Deloitte Haskins & Sells

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INDEPENDENT AUDITOR'S REPORT
To The Members of HCG Medi-Surge Hospitals Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **HCG Medi-Surge Hospitals Private Limited** ("the Company"), which comprise the Balance Sheet as at 31 March, 2017, and 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 (hereinafter referred to as "the financial statements").

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act, the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards and the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report to the extent applicable that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on 31 March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   (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 Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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iv. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the order" or "CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firms' Registration No. 008072S)

V.Balaji
Partner
(Membership No. 203685)

BENGALURU, May 22, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **HCG Medi-Surge Hospitals Private Limited** ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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 Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firms' Registration No. 008072S)

V.Balaji
Partner
(Membership No. 203685)

BENGALURU, May 22, 2017

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) **(a)** The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a programme of verification of fixed assets to cover all items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the Management. According to the information and explanation given to us, no material discrepancies were noted on such verification.

(c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

(vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

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(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2017 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Rs. in Million
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax Appeal	AY 2007-08	1.09
Gujarat VAT Act	Value Added Tax	Commissioner of commercial Tax	FY 2011-12	15.69
Customs Act	Customs	Appeal Yet to be filed with CESTAT	FY 2011-12	4.49

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not issued any debentures and did not have any borrowings from government.

(ix) The Company has not raised moneys by way of initial public offer/ further public offer (including debt instruments) and the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) The company is a private company and hence the provisions of section 197 of the Companies Act, 2013 do not apply to the Company.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company has disclosed the details of related party transactions in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

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(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

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

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firms' Registration No. 008072S)

V.Balaji
Partner
(Membership No. 203685)

BENGALURU, May22, 2017

HCG Medi-Surge Hospitals Private Limited

Rs. in Million

Balance Sheet as at	Note No	31-Mar-17	31-Mar-16	01-Apr-15
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	5	641.10	293.68	317.16
(b) Capital work-in-progress	5	57.81	147.66	0.01
(c) Financial Assets				
(i) Other financial assets	7	40.72	32.28	14.15
(d) Deferred tax assets (Net)	25.2	12.54	15.16	0.09
(e) Income tax assets (Net)	25.3	-	7.28	11.71
(f) Other non-current assets	8	14.95	-	-
Total Non - Current Assets		**767.12**	**496.06**	**343.12**
Current assets				
(a) Inventories	9	17.76	10.16	7.15
(b) Financial assets				
(i) Trade receivables	10	15.33	15.56	21.23
(ii) Cash and cash equivalents	11	38.78	9.81	2.32
(iii) Loans	6	0.23	0.19	0.07
(iv) Other financial assets	7	19.74	15.67	14.22
(c) Other current assets	8	22.70	21.34	4.79
Total current assets		**114.54**	**72.73**	**49.78**
Total assets		**881.66**	**568.79**	**392.90**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	12	55.69	55.69	55.69
(b) Other equity	13	92.95	45.55	(6.63)
Equity attributable to owners of the Company		**148.64**	**101.24**	**49.06**
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	14	465.10	295.76	134.58
(b) Provisions	16	0.72	1.34	1.42
Total Non - Current Liabilities		**465.82**	**297.10**	**136.00**
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	14	-	22.06	39.18
(ii) Trade payables	17	139.09	96.80	87.83
(iii) Other financial liabilities	15	86.87	31.72	58.86
(b) Provisions	16	1.31	0.56	0.53
(c) Current Tax Liabilities (Net)	25.4	10.41	-	-
(d) Other current liabilities	18	29.52	19.31	21.44
Total Current Liabilities		**267.20**	**170.45**	**207.84**
Total Liabilities		**733.02**	**467.55**	**343.84**
Total Equity and Liabilities		**881.66**	**568.79**	**392.90**

See accompanying notes to the financial statements

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

V. Balaji
Partner

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

Place : Bengaluru
Date : 22-5-2017

For and on behalf of the Board of Directors

Dr. B S Ajaikumar
Director

Dr. Ramesh B.S.
Director

Deepak Mohan
Company Secretary

Place : Bengaluru
Date : 22-5-2017

HCG Medi-Surge Hospitals Private Limited

Rs. in Million

Statement of Profit and Loss for the years ended		Note No.	31-Mar-17	31-Mar-16
I	Revenue from Operations	19	826.56	667.89
II	Other Income	20	12.69	2.54
III	**Total Income (I+II)**		**839.25**	**670.43**
IV	**Expenses**			
	Purchases of Stock-in-trade		151.79	138.88
	Changes in inventory of stock-in-trade		(7.60)	(3.01)
	Employee benefit expense	21	85.48	69.96
	Finance costs	22	39.81	23.78
	Depreciation and amortisation expense	23	58.35	38.53
	Other expenses	24	449.06	356.62
	Total expenses (IV)		**776.89**	**624.76**
V	**Profit before tax (III-IV)**		**62.36**	**45.67**
VI	**Tax expense**			
	(1) Current tax	25.1	12.82	9.32
	(2) Deferred tax	25.1	2.45	(15.32)
			15.27	**(6.00)**
VII	**Profit for the year (V-VI)**		**47.09**	**51.67**
VIII	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit liabilities / (asset)	31.2	0.48	0.76
	(b) Income tax on the above		(0.17)	(0.25)
			0.31	**0.51**
IX	**Total comprehensive income for the year (VII+VIII)**		**47.40**	**52.18**
	Earnings per equity share:			
	Basic (in Rs.) (Face value of Rs 10 each)	28.1	8.46	9.28
	Diluted (in Rs.) (Face value of Rs 10 each)	28.2	8.46	9.28

See accompanying notes to the financial statements

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

V. Bl.

V. Balaji
Partner

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

Place : Bengaluru
Date : 22-5-2017

For and on behalf of the Board of Directors

Dr. B S Ajaikumar
Director

Dr. Ramesh B.S.
Director

Deepak Mohan
Company Secretary

Place : Bengaluru
Date : 22-5-2017

HCG Medi-Surge Hospitals Private Limited

Rs. in Million

Cash Flow Statement for the years ended	31-Mar-17	31-Mar-16
Cash flows from operating activities		
Profit before tax for the year	62.36	45.67
Adjustments for:		
Finance costs	36.48	22.40
Investment income	(3.04)	(0.77)
Depreciation and amortisation of non-current assets	58.35	38.53
Provision for bad and doubtful debts	-	0.14
Loss on disposal of property, plant and equipment	-	0.06
Movements in working capital:		
(Increase)/decrease in trade receivables	0.23	5.53
(Increase)/decrease in inventories	(7.60)	(3.01)
(Increase)/decrease in other assets	(11.95)	(9.92)
Increase/(decrease) in trade and other payables	42.34	9.48
Increase/(decrease) in provisions	0.44	(0.05)
Increase/(decrease) in other liabilities	10.21	(2.13)
Cash generated from operations	**187.82**	**105.93**
Income taxes paid (net of refunds)	4.99	(4.64)
Net cash generated by operating activities	**192.81**	**101.29**
Cash flows from investing activities		
Interest received	2.03	0.41
Payments for property, plant and equipment	(320.25)	(171.48)
Payments to acquire financial assets	(1.50)	(4.78)
Deposit made towards Margin money	(5.78)	(12.99)
Net cash (used in)/generated by investing activities	**(325.50)**	**(188.84)**
Cash flows from financing activities		
Proceeds from borrowings	250.11	292.00
Repayment of borrowings	(44.26)	(180.78)
Interest paid	(41.21)	(19.16)
Net cash (used in) / generated by financing activities	**164.64**	**92.06**
Net increase in cash and cash equivalents	**31.95**	**4.51**
Cash and cash equivalents at the beginning of the year	6.83	2.32
Cash and cash equivalents at the end of the year	**38.78**	**6.83**

