period of time. These judgments and estimations are based on various factors including contractual terms and historical experience.

Revenue from hospital services is recognized as and when services are performed and from sale of products is recognised upon transfer of control of products to customers at the time of delivery of goods to the customers.

Revenue includes only those sales for which the Company has acted as a principal in the transaction, takes title to the products, and has the risks and rewards of ownership, including the risk of loss for collection, delivery and returns. Any revenue transaction for which the Company has acted as an agent or broker without assuming the risks and rewards of ownership have been reported on a net basis.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as other financial assets when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unearned and deferred revenue ("contract liability") is recognised as other current liability when there is billings in excess of revenues.

Other operating revenue comprises of revenue from various ancillary revenue generating activities like operations and maintenance agreements, satellite centers, clinical research activities, sponsorship arrangements and academic services. The revenue in respect of such arrangements is recognized as and when services are performed.

Interest Income

Interest income on financial assets (including deposits with banks) is recognised using the effective interest rate method on a time proportionate basis.



(i) **Employee benefits**

(i) *Short-term employee benefits:* All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

(ii) *Post-employment benefits:* Post employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

a) **Gratuity**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The liability in respect of gratuity is recognised in the books of account based on actuarial valuation by an independent actuary.

b) **Provident fund**

(i) The Company makes contribution to the recognised provident fund - " Fortis Healthcare Limited Provident Fund Trust " covering eligible employees in India, which is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Company's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.

For other employees in India, provident fund is deposited with Regional Provident Fund Commissioner. This is treated as defined contribution plan.

(ii) The Company's contribution to the provident fund is charged to Statement of Profit and Loss.

(iii) *Other long-term employee benefits:*

Compensated absences:

As per the Company's policy, eligible leaves can be accumulated by the employees can be utilized within next 12 months. 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 12 months, as long-term employee benefit for measurement purposes and liability is determined using the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date. The Company presents the leave as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

(iv) *Termination benefits:*

Termination benefits are recognised as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.



(v) *Actuarial valuation*

The liability in respect of all defined benefit plans and other long term benefits is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses on other long term benefits are recognised in the Statement of Profit and Loss in the year in which they arise. Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other equity in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

Past service cost is recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Statement of Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

(j) **Finance costs**

Finance costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Finance cost also includes exchange differences to the extent regarded as an adjustment to the finance costs. Finance costs that are directly attributable to the construction or production or development of a qualifying asset are capitalized as part of the cost of that asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other finance costs are expensed in the period in which they occur.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the finance costs eligible for capitalization. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method. Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the period of such borrowings.



(k) Income tax

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

• **Current tax:**

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

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

• **Deferred tax:**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to freehold land and investments in subsidiaries, to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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



(l) Leases

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. If it is a lease arrangement, it is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

The Company accounts for assets taken under lease arrangement in the following manner:

Finance leases

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

The Company accounts for assets given under lease arrangement in the following manner:

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Assets subject to operating leases are included in Property, Plant and Equipment. Rental income on operating lease is recognized in the Statement of Profit and Loss on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased assets and recognised on a straight line basis over the lease term.

(m) Segment reporting

As the Company's business activity primarily falls within a single business of healthcare services and a single geographical segment, there are no additional disclosures to be provided in terms of Ind AS 108 on 'Operating Segments'.



(n) Foreign currency translation

(i) Functional and presentation currency

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at balance sheet date exchange rates are generally recognised in Statement of Profit and Loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income (OCI).

(o) Exceptional items

An item of income or expense which its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed separately.

(p) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

(q) Measurement of fair values

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

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).



The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

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 used in preparing these financial statements is included in the respective notes.

(r) Critical estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes.

- Assessment of useful life of property, plant and equipment and intangible asset – Note 2(c)(iii) and 3
- Valuation of inventories – Note 2(f) and 8
- Fair value measurement – Note 2(e) and 34
- Estimation of assets and obligations relating to employee benefits – Note 2(i) and 27
- Recognition and estimation of tax expense including deferred tax – Note 2(k) and 26
- Estimated impairment of financial assets and non-financial assets – Note (d)
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 29
- Lease classification – Note 2(l) and 31 (a)



(a) **Recent Indian Accounting Standards (Ind AS)**

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Company has not applied as they are effective from April 1, 2019:

Ind AS 116 – Leases (Ind AS 116)

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases (Ind AS 17) and sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises present value of the lease payment (discounted using incremental borrowing rate) as right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments and lease rent expense will be replaced with the amortization of right-of use-asset and interest accrued on lease liability. The standard also contains enhanced disclosure requirements for lessees and will have consequential impact on cash flows categories as well. The new standard substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116 effective annual reporting period beginning April 1, 2019 using the modified retrospective approach and elected to measure the right-of -use assets at an amount equal to the lease liability as at the date of initial application.

For nature of lease arrangement as lessee refer note 31 of the financial statements. The Company has completed an initial assessment of the potential impact on its financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the financial statements in the period of initial application is not reasonably estimable as at present.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.



Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not expect any impact from this amendment.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business. The Company does not currently have joint control of a business that is a joint operation.



