Walker Chandiok & Co LLP

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Independent Auditor's Report

To the Members of Medanta Holdings Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Medanta Holdings Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors is responsible for the other information. Other information does not include the financial statements and our auditor's 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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

5. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including 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.

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

7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

8. 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 Standards on Auditing 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.

9. As part of an audit in accordance with Standards on Auditing, 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 system 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; and

- 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.

10. 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.

Other Matter

11. The financial statements of the Company for the year ended 31 March 2018 were audited by the predecessor auditor, Nitin Mittal & Co., who have expressed an unmodified opinion on those financial statements vide their audit report dated 13 July 2018.

Report on Other Legal and Regulatory Requirements

12. The provisions of section 197 read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.

13. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.

14. Further to our comments in Annexure A, as required by section 143(3) of the Act, we report that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

WALKER CHANDIOK & CO LLP * SINGAPORE * CHARTERED ACCOUNTANTS

e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;

f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 26 September 2019 as per Annexure B expressed unmodified opinion; and

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

   i. the Company does not have any pending litigation which would impact its financial position as at 31 March 2019;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;

   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019; and

   iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Siddharth Talwar

Siddharth Talwar
Partner
Membership No.: 512752

UDIN: 19512752AAAACA3180

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: Gurugram
Date: 26 September 2019

Annexure A to the Independent Auditor's Report of even date to the members of Medanta Holdings Private Limited on the financial statements for the year ended 31 March 2019

Annexure A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and capital work-in-progress.

(b) The property, plant and equipment and capital work-in-progress have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the property, plant and equipment and capital work-in-progress is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of all the immovable properties (which are included under the head 'property, plant and equipment') are held in the name of the Company.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank and financial institution during the year. Further, the Company has no loans or borrowings

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS

Annexure A to the Independent Auditor's Report of even date to the members of Medanta Holdings Private Limited on the financial statements for the year ended 31 March 2019

payable to government and the Company did not have outstanding debentures during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained, though idle/surplus funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) The provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under Section 2(71) of the Act. Accordingly, provisions of clause 3(xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the Company is not required to constitute audit committee under Section 177 of the Act.

(xiv) During the year, the Company has made private placement of shares. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised. During the year, the Company did not make preferential allotment/ private placement of fully/partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Siddharth Talwar

Siddharth Talwar
Partner
Membership No.: 512752

UDIN: 19512752AAAACA3180

Place: Gurugram
Date: 26 September 2019

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Annexure B to the Independent Auditor's Report of even date to the members of Medanta Holdings Private Limited on the financial statements for the year ended 31 March 2019

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

1. In conjunction with our audit of the financial statements of Medanta Holdings Private Limited ("the Company") as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ("IFCoFR") of the Company as at that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

5. 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with

Annexure B to the Independent Auditor's Report of even date to the members of Medanta Holdings Private Limited on the financial statements for the year ended 31 March 2019

authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Siddharth Talwar

Siddharth Talwar
Partner
Membership No.: 512752

UDIN: 19512752AAAACA5180

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: Gurugram
Date: 26 September 2019

Medanta Holdings Private Limited
Balance sheet as at 31 March 2019

	Notes	As at 31 March 2019 (₹ in lakhs)	As at 31 March 2018 (₹ in lakhs)
ASSETS			
Non-current assets			
Property, plant and equipment	6	7,538.83	7,538.09
Capital work-in-progress	6	50,057.73	26,398.06
Financial assets			
Loans	7	182.64	0.35
Other financial assets	8	153.45	230.20
Deferred tax assets (net)	9	34.62	0.29
Income tax assets (net)	10	10.92	8.38
Other non-current assets	11 A	429.55	922.76
Total non-current assets		**58,407.74**	**35,098.13**
Current assets			
Financial assets			
Cash and cash equivalents	12	2,565.80	360.16
Other bank balances	13	106.34	66.94
Other current assets	11 B	172.56	-
Total current assets		**2,844.70**	**427.10**
Total assets		**61,252.44**	**35,525.23**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14 A	5,138.58	4,369.35
Instruments entirely equity in nature	14 B	723.08	-
Other equity	15	16,776.52	8,411.02
Total equity		**22,638.18**	**12,780.37**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	36,422.24	21,290.65
Provisions	17 A	5.23	4.45
Other non-current liabilities	18 A	219.72	-
Total non-current liabilities		**36,647.19**	**21,295.10**
Current liabilities			
Financial liabilities			
Other financial liabilities	19	1,861.52	1,375.19
Other current liabilities	18 B	100.23	74.56
Provisions	17 B	5.32	0.01
Total current liabilities		**1,967.07**	**1,449.76**
Total liabilities		**61,252.44**	**35,525.23**

The accompanying notes are integral part of the financial statements.

This is the balance sheet referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants

Siddharth Talwar

Siddharth Talwar
Partner
Membership No.: 512752

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS

Place: Gurugram
Date: 26 September 2019

For and on behalf of the Board of Directors

Naresh Trehan	**Sunil Sachdeva**	**Nitu Kumari**
Director	Director	Company Secretary
[DIN:00012148]	[DIN:00012115]	

Medanta Holdings Private Limited
Statement of profit and loss for the year ended 31 March 2019

	Note	For the year ended 31 March 2019 (₹ in lakhs)	For the year ended 31 March 2018 (₹ in lakhs)
Income			
Other income	20	16.23	41.00
		16.23	**41.00**
Expenses			
Employee benefits expense	21	32.88	23.06
Finance costs	22	1.08	-
Depreciation expense	23	2.11	2.82
Other expenses	24	56.89	116.92
		92.96	**142.80**
Profit before tax		(76.73)	(101.80)
Tax expense			
Deferred tax (credit)/expense	25	(34.38)	0.04
Profit after tax		**(42.35)**	**(101.84)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains on defined benefit plans		0.21	-
Income tax relating to items that will not be reclassified to profit and loss		(0.05)	-
Total comprehensive income for the year		**(42.19)**	**(101.84)**
Earnings per equity share	26		
Basic (₹)		(0.09)	(0.49)
Diluted (₹)		(0.09)	(0.49)

The accompanying notes are integral part of the financial statements.