See accompanying notes to the financial statements

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

V. Balaji
Partner

DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS
BANGALORE

Place : Bangaluru
Date : 22-5-2017

For and on behalf of the Board of Directors

Dr. B S Ajaikumar
Director

Dr. Ramesh B.S.
Director

Deepak Mohan
Company Secretary

Place: Bangaluru
Date : 22-5-2017

HCG Medi-Surge Hospitals Private Limited

Statement of Changes in Equity for the years ended March 31, 2017 and 2016

a. Equity share capital

	Rs. in Million
Balance at April 1, 2015	55.69
Changes in equity share capital during the year	-
Balance at March 31, 2016	55.69
Changes in equity share capital during the year	-
Balance at March 31, 2017	**55.69**

b. Other Equity

Rs. in Million

	Reserves and Surplus	Items of other comprehensive income	
	Retained earnings	Remeasurements of the defined benefit liabilities / (asset)	Total other equity
Balance at April 1, 2015	(6.63)	-	(6.63)
Profit for the year	51.67	-	51.67
Other comprehensive income for the year, net of income tax	-	0.51	0.51
Total comprehensive income for the year	**51.67**	**0.51**	**52.18**
Balance as at March 31, 2016	**45.04**	**0.51**	**45.55**
Profit for the year	47.09	-	47.09
Other comprehensive income for the year, net of income tax	-	0.31	0.31
Total comprehensive income for the year	**47.09**	**0.31**	**47.40**
Balance as at March 31, 2017	**92.13**	**0.82**	**92.95**

See accompanying notes to the financial statements

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

V. Balaji
Partner

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

Place : Bengaluru
Date : 22-5-2017

For and on behalf of the Board of Directors

Dr. B S Ajaikumar
Director

Dr. Ramesh B.S.
Director

Deepak Mohan
Company Secretary

Place : Bengaluru
Date : 22-5-2017

1 General Information

HCG Medi-Surge Hospitals Private Limited ('the Company') is a hospital offering specialized services in cancer treatment. The registered office of the company is situated at #1, Maharashtra Society, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad - 380006.

2 Significant accounting policies

2.1 *Statement of compliance*

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable. For periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with the then applicable Accounting Standards in India ('previous GAAP'). These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015. Refer Note 3 for the explanations of transition to Ind AS including the details of first-time adoption exemptions availed by the Company.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.
Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

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

Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Use of estimates and judgement

In the application of the Company's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2.3.1 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a) Revenue Recognition

Revenue from fees charged for inpatient and outpatient hospital/clincial services rendered to insured and corporate patients are subject to approvals for the insurance companies and corporates. Accordingly, the company estimates the amounts likely to be disallowed by such companies based on past trends.
Estimations based on past trends are also required in determining the value of consideration from customers to be allocated to award credits for customers.

b) Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period This assessment may result in change in the depreciation expense in future periods.

c) Employee Benefits

The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

d) Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made, Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance sheet date. These are reviewed at each Balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised or disclosed in the financial statements.

DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS
BANGALORE

2.4 Revenue recognition

2.4.1 Rendering of services

Healthcare Services

Revenue primarily comprises fees charged for inpatient and outpatient hospital services. Services include charges for accommodation, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used in treatments given to Patients. Revenue is recorded and recognised during the period in which the hospital service is provided, based upon the estimated amounts due from patients and/or medical funding entities. Unbilled revenue is recorded for the service where the patients are not discharged and invoice is not raised for the service.

The service revenues are presented net of related doctor fees and diagnostic charges in cases where the company is not the primary obligor and does not have the pricing latitude.

Other Services

Income from Clinical Trials on behalf of Pharmaceutical Companies is recognized on completion of the service, based on the terms and conditions specified to each contract.

Other services fee is recognized on basis of the services rendered and as per the terms of the agreement.

2.4.2 Sale of Goods

Pharmacy Sales are recognised when the significant risks and rewards of ownership is transferred to the customer. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is reduced for rebates and loyalty points granted upon purchase and are stated net of returns and discounts wherever applicable.

2.4.3 Dividend and interest income

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5 Leases

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

2.6 Foreign currencies

The functional currency of the Company is the Indian Rupee (Rs.)

In preparing the financial statements of each individual Company entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

• exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

• exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

• exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements of the Company for the period immediately before the beginning of the first Ind AS financial reporting period (prior to April 1, 2016), as per the previous GAAP, pursuant to the Company's choice of availing the exemption as permitted by Ind AS 101.

2.7 Borrowings and Borrowing costs

Borrowing costs include:

(i) interest expense calculated using the effective interest rate method,

(ii) finance charges in respect of finance leases, and

(iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

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2.8 Employee benefits

2.8.1 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

• service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
• net interest expense or income; and
• remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

2.8.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries and compensated absences in the period the related service is rendered.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.8.3 Contributions from employees or third parties to defined benefit plans

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan.
When the formal terms of the plans specify that there will be contributions from employees or third parties, the accounting depends on whether the contributions are linked to service, as follows:
- If the contributions are not linked to services (e.g. contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they are reflected in the remeasurement of the net defined benefit liability (asset).
- If contributions are linked to services, they reduce service costs. For the amount of contribution that is dependent on the number of years of service, the Company reduces service cost by attributing the contributions to periods of service using the attribution method required by Ind AS 19.70 for the gross benefits. For the amount of contribution that is independent of the number of years of service, the Company reduces service cost in the period in which the related service is rendered / reduces service cost by attributing contributions to the employees' periods of service in accordance with Ind AS 19.70.

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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2.9.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.10 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Fixtures, plant and medical equipment are stated at cost less accumulated depreciation and accumulated impairment losses. All repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Estimated useful lives of the assets are as follows:

Buildings (Leasehold) and other leasehold improvements	Lease term or useful life whichever is lower
Plant and Equipment	10-15 years
Data processing equipment	3-6 years
Medical and Laboratory equipment	10 years
Furniture and fixtures	10 years
Vehicles	8 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.
For transition to Ind AS, the Company has elected to adopt the carrying value of all of its property, plant and equipment recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.12 Inventories

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location, after adjusting for VAT wherever applicable applying FIFO method.

Imported inventories are accounted for at the applicable exchange rates prevailing on the date of transaction.

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2.13 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

2.14 Financial instruments

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consists of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount ouststanding

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit or loss

Financial liablilites

Financial liablities are measured at amortised cost using the effective interest rate method

2.15 Impairment

(i) Financial assets (other than at fair value)

The Company assesses at each date of balance sheet, whether a financial asset or a Company of financial assets is imapried. Ind AS 109 requires expected credit losses to be measured though a loss aloowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitue a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

(ii) Non-financial assets

Property, Plant and equipment with finite life are evaluated for recoverablilty whenever there is an indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to it's recoverable amount. An impairment loss is recognised in the statement of profit and loss.

3 Explanation of transition to Ind AS

3.1 The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain mandatory exceptions under Ind AS 101 and certain optional exemptions permitted under Ind AS 101 availed by the Company as detailed below.

a) Past business combinations

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2015.

b) Deemed cost for property, plant and equipment

The Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

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c) **Exchange difference on long-term foreign currency monetary items:**
The Company has elected to continue its accounting policy as per the previous GAAP in respect of exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period.

As per the previos GAAP, the exchange differences arising on settlement / restatement of long-term foreign currency monetary items relating to acquisition of depreciable fixed assets are capitalised as part of the fixed assets and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss. The unamortised exchange difference is carried in the equity as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.