Hiranandani Healthcare Private Limited
Notes to the Financial Statements
(figures in lakhs unless otherwise stated)

Note 3 (i): Property, plant and equipment										
Particulars	Building*	Leasehold improvements	Plant and equipment	Medical equipment	Furniture and fittings	Computers	Office equipment	Vehicles	Total	
Cost or deemed cost										
Gross Block										
As at April 1, 2017	371.65	3,549.81	660.11	1,676.39	156.78	63.96	60.92	22.62	6,562.24	
Additions	-	10.72	-	107.72	20.47	16.75	3.29	-	158.95	
Other Adjustment	-	-	-	-	7.10	-	-	-	7.10	
Disposals	-	-	-	(2.53)	-	-	(0.18)	-	(2.71)	
As at March 31, 2018	371.65	3,560.53	660.11	1,781.58	184.35	80.71	64.03	22.62	6,725.58	
Additions	-	-	-	58.86	-	-	0.42	-	59.28	
Disposals	-	-	-	(15.09)	(0.36)	-	(0.66)	-	(16.11)	
As at March 31, 2019	371.65	3,560.53	660.11	1,825.35	183.99	80.71	63.79	22.62	6,768.75	
Accumulated Depreciation										
As at April 1, 2017	14.25	387.01	129.35	343.23	59.02	21.84	24.98	4.48	984.16	
Depreciation Expense	7.12	194.57	63.37	196.29	31.08	21.19	12.71	2.90	529.23	
Eliminated on disposal	-	-	-	(1.18)	-	-	(0.18)	-	(1.36)	
As at March 31, 2018	21.37	581.58	192.72	538.34	90.10	43.03	37.51	7.38	1,512.03	
Depreciation Expense	7.12	149.50	63.54	197.01	26.45	21.77	11.11	2.90	479.40	
Eliminated on disposal	-	-	-	(10.56)	(0.36)	-	(0.66)	-	(11.58)	
As at March 31, 2019	28.49	731.08	256.26	724.79	116.19	64.80	47.96	10.28	1,979.85	
Net Block (As at March 31, 2018)	350.28	2,978.95	467.39	1,243.24	94.25	37.68	26.52	15.24	5,213.55	
Net Block (As at March 31, 2019)	343.16	2,829.45	403.85	1,100.56	67.80	15.91	15.83	12.34	4,786.90	

*The above assets include fixed assets leased out pursuant to operating lease agreement (Refer note 31)

Note 3 (ii) : Capital work-in-progress

The Company accounts for all capitalization of property, plant and equipment through capital work in progress and therefore the movement in capital work in progress is the difference between closing and opening balance of capital work in progress as adjusted in addition to property, plant and equipment. Capital work in progress as at March 31, 2019 is INR 0.33 (as at March 31, 2018 is INR Nil).



Hiranandani Healthcare Private Limited
Notes to the Financial Statements
(Rupees in lakhs, unless otherwise stated)

Note 3 (iii) : Intangible assets

Particulars	Computer Software	Total
Gross Block		
As at April 1, 2017	342.31	342.31
Additions	-	-
As at March 31, 2018	342.31	342.31
Additions	2.70	2.70
As at March 31, 2019	345.01	345.01
Amortization		
As at April 1, 2017	101.88	101.88
Amortisation expense	57.94	57.94
As at March 31, 2018	159.82	159.82
Amortisation Expense	53.89	53.89
As at March 31, 2019	213.71	213.71
Net Block (As at March 31, 2018)	182.49	182.49
Net Block (As at March 31, 2019)	131.30	131.30

Note 3 (iv) : Intangible assets under development

The Company accounts for all capitalization of intangible assets through intangible assets under development and therefore the movement in intangible assets under development is the difference between closing and opening balance of intangible assets under development as adjusted in intangible assets. Intangible assets under development as at March 31, 2019 is INR 72.16 (as at March 31, 2018 is INR 72.16).



Hiranandani Healthcare Private Limited
Notes to the Financial Statements
(Rupees in lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
4a. Loans		
<u>Non-current</u>		
Unsecured, considered good		
Security deposits	78.88	76.23
	<u>78.88</u>	<u>76.23</u>
<u>Current</u>		
Unsecured, considered good		
Security deposits	0.96	0.92
	<u>0.96</u>	<u>0.92</u>
4b. Other financial assets		
<u>Non-current</u>		
Unsecured, considered good		
Deposits with maturity of more than 12 months (Refer Note 10.1)	4.45	4.00
Interest accrued but not due on deposits	0.16	0.05
	<u>4.61</u>	<u>4.05</u>
<u>Current</u>		
Unsecured, considered good		
Interest accrued but not due on deposits	1.04	0.16
Staff advance	-	3.52
Receivable from related party (Refer Note 32)	-	17.54
Other deposits	2.64	-
Contract assets	177.15	136.42
	<u>180.83</u>	<u>157.64</u>
5. Deferred tax balances (net)		
<u>Deferred tax assets</u>		
On carry forward business losses and unabsorbed depreciation	311.70	349.94
On provision for doubtful debt and advances	272.16	278.44
On gratuity and leave encashment	48.83	57.26
	<u>632.69</u>	<u>685.64</u>
<u>Deferred tax liabilities</u>		
On Property, plant and equipment	517.40	684.06
	<u>517.40</u>	<u>684.06</u>
Net deferred tax assets (A)	<u>115.29</u>	<u>1.58</u>
MAT credit entitlement (B)	<u>578.40</u>	<u>643.81</u>
Deferred tax assets (net) (A+B)	<u>693.69</u>	<u>645.39</u>

Movement of deferred tax asset and liabilities (2018-19):

	As at March 31, 2018	Recognised in Statement of profit or loss	Recognised in OCI	Adjustment of MAT to advance tax	As at March 31, 2019
Deferred tax liability in relation to:					
Property, plant and equipment	684.06	(166.65)	-	-	517.40
TOTAL	<u>684.06</u>	<u>(166.65)</u>	<u>-</u>	<u>-</u>	<u>517.40</u>
Deferred tax assets in relation to:					
Carry forward business losses and unabsorbed depreciation	349.94	(38.25)	-	-	311.70
Provision for doubtful debt	278.44	(6.28)	-	-	272.16
Gratuity and leave Encashment	57.26	(7.07)	(1.36)	-	48.83
MAT credit entitlement	643.81	-	-	(65.41)	578.40
TOTAL	<u>1,329.45</u>	<u>(51.60)</u>	<u>(1.36)</u>	<u>(65.41)</u>	<u>1,211.08</u>
Net deferred tax asset / (liability)	<u>645.39</u>	<u>115.05</u>	<u>(1.36)</u>	<u>(65.41)</u>	<u>693.69</u>