This is the statement of profit or loss referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants

Siddharth Talwar
Partner
Membership No.: 512752

For and on behalf of the Board of Directors

Naresh Trehan
Director
[DIN:00012148]

Sunil Sachdeva
Director
[DIN:00012115]

Nitu Kumari
Company Secretary

Place: Gurugram
Date: 26 September 2019

Medanta Holdings Private Limited
Cash flow statement for the year ended 31 March 2019

	For the year ended 31 March 2019 (₹ in lakhs)	For the year ended 31 March 2018 (₹ in lakhs)
A CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(76.73)	(101.80)
Adjustments for:		
Depreciation expense	2.11	2.82
Interest income on bank deposits	(16.18)	(41.00)
Interest on late payment of statutory dues	1.08	
Provision for employee benefits (net)	6.10	4.46
Operating loss before working capital changes	**(83.62)**	**(135.52)**
Movement in working capital		
Non-current loans	(182.29)	0.09
Other current assets	(0.48)	(7.37)
Other non-current assets	-	281.56
Other current financial liabilities	6.60	1,412.37
Other current liabilities	25.67	(469.82)
Cash (used in)/flow from operations	**(234.12)**	**1,081.31**
Income tax paid (net of refunds)	(3.62)	-
Net cash (used in)/flow from operating activities (A)	**(237.74)**	**1,081.31**
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and capital work-in-progress (including capital advances and capital creditors)	(16,494.18)	(10,016.60)
Movement in other bank balances (net)	(39.40)	(102.53)
Movement in bank deposits having maturity period more than 12 months (net)	76.75	-
Interest received	32.61	77.04
Net cash used in investing activities (B)	**(16,424.22)**	**(10,042.09)**
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital (including securities premium)	5,000.00	10,899.01
Proceeds from issue of compulsorily convertible preference shares	4,700.00	-
Proceeds from non-current borrowings	11,725.01	4,700.00
Repayments of non-current borrowings	-	(3,409.34)
Repayments of current borrowings	-	(2,500.40)
Interest paid	(2,557.41)	(2,133.95)
Net cash flow from financing activities (C)	**18,867.60**	**7,555.32**
Increase/(decrease) in cash and cash equivalents (A+B+C)	2,205.64	(1,405.46)
Cash and cash equivalents at the beginning of the year	360.16	1,765.62
Cash and cash equivalents at the end of the year (refer note 12)	**2,565.80**	**360.16**
Reconciliation of cash and cash equivalents as per cash flow statement		
Cash in hand	1.30	0.97
Balances with banks - in current accounts	2,038.44	359.19
Bank deposits with original maturity less than three months	526.06	-
	2,565.80	**360.16**

The accompanying notes are integral part of the financial statements.

This is the cash flow statement referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants

Siddharth Talwar
Partner
Membership No.: 512752

Place: Gurugram
Date: 26 September 2019

For and on behalf of the Board of Directors

Naresh Trehan
Director
[DIN:00012148]

Sunil Sachdeva
Director
[DIN:00012115]

Nitu Kumari
Company Secretary

Medanta Holdings Private Limited
Statement of changes in equity for the year ended 31 March 2019

A Equity share capital*

(₹ in lakhs)

Particulars	Opening balance as at 1 April 2017	Issue of equity share capital during the year	Balance as at 31 March 2018	Issue of equity share capital during the year	Balance as at 31 March 2019
Equity share capital	2,000.00	2,369.35	4,369.35	769.23	5,138.58

B Instruments entirely equity in nature**

(₹ in lakhs)

Particulars	Opening balance as at 1 April 2017	Changes in equity share capital during the year	Balance as at 31 March 2018	Changes in equity share capital during the year	Balance as at 31 March 2019
Compulsorily convertible preference shares	-	-	-	723.08	723.08

C Other equity***

(₹ in lakhs)

Particulars	Capital contribution	Reserve and surplus		Total
		Securities premium	Retained earnings	
Balance as at 1 April 2017	-	-	**(16.80)**	**(16.80)**
Loss for the year	-	-	(101.84)	(101.84)
Issue of equity shares	-	8,529.66	-	8,529.66
Balance as at 31 March 2018	**-**	**8,529.66**	**(118.64)**	**8,411.02**
Loss for the year	-	-	(42.35)	**(42.35)**
Other comprehensive income				
Re-measurement gains on defined benefit plans (net of tax)	-	-	0.16	0.16
Issue of equity shares	-	4,230.77	-	4,230.77
Issue of compulsorily convertible preference shares	-	3,976.92	-	3,976.92
Transfer of Served from India Scheme ('SFIS') license from Holding Company	200.00	-	-	200.00
Balance as at 31 March 2019	**200.00**	**16,737.35**	**(160.83)**	**16,776.52**

**Refer note 14A for details*
***Refer note 14B for details*
***Refer note 15 for details*

The accompanying notes are integral part of the financial statement.

This is the statement of changes in equity referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants

Siddharth Talwar
Partner
Membership No.: 512752

For and on behalf of the Board of Directors

Naresh Trehan
Director
[DIN:00012148]

Sunil Sachdeva
Director
[DIN:00012115]

Nitu Kumari
Company Secretary

Place: Gurugram
Date: 26 September 2019

Medanta Holdings Private Limited
Notes to the financial statements for the year ended 31 March 2019

1. Background

Medanta Holdings Private Limited ('the Company') is engaged in the business of providing healthcare services. The Company is domiciled in India and its registered office is situated at E – 18, Defence Colony, New Delhi – 110024.

2. General information and statement of compliance with Ind AS

These financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 (by Ministry of Corporate Affairs ('MCA')), as amended and other related provisions of the Act. The Company has uniformly applied the accounting policies during the periods presented.

The financial statements for the year ended 31 March 2019 were authorized and approved for issue by the Board of Directors on 26 September 2019. The revision to financial statements is permitted by Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of Companies Act, 2013.

3. Basis of preparation

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities which are measured at fair value.

4. Recent accounting pronouncement

Ind AS 116, Leases

On 30 March 2019, Ministry of Corporate Affairs ('MCA') has clarified that Ind AS 116 is effective for annual periods beginning on or after 1 April 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

Amendment to Ind AS 12, Income taxes

On 30 March 2019, Ministry of Corporate Affairs ("MCA") has notified Appendix C to Ind-AS 12 Income taxes – "Uncertainty over Income Tax Treatments". The amendment to Ind AS 12 requires the entities to consider recognition and measurement requirements when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability accordingly. Further, there has been amendments in relevant paragraphs in Ind-AS 12 "Income Taxes" which clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events in accordance with Ind-AS 109. The effective date of amendment is 1 April 2019. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

Amendment to Ind AS 19, Employee benefits

On 30 March 2019, Ministry of Corporate Affairs ("MCA") has issued an amendment to Ind AS 19 which requires the entities to determine current service cost using actuarial assumptions and net interest using discount rate determined at the start of the annual reporting period. However, if an entity re-measures the net defined benefit liability (asset) as per the requirement of the standard, it shall determine current service cost and net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the actuarial assumptions used to re-measure the net defined benefit liability (asset). The effective date of amendment is 1 April 2019. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

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Amendment to Ind AS 23, Borrowing costs

On 30 March 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 23 "Borrowing Costs" clarifies 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 capitalization rate on general borrowings. This amendment is effective for annual periods beginning on or after 1 April 2019. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

5. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These policies have been consistently applied to all the years presented, unless otherwise stated.