4 The reconciliations between previous GAAP and Ind AS, and explanations for the significant differences on account of transition to Ind AS are explained below:

(i) **Equity reconciliation**

Rs. in Million

Particulars	As at 31-Mar-16	As at 01-Apr-15
Total equity under Previous GAAP attributable to:	**101.40**	**49.25**
Ind AS adjustments:		
Effect of amortised cost of security deposit	(0.23)	(0.28)
Deferred tax adjustments on the above (Net)	0.07	0.09
Total equity under Ind AS attributable to:	**101.24**	**49.06**

(ii) **Total comprehensive income reconciliation**

Rs. in Million

Particulars	Year ended 31-Mar-16
Net profit under Previous GAAP	**52.15**
Ind AS adjustments:	
Actuarial gains/ losses	(0.76)
Effect of amortised cost of security deposit	0.05
Deferred tax adjustments on the above (Net)	0.23
Net profit / (loss) under Ind AS	**51.66**
Other comprehensive income under Ind AS	
Actuarial gains/ losses	0.76
Deferred tax adjustments on the above (Net)	(0.25)
Total comprehensive income / (loss) under Ind AS	**52.18**

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Notes to the financial statements
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5 Property, plant and equipment and capital work-in-progress

	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
Carrying amounts of:			
Leasehold Improvements	63.79	43.83	55.11
Plant and equipment - Freehold	228.06	38.06	42.32
Medical & Lab equipment	322.81	190.73	195.58
Furniture and Fixtures	21.65	16.92	19.24
Data processing equipment	3.15	2.72	3.27
Vehicles	1.64	1.42	1.64
	641.10	**293.68**	**317.16**
Capital work-in-progress	57.81	147.66	0.01
	698.91	**441.34**	**317.17**

Description of Assets	Leasehold Improvements	Plant and equipment - Freehold	Medical & Lab equipment	Furniture and Fixtures	Data processing equipment	Vehicles	Tangible Total
I. Cost							
Balance as at April 1, 2015	55.11	42.32	195.58	19.24	3.27	1.64	317.16
Additions	0.01	0.69	11.86	0.81	0.66	-	14.03
Disposals	-	(0.02)	(0.07)	(0.14)	-	-	(0.23)
Effect of foreign currency exchange differences	-	-	1.11	-	-	-	1.11
Balance as at 31 March, 2016	**55.12**	**42.99**	**208.48**	**19.91**	**3.93**	**1.64**	**332.07**
Additions	35.04	218.92	140.18	9.20	1.82	0.52	405.68
Exchange Fluctuation	-	-	0.09	-	-	-	0.09
Balance as at 31 March, 2017	**90.16**	**261.91**	**348.75**	**29.11**	**5.75**	**2.16**	**737.84**
II. Accumulated depreciation							
Eliminated on disposal of assets	-	(0.01)	(0.02)	(0.11)	-	-	(0.14)
Depreciation expense	11.29	4.94	17.77	3.10	1.21	0.22	38.53
Balance as at 31 March, 2016	**11.29**	**4.93**	**17.75**	**2.99**	**1.21**	**0.22**	**38.39**
Depreciation expense	15.08	28.92	8.19	4.47	1.39	0.30	58.35
Balance as at 31 March, 2017	**26.37**	**33.85**	**25.94**	**7.46**	**2.60**	**0.52**	**96.74**
Net Block as at 31 March, 2016	**43.83**	**38.06**	**190.73**	**16.92**	**2.72**	**1.42**	**293.68**
Net Block as at 31 March, 2017	**63.79**	**228.06**	**322.81**	**21.65**	**3.15**	**1.64**	**641.10**

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6 Loans

	31-Mar-17		31-Mar-16		01-Apr-15	
	Non Current	Current	Non Current	Current	Non Current	Current
a) Loans and advances (unsecured) to employees						
Considered good	-	0.23	-	0.19	-	0.07
Total	-	**0.23**	-	**0.19**	-	**0.07**

7 Other Financial Assets

	31-Mar-17		31-Mar-16		01-Apr-15	
	Non Current	Current	Non Current	Current	Non Current	Current
Security deposits	17.67	0.31	16.27	0.21	11.49	0.21
Unbilled revenue	-	19.43	-	15.21	-	13.76
Term deposit more than 12 months maturity	21.14	-	15.11	0.25	2.12	0.25
Interest accrued on deposits	1.91	-	0.90	-	0.54	-
	40.72	**19.74**	**32.28**	**15.67**	**14.15**	**14.22**

8 Other Assets

	31-Mar-17		31-Mar-16		01-Apr-15	
	Non Current	Current	Non Current	Current	Non Current	Current
Capital Advances	-	17.26	-	8.64	-	0.44
Prepaid expenses	14.95	3.77	-	11.76	-	3.47
Advance to vendors	-	1.67	-	0.94	-	0.88
	14.95	**22.70**	-	**21.34**	-	**4.79**

9 Inventories

	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
a) Inventories (lower of cost and net realisable value)			
Medicines	17.76	10.16	7.15
	17.76	**10.16**	**7.15**

10 Trade receivables

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Trade receivables (unsecured) consist of following			
a) considered good	15.33	15.56	21.23
b) considered doubtful	5.13	5.13	4.99
Allowance for doubtful debts (expected credit loss allowance)	(5.13)	(5.13)	(4.99)
	15.33	**15.56**	**21.23**

The company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Movement in the expected credit loss allowance	Year ended 31-Mar-17	Year ended 31-Mar-16
Balance at beginning of the year	5.13	4.99
Additional provision during the year	-	0.14
Written-off during the year		
Balance at end of the year	**5.13**	**5.13**

11 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Balances with Banks			
In current accounts	23.61	2.23	0.54
In EEFC accounts	5.97	5.31	-
Cheques, drafts on hand	2.78	0.59	0.43
Cash on hand	6.42	1.68	1.35
Cash and cash equivalents as per balance sheet	**38.78**	**9.81**	**2.32**
Bank overdrafts(Refer note 14(i))	-	(2.98)	-
Cash and cash equivalents as per statement of cash flows	**38.78**	**6.83**	**2.32**

Pursuant to the MCA notification G.S.R. 308(E) dated March 30, 2017, the details of Specified Bank Notes (SBN)* held and transacted during the period from November 8, 2016 to December 30, 2016 are provided in the table below:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	2.48	0.01	2.49
(+) Permitted receipts	0.39	20.71	21.10
(-) Permitted payments	-	(0.12)	(0.12)
(-) Amount deposited in Banks	(2.87)	(19.16)	(22.03)
Closing cash in hand as on December 30, 2016	-	1.44	1.44

* The term 'Specified Bank Notes' have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the November 8, 2016

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12 Equity Share Capital

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Equity share capital			
Authorised Share capital :			
10,000,000 fully paid equity shares of Rs.10 each	100.00	100.00	100.00
Issued and subscribed capital comprises:			
5,568,704 fully paid equity shares of Rs.10 each (as at March 31, 2016: 5,568,704; as at April 1, 2015: 5,568,704)	55.69	55.69	55.69

12.1 Fully paid equity shares

	Number of shares	Share capital (Amount)
Balance at April 1, 2015	5,568,704	55.69
Balance at March 31, 2016	5,568,704	55.69
Balance at March 31, 2017	**5,568,704**	**55.69**

Details of shares held by each shareholder holding more than 5% shares

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of Shares held	% holding of equity shares	Number of Shares held	% holding of equity shares	Number of Shares held	% holding of equity shares
Fully paid equity shares						
HealthCare Global Enterprises Limited	4,120,807	74.00%	4.12	74.00%	4 12	74.00%
Asthta Oncology Private Limited	1,447,897	26.00%	1.45	26.00%	1.45	26.00%

Fully paid equity shares, which have a par value of Rs.10, carry one vote per share and carry a right to dividends. The Company has only one class of equity share having a par value of Rs.10/- each. Holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. However, as on date no such preferential amount exists. The distribution will be in proportion to number of equity shares held by the shareholders.

13 Other equity

	Note	As at 31-Mar-17	As at 31-Mar-16	As at 31-Mar-15
Retained earnings	13.1	92.13	45.04	(6.63)
Remeasurements of the defined benefit liabilities/ (assets)	13.2	0.82	0.51	-
		92.95	**45.55**	**(6.63)**

13.1 Retained earnings

	Year ended 31-Mar-17	Year ended 31-Mar-16
Balance at beginning of year	45.04	(6.63)
Profit attributable to the owners of the company	47.09	51.67
Balance at end of year	**92.13**	**45.04**

13.2 Remeasurements of the defined benefit liabilities/ (assets)

Balance at beginning of year	0.51	-
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	0.31	0.51
Balance at end of year	**0.82**	**0.51**

14 Borrowings

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
Secured - at amortised cost						
(i) Term loans - From banks	303.50	-	292.00	-	116.76	-
(ii) Loans repayable on demand from banks	-		-	2.98	-	
Unsecured - at amortised cost						
(i) Deferred payment liabilities	161.60		3.76		17.82	-
(ii) Loans and advance from related parties (Refer note 35)	-		-	19.08		39.18
Total	**465.10**	**-**	**295.76**	**22.06**	**134.58**	**39.18**

14.1 Summary of borrowing arrangements

14.1.1 (i) The details of security and terms of repayment of term loans and other loans are stated below.