Movement of deferred tax asset and liabilities (2017-18):

	As at March 31, 2017	Recognised in Statement of profit or loss	Recognised in OCI	Adjustment of MAT to advance tax	As at March 31, 2018
Deferred tax liability in relation to:					
Property, plant and equipment	710.03	(25.97)	-	-	684.06
TOTAL	710.03	(25.97)	-	-	684.06
Deferred tax assets in relation to:					
Carry forward business losses and unabsorbed depreciation	425.74	(75.80)	-	-	349.94
Provision for doubtful debt	96.16	182.28	-	-	278.44
Gratuity and leave encashment	54.60	6.54	(3.87)	-	57.26
MAT credit entitlement	602.26	-	-	41.55	643.81
TOTAL	1,178.76	113.01	(3.87)	41.55	1,329.45
Net deferred tax asset / (liability)	468.73	138.98	(3.87)	41.55	645.39

Particulars	As at March 31, 2019	As at March 31, 2018
6. Non-current tax assets (net)		
Advance income tax (net of provision for taxation)	1,959.34	1,442.52
	1,959.34	1,442.52
7. Other assets		
Non-current		
Unsecured, considered good		
Capital advances	9.53	5.67
Prepaid rent	-	2.63
	9.53	8.30
Current		
Unsecured, considered good		
Advance to vendors	42.78	88.57
Prepaid expenses	42.57	41.08
Prepaid rent	-	0.08
Central Credit Note Receivable	0.43	0.43
	85.78	130.16
8. Inventories		
Valued at lower of cost and net realisable value		
Medical consumables and drugs	63.90	75.29
	63.90	75.29
9. Trade receivables (Unsecured)		
Current		
Considered good		
Considered doubtful	1,368.74	1,110.25
Total	987.78	715.29
Allowance for bad and doubtful receivables (expected credit loss allowance)	(987.78)	(715.29)
	1,368.74	1,110.25

In accordance with Ind AS 109 Financial Instruments, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss towards expected risk of delays and default in collection.

Trade receivables are unsecured and are derived from revenue earned from providing healthcare and other ancillary services. No interest is charged on the outstanding balance, regardless of the age of the balance. There are customers who represent more than 5% of total balance of trade receivables. The risk of non-payment from these customers is considered low as these balances relate to government bodies - government enterprises for which the default risk is considered low by the management.

The Company uses judgements in making certain assumptions and selecting inputs to determine impairment of these trade receivables, based on the Company's historical experience towards potential billing adjustments, delays and defaults at the end of each reporting period. The provision matrix used to compute the expected credit loss allowance for different categories of trade receivables as follows.



Hiranandani Healthcare Private Limited
Notes to the Financial Statements

(Rupees in lakhs, unless otherwise stated)

<u>Ageing</u>	Expected credit loss (%)	
	0 - 1 year	0% - 50%
1 - 2 year	15% - 100%	15% - 100%
2 - 3 year	40% - 100%	40% - 100%
More than 3 years	70% - 100%	70% - 100%

Particulars	As at	As at
	March 31, 2019	March 31, 2018
<u>Age of receivables</u>		
0 - 1 year	1,631.45	1,310.74
1 - 2 year	238.40	210.46
2 - 3 year	152.08	148.69
More than 3 years	334.59	155.64
	2,356.52	1,825.53

Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses

Balance at the beginning of the year	715.29	251.53
Loss allowance recognised	318.28	473.93
Bad debts write off during the year	(45.79)	(10.17)
Balance at the end of the year	987.78	715.29

The Management believes that there is no further provision required in excess of the allowance for bad and doubtful debts.

10. Cash and cash equivalents

Balances with banks		
- on current accounts	357.42	147.89
Cheques, drafts on hand		1.30
Cash on hand	9.56	16.72
Total cash and cash Equivalents	366.98	165.91

Bank balances other than above

Fixed deposits with original maturity of more than 3 months but less than 12 months(Refer note 10.1)	5.11	3.31
	5.11	3.31
Total bank balances other than above	372.09	169.22

10.1 Fixed Deposits are provided as security against guarantees



Particulars	As at	As at
	March 31, 2019	March 31, 2018
11 Share capital		
Authorised Share Capital		
4,800,000 (March 31, 2018: 4,800,000) Equity shares of INR 10 each	480.00	480.00
200,000 (March 31, 2018: 200,000) Zero Percent Redeemable Preference Shares of INR 10 each	20.00	20.00
Total Authorised Share Capital	500.00	500.00
Issued, subscribed and fully paid up shares		
40,00,000 (March 31, 2018: 40,00,000) Equity shares of INR 10 each	400.00	400.00
Total issued, subscribed and fully paid up share capital	400.00	400.00

Notes :

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity Shares

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	Number	Rupees	Number	Rupees
At the beginning of the year	4,000,000	400.00	4,000,000	400.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	4,000,000	400.00	4,000,000	400.00

(b) Terms/ rights attached to equity shares

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

(c) Shares held by the holding company

Equity Shares

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	Number	Rupees	Number	Rupees
Fortis Healthcare Limited (Holding Company)	4,000,000	400.00	4,000,000	400.00

(d) Details of shareholders holding more than 5% shares in the Company

Equity Shares

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Fortis Healthcare Limited (Holding Company)	4,000,000	100.00	4,000,000	100.00

As per records of the Company, including its register of share holders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(e) No Bonus shares issued for consideration other than cash and share bought back during the period of five years immediately preceding the reporting period.