5.1 Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Companies Act 2013. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

5.2 Property, plant and equipment

Recognition and initial measurement
Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Property, plant and equipment purchased on deferred payment basis are recorded at equivalent cash price. The difference between the cash price equivalent and the total payment is recognised as interest expense over the period until payment.

Subsequent costs and disposal
Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Items such as spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory. Capital work-in-progress excluding capital advances includes property, plant and equipment under construction and not ready for intended use as on balance sheet date.

An item of property, plant and equipment initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in statement of profit and loss when the asset is derecognised.

Subsequent measurement (depreciation and useful lives)
Freehold land is carried at historical cost. All other items of Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on a straight-line basis, computed on the basis of useful lives (as set out below) prescribed in Schedule II to the Companies Act, 2013.

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Asset class	Useful life
Furniture and fixtures	10 years
IT equipment	3 to 6 years
Office equipment	5 years

The residual values, useful lives and method of depreciation of are reviewed at the end of each financial year.

5.3 Revenue recognition

Revenue is recognised when control is transferred and is accounted net of rebate and taxes. The Company applies the revenue recognition criteria to each nature of the revenue transaction as set out below.

Interest income
Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

5.4 Borrowing cost

Borrowing cost includes interest expense as per effective interest rate (EIR). Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for its intended use or sale. All other borrowing costs are expensed in the period they occur.

5.5 Impairment of non-financial assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

5.6 Foreign currency

Functional and presentation currency
Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements have been prepared and presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

Transactions and balances
Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.
Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

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5.7 Financial instruments

Recognition and initial measurement
Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit and loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ('FVOCI').

Non-derivative financial assets

Subsequent measurement
Financial assets carried at amortised cost – A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- 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.

De-recognition of financial assets
A financial asset is de-recognised when the contractual rights to receive cash flows from the assets expired or the Company has transferred its right to receive cash flows from the asset.

Non-derivative financial liabilities

Subsequent measurement
Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities
A financial liability is de-recognised 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 de-recognition 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 of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

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5.8 Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Other financial assets
In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

5.9 Income taxes

Tax expense comprises current and deferred tax. Current and deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

The current income tax charge is calculated on the basis of the tax laws enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

5.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with the banks, other short-term highly liquid investments with original maturity of three months and less.

5.11 Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are classified as short-term employee benefits. These benefits include salaries and wages, short-term bonus, incentives etc. These are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

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Defined contribution plan

Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as defined contribution plan as the Company does not carry any further obligations, apart from the contributions made on a monthly basis. In addition, contributions are made to employees' state insurance schemes and labour welfare fund, which are also defined contribution plans recognized and administered by the Government of India and Haryana. The Company's contributions to these schemes are expensed in the statement of profit and loss.

Defined benefit plan

The Company has unfunded gratuity as defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The gratuity plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. This is based on standard rates of inflation, salary growth rate and mortality.

Discount factors are determined close to each year-end by reference to market yields on government bonds that have terms to maturity approximating the terms of the related liability. Service cost on the Company's defined benefit plan is included in employee benefits expense. Net interest expense on the net defined benefit liability is included in finance costs.

Actuarial gains/losses resulting from re-measurements of the defined benefit obligation are included in other comprehensive income.

Other long-term employee benefits

The Company also provides benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the statement of profit and loss in the year in which such gains or losses arise.

5.12 Government grants

Grants from the government are recognised at their fair value when there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions. When the grant relates to a revenue item, it is recognized in statement of profit and loss on a systematic basis over the periods in which the related costs are expensed. The grant can either be presented separately or can deduct from related reported expense. Government grant relating to capital assets are recognised initially as deferred income and are credited to statement of profit and loss on a straight line basis over the expected lives of the related asset and presented within other income. Ministry of Corporate Affairs ('MCA') has inserted new provisions effective 20 September 2018 and allowed government grants related to capital assets to be to be netted off from capital asset and recognise in profit or loss over the life of a depreciable asset as a reduced depreciation expense.

5.13 Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present (legal or constructive) obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions required to settle are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed unless the likelihood of an outflow of resources is remote and there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

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Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

5.14 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

5.15 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

5.16 Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policy. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

a) **Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

b) **Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

c) **Impairment of financial assets** – At each balance sheet date, based on historical default rates observed over expected life, existing market conditions as well as forward looking estimates, the management assesses the expected credit losses on outstanding receivables and advances. Further, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with industry and country in which the customer operates.

d) **Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

e) **Useful lives of depreciable/amortisable assets** – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

f) **Recoverability of advances/receivables** – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit losses on outstanding receivables and advances.

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g) **Government grants** – Grants receivables are based on estimates for utilization of the grant as per the regulations as well as analysing actual outcomes on a regular basis and compliance with stipulated conditions. Changes in estimates or non-compliance of stipulated conditions could lead to significant changes in grant income and are accounted for prospectively over the balance life of the asset.

Estimates and judgements are continuously evaluated. They are based on historical experience and other factors including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

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Medanta Holdings Private Limited

Notes to the financial statement for the year ended 31 March 2019

Note - 6

Property, plant and equipment and capital work-in-progress

(₹ in lakhs)

	Freehold land	Furniture and fixtures	IT equipment	Office equipment	Total	Capital work-in-progress*
Gross block						
At 1 April 2017	7,450.51	-	-	-	7,450.51	14,373.95
Additions	83.43	1.55	5.05	0.37	90.40	12,024.11
Disposals/adjustments	-	-	-	-	-	-
Balance as at 31 March 2018	**7,533.94**	**1.55**	**5.05**	**0.37**	**7,540.91**	**26,398.06**
Additions	-	-	1.76	1.09	2.85	23,659.67
Disposals/adjustments	-	-	-	-	-	-
Balance as at 31 March 2019	**7,533.94**	**1.55**	**6.81**	**1.46**	**7,543.76**	**50,057.73**
Accumulated depreciation						
At 1 April 2017	-	-	-	-	-	-
Charge for the year	-	0.44	2.18	0.20	2.82	-
Disposals/adjustments	-	-	-	-	-	-
Balance as at 31 March 2018	**-**	**0.44**	**2.18**	**0.20**	**2.82**	**-**
Charge for the year	-	0.18	1.67	0.26	2.11	-
Disposals/adjustments	-	-	-	-	-	-
Balance as at 31 March 2019	**-**	**0.62**	**3.85**	**0.46**	**4.93**	**-**
Net block as at 31 March 2018	**7,533.94**	**1.11**	**2.87**	**0.17**	**7,538.09**	**26,398.06**
Net block as at 31 March 2019	**7,533.94**	**0.93**	**2.96**	**1.00**	**7,538.83**	**50,057.73**

* During the year ended 31 March 2019 and 31 March 2018, following expenses has been capitalised as part of capital work-in-progress.