Terms of repayment and security	31-Mar-17	31-Mar-16	31-Mar-15
	Rs.	Rs.	Rs.
Term loans from banks - Secured			
Non-current portion	303.50	292.00	116.76
Amounts included under current maturities of long-term debt	-	-	30.80
- Security: Hypothecation of medical equipments and other fixed assets purchased out of bank finance and collateral security of equitable mortgage over immovable property. Further, corporate guarantee is given by Healthcare Global Enterprises Limited, the holding company of the entity. - Rate of interest: bank's base rate + 0.75% to 1% p.a. - Repayable in installments over a period of 4 to 10 years after 1 to 3 year moratorium from the date of borrowing. Repayment shedule will be 5% in 4th year, 10% 5&6 Year,15% in 7th Year & 20% will be payble in 8,9&10 year			

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Deferred payment liabilities - Unsecured			
Non-current portion	161.60	3.76	17.82
Amounts included under current maturities of long-term debt	72.31	16.72	15.78
Repayment Term - Interest free loan repayable in next 3 years			
- Repayment in installments over a period of 1 to 3 years			
Total	**537.41**	**312.48**	**181.16**
Non-current portion	**465.10**	**295.76**	**134.58**
Amounts included under Current maturities of long-term debt	**72.31**	**16.72**	**46.58**

14.1.2 Details of security and terms of repayment for the short-term borrowings:

Terms of repayment and security	31-Mar-17	31-Mar-16	31-Mar-15
Secured loans repayable on demand from banks - Secured by first pari-passu charge on entire current assets (both present and future), second pari-passu charge over entire fixed assets (borh present and future other than exclusively charged) of the Company	-	2.98	

14.1.3 Details of terms of repayment for loans from related parties:

Terms of repayment and security	31-Mar-17	31-Mar-16	31-Mar-15
Loans and advances from related parties - Unsecured Repayable as and when funds are available. Interest at the rate of 12% p.a.	-	19.08	39.18

15 Other financial liabilities

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
(a) Current maturities of long-term debt (Refer note 14.1.1 above)	-	-	-	-	-	30.80
(b) Current maturities of deferred payment obliigations (Refer note 14.1.2 above)	-	72.31	-	16.72	-	15.78
(c) Interest accrued but not due on borrowings and Finance Lease obligation	-	2.60	-	2.23	-	1.65
(d) Interest payable to holding company (Refer note 35)	-	6.83		11.93		9.27
(e) Payables on purchase of fixed assets	-	5.13	-	0.84	-	1.36
Total	**-**	**86.87**	**-**	**31.72**	**-**	**58.86**

16 Provisions

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
Employee benefits -						
Gratuity expense (Refer note 31.2)	0.72	0.72	1.34	0.13	1.42	0.18
Compensated absences	-	0.59	-	0.43	-	0.35
Total	**0.72**	**1.31**	**1.34**	**0.56**	**1.42**	**0.53**

17 Trade Payables

	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
Trade payables	139.09	96.80	87.83
Total	**139.09**	**96.80**	**87.83**

18 Other Liabilities

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
(a) Advance from Customers	-	19.75	-	14.91	-	17.97
(b) Others - Statutory remittances	-	9.77	-	4.40	-	3.47
Total	**-**	**29.52**	**-**	**19.31**	**-**	**21.44**

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19 Revenue from Operations

	Year ended March 31, 2017	Year ended March 31, 2016
(a) Income from medical services	640.05	506.47
(b) Income from pharmacy	182.37	157.81
(c) Other operating revenues	4.14	3.61
	826.56	**667.89**

20 Other Income

	Year ended March 31, 2017	Year ended March 31, 2016
(a) Interest income	3.04	0.77
(b) Net foreign exchange gain	8.93	0.01
(c) Miscellaneous income	0.72	1.76
	12.69	**2.54**

Interest income comprise:		
Interest on Bank deposits	1.32	0.56
Other financial assets carried at amortised cost	1.72	0.21
	3.04	**0.77**

21 Employee benefits expense

	Year ended March 31, 2017	Year ended March 31, 2016
Salaries and wages	81.19	66.13
Contribution to provident and other funds (Refer note 31.1)	2.87	2.83
Gratuity Expenses (Refer note 31.2)	0.49	0.51
Staff welfare expenses	0.93	0.49
	85.48	**69.96**

22 Finance costs

	Year ended March 31, 2017	Year ended March 31, 2016
(a) Interest costs		
Interest on bank overdrafts and loans	35.06	18.99
Interest on defined benefit obligations (Refer note 31.2)	0.11	0.12
Interest on loans from related parties	1.31	3.29
(b) Other borrowing cost		
Bank charges	3.33	1.38
	39.81	**23.78**

23 Depreciation and amortisation expense

	Year ended March 31, 2017	Year ended March 31, 2016
Depreciation of property, plant and equipment	58.35	38.53
	58.35	**38.53**

24 Other expenses

	Year ended March 31, 2017	Year ended March 31, 2016
Medical consultancy charges	288.45	231.26
Lab charges	25.20	14.17
Power and fuel	13.72	14.71
House Keeping Expenses	14.50	10.79
Rent (Refer note 30.1)	41.82	36.13
Repairs to Buildings	2.04	1.66
Repairs to Machinery	18.69	13.30
Office Maintenance & Others	4.12	3.11
Insurance	0.62	0.93
Rates and Taxes, excluding taxes on income	3.00	3.06
Printing & Stationery	4.21	2.00
Advertisement, Publicity & Marketing	14.66	12.29
Travelling & Conveyance	2.01	0.93
Legal & Professional Fees	5.57	3.65
Audit Fee (Refer note 24.1)	0.63	1.68
Telephone Expenses	0.96	0.62
Provision for doubtful debts	-	0.14
Loss on disposal of property, plant and equipment	-	0.06
Miscellaneous expenses	8.86	6.13
	449.06	**356.62**

24.1 Payments to auditors

a) For audit of financials statements	0.55	0.62
b) For other expenses (including service tax)	0.08	1.06
	0.63	**1.68**

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25 Income tax expense

25.1 Income tax recognised in the Statement of profit and loss

Current income tax:		
In respect of the current year	12.82	9.32
Deferred tax		
In respect of the current year	2.45	(15.32)
Total income tax expense recognised in the Statement of profit and loss	**15.27**	**(6.00)**

The reconciliation between the income tax expense of the company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

Profit before tax for the year	**62.36**	**45.67**
Enacted income tax rate in India	33.06%	33.06%
Computed expected tax expense	20.62	15.10
Effect of:		
Adjustments recognised in respect of brought forward tax losses	(5.35)	(21.10)
	15.27	**(6.00)**

25.2 Deferred tax balances

	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
Deferred Tax Assets	12.54	15.16	0.09
Deferred Tax Liabilities	-	-	-
Total	**12.54**	**15.16**	**0.09**

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2017 are as follows:

Deferred tax assets / (liabilities) in relation to	Opening Balance	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	Closing Balance
Property, plant and equipment	(16.44)	(23.64)	-	(40.08)
Financial assets at amortised cost	0.08	(0.03)	-	0.05
MAT credit entitlement	9.31	12.82	-	22.13
Provision for doubtful debts	1.70	-	-	1.70
Defined benefit obligation	3.39	(2.34)	(0.17)	0.88
Tax losses	17.12	6.51	-	23.63
Others	-	4.23	-	4.23
	15.16	**(2.45)**	**(0.17)**	**12.54**

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2016 are as follows:

Deferred tax assets / (liabilities) in relation to	Opening Balance	Recognised in Profit or Loss	Recognised in other comprehensive income	Closing Balance
Property, plant and equipment	(21.89)	5.45	-	(16.44)
Financial assets at amortised cost	0.10	(0.02)	-	0.08
MAT credit entitlement	-	9.31	-	9.31
Provision for doubtful debts	1.70	-	-	1.70
Defined benefit obligation	0.92	2.72	(0.25)	3.39
Tax losses	19.26	(2.14)	-	17.12
	0.09	**15.32**	**(0.25)**	**15.16**

25.3 Income tax assets (net)

	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
Advance tax (net of provision for income tax)	-	7.28	11.71
	-	**7.28**	**11.71**

25.4 Current tax liabilities (net)

	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
Provision for income tax (net of Advance tax)	10.41	-	-
	10.41	**-**	**-**

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26 Contingent liabilities

	31-Mar-17	31-Mar-16	01-Apr-15
Disputed income tax matters	1.09	1.09	-

27 Commitments

	31-Mar-17	31-Mar-16	01-Apr-15
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	7.14	0.97	2.47

28 Earnings per Share

28.1 Basic earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.

Profit for the year attributable to owners of the Company	47.09	51.67
The earnings used in the calculation of basic earnings per share	47.09	51.67
Weighted average number of equity shares for the purposes of basic earnings per share	5,568,704	5,568,704
Basic earnings per share for the year (amount in Rs.)	**8.46**	**9.28**

28.2 Diluted earnings per share

The earnings used in the calculation of diluted earnings per share are as follows.

Earnings used in the calculation of basic earnings per share	47.09	51.67
Earnings used in the calculation of diluted earnings per share	47.09	51.67
Weighted average number of equity shares used in the calculation of diluted earnings per share	5,568,704	5,568,704
Diluted earnings per share for the year (amount in Rs.)	**8.46**	**9.28**

29 Segment information

The company is mainly engaged in the business of setting up and managing hospitals and medical diagnostic services which constitute a single business segment. These activities are mainly conducted only in one geographical segment viz, India. Therefore, the disclosure requirements under the Ind AS 108 "Operating Segments" are not applicable.

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30 Leasing arrangements: The Company being a lessee

30.1 Operating lease arrangements

The Company has entered into operating lease arrangements for certain facilities and office premises. The leases are non-cancellable and are for a period of 5 to 30 years and may be renewed for a further period, based on mutual agreement of the parties.

Payments recognised as an expense in note 24 Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Minimum lease payments	41.82	36.13
	41.82	36.13

Non-cancellable operating lease commitments

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Not later than 1 year	41.81	37.97	28.97
Later than 1 year and not later than 5 years	101.30	133.28	158.62
Later than 5 years	33.17	471.01	59.74
	176.28	642.26	247.33

31 Employee benefit plans

31.1 Defined contribution plans

The Company has defined contribution plan in form of Provident Fund and Pension Scheme for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The total expense recognised in the Statement of profit and loss in respect of such schemes are given below:

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Contribution to Provident Fund and Pension Scheme, included under contribution to provident and other funds.	2.87	2.83
	2.87	2.83

31.2 Defined benefit plans

The company offers gratuity plan for its qualified employees which is payable as per the requirements of Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

The principal assumptions used for the purposes of the actuarial valuations were as follows.	Valuation as at		
	31-Mar-17	31-Mar-16	01-Apr-15
Discount rate(s)	6.20%	7.85%	7.80%
Expected rate(s) of salary increase	5.00%	5.00%	5.00%
Rate of return on plan assets	NA	NA	NA
Employee turnover rate	55.00%	15.00%	15.00%

Amounts recognised in statement of profit and loss in respect of this defined benefit plan are as follows.	31-Mar-17	31-Mar-16
Current service cost	0.49	0.51
Net interest expense	0.11	0.12
Components of defined benefit costs recognised in the Statement of profit and loss	**0.60**	**0.63**
Service cost recognised in employee benefits expense in Note 21	0.49	0.51
Net interest expense recognised in finance costs in Note 22	0.11	0.12
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in financial assumptions	(0.43)	(0.00)
Actuarial (gains) / losses arising from experience adjustments	(0.05)	(0.76)
Remeasurement on the net defined benefit liability recognised in other comprehensive income	**(0.48)**	**(0.76)**

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:	31-Mar-17	31-Mar-16	01-Apr-15
Present value of funded defined benefit obligation	1.44	1.47	1.60
Fair value of plan assets	-	-	-
Net liability arising from defined benefit obligation	**1.44**	**1.47**	**1.60**

Movements in the present value of the defined benefit obligation are as follows.	31-Mar-17	31-Mar-16
Opening defined benefit obligation	1.47	1.60
Current service cost	0.49	0.51
Interest cost	0.11	0.12
Actuarial gains and losses arising from changes in financial assumptions	(0.43)	-
Actuarial gains and losses arising from experience adjustments	(0.05)	(0.76)
Benefits paid	(0.15)	-
Closing defined benefit obligation	**1.44**	**1.47**

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

If discount rate increases (decreases) by 1%, the defined benefit obligation would decrease by Rs.0.02 million (increase by Rs 0.02 million) as at March 31, 2017

If salary growth rate increases (decreases) by 1%, the defined benefit obligation would increase by Rs 0.03 million (decrease by Rs 0.03 million) as at March 31, 2017

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

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32 Financial instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2017, March 31, 2016 and April 1, 2015 is as follows:

Particulars	Carrying value as at			Fair value as at		
	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15
Financial assets						
Amortised cost						
Loans	0.23	0.19	0.07	0.23	0.19	0.07
Trade receivables	15.33	15.56	21.23	15.33	15.56	21.23
Cash and cash equivalents	38.78	9.81	2.32	38.78	9.81	2.32
Other financial assets	60.46	47.95	28.37	60.46	47.95	28.37
Total assets	**114.80**	**73.51**	**51.99**	**114.80**	**73.51**	**51.99**
Financial liabilities						
Amortised cost						
Loans and borrowings	537.41	334.54	220.34	537.41	334.54	220.34
Trade payables	139.09	96.80	87.83	139.09	96.80	87.83
Other financial liabilities	14.56	15.00	12.28	14.56	15.00	12.28
Total liabilities	**691.06**	**446.34**	**320.45**	**691.06**	**446.34**	**320.45**

The management assessed that fair value of cash and cash equivalents, trade receivables, unbilled revenue, loans and trade payables, approximate their carrying amounts largely due to the short-term maturities of these instruments. Difference between carrying amounts and fair values of bank deposits, other financial assets, borrowings and other financial liabilities subsequently measured at amortised cost is not significant in each of the years presented.

33 Financial risk management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and price risks which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The focus of risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to the credit risk from its trade receivables, unbilled revenue, investments, cash and cash equivalents, bank deposit and other financial assets. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

a) Trade and other receivables

Trade receivables comprise a widespread customer base. Management evaluate credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set for patients without medical aid insurance. Services to customers without medical aid insurance are settled in cash or using major credit cards on discharge date as far as possible. Credit Guarantees insurance is not purchased. The receivables are mainly unsecured, the Company does not hold any collateral or a guarantee as security. The provision details of the trade receivable is provided in Note 10 of the financial statements.

For trade receivables, provision is provided by the Company as per the below mentioned policy:

Particulars	As at		
	31-Mar-17	31-Mar-16	01-Apr-15
Self paid/private patients- amount due for			
< 2 months	2%	2%	2%
>2months	100%	100%	100%
Government			
0 - 6 months	9%	9%	9%
6 months - 1 year	17%	17%	17%
1 - 2 year	36%	36%	36%
2 - 3 year	57%	57%	57%
3 years and above	100%	100%	100%
TPAs (Third party Administrator)			
0 - 6 months	7%	7%	7%
6 months - 1 year	17%	17%	17%
More than 1 year	100%	100%	100%

The Company's exposure to customers is diversified. No single customer contributes to more than 10% of the outstanding receivable and unbilled revenue as of March 31, 2017, March 31, 2016 and April 1, 2015.

Geographic concentration of credit risk: The Company has a geographic concentration of trade receivables and unbilled revenue in India.