12 The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 have not been made in these financial statements since the requirement does not pertain to financial year ended March 31, 2019



Particulars	As at March 31, 2019	As at March 31, 2018
13. Non-current borrowings		
Secured - at amortised cost		
Term loan from bank - HDFC Bank (also refer note 14 for current maturities of long term debt)	666.67	1,166.67
	<u>666.67</u>	<u>1,166.67</u>

Explanatory notes:

a) Indian rupee loan (sanction amount of loan is INR 4000.00) from bank carries interest of base rate plus 165 basis points. The loan is repayable in monthly installments of INR 66.66 by February 2019. The loan is secured by hypothecation of current assets, movable fixed assets and equitable mortgage of 9 residential flats in Neel Sidhi Towers. Further the loan has been guaranteed by a corporate guarantee by Fortis Healthcare Limited, Holding company. The loan has been fully repaid during the year.

b) Indian rupee loan (sanction amount of loan is INR 2500.00) from bank carries interest of Marginal Cost of Lending Rate (MCLR) plus 75 basis points. The loan is repayable in monthly installments of INR 41.67 by July 2021. The loan is secured by hypothecation of current assets, movable fixed assets and equitable mortgage of 9 residential flats in Neel Sidhi Towers. Further the loan has been secured by a corporate guarantee from Fortis Healthcare Limited, the Holding company.

14. Other financial liabilities

Non-current		
Security deposits	16.42	20.25
	<u>16.42</u>	<u>20.25</u>
Current		
Current maturities of long term debt (refer note 13)	500.00	1,233.33
Security deposits	7.38	3.40
Interest accrued but not due on borrowings	63.14	19.75
Capital creditors	18.06	5.20
Payable to related parties (refer note 32)	38.65	48.41
Employee related payable	64.52	57.84
	<u>691.75</u>	<u>1,367.93</u>

15. Provisions

Non-current		
Provision for gratuity (refer note 27 (a))	99.97	84.65
	<u>99.97</u>	<u>84.65</u>
Current		
Provision for gratuity (refer note 27 (a))	6.90	7.60
Provision for compensated absences (refer note 27(c))	80.20	73.21
	<u>87.10</u>	<u>80.81</u>



Hiranandani Healthcare Private Limited
Notes to the Financial Statements
(Rupees in lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
16. Current borrowings		
Unsecured - at amortised cost		
Loan from related party (refer note 32 (b))	868.00	-
	<u>868.00</u>	<u>-</u>
(a) Loan from related party carried interest @ 11.75% p.a. and is repayable on demand.		
17. Trade payables (unsecured)		
Total outstanding dues of micro enterprises and small enterprises. (refer note 33)	181.71	23.71
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,378.35	3,126.33
	<u>4,560.05</u>	<u>3,150.05</u>
18. Other current liabilities (unsecured)		
Non-current		
Rent received in advance	-	4.07
	<u>-</u>	<u>4.07</u>
Current		
Contract liability	194.63	199.30
Statutory dues payable	94.50	122.31
Rent received in advance	-	0.10
	<u>289.13</u>	<u>321.71</u>



Hiranandani Healthcare Private Limited
Notes to the Financial Statements
(Rupees in lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
19. Revenue from operations		
(a) Sale of services		
Healthcare services		
- Operating Income - in-patient department	10,686.47	12,388.97
- Operating Income - out-patient department	1,220.27	1,642.34
	<u>11,906.74</u>	<u>14,031.31</u>
Less: Trade discounts	2,019.92	2,449.32
Revenue from contract with customers	<u>9,886.82</u>	<u>11,581.99</u>
The revenue recognised during the current year is the balancing number for transactions with customers after adjusting opening and closing balances of contract assets and liabilities.		
(b) Other operating revenues		
Royalty income from pharmacy	13.14	26.04
Sponsorship income	2.46	1.21
Miscellaneous income	3.86	1.33
	<u>19.46</u>	<u>28.58</u>
Total revenues from operations (a+b)	<u>9,906.28</u>	<u>11,610.57</u>
20. Other income		
(a) Interest income		
Interest on bank deposits	2.01	0.39
Interest on unsecured loan to related party (refer note 32)	-	1.03
Interest on financial assets carried at amortised cost	-	0.79
Interest on income tax refund	-	32.90
(b) Other non-operating income		
Income from rent	43.44	48.96
Profit on sale of assets (net)	-	5.76
Sundry balance written back	-	11.83
Miscellaneous income	4.56	-
Total other income (a+b)	<u>50.01</u>	<u>101.66</u>



Hiranandani Healthcare Private Limited
Notes to the Financial Statements
(Rupees in lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
21. Changes in inventories of medical consumables and drugs		
Inventory at the beginning of the year	75.29	72.29
Inventory at the end of the year	63.90	75.29
Decrease / (increase) in inventories	11.39	(3.00)
22. Employee benefits expense		
Salaries, wages and bonus	1,539.06	1,583.57
Contribution to provident and other funds (refer note 27 (b))	85.67	85.57
Staff welfare expenses	16.61	22.56
	1,641.34	1,691.70
23. Finance costs		
Interest expense		
- on term loans	173.13	292.09
- on unsecured loan from related party	59.20	6.99
- on others	3.86	2.06
- on defined benefit plan	11.82	16.48
Other borrowing cost	28.72	57.77
	276.73	375.39
24. Depreciation and amortisation expense		
Depreciation of property, plant and equipments refer note 3 (i)	479.40	529.23
Amortisation of intangible assets refer note 3 (iii)	53.89	57.94
	533.29	587.17