(₹ in lakhs)

Particulars	31 March 2019	31 March 2018
Borrowing costs	2,677.75	2,064.23
Employee benefits expense	326.36	128.26
Other expenses	872.23	657.82
Total	**3,876.34**	**2,850.31**

(i) Contractual obligations

Refer note 31 for disclosure of contractual commitments for the acquisition of property, plant and equipment and capital work-in-progress.

(ii) Property, plant and equipment pledged as security

Property, plant and equipment have been pledged as security for borrowings. Refer note 16 for details.

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Medanta Holdings Private Limited

Notes to the financial statement for the year ended 31 March 2019

	As at 31 March 2019 (₹ in lakhs)	As at 31 March 2018 (₹ in lakhs)
Note - 7		
Loans*		
(Unsecured, considered good)		
Security deposits with government authorities	182.64	0.35
	182.64	**0.35**

* The Company does not have any loans which are either credit impaired or where there is significant increase in credit risk.

Note - 8		
Other financial assets		
Bank deposits with maturity of more than 12 months	153.45	230.20
	153.45	**230.20**

(i) Bank deposits of ₹ 45.88 lakhs (31 March 2018: ₹ 217.83) have been lien marked as a security for servicing of interest of term loans.
(ii) Bank deposits of ₹ 45.58 lakhs (31 March 2018: ₹ Nil) are kept under lien with bank as margin money against the letter of credit issued.
(iii) Bank deposits of ₹ 48.90 lakhs (31 March 2018: ₹ 12.37) have been pledged with banks against guarantees.

Note - 9		
Deferred tax assets (net)		
Deferred tax assets arising on account of :		
Employee benefits	2.74	-
Unabsorbed business losses	31.13	-
Expenses to be allowed in future under Income Tax Act, 1961	0.48	-
	34.35	**-**
Deferred tax liabilities arising on account of :		
Property, plant and equipment	(0.06)	(0.04)
	(0.06)	**(0.04)**
Minimum alternate tax credit entitlement	0.33	0.33
	34.62	**0.29**

(i) Caption wise movement in deferred tax assets as follows:

(₹ in lakhs)

Particulars	1 April 2017	Recognised in other comprehensive income	Recognised in Statement of profit and loss	Utilised/adjusted during the year	31 March 2018
Liabilities					
Property, plant and equipment	-	-	0.04	-	(0.04)
Sub-total	-	-	**0.04**	-	**(0.04)**
Minimum alternate tax credit entitlement	-	-	-	(0.33)	0.33
Total	-	-	**0.04**	**(0.33)**	**0.29**

(₹ in lakhs)

Particulars	1 April 2018	Recognised in other comprehensive income	Recognised in Statement of profit and loss	Utilised/adjusted during the year	31 March 2019
Assets					
Employee benefits	-	0.05	(2.79)	-	2.74
Unabsorbed business losses	-	-	(31.13)	-	31.13
Expenses to be allowed in future under Income Tax Act, 1961	-	-	(0.48)	-	0.48
Liabilities					
Property, plant and equipment	(0.04)	-	0.02	-	(0.06)
Sub-total	**(0.04)**	**0.05**	**(34.38)**	-	**34.29**
Minimum alternate tax credit entitlement	0.33	-	-	-	0.33
Total	**0.29**	**0.05**	**(34.38)**	-	**34.62**

(ii) Expiry date of minimum alternate tax credit

Expiry financial year		
1 April 2031 - 31 March 2032	0.33	0.33
	0.33	**0.33**

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	As at 31 March 2019 (₹ in lakhs)	As at 31 March 2018 (₹ in lakhs)
Note - 10		
Income tax assets (net)		
Tax deducted at source	10.92	8.38
	10.92	**8.38**
Note - 11		
A Other non-current assets		
Capital advances	429.55	922.76
	429.55	**922.76**
B Other current assets		
Prepaid expenses	0.48	-
Receivables under export benefit scheme*	172.08	-
	172.56	**-**
**Movement of receivables under export benefit scheme*		
Opening Balance	-	-
Add : Grants received during the year	200.00	-
Less : Utilised for purchase of property, plant and equipment not yet capitalised	(27.92)	-
	172.08	**-**
Note - 12		
Cash and cash equivalents		
Cash in hand	1.30	0.97
Balances with banks - in current accounts	2,038.44	359.19
Bank deposits with original maturity less than three months	526.06	-
	2,565.80	**360.16**

(i) Bank deposits of ₹ 526.06 lakhs (31 March 2018: ₹ Nil) are kept under lien with bank as margin money against the letter of credit issued.

Note - 13		
Other bank balances		
Bank deposits with maturity of more than three months and upto twelve months	106.34	66.94
	106.34	**66.94**

(i) Bank deposits of ₹ 106.34 lakhs ((31 March 2018: ₹ 66.94) are kept under lien with bank as margin money against the letter of credit issued.

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Medanta Holdings Private Limited
Notes to the financial statement for the year ended 31 March 2019

Note - 14

A Equity share capital

	As at 31 March 2019		As at 31 March 2018	
i Authorised	**Number**	**Amount (₹ in lakhs)**	**Number**	**Amount (₹ in lakhs)**
Equity share capital of face value of ₹ 10 each*	60,000,000	6,000.00	70,000,000	7,000.00
		6,000.00		**7,000.00**

* Pursuant to provisions of Section 13 and Section 61 and all other applicable provisions of the Companies Act 2013, the authorised share capital of the Company was reclassified from ₹ 7,000.00 lakhs divided into 700 lakhs share of ₹ 10 each to ₹ 7,000.00 lakhs as 600 lakhs equity share of ₹ 10 each and 100 lakhs compulsorily convertible preference shares of ₹ 10 each.

ii Issued, subscribed and paid up				
Equity share capital of face value of ₹ 10 each	51,385,808	5,138.58	43,693,501	4,369.35
		5,138.58		**4,369.35**

iii Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

Equity shares				
Balance at the beginning of the year	43,693,501	4,369.35	20,000,000	2,000.00
Add: Issued during the year	7,692,307	769.23	23,693,501	2,369.35
Balance at the end of the year	**51,385,808**	**5,138.58**	**43,693,501**	**4,369.35**

iv Rights, preferences and restrictions attached to equity shares

The holders of equity shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

v Details of shareholders holding more than 5% of equity share capital and shares held by Holding Company

Name of the equity shareholder	**Number**	**%**	**Number**	**%**
Global Health Private Limited*	51,385,808	100.00%	43,693,501	100.00%

** including nominee shares*

vi Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, by way of bonus shares and shares bought back for the period of 5 years immediately preceding the balance sheet date

The Company did not issue any shares pursuant to contract(s) without payment being received in cash.

The Company did not issue bonus shares in preceding 5 years.

The Company has not undertaken any buy back of shares.