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b) Investments and cash deposits

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non- performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Company has unutilized credit limits with banks.

The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The working capital position of the Company is given below:

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
Cash and cash equivalents	38.78	9.81	2.32
Total	**38.78**	**9.81**	**2.32**

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2017, March 31, 2016 and April 1, 2015:

Particulars	As at March 31, 2017				
	Less than 1 year	1-2 years	2-3 years	3-4 years	5 years and
Borrowings	72.31	118.81	62.26	30.35	253.68
Trade payables	139.09	-	-	-	-
Other financial liabilities	14.56	-	-	-	-
	225.96	**118.81**	**62.26**	**30.35**	**253.68**
Particulars	**As at March 31, 2016**				
	Less than 1 year	1-2 years	2-3 years	3-4 years	5 years and
Borrowings	38.78	3.76	14.60	29.20	248.20
Trade payables	96.80	-	-	-	-
Other financial liabilities	15.00	-	-	-	-
	150.58	**3.76**	**14.60**	**29.20**	**248.20**
Particulars	**As at April 1, 2015**				
	Less than 1 year	1-2 years	2-3 years	3-4 years	5 years and
Borrowings	85.76	48.44	32.34	37.20	16.60
Trade payables	87.83	-	-	-	-
Other financial liabilities	12.28	-	-	-	-
	185.87	**48.44**	**32.34**	**37.20**	**16.60**

Foreign currency risk

The Company's exchange risk arises mainly from its foreign currency borrowings. As a result, depreciation of Indian rupee relative to these foreign currencies will have a significant impact on the financial performance of the Company. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company has a foreign currency advisory committee which meets on a periodic basis to formulate the strategy for foreign currency risk management.

The following table presents unhedged foreign currency risk from financial instruments as of March 31, 2017, March 31, 2016 and April 1, 2015.

As at March 31, 2017	
Particulars	**Rs in million**
Assets	
Cash and cash equivalents	5.97
Liabilities	
Borrowings	233.91
Net assets/(liabilities)	**(227.94)**

As at March 31, 2016	
Particulars	**Rs in million**
Assets	
Cash and cash equivalents	5.31
Liabilities	
Borrowings	20.48
Net assets/(liabilities)	**(15.17)**

As at April 1, 2015	
Particulars	
Assets	-
Liabilities	
Borrowings	33.60
Net assets/(liabilities)	**(33.60)**

For the year ended March 31, 2017, every 1% increase/decrease of the respective foreign currencies compared to functional currency of the Company would impact operating margins by 0.27%/(0.27)%. For the year ended March 31, 2016, the impact on operating margins would be 0.01% /(0.01)%.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates and investments. Such risks are overseen by the Company's corporate treasury department as well as senior management.

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HCG Medi-Surge Hospitals Private Limited
Notes to the financial statements
(Amounts in Rs. Million unless otherwise stated)

35. Related Party Disclosures
Details of related parties:

Description of relationship	Names of related parties
Holding company	- Healthcare Global Enterprise Limited
Enterprises having significant influence	- HCG Foundation - Aastha Oncology Pvt Ltd
Key Management Personnel (KMP)	**Non-executive directors** - Kaustubhbhai Dhirajlal Patel - Ramesh Shankarappashetty - B.S Ajaikumar - Rajendra Bhagwandas Toprani - Vijay Govinda Devanhalli

A Details of related party transactions during the period:

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Purchase of pharmacy products and consumables		
- Healthcare Global Enterprises Limited	118.53	113.25
Expense from Medical services		
- Aastha Oncology Pvt Ltd	154.32	127.24
Diagnostic charges		
- Healthcare Global Enterprises Limited	19.09	1.35
Income from medical services		
- HCG Foundation	1.64	0.62
Interest expense on loan		
- Healthcare Global Enterprises Limited	1.31	3.29
Loans and advances received		
- Healthcare Global Enterprises Limited	24.27	60.56
Repayment of loan		
- Healthcare Global Enterprises Limited	12.77	20.09

B Details of related party balances outstanding as at:

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 31-Mar-15
Trade receivables			
- HCG Foundation	0.53	0.37	-
Interest Payable on loan			
- Healthcare Global Enterprises Limited	6.83	11.92	9.27
Loans			
- Healthcare Global Enterprises Limited	6.31	19.08	39.17
Trade Payables			
- Healthcare Global Enterprises Limited	64.78	33.27	39.50

DELOITTE HASKINS & SELLS
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BANGALORE

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INDEPENDENT AUDITOR'S REPORT
To The Members of HCG Medi-Surge Hospitals Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **HCG Medi-Surge Hospitals Private Limited** ("the Company"), which comprise the Balance Sheet as at 31 March, 2017, and 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 (hereinafter referred to as "the financial statements").

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act, the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards and the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report to the extent applicable that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on 31 March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   (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 Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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iv. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the order" or "CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firms' Registration No. 008072S)

V.Balaji
Partner
(Membership No. 203685)

BENGALURU, May 22, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **HCG Medi-Surge Hospitals Private Limited** ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

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of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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 Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firms' Registration No. 008072S)

V. B.

V.Balaji
Partner
(Membership No. 203685)

BENGALURU, May 22, 2017

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) **(a)** The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a programme of verification of fixed assets to cover all items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the Management. According to the information and explanation given to us, no material discrepancies were noted on such verification.

(c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

(vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

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(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2017 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Rs. in Million
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax Appeal	AY 2007-08	1.09
Gujarat VAT Act	Value Added Tax	Commissioner of commercial Tax	FY 2011-12	15.69
Customs Act	Customs	Appeal Yet to be filed with CESTAT	FY 2011-12	4.49

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not issued any debentures and did not have any borrowings from government.

(ix) The Company has not raised moneys by way of initial public offer/ further public offer (including debt instruments) and the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) The company is a private company and hence the provisions of section 197 of the Companies Act, 2013 do not apply to the Company.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company has disclosed the details of related party transactions in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

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(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

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

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firms' Registration No. 008072S)

V.Balaji
Partner
(Membership No. 203685)

BENGALURU, May 22, 2017

HCG Medi-Surge Hospitals Private Limited

Rs. in Million

Balance Sheet as at	Note No	31-Mar-17	31-Mar-16	01-Apr-15
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	5	641.10	293.68	317.16
(b) Capital work-in-progress	5	57.81	147.66	0.01
(c) Financial Assets				
(i) Other financial assets	7	40.72	32.28	14.15
(d) Deferred tax assets (Net)	25.2	12.54	15.16	0.09
(e) Income tax assets (Net)	25.3	-	7.28	11.71
(f) Other non-current assets	8	14.95	-	-
Total Non - Current Assets		**767.12**	**496.06**	**343.12**
Current assets				
(a) Inventories	9	17.76	10.16	7.15
(b) Financial assets				
(i) Trade receivables	10	15.33	15.56	21.23
(ii) Cash and cash equivalents	11	38.78	9.81	2.32
(iii) Loans	6	0.23	0.19	0.07
(iv) Other financial assets	7	19.74	15.67	14.22
(c) Other current assets	8	22.70	21.34	4.79
Total current assets		**114.54**	**72.73**	**49.78**
Total assets		**881.66**	**568.79**	**392.90**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	12	55.69	55.69	55.69
(b) Other equity	13	92.95	45.55	(6.63)
Equity attributable to owners of the Company		**148.64**	**101.24**	**49.06**
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	14	465.10	295.76	134.58
(b) Provisions	16	0.72	1.34	1.42
Total Non - Current Liabilities		**465.82**	**297.10**	**136.00**
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	14	-	22.06	39.18
(ii) Trade payables	17	139.09	96.80	87.83
(iii) Other financial liabilities	15	86.87	31.72	58.86
(b) Provisions	16	1.31	0.56	0.53
(c) Current Tax Liabilities (Net)	25.4	10.41	-	-
(d) Other current liabilities	18	29.52	19.31	21.44
Total Current Liabilities		**267.20**	**170.45**	**207.84**
Total Liabilities		**733.02**	**467.55**	**343.84**
Total Equity and Liabilities		**881.66**	**568.79**	**392.90**