Hiranandani Healthcare Private Limited
Notes to the Financial Statements
(Rupees in lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
25. Other expenses		
Contractual manpower	289.33	293.57
Power, fuel and water	311.62	298.92
Housekeeping expenses including consumables	169.82	169.52
Patient food and beverages	115.17	128.91
Pathology laboratory expenses	436.00	439.21
Radiology expenses	562.94	625.01
Cost of medical services	53.97	36.06
Professional and consultation fees to doctors	3,238.59	3,957.22
Repairs and maintenance		
- Building	10.34	2.54
- Plant and machinery	279.81	234.80
- Others	53.19	58.92
Rent-		
- Hospital buildings	73.54	72.09
- Equipments	22.27	13.54
- Others	24.10	21.23
Legal and professional fees (refer note 25.1)	74.36	284.55
Travel and conveyance	20.00	15.13
Rates and taxes	50.82	56.42
Printing and stationery	54.33	61.38
Communication expenses	20.87	23.02
Insurance	78.88	68.50
Marketing and business promotion	345.88	324.35
Loss on sale of assets (net)	4.55	-
Bad debts written off	45.79	10.17
Less: Provision held	(45.79)	(10.17)
Provision for doubtful receivables	318.28	473.93
Contribution to corporate social responsibility (CSR) (refer note 25.2)	6.46	4.71
Miscellaneous expenses	14.90	10.65
	6,630.02	7,674.18

25.1 Auditors' remuneration comprises (inclusive of indirect tax)*

Statutory audit fee	9.26	9.26
Tax audit fee	0.89	0.89
Other services	-	2.66
Out of pocket expenses	0.78	0.13
	10.93	12.94

*Payments made to auditor for the current and previous year includes amounts paid to previous auditors of the Company.



Hiranandani Healthcare Private Limited
Notes to the Financial Statements
(Rupees in lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
25.2 Corporate social responsibility (CSR)		
CSR amount required to be spent as per Section 135 of the Companies Act, 2013 ('the Act') read with Schedule VII thereof by the Company during the year is INR 6.47 (previous year INR 4.59), being 2% of the average net profits for the three immediately preceding financial years (calculated in accordance with the provisions of Section 198 of the Act)		
Amount spent during the year on:		
(i) Construction/Acquisition of any asset	-	-
(ii) Purposes other than (i) above	6.46	4.71
26. Income tax recognised in statement of profit and loss		
Current tax		
In respect of the current year	-	41.56
Less: MAT credit entitlement	-	(41.56)
Deferred tax		
Deferred tax on profits for the year	(169.77)	(63.18)
Adjustment in respect of deferred tax of previous year	54.72	(75.80)
Tax related to items that will not be reclassified to profit and loss	1.36	3.87
Total	(113.69)	(135.11)

The income tax expense for the year can be reconciled to the accounting profit as follows:

Loss before tax from continuing operations	(678.71)	(249.31)
Enacted income tax rate	27.55%	34.94%
Computed tax charge	(187.00)	(87.12)
True up of last year carry forward losses	54.72	(75.80)
Effect of expenses that are not deductible	-	20.36
Effect of change in future enacted tax rate from 34.61% to 34.94%	-	3.58
Others	17.23	-
Income tax expense recognised in statement of profit and loss	(115.05)	(138.98)

The tax rate used for the 2018-2019 and 2017-2018 reconciliations above is the corporate tax rate of 27.55% and 34.94% payable by corporate entities in India on taxable profits.



27 Employee Benefit Plans:

27.1 Defined Contribution Plans

The Company's defined contribution plans are provident fund (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) for qualifying employees.

Contribution to Defined Contribution Plans, recognised as expense in Note 22 - 'Employee benefits expense' for the year, is as under:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Employer's Contribution to Provident Fund	85.67	85.57

27.2 Defined Benefit Plan

(a) Gratuity

The Company provides long-term benefits in the nature of Gratuity to its employees. Under the Gratuity Plan, every employee who has completed at least five years of service gets a gratuity on departure @15 days of last drawn salary for each completed year of service. The scheme is unfunded.

(i) Reconciliation of opening and closing balances of Defined Benefit Obligation

	Gratuity (Unfunded)	
	As at March 31, 2019	As at March 31, 2018
Defined Benefit obligation at beginning of the year	92.25	84.64
Current Service Cost	22.24	24.42
Interest cost	6.72	5.72
Actuarial (gain)/loss	(4.92)	(11.17)
Benefits paid	(9.42)	(11.36)
Defined benefit obligation at year end	106.87	92.25

(ii) Expenses recognised during the year

	Gratuity (Unfunded)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Included in Statement of Profit and Loss		
Current service cost	22.24	24.42
Interest cost	6.72	5.72
Cost	28.96	30.14

Included in Other Comprehensive Income

Actuarial (gain) / losses recognised in other comprehensive income	(4.92)	(11.17)
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(iii) Reconciliation of fair value of assets & obligations

	Gratuity (Unfunded)	
	As at March 31, 2019	As at March 31, 2018
Present value of defined benefit obligation	106.87	92.25
Fair Value of plan assets	-	-
Amount recognised as liability at year end	106.87	92.25
Current Liability	6.90	7.60
Non-Current Liability	99.97	84.65

(iv) Actuarial Assumptions

	Gratuity (Unfunded)	
	As at March 31, 2019	As at March 31, 2018
Discount Rate (p.a.)	7.50%	7.50%
Rate of escalation in salary (p.a.)	7.50% - 8.00%	7.50% - 8.00%
Mortality table referred	(Indian Assured Lives Mortality (2006-08) modified)	(Indian Assured Lives Mortality (2006-08) modified)
Withdrawal Rate		
	Ages	March 31, 2019
Withdrawal Rate	Upto 30 years	10% - 30%
	31 Years to 50 Years	3% - 25%
	Above 50 Years	1% - 10%



Hiranandani Healthcare Private Limited

Notes to the Financial Statements

(Rupees in lakhs, unless otherwise stated)

The discount rates reflect the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.