B Instruments entirely equity in nature

	As at 31 March 2019		As at 31 March 2018	
i Authorised	**Number**	**Amount (₹ in lakhs)**	**Number**	**Amount (₹ in lakhs)**
Compulsorily convertible preference shares of face value of ₹ 10 each	10,000,000	1,000.00	-	-
		1,000.00		**-**

ii Issued, subscribed and fully paid up				
Compulsorily convertible preference shares of face value of ₹ 10 each	7,230,769	723.08	-	-
		723.08		**-**

iii Reconciliation of number of compulsorily convertible preference shares outstanding at the beginning and at the end of the year

Compulsorily convertible preference shares				
Balance at the beginning of the year	-	-	-	-
Add: Issued during the year	7,230,769	723.08	-	-
Balance at the end of the year	**7,230,769**	**723.08**	**-**	**-**

iv Rights, preferences and restrictions attached to compulsorily convertible preference shares

These shares are non-cumulative compulsorily convertible preference shares ('CCPS') having no dividend and voting rights. The shares are convertible into equity shares as per the events and conditions stated below :-

	Conversion event (earlier of the following)	Conversion ratio
1	At the option of the Company;	One equity share for each preference share
2	After the complete allotment of CCPS#; or	
3	10 years from the date of issuance and allotment of the respective CCPS.	

\# The Company agreed to issue CCPS worth ₹ 5,000.00 lakhs to the Holding Company of which the Company has already issued CCPS of ₹ 4,700.00 lakhs till 31 March 2019. Subsequent to year-end, the Company has issued remaining CCPS and then, converted all CCPS into equity shares at a later date.

v Details of shareholder holding more than 5% of CCPS

Name of the equity shareholder	**Number**	**%**	**Number**	**%**
Global Health Private Limited	7,230,769	100.00%	-	-

vi Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, by way of bonus CCPS and CCPS bought back for the period of 5 years immediately preceding the balance sheet date

The Company did not issue any CCPS pursuant to contract(s) without payment being received in cash.

The Company did not issue bonus CCPS in preceding 5 years

The Company has not undertaken any buy back of CCPS.

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Note - 15
Other equity

Particulars	**As at 31 March 2019 (₹ in lakhs)**	**As at 31 March 2018 (₹ in lakhs)**
Capital contribution	200.00	-
Reserves and surplus		
Securities premium	16,737.35	8,529.66
Retained earnings	(160.83)	(118.64)
Total	**16,776.52**	**8,411.02**

Nature and purpose of other reserves

(i) Capital contribution
Capital contribution includes the amount of Served for India Scheme ('SFIS') licence obtained by the Holding Company and transferred to the Company basis the exports made by the Holding Company.

(ii) Securities premium
Securities premium account is used to record the premium on issue of shares. The account is utilised in accordance with provisions of the Companies Act 2013.

(ii) Retained earnings
Retained earnings is used to record the balance of statement of profit and loss.

Note - 16
Borrowings - non-current

	As at 31 March 2019 (₹ in lakhs)	**As at 31 March 2018 (₹ in lakhs)**
Secured loans		
Term loans		
From banks	33,015.66	21,290.65
Less: Current maturities of lon-term borrowings (refer note 19)	(25.00)	-
	32,990.66	**21,290.65**
Unsecured loans		
Deferred payment liabilities (refer note (b) below)	3,431.58	-
	36,422.24	**21,290.65**

a) **Repayment terms (including current maturities) and security details for term loan from banks:**

(i) The Company has loan facility with Yes Bank Limited ('YBL') amounting to ₹ 50,000.00 lakhs out of which YBL has novated ₹ 5,000 lakhs to State Bank of Hyderabad (SBH). The loan is repayable in 32 structured quarterly instalments after moratorium period of 48 months from the date of first disbursement. The rate of interest as on 31 March 2019 is 10.10% p.a. and interest is payable monthly. The outstanding balance as at 31 March 2019 is ₹ 28,015.66 lakhs (31 March 2018: ₹ 17,590.65 lakhs).
The loan is secured by way of exclusive charge on -
- equitable mortgage on Project (Medanta Hospital in Lucknow) land admeasuring 12.50 acres and building;
- all current assets and movable property, plant and equipment of the Project;
- Project's book debts, operating cash flows, receivables, commission and intangible assets (excluding goodwill) pertaining to the Project; and
- all Project's bank accounts.

The borrower shall maintain a debts service reserve account (DSRA) for 1 month's principal and interest repayment, principal DSRA to be maintained one quarter prior to commencement of repayment. Interest DSRA to be created upfront at the time of each disbursement.

(ii) The Company has loan facility with State Bank of Hyderabad ('SBH') amounting to ₹ 5,000.00 lakhs. The loan is repayable in 32 structured quarterly instalments after moratorium period of 33 months from the date of first disbursement. The rate of interest as on 31 March 2019 is 9.55% p.a. and interest is payable monthly. The outstanding balance as at 31 March 2019 is ₹ 5,000.00 lakhs (31 March 2018: ₹ 3,700.00 lakhs).
The loan is secured by way of first parri-passu charge on -
- equitable mortgage on Project (Medanta Hospital in Lucknow) land admeasuring 12.50 acres and building;
- all current assets and movable property, plant and equipment of the Project;
- Project's book debts, operating cash flows, receivables, commission and intangible assets (excluding goodwill) pertaining to the Project; and
- all Project's bank accounts.

The borrower shall maintain a debts service reserve account (DSRA) for 1 month's principal and interest repayment, principal DSRA to be maintained one quarter prior to commencement of repayment. Interest DSRA to be created upfront at the time of each disbursement.

b) This represents liability for medical equipment purchased on deferred payment terms to be repaid in March 2022.

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Medanta Holdings Private Limited
Notes to the financial statement for the year ended 31 March 2019

	As at 31 March 2019 (₹ in lakhs)	As at 31 March 2018 (₹ in lakhs)
Note - 17		
A Provisions - non-current		
Provision for employee benefits:		
Gratuity (refer note 32)	5.23	4.45
	5.23	**4.45**
B Provisions - current		
Provision for employee benefits:		
Gratuity (refer note 32)	2.72	0.01
Compensated absences	2.60	-
	5.32	**0.01**
Note - 18		
A Other non-current liabilities		
Deferred government grants*	219.72	-
	219.72	**-**
*** Deferred government grant**		
Opening balance	-	
Add : Grant received during the year	228.51	
Less : Released to statement of profit and loss	-	
	228.51	**-**
*** Deferred government grant**		
Non-current portion	219.72	-
Current portion	8.79	-
	228.51	**-**
B Other current liabilities		
Deferred government grants	8.79	-
Payable to statutory authorities	91.44	74.56
	100.23	**74.56**
Note - 19		
Other financial liabilities		
Current maturities of long-term borrowings	25.00	-
Interest accrued	278.11	145.37
Capital creditors	1,548.03	1,226.04
Expenses payable	10.38	3.78
	1,861.52	**1,375.19**

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Medanta Holdings Private Limited

Notes to the financial statement for the year ended 31 March 2019

	For the year ended 31 March 2019 (₹ in lakhs)	For the year ended 31 March 2018 (₹ in lakhs)
Note - 20		
Other income		
Interest income on bank deposits	16.18	41.00
Miscellaneous income	0.05	-
	16.23	**41.00**
Note - 21		
Employee benefits expense*		
Salaries and wages	32.16	22.84
Contribution to provident fund	0.72	-
Staff welfare expenses	-	0.22
	32.88	**23.06**

* During the year ended 31 March 2019, employee benefit expenses of ₹ 326.36 lakhs (31 March 2018: ₹ 128.26 lakhs) has been capitalised as a part of capital work in -progress.