See accompanying notes to the financial statements

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

V. Balaji
Partner

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

Place : Bengaluru
Date : 22-5-2017

For and on behalf of the Board of Directors

Dr. B S Ajaikumar
Director

Dr. Ramesh B.S.
Director

Deepak Mohan
Company Secretary

Place : Bengaluru
Date : 22-5-2017

HCG Medi-Surge Hospitals Private Limited

Rs. in Million

	Statement of Profit and Loss for the years ended	Note No.	31-Mar-17	31-Mar-16
I	Revenue from Operations	19	826.56	667.89
II	Other Income	20	12.69	2.54
III	**Total Income (I+II)**		**839.25**	**670.43**
IV	**Expenses**			
	Purchases of Stock-in-trade		151.79	138.88
	Changes in inventory of stock-in-trade		(7.60)	(3.01)
	Employee benefit expense	21	85.48	69.96
	Finance costs	22	39.81	23.78
	Depreciation and amortisation expense	23	58.35	38.53
	Other expenses	24	449.06	356.62
	Total expenses (IV)		**776.89**	**624.76**
V	**Profit before tax (III-IV)**		**62.36**	**45.67**
VI	**Tax expense**			
	(1) Current tax	25.1	12.82	9.32
	(2) Deferred tax	25.1	2.45	(15.32)
			15.27	**(6.00)**
VII	**Profit for the year (V-VI)**		**47.09**	**51.67**
VIII	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit liabilities / (asset)	31.2	0.48	0.76
	(b) Income tax on the above		(0.17)	(0.25)
			0.31	**0.51**
IX	**Total comprehensive income for the year (VII+VIII)**		**47.40**	**52.18**
	Earnings per equity share:			
	Basic (in Rs.) (Face value of Rs 10 each)	28.1	8.46	9.28
	Diluted (in Rs.) (Face value of Rs 10 each)	28.2	8.46	9.28

See accompanying notes to the financial statements

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

V. Balaji
Partner

DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS
BANGALORE

Place : Bengaluru
Date : 22-5-2017

For and on behalf of the Board of Directors

Dr. B S Ajaikumar
Director

Dr. Ramesh B.S.
Director

Deepak Mohan
Company Secretary

Place : Bengaluru
Date : 22-5-2017

HCG Medi-Surge Hospitals Private Limited

Cash Flow Statement for the years ended	31-Mar-17	Rs. in Million 31-Mar-16
Cash flows from operating activities		
Profit before tax for the year	62.36	45.67
Adjustments for:		
Finance costs	36.48	22.40
Investment income	(3.04)	(0.77)
Depreciation and amortisation of non-current assets	58.35	38.53
Provision for bad and doubtful debts	-	0.14
Loss on disposal of property, plant and equipment	-	0.06
Movements in working capital:		
(Increase)/decrease in trade receivables	0.23	5.53
(Increase)/decrease in inventories	(7.60)	(3.01)
(Increase)/decrease in other assets	(11.95)	(9.92)
Increase/(decrease) in trade and other payables	42.34	9.48
Increase/(decrease) in provisions	0.44	(0.05)
Increase/(decrease) in other liabilities	10.21	(2.13)
Cash generated from operations	**187.82**	**105.93**
Income taxes paid (net of refunds)	4.99	(4.64)
Net cash generated by operating activities	**192.81**	**101.29**
Cash flows from investing activities		
Interest received	2.03	0.41
Payments for property, plant and equipment	(320.25)	(171.48)
Payments to acquire financial assets	(1.50)	(4.78)
Deposit made towards Margin money	(5.78)	(12.99)
Net cash (used in)/generated by investing activities	**(325.50)**	**(188.84)**
Cash flows from financing activities		
Proceeds from borrowings	250.11	292.00
Repayment of borrowings	(44.26)	(180.78)
Interest paid	(41.21)	(19.16)
Net cash (used in) / generated by financing activities	**164.64**	**92.06**
Net increase in cash and cash equivalents	**31.95**	**4.51**
Cash and cash equivalents at the beginning of the year	6.83	2.32
Cash and cash equivalents at the end of the year	**38.78**	**6.83**

See accompanying notes to the financial statements

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

V. Ni

V. Balaji
Partner

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

Place : Bangaluru
Date : 22-5-2017

For and on behalf of the Board of Directors

Dr. B S Ajaikumar
Director

Dr. Ramesh B.S.
Director

Deepak

Deepak Mohan
Company Secretary

Place: Bangaluru
Date : 22-5-2017

HCG Medi-Surge Hospitals Private Limited

Statement of Changes in Equity for the years ended March 31, 2017 and 2016

a. Equity share capital

	Rs. in Million
Balance at April 1, 2015	55.69
Changes in equity share capital during the year	-
Balance at March 31, 2016	55.69
Changes in equity share capital during the year	-
Balance at March 31, 2017	**55.69**

b. Other Equity

Rs. in Million

	Reserves and Surplus	Items of other comprehensive income	
	Retained earnings	Remeasurements of the defined benefit liabilities / (asset)	Total other equity
Balance at April 1, 2015	(6.63)	-	(6.63)
Profit for the year	51.67	-	51.67
Other comprehensive income for the year, net of income tax	-	0.51	0.51
Total comprehensive income for the year	**51.67**	**0.51**	**52.18**
Balance as at March 31, 2016	**45.04**	**0.51**	**45.55**
Profit for the year	47.09	-	**47.09**
Other comprehensive income for the year, net of income tax	-	0.31	**0.31**
Total comprehensive income for the year	**47.09**	**0.31**	**47.40**
Balance as at March 31, 2017	**92.13**	**0.82**	**92.95**

See accompanying notes to the financial statements

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

V. Balaji
Partner

DELOITTE HASKINS & SELLS * BANGALORE * CHARTERED ACCOUNTANTS

Place : Bengaluru
Date : 22-5-2017

For and on behalf of the Board of Directors

Dr. B S Ajaikumar
Director

Dr. Ramesh B.S.
Director

Deepak Mohan
Company Secretary

Place : Bengaluru
Date : 22-5-2017

1 General Information

HCG Medi-Surge Hospitals Private Limited ('the Company') is a hospital offering specialized services in cancer treatment. The registered office of the company is situated at #1, Maharashtra Society, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad - 380006.

2 Significant accounting policies

2.1 *Statement of compliance*

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable. For periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with the then applicable Accounting Standards in India ('previous GAAP'). These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015. Refer Note 3 for the explanations of transition to Ind AS including the details of first-time adoption exemptions availed by the Company.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

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

Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Use of estimates and judgement

In the application of the Company's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2.3.1 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a) Revenue Recognition

Revenue from fees charged for inpatient and outpatient hospital/clincial services rendered to insured and corporate patients are subject to approvals for the insurance companies and corporates. Accordingly, the company estimates the amounts likely to be disallowed by such companies based on past trends.

Estimations based on past trends are also required in determining the value of consideration from customers to be allocated to award credits for customers.

b) Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods.

c) Employee Benefits

The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

d) Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made, Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance sheet date. These are reviewed at each Balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised or disclosed in the financial statements.

DELOITTE HASKINS & SELLS * BANGALORE * CHARTERED ACCOUNTANTS

2.4 Revenue recognition

2.4.1 Rendering of services

Healthcare Services

Revenue primarily comprises fees charged for inpatient and outpatient hospital services. Services include charges for accommodation, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used in treatments given to Patients. Revenue is recorded and recognised during the period in which the hospital service is provided, based upon the estimated amounts due from patients and/or medical funding entities. Unbilled revenue is recorded for the service where the patients are not discharged and invoice is not raised for the service.

The service revenues are presented net of related doctor fees and diagnostic charges in cases where the company is not the primary obligor and does not have the pricing latitude.

Other Services

Income from Clinical Trials on behalf of Pharmaceutical Companies is recognized on completion of the service, based on the terms and conditions specified to each contract.

Other services fee is recognized on basis of the services rendered and as per the terms of the agreement.