The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

(v) Sensitivity Analysis:

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

	March 31, 2019		March 31, 2018	
	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate (0.5% movement)	(4.67)	5.06	(3.89)	4.19
Future salary appreciation (1% movement)	10.39	(9.05)	8.61	(7.53)
Attrition rate (5% movement)	(4.16)	4.58	(4.40)	4.51

(vi) Expected benefit payments for the year ending:

	March 31, 2019	March 31, 2018
Less than a year	8.70	7.88
Between 1-2 years	10.17	9.87
Between 2-3 years	12.32	10.97
Between 3-4 years	15.88	13.88
Between 4-5 years	25.51	17.41
Beyond 5 Years	96.12	100.65

(vii) Description of Plan Characteristics and Associated Risks

The Gratuity scheme is a final salary Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase

Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation

Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career

(b) Provident fund

The Company makes monthly contributions to provident fund managed by trust for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. As per Ind AS 19 on "Employee Benefits", employer established provident fund trusts are treated as defined benefit plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. The total liability of INR Nil (31 March 2018: INR Nil) as worked out by the actuary has been allocated to each entity based on the corpus value of each entity as at 31 March 2019. Accordingly, liability of INR Nil (31 March 2018: INR Nil) has been allocated to Company and INR Nil (31 March 2018: INR Nil) has been charged to Statement of Profit and Loss during the year.

Actuarial assumptions made to determine interest rate guarantee on exempt provident fund liabilities are as follows:

	As at March 31, 2019	As at March 31, 2018
Discount Rate (p.a.)	7.50%	7.50%
Guaranteed rate of return	8.65%	8.55%

27.3 The net provision for unfunded compensated absences liability up to March 2019 is INR 80.20 (previous year is INR 73.21).



28 Earnings per share (EPS) of INR 10 each

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Loss as per statement of profit and loss (INR)	(563.66)	(110.33)
Weighted average number of equity shares in calculating Basic EPS and Diluted EPS (Numbers)	4,000,000	4,000,000
Basic EPS (in INR)	(14.09)	(2.76)
Diluted EPS (in INR)	(14.09)	(2.76)

29 (a) Contingent liabilities (not provided for) in respect of:

Particulars	As at March 31, 2019	As at March 31, 2018
Income tax *	1,261.68	984.56
Claims against the Company not acknowledged as debts (in respect of compensation demanded by the patients/their relatives for negligence)	634.80	634.64
Demand in relation to property tax	369.04	335.89

* The income tax authorities have adjusted refund assessed for earlier years aggregating INR 117.22 against the demand for A.Y. 2012-13.

(b) Navi Mumbai Municipal Corporation ("NMMC") terminated the Hospital lease agreement with the Company vide order dated January 18, 2017 (Termination Order) for certain alleged contravention of the Hospital lease agreement. NMMC granted a period of one month to the Company to hand over the possession of the hospital to NMMC and also directed the Company not to admit any new patients. The Company filed a Writ Petition before the Hon'ble Supreme Court of India challenging the Termination Order. The Writ Petition has been tagged with Special Leave Petition also filed by the Company inter alia challenging the actions of State Government, City Industrial Development Corporation and NMMC which led to the passing of the said Termination Order. The Hon'ble Supreme Court of India in the hearing held on January 30, 2017 ordered "Status Quo". Special Leave Petition has been admitted on January 22, 2018 and "Status Quo" has been continuing. Based on external legal counsel's opinion, management is confident that the Company is in compliance of conditions of the Hospital lease agreement and accordingly considers that no adjustment is required to the Ind AS Financial Statements.

(c) On 28 February 2019, a judgment of the Supreme Court of India interpreting certain statutory defined contribution obligations of employees and employers (the "India Defined Contribution Obligation") altered historical understandings of such obligations, extending them to cover additional portions of the employee's income to measure obligations under employees Provident Fund Act, 1952. There is significant uncertainty as to how the liability should be calculated as it is impacted by multiple variables, including the period of assessment, the application with respect to certain current and former employees and whether interest and penalties may be assessed. As such, the Company has been legally advised not to consider that there is any probable obligations for periods prior to date of aforesaid judgment. The Company is further evaluating its next course of action in this matter.

(d) Additionally, the Company is involved in other disputes, lawsuits, claims, governmental and/or regulatory inspections, inquiries, investigations and proceedings, including commercial matters that arise from time to time in the ordinary course of business.

(e) The Company believes that none of the above matters, either individually or in aggregate, are expected to have any material adverse effect on its financial statements. The cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various stages/forums.

30 Capital commitment and other commitments:

a) Capital commitments

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	97.11	10.08

b) Other Commitment

The Company has entered into a long term lease agreement on 20th January 2006 with Navi Mumbai Municipal Corporation (NMMC) for a period of 25 years, to be renewed thereafter for 27 years on the same terms and conditions subject to satisfactory performance. As per terms of the aforesaid agreement, the Company is required to provide free treatment to 10% of the total beds (i.e. 15 patients at any given point of time) limited to 800 patients in a year referred by NMMC Hospital [also see Note 29(b)].