Note - 22		
Finance costs*		
Interest on late payment of statutory dues	1.08	-
	1.08	**-**

* During the year ended 31 March 2019, borrowing cost of ₹ 2,677.75 lakhs (31 March 2018: ₹ 2,064.23 lakhs) has been capitalised as part of capital work-in-progress.

Note - 23		
Depreciation		
Depreciation of property, plant and equipment	2.11	2.82
	2.11	**2.82**
Note - 24		
Other expenses*		
Rent	9.00	11.25
Rates and taxes	4.98	56.13
Auditor's remuneration - as statutory audit fees#	5.90	4.13
Legal and professional expenses	35.72	40.33
Miscellaneous expenses	1.29	5.08
	56.89	**116.92**

* During the year ended 31 March 2019, other expenses of ₹ 872.23 lakhs (31 March 2018: ₹ 657.82 lakhs) has been capitalised as a part of capital work-in-progress.
# inclusive of applicable taxes

Note - 25		
Tax expenses		
Deferred tax (credit)/expense	(34.38)	0.04
Income tax expense recognised in the statement of profit and loss	**(34.38)**	**0.04**

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 26.00% and the reported tax expense in profit or loss are as follows:

Accounting profit before income tax	**(76.73)**	**(101.80)**
At India's statutory income tax rate of 26.00% (31 March 2018: 26.00%)	(19.95)	(26.47)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax impact of unabsorbed business losses	(15.01)	15.01
Tax impact of expenses which will never be allowed	0.28	11.01
Others	0.29	0.49
Income tax expense	**(34.39)**	**0.04**

Note - 26

Earnings per share (EPS)

Earnings per share ('EPS') is determined based on the net profit attributable to the shareholders. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except where the result would be anti-dilutive.

	31 March 2019	31 March 2018
Profit attributable to equity shareholders for basic EPS and diluted EPS	(42.35)	(101.84)
Weighted average number of equity shares for basic EPS and diluted EPS*	47,103,827	20,778,964
Earnings per equity share		
Basic	(0.09)	(0.49)
Diluted	(0.09)	(0.49)

*The Company had issued compulsory convertible preference shares having no dividend which will be converted into equity shares in the ratio of 1:1 and considered in calculation of basic earning per share.

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Medanta Holdings Private Limited

Notes to the financial statement for the year ended 31 March 2019

Note - 27

Fair value disclosures

(i) Fair value hierarchy

The following explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: unobservable inputs for the asset or liability.

Valuation techniques used to determine fair value

The fair value of the financial instruments are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants. The following methods were used to estimate the fair values:-

- Cash and cash equivalents, other bank balances, loans, other current financial assets and other current financial liabilities: Approximate their carrying amounts largely due to the short-Term maturities of these instruments.

- Borrowings taken by the Company are as per the Company's credit and liquidity risk assessment and there is no comparable instrument having the similar terms and conditions with related security being pledged and hence the carrying value of the borrowings represents the best estimate of fair value.

(ii) Fair value of assets and liabilities which are measured at amortised cost for which fair value are disclosed

(₹ in lakhs)

Particulars	**As at 31 March 2019**		**As at 31 March 2018**	
	Carrying value	**Fair value**	**Carrying value**	**Fair value**
Financial assets				
Loans	182.64	182.64	0.35	0.35
Cash and cash equivalents	2,565.80	2,565.80	360.16	360.16
Other bank balances	106.34	106.34	66.94	66.94
Other financial assets	153.45	153.45	230.20	230.20
Total financial assets	**3,008.23**	**3,008.23**	**657.65**	**657.65**
Financial liabilities				
Borrowings (including current maturities of long-term borrowings)	36,447.24	36,447.24	21,290.65	21,290.65
Other financial liabilities (excluding current maturities of long-term borrowings)	1,836.52	1,836.52	1,375.19	1,375.19
Total financial liabilities	**38,283.76**	**38,283.76**	**22,665.84**	**22,665.84**

Note - 28

Financial risk management

(i) Financial instruments by category*

(₹ in lakhs)

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
	Amortised cost	**Amortised cost**
Financial assets		
Loans	182.64	0.35
Cash and cash equivalents	2,565.80	360.16
Other bank balances	106.34	66.94
Other financial assets	153.45	230.20
Total financial assets	**3,008.23**	**657.66**
Financial liabilities		
Borrowings	36,447.24	21,290.65
Other financial liabilities	1,836.52	1,375.19
Total financial liabilities	**38,283.76**	**22,665.84**

*There are no financial assets and liabilities which are measured at fair value through other comprehensive income or fair value through profit or loss.

(ii) Risk management

The Company's activities expose it to market risk (foreign exchange and interest risk), liquidity risk and credit risk. The Company's board of directors has overall responsibility

Risk	**Exposure arising from**	**Measurement**	**Management**
Credit risk	Cash and cash equivalents, other bank balances, loans and other financial assets	Ageing analysis	Diversification of bank deposits and credit limits and regular monitoring and follow ups
Liquidity risk	Borrowings and other financial liabilities	Cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee	Cash flow forecasting sensitivity analysis	Forward foreign exchange contracts
Market risk – interest rate	Non-current borrowings at variable rates	Sensitivity analysis	Diversification of loans

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(a) Credit risk

i) Credit risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial asset fails to meet its contractual obligations. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each financial asset. The carrying amounts of financial assets represent the maximum credit risk exposure.

A default on a financial asset is when the counterparty fails to make contractual payments as per agreed terms. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

The Company has a credit risk management policy in place to limit credit losses due to non-performance of counterparties. The Company monitors its exposure to credit risk on an ongoing basis.

Cash and cash equivalents and other bank balances

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and financial institutions and diversifying bank deposits and accounts in different banks. Credit risk is considered low because the Company deals with highly rated banks and financial institution.