31 Leases

(a) Assets taken on Operating Lease:

Hospital premises, nurses accommodation premises and equipments are obtained on operating lease. In all the cases, the agreements are further renewable at the option of the Company. For all cases, there are no restrictions imposed by lease arrangements and the rent is not determined based on any contingency. All these leases are cancellable in nature and there is no escalation clause other than the one for hospital premises at Navi Mumbai which is non-cancellable and having escalation clause [also see Note 29(b)]. The total lease payments in respect of such leases recognized in the statement of profit and loss for the year are INR 119.90 (March 31, 2018 INR 106.86).

The total future minimum lease payments under the non-cancellable operating lease are as under:

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Minimum lease payments:		
Not later than one year	75.00	73.54
Later than one year but not later than five years	315.29	309.15
More than five years	607.70	688.97

(b) Assets given on Operating Lease

The Company has leased out certain capital assets on operating lease. In all the cases, the agreements are further renewable at the option of the Company. There is no escalation clause in the respective lease agreements. There are no restrictions imposed by lease arrangements and the rent is not determined based on any contingency. All these leases are cancellable in nature. The total lease income received / receivable in respect of the above leases recognized in the statement of profit and loss for the year are INR 43.43 (Previous year INR 48.96).

The details of the capital assets given on operating lease are as under:

Particulars - Buildings	As at	As at
	March 31, 2019	March 31, 2018
Cost/deemed cost		
Depreciation for the year	289.05	330.34
Accumulated depreciation	5.54	6.33
Carrying value	18.19	12.65
	265.32	311.36



12. Related party disclosures

Particulars	Names of Related Parties and related party relationship	
	March 31, 2019	March 31, 2018
Ultimate Holding Company	RHC Holdings Private Limited (Parent of Fortis Healthcare Holdings Private Limited (upto February 13, 2018)) (HH Healthcare Berhad (w.e.f from November 13, 2018))	
Intermediate Holding Company	Integrated Healthcare Holdings Limited (w.e.f from November 13, 2018) Parkway Vista Limited (w.e.f from November 13, 2018) Northern 1K Venture Pte Ltd (w.e.f from November 13, 2018) Fortis Healthcare Limited	
Immediate Holding Company	Fortis Healthcare Holdings Private Limited (Parent of Fortis Healthcare Limited (upto February 13, 2018))	
Key Management Personnel (KMP) / Directors	Mama Kapila Meghraj Gore Narayan Shivkumar (upto January 25, 2019) Jasbir Singh Grewal (upto December 31, 2018) Saurabh Gupta (w.e.f. from January 30, 2019) Fortis Hospitals Limited (PHL) RWL Healthworld Limited (formerly known as Religare wellness Limited) (upto February 13, 2018) SRL Limited Fortis CSR Foundation Healthcare Technologies Limited (upto February 13, 2018)	
Fellow Subsidiaries - parties with whom transactions have taken place		
Enterprises significantly influenced by key management personnel (KMP) or their relatives (with whom transactions have been taken place)		

13. Transactions during the year

Particulars	Fortis Healthcare Limited		Key Management Personnel (KMP)		Fortis Hospitals Limited		RWL Healthworld Limited		SRL Limited		Fortis CSR Foundation		Healthcare Technologies Limited	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Revenue from operations														
Goods/ Services provided														
Royalty Income from Pharmas														
Other Income														
Interest Income														
EXPENSES														
BURDEN SHARING														
Pathology expenses	59.20	6.15		0.84										
Radiology expenses														
Professional fees (Legal & Maintenance- IT)														
Corporate social responsibility														
Reimbursement of Expenses														
Expensiture incurred on behalf of the Company	16.13	2.52		2.98		0.75								
Expensiture incurred by the Company on behalf of	4.91	26.79												
Capital work in Progress (CWIP)														
Leases Taken/ Given	868.00	113.60		117.00		145.00								
Lease/ Rental														
to Balances at the end of the year														
Particulars	Fortis Healthcare Limited		Key Management Personnel (KMP)		Fortis Hospitals Limited		RWL Healthworld Limited		SRL Limited		Fortis CSR Foundation		Healthcare Technologies Limited	
Total Payable and other current liabilities	9.44	9.06		48.08	49.16									
Receivable														
Interest received but not due on borrowings	53.28													
Short term borrowings	868.00													



33 Details of dues to Micro and Small Enterprises as per MSMED Act, 2006

Particulars	March 31, 2019	March 31, 2018
The Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:	-	-
- Principal amount due to micro and small enterprises	181.71	23.71
- Interest due on above	-	-
The amount of interest paid by the buyer in terms of the Section 16 of the MSMED Act 2006 along with the amounts of the payments made to the supplier beyond the appointed day during each accounting	-	-
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 2006.	-	-
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 enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	-	-

34 Financial Instruments

34.1 Capital Management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through optimisation of the debt and equity balance.

The capital structure of the Company consists of debt (borrowings as detailed in notes 13, 14 and 16) and total equity of the Company.

The Company is not subject to any externally imposed capital requirements.

The Company's Board of Directors review the capital structure of the Company on need basis. As part of this review, the Board of Directors consider the cost of capital and the risks associated with each class of capital. The gearing ratio at March 31, 2019 of 65.66%. (See below)

Gearing ratio

The gearing ratio at end of the reporting period was as follows.

Particulars	As at March 31, 2019	As at March 31, 2018
Debt		
Long term borrowings (including current maturities of long term)	1,166.67	2,400.00
Short term borrowings	868.00	-
Less:- cash and bank balances - current	(372.09)	(169.22)
Total debt (A)	1,662.58	2,230.78
Equity		
Equity share capital	400.00	400.00
Other equity	2,131.94	2,692.04
Total equity (B)	2,531.94	3,092.04
Net Debt to Equity Ratio (A/B)	65.66%	72.15%

34.2 Financial risk management objectives

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic market risk (interest rate risk), credit risk and liquidity risk.