Loans and other financial assets

Loans and other financial assets includes long-term bank deposits, security deposits and other receivables. Credit risk related to these financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system are in place ensure the amounts are within defined limits. Credit risk is considered low because the Company is in possession of the underlying asset. Further, the Company creates provision by assessing individual financial asset for expectation of any credit loss basis 12 month expected credit loss model.

ii) Provision for expected credit losses basis 12 months expected credit loss

As at 31 March 2019

(₹ in lakhs)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Loans	182.64	-	182.64
Cash and cash equivalents	2,565.80	-	2,565.80
Other bank balances	106.34	-	106.34
Other financial assets	153.45	-	153.45

As at 31 March 2018

(₹ in lakhs)

Particulars	Estimated gross	Expected credit	Carrying amount net of
Loans	0.35	-	0.35
Cash and cash equivalents	360.16	-	360.16
Other bank balances	66.94	-	66.94
Other financial assets	230.20	-	230.20

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, that it will have sufficient liquidity to meet its liabilities when they are due.

The Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors the Company's liquidity position (also comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows.

The Company takes into account the liquidity of the market in which the entity operates.

Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

(₹ in lakhs)

As at 31 March 2019	Less than 1 year	1 - 3 years	More than 3 years	Total
Non-derivatives				
Borrowings	25.00	11,954.65	25,606.32	37,585.97
Other financial liabilities	1,836.52	-	-	1,836.52
Total	**1,861.52**	**11,954.65**	**25,606.32**	**39,422.49**

(₹ in lakhs)

As at 31 March 2018	Less than 1 year	1 - 3 years	More than 3 years	Total
Non-derivatives				
Borrowings	-	15,000.00	6,290.66	21,290.66
Other financial liabilities	1,375.19	-	-	1,375.19
Total	**1,375.19**	**15,000.00**	**6,290.66**	**22,665.85**

The Company also has access to the following undrawn borrowing from banks at the end of the reporting period.

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Undrawn borrowing facilities	13,575.00	25,300.00

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Medanta Holdings Private Limited

Notes to the financial statement for the year ended 31 March 2019

(c) Market risk

(i) Foreign exchange risk

The Company has international transactions and is exposed to foreign exchange risk arising from foreign currency transactions (imports and exports). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The Company has not hedged its foreign exchange receivables and payables as at 31 March 2019.

Foreign currency risk exposure:

Particulars	As at 31 March 2019		As at 31 March 2018	
	Foreign currency	Amount (₹ in lakhs)	Foreign currency	Amount (₹ in lakhs)
Liabilities				
Deferred payment liabilities	USD	15.13	USD	-
	EURO	3,416.45	EURO	-
		3,431.58		-

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises from foreign currency denominated financial instruments.

(₹ in lakhs)

Particulars	Currency	Exchange rate increase by 5%		Exchange rate decrease by 5%	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018
Liabilities					
Deferred payment liabilities	USD	0.76	-	(0.76)	-
	EURO	170.82	-	(170.82)	-

(ii) Interest rate risk

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

The Company's variable rate borrowing is subject to interest rate risk. Below is the overall exposure of the borrowing:

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 1 March 2018
Variable rate borrowing	36,447.24	21,290.65
Fixed rate borrowing	-	-
Total borrowings	**36,447.24**	**21,290.65**

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

(₹ in lakhs)

Particulars	31 March 2019	31 March 2018
Interest rates – increase by 100 basis points	364.47	212.91
Interest rates – decrease by 100 basis points	(364.47)	(212.91)

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Medanta Holdings Private Limited

Notes to the financial statement for the year ended 31 March 2019

Note - 29

Related party transactions

In accordance with the requirements of Ind AS 24 the names of the related party where control exists/able to exercise significant influence along with the transactions and year-end

i) Holding Company	Global Health Private Limited
ii) Key Management Personnel (KMP)	Dr. Naresh Trehan Neeraj Bhardwaj Ravi Kant Jaipuria Sunil Sachdeva
iii) Relatives of KMP	Mrs. Madhu Trehan, wife of Dr. Naresh Trehan
iv) Enterprises over which KMPs are able to exercise significant influence with whom transactions have been undertaken	Language Architecture Body (LAB)

(a) Transactions with related parties carried out in the ordinary course of business:

(₹ in lakhs)

S No.	Particulars	Year	Related parties				Total
			Holding Company	Key Management Personnel (KMP)	Relatives of KMP	Enterprise over which KMP exercise significant influence	
1	**Issue of equity share capital including securities premium**						
	Global Health Private Limited	31 March 2019	5,000.00	-	-	-	**5,000.00**
		31 March 2018	10,899.01	-	-	-	**10,899.01**
2	**Issue of compulsorily convertible preference shares including securities premium**						
	Global Health Private Limited	31 March 2019	4,700.00	-	-	-	**4,700.00**
		31 March 2018	-	-	-	-	-
3	**Transfer of SFIS licence to Company**						
	Global Health Private Limited	31 March 2019	200.00	-	-	-	**200.00**
		31 March 2018	-	-	-	-	-
4	**Repayment of borrowings**						
	Dr. Naresh Trehan	31 March 2019	-	-	-	-	-
		31 March 2018	-	1,600.40	-	-	**1,600.40**
5	**Repayment of borrowings**						
	Mrs. Madhu Trehan	31 March 2019	-	-	-	-	-
		31 March 2018	-	-	900.00	-	**900.00**
6	**Professional charges**						
	Language Architecture Body	31 March 2019	-			140.04	**140.04**
		31 March 2018	-			124.64	**124.64**

(b) Closing balance with related parties in the ordinary course of business :

(₹ in lakhs)

S No.	Particulars	Year	Related parties				Total
			Holding Company	Key Management Personnel (KMP)	Relatives of KMP	Enterprise over which KMP exercise significant influence	
1	**Equity share capital (excluding securities premium)**						
	Global Health Private Limited	31 March 2019	5,138.58	-	-	-	**5,138.58**
		31 March 2018	4,369.35	-	-	-	**4,369.35**
2	**Compulsorily convertible preference shares (excluding securities premium)**						
	Global Health Private Limited	31 March 2019	723.08	-	-	-	**723.08**
		31 March 2018	-	-	-	-	-
3	**Capital contribution**						
	Global Health Private Limited	31 March 2019	200.00	-	-	-	**200.00**
		31 March 2018	-	-	-	-	-

Note - 30

Capital management

The Company's objectives when managing capital are to:
- To ensure Company's ability to continue as a going concern, and
- To maintain optimum capital structure and to reduce cost of capital

Management assesses the capital requirements in order to maintain an efficient overall financing structure. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company is not subject to externally imposed capital requirements. The Company has complied with debt covenants as per the terms of the borrowing facility arrangements. The Company manages its capital requirements by overseeing the gearing ratio:

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Total debt/borrowings	36,447.24	21,290.65
Total equity	22,638.18	12,780.37
Net debt to equity ratio	**161%**	**167%**

Note - 31

Commitment

(i) **Capital commitment**

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Property, plant and equipment and capital work-in-progress	18,972.04	11,285.84

Note - 32

Employee benefits obligations

A **Defined contribution plan**

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Employer's contribution to provident fund	15.33	-
Total	**15.33**	-

Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. Contributions are made to registered provident fund administered by government. The obligation of the Company is limited to the amount contributed and it has no further contractual or constructive obligation.