The Board of Directors manages the financial risk of the Company through internal risk reports which analyse exposure by magnitude of risk. The Company has limited exposure from the international market as the Company's operations are in India. The Company has no exposure towards foreign currency risk as it earns all of its revenue from domestic patients only. Capital expenditure includes very few capital goods purchased in foreign currency through overseas vendors during the year. The Company has not taken any derivative contracts during the year to hedge the exposure.

(a) Market Risk

The Company's activities expose it primarily to the financial risks of changes in interest rates.

Interest rate risk management

The Company is exposed to interest rate risk because the Company borrows funds at floating interest rates.

The Company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note



Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Particulars	Interest impact (pre tax)	
	Year ended	Year ended
	March 31, 2019	March 31, 2018
Impact on statement of profit and loss for the year	(10.17)	(12.00)
Impact on total equity as at the end of the reporting period	(10.17)	(12.00)

Particulars	Interest impact (pre-tax)	
	Year ended	Year ended
	March 31, 2019	March 31, 2018
Impact on statement of profit and loss for the year	10.17	12.00
Impact on total equity as at the end of the reporting period	10.17	12.00

(b) Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company takes due care while extending any credit as per the approval matrix approved by Board of Directors. Refer Note 9 of the Financial Statements.

Expected credit loss on financial assets other than trade receivables:

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties, from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for expected credit loss has been provided on these financial assets. Break up of financial assets other than trade receivables have been disclosed in Balance Sheet.

(c) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Liquidity risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Within 1 year	1-5 year	Total	Carrying amount
As at March 31, 2019				
Borrowings (current and non current)	1,368.00	666.67	2,034.67	2,034.67
Other Financial Liabilities				
Trade payables	4,560.06	-	4,560.06	4,560.06
Security deposits	7.38	16.42	23.80	23.80
Interest accrued but not due on Borrowings	63.14	-	63.14	63.14
Capital creditors	18.06	-	18.06	18.06
Other liabilities	103.17	-	103.17	103.17
Total	6,119.81	683.08	6,802.90	6,802.90

Particulars	Within 1 year	1-5 year	Total	Carrying amount
As at March 31, 2018				
Borrowings	1,233.33	1,166.67	2,400.00	2,400.00
Other Financial Liabilities				
Trade payables	3,150.05	-	3,150.05	3,150.05
Security deposits	3.40	20.25	23.65	23.65
Interest accrued but not due on Borrowings	19.75	-	19.75	19.75
Capital creditors	5.20	-	5.20	5.20
Other Liabilities	106.25	-	106.25	106.25
Total	4,517.98	1,186.92	5,704.90	5,704.90



34.3 Fair value measurement

Particulars	Note	Carrying value as at		Fair value as at	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Measured at amortised cost					
i) Financial Assets - Non current					
Loans	(b)	78.88	76.23	78.88	76.23
Other Financial assets	(b)	4.61	4.05	4.61	4.05
ii) Financial assets - Current					
Trade receivables	(a)	1,368.74	1,110.25	1,368.74	1,110.25
Cash and cash equivalents (including other bank balances)	(a)	372.09	169.22	372.09	169.22
Loans	(a)	0.96	0.92	0.96	0.92
Other financial assets	(a)	180.83	157.64	180.83	157.64
TOTAL		2,006.11	1,518.31	2,006.11	1,518.31
Measured at amortised cost					
iii) Financial liabilities - Non current					
Borrowings#	(c)	666.67	1,166.67	666.67	1,166.67
Other Financial liabilities	(b)	16.42	20.25	16.42	20.25
iv) Financial liabilities - Current					
Borrowings#	(a)	1,368.00	1,233.33	1,368.00	1,233.33
Trade payables	(a)	4,560.06	3,150.05	4,560.06	3,150.05
Other Financial liabilities	(a)	191.75	134.60	191.75	134.60
TOTAL		6,802.90	5,704.90	6,802.90	5,704.90

The following methods / assumptions were used to estimate the fair values:

- (a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments
- (b) Fair valuation of non-current financial assets and liabilities has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value.
- (c) Fair value of long-term borrowings is estimated by discounting future cash flows using current rates (applicable to instruments with similar terms, currency, credit risk and remaining maturities) to discount the future payouts
- There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2019 and 31 March 2018.
- #The Company's borrowings (excluding borrowing from parent company) have been contracted at floating rates of interest, which resets at short intervals. Accordingly, the carrying value of such borrowings (including interest accrued but not due) approximates fair value. The Company have taken borrowing from parent company during the year and there is no significant change in the interest rates. Accordingly, the carrying value of such borrowings (including interest accrued but not due) approximates fair value.

35 The Company is primarily engaged in the business of healthcare services which is the only reportable business segment as per Ind AS 108 "Operating Segments".

36 Going concern

In view of continued financial support from the parent company, cash generation during current year and expected net cash inflow in future years, it is considered appropriate to conclude that the Company's ability to continue as going concern is not impacted due to negative balance of retained earnings as at and loss incurred for the year ended March 31, 2019.

37 The previous year's figures has been regrouped/reclassified, wherever necessary, to conform to current year's classification.

As per our report of even date attached

For BSR & Co. LLP
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Pravin Tulyan
Partner
Membership No.: 108044

Place : Gurugram
Date : May 23, 2019



For and on behalf of the Board of Directors of
Hiranandani Healthcare Private Limited

Saurabh Gupta
Director
DIN: 08343264

Place: Gurugram
Date : May 23, 2019

Manu Kapila

Manu Kapila
Director
DIN: 03403696

Place: Gurugram
Date : May 23, 2019

(Handwritten signature)