B **Gratuity**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

(i) **Amounts recognized in the balance sheet**

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Present value of the obligation at end (unfunded)	7.95	4.46

Bifurcation of present value of obligation at the end of the year

Particulars	As at 31 March 2019	As at 31 March 2018
Current liability	2.72	0.01
Non-current liability	5.23	4.45
Total	**7.95**	**4.46**

Note - Expected contributions to the post employment benefit plans are ₹ 5.27 lakhs (31 March 2018: ₹ 2.03 lakhs).

(ii) **Expenses recognized in other comprehensive income**

(₹ in lakhs)

Particulars	31 March 2019	31 March 2018
Actuarial (gain)/loss		
Changes in financial assumptions	-	-
Changes in experience adjustment	(0.21)	-
Expenses recognized in other comprehensive income	**(0.21)**	-

(iii) **Expenses recognized in statement of profit and loss**

(₹ in lakhs)

Particulars	31 March 2019	31 March 2018
Current service cost	3.35	1.51
Interest cost	0.35	-
Expenses recognized in statement of profit and loss	**3.70**	**1.51**

(iv) **Movement in the liability recognized in the balance sheet is as under:**

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Present value of defined benefit obligation at the beginning of the year	4.46	-
Current service cost	3.35	1.51
Interest cost	0.35	-
Actuarial gain - charged to statement of profit and loss	(0.21)	-
Actuarial loss - capitalised as part of capital work-in-progress	-	2.95
Present value of defined benefit obligation at the end of the year	**7.95**	**4.46**

(v) For determination of the liability of the Company the following actuarial assumptions were used:

Particulars	As at 31 March 2019	As at 31 March 2018
Discount rate	7.75%	7.75%
Salary escalation rate	5.00%	5.00%
Retirement age (years)	60.00	60.00
Average past service (years)	1.60	1.60
Average age (years)	39.80	39.20
Average remaining working life (years)	20.20	20.80
Weighted average duration (based on discounted cash flows) (years)	14.00	14.00
Withdrawal rate		
Up to 30 years	5.00%	5.00%
From 31 to 44 years	3.00%	3.00%
Above 44 years	2.00%	2.00%

Mortality rates inclusive of provision for disability -100% of IALM (2006 – 08)

(vi) Maturity profile of defined benefit obligation

(₹ in lakhs)

Year 31 March 2019	Year 31 March 2018	As at 31 March 2019	As at 31 March 2018
April 2019- March 2020	April 2018- March 2019	2.72	1.53
April 2020- March 2021	April 2019- March 2020	0.07	0.04
April 2021- March 2022	April 2020- March 2021	0.07	0.04
April 2022- March 2023	April 2021- March 2022	0.08	0.04
April 2023- March 2024	April 2022- March 2023	0.08	0.05
April 2024 onwards	April 2022- March 2024	4.93	2.77
		7.95	**4.46**

(vii) Sensitivity analysis for gratuity

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
a) Impact of the change in discount rate		
Present value of obligation at the end of the year	**7.95**	**4.46**
Impact due to increase of 0.50 %	(0.45)	(0.28)
Impact due to decrease of 0.50 %	0.53	0.33
b) Impact of the change in salary increase		
Present value of obligation at the end of the year	**7.95**	**4.46**
Impact due to increase of 1 %	0.54	0.33
Impact due to decrease of 1 %	(0.47)	(0.29)

Sensitivities due to mortality and withdrawals are not material. Hence impact of change is not calculated above.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligations calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

(viii) Risk

Salary increases	Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability	Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

Note - 33

The Company has entered into cancellable lease agreement for office premise. The lease payments for the year amount to ₹ 9.00 lakhs (31 March 2018: ₹ 11.25 lakhs) which have been charged to the statement of profit and loss.

Note - 34

Ind AS 115 'Revenue from Contracts with Customers', mandatory for reporting periods beginning on or after 1 April 2018, replaces existing revenue recognition requirements. The Company has applied the modified retrospective approach, however, there is no impact of this standard on these financial statements.

Note - 35

The management has determined the impact of recent judgment of Hon'ble Supreme Court of India in relation to interpretation of definition of "basic wages" under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and as per its assessment, that is not significant.

Note - 36

Previous year figures have been regrouped/reclassified, where necessary, to confirm to this year's classification, as below -

(₹ in lakhs)

Balance Sheet	31 March 2018 (Reported)	Adjustments	31 March 2018 (Reclassified)
Non-current assets			
Financial assets			
Loans	-	0.35	0.35
Other financial assets	-	230.20	230.20
Deferred tax assets (net)	-	0.29	0.29
Non-current tax assets (net)	-	8.38	8.38
Other non-current assets	923.44	(0.68)	922.76
Current assets			
Financial assets			
Other bank balances	297.14	(230.20)	66.94
Other current assets	8.38	(8.38)	-
Non-current liabilities			
Deferred tax liabilities (net)	0.04	(0.04)	-
Current liabilities			
Financial liabilities			
Other financial liabilities	1,226.05	149.14	1,375.19
Other current liabilities	223.70	(149.14)	74.56

Statement of profit and loss	31 March 2018 (Reported)	Adjustments	31 March 2018 (Reclassified)
Other income	77.04	(36.04)	41.00
Finance costs	36.04	(36.04)	-

Note - 37

Reconciliation of liabilities arising from financing activities pursuant to Ind AS 7 - Cash flows

The changes in the Company's liabilities arising from financing activities can be classified as follows:

(₹ in lakhs)

Particulars	Amount
Borrowings as at 1 April 2017 including interest accrued	**22,500.40**
Proceed from non-current borrowings	4,700.00
Repayment of current/non-current borrowings	(5,909.74)
Interest expense	2,279.31
Interest paid	(2,133.95)
Borrowings as at 31 March 2018 including interest accrued	**21,436.02**
Proceed from non-current borrowings	11,725.01
Interest expense	2,690.15
Interest paid	(2,557.41)
Borrowings as at 31 March 2019 including interest accrued	**33,293.77**

For **Walker Chandiok & Co LLP**
Chartered Accountants

Siddharth Talwar
Partner
Membership No.: 512752

For and on behalf of the Board of Directors

Naresh Trehan
Director
[DIN:00012148]

Sunil Sachdeva
Director
[DIN:00012115]

Nitu Kumari
Company Secretary

Place: Gurugram
Date: 26 September 2019