2.4.2 Sale of Goods

Pharmacy Sales are recognised when the significant risks and rewards of ownership is transferred to the customer. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is reduced for rebates and loyalty points granted upon purchase and are stated net of returns and discounts wherever applicable.

2.4.3 Dividend and interest income

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5 Leases

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

2.6 Foreign currencies

The functional currency of the Company is the Indian Rupee (Rs.)

In preparing the financial statements of each individual Company entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

• exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

• exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

• exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements of the Company for the period immediately before the beginning of the first Ind AS financial reporting period (prior to April 1, 2016), as per the previous GAAP, pursuant to the Company's choice of availing the exemption as permitted by Ind AS 101.

2.7 Borrowings and Borrowing costs

Borrowing costs include:

(i) interest expense calculated using the effective interest rate method,

(ii) finance charges in respect of finance leases, and

(iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

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2.8 Employee benefits

2.8.1 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

2.8.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries and compensated absences in the period the related service is rendered.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.8.3 Contributions from employees or third parties to defined benefit plans

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan.
When the formal terms of the plans specify that there will be contributions from employees or third parties, the accounting depends on whether the contributions are linked to service, as follows:
- If the contributions are not linked to services (e.g. contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they are reflected in the remeasurement of the net defined benefit liability (asset).
- If contributions are linked to services, they reduce service costs. For the amount of contribution that is dependent on the number of years of service, the Company reduces service cost by attributing the contributions to periods of service using the attribution method required by Ind AS 19.70 for the gross benefits. For the amount of contribution that is independent of the number of years of service, the Company reduces service cost in the period in which the related service is rendered / reduces service cost by attributing contributions to the employees' periods of service in accordance with Ind AS 19.70.

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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2.9.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.10 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Fixtures, plant and medical equipment are stated at cost less accumulated depreciation and accumulated impairment losses. All repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Estimated useful lives of the assets are as follows:

Buildings (Leasehold) and other leasehold improvements	Lease term or useful life whichever is lower
Plant and Equipment	10-15 years
Data processing equipment	3-6 years
Medical and Laboratory equipment	10 years
Furniture and fixtures	10 years
Vehicles	8 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

For transition to Ind AS, the Company has elected to adopt the carrying value of all of its property, plant and equipment recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.12 Inventories

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location, after adjusting for VAT wherever applicable applying FIFO method.

Imported inventories are accounted for at the applicable exchange rates prevailing on the date of transaction.

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2.13 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

2.14 Financial instruments

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consists of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount ouststanding

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit or loss

Financial liablilites

Financial liablities are measured at amortised cost using the effective interest rate method

2.15 Impairment

(i) Financial assets (other than at fair value)

The Company assesses at each date of balance sheet, whether a financial asset or a Company of financial assets is imapried. Ind AS 109 requires expected credit losses to be measured though a loss aloowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitue a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

(ii) Non-financial assets

Property, Plant and equipment with finite life are evaluated for recoverablilty whenever there is an indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to it's recoverable amount. An impairment loss is recognised in the statement of profit and loss.

3 Explanation of transition to Ind AS

3.1 The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain mandatory exceptions under Ind AS 101 and certain optional exemptions permitted under Ind AS 101 availed by the Company as detailed below.

a) Past business combinations

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2015.

b) Deemed cost for property, plant and equipment

The Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

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c) Exchange difference on long-term foreign currency monetary items:
The Company has elected to continue its accounting policy as per the previous GAAP in respect of exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period.

As per the previos GAAP, the exchange differences arising on settlement / restatement of long-term foreign currency monetary items relating to acquisition of depreciable fixed assets are capitalised as part of the fixed assets and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss. The unamortised exchange difference is carried in the equity as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.

4 The reconciliations between previous GAAP and Ind AS, and explanations for the significant differences on account of transition to Ind AS are explained below:

(i) Equity reconciliation

Rs. in Million

Particulars	As at 31-Mar-16	As at 01-Apr-15
Total equity under Previous GAAP attributable to:	**101.40**	**49.25**
Ind AS adjustments:		
Effect of amortised cost of security deposit	(0.23)	(0.28)
Deferred tax adjustments on the above (Net)	0.07	0.09
Total equity under Ind AS attributable to:	**101.24**	**49.06**

(ii) Total comprehensive income reconciliation

Rs. in Million

Particulars	Year ended 31-Mar-16
Net profit under Previous GAAP	**52.15**
Ind AS adjustments:	
Actuarial gains/ losses	(0.76)
Effect of amortised cost of security deposit	0.05
Deferred tax adjustments on the above (Net)	0.23
Net profit / (loss) under Ind AS	**51.66**
Other comprehensive income under Ind AS	
Actuarial gains/ losses	0.76
Deferred tax adjustments on the above (Net)	(0.25)
Total comprehensive income / (loss) under Ind AS	**52.18**

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

	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
Carrying amounts of:			
Leasehold Improvements	63.79	43.83	55.11
Plant and equipment - Freehold	228.06	38.06	42.32
Medical & Lab equipment	322.81	190.73	195.58
Furniture and Fixtures	21.65	16.92	19.24
Data processing equipment	3.15	2.72	3.27
Vehicles	1.64	1.42	1.64
	641.10	**293.68**	**317.16**
Capital work-in-progress	57.81	147.66	0.01
	698.91	**441.34**	**317.17**

Description of Assets	Leasehold Improvements	Plant and equipment - Freehold	Medical & Lab equipment	Furniture and Fixtures	Data processing equipment	Vehicles	Tangible Total
I. Cost							
Balance as at April 1, 2015	55.11	42.32	195.58	19.24	3.27	1.64	317.16
Additions	0.01	0.69	11.86	0.81	0.66	-	14.03
Disposals	-	(0.02)	(0.07)	(0.14)	-	-	(0.23)
Effect of foreign currency exchange differences	-	-	1.11	-	-	-	1.11
Balance as at 31 March, 2016	**55.12**	**42.99**	**208.48**	**19.91**	**3.93**	**1.64**	**332.07**
Additions	35.04	218.92	140.18	9.20	1.82	0.52	405.68
Exchange Fluctuation	-	-	0.09	-	-	-	0.09
Balance as at 31 March, 2017	**90.16**	**261.91**	**348.75**	**29.11**	**5.75**	**2.16**	**737.84**
II. Accumulated depreciation							
Eliminated on disposal of assets	-	(0.01)	(0.02)	(0.11)	-	-	(0.14)
Depreciation expense	11.29	4.94	17.77	3.10	1.21	0.22	38.53
Balance as at 31 March, 2016	**11.29**	**4.93**	**17.75**	**2.99**	**1.21**	**0.22**	**38.39**
Depreciation expense	15.08	28.92	8.19	4.47	1.39	0.30	58.35
Balance as at 31 March, 2017	**26.37**	**33.85**	**25.94**	**7.46**	**2.60**	**0.52**	**96.74**
Net Block as at 31 March, 2016	**43.83**	**38.06**	**190.73**	**16.92**	**2.72**	**1.42**	**293.68**
Net Block as at 31 March, 2017	**63.79**	**228.06**	**322.81**	**21.65**	**3.15**	**1.64**	**641.10**

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6 Loans

	31-Mar-17 Non Current	31-Mar-17 Current	31-Mar-16 Non Current	31-Mar-16 Current	01-Apr-15 Non Current	01-Apr-15 Current
a) Loans and advances (unsecured) to employees						
Considered good	-	0.23	-	0.19	-	0.07
Total	-	0.23	-	0.19	-	0.07

7 Other Financial Assets

	31-Mar-17 Non Current	31-Mar-17 Current	31-Mar-16 Non Current	31-Mar-16 Current	01-Apr-15 Non Current	01-Apr-15 Current
Security deposits	17.67	0.31	16.27	0.21	11.49	0.21
Unbilled revenue	-	19.43	-	15.21	-	13.76
Term deposit more than 12 months maturity	21.14	-	15.11	0.25	2.12	0.25
Interest accrued on deposits	1.91	-	0.90	-	0.54	-
	40.72	19.74	32.28	15.67	14.15	14.22

8 Other Assets

	31-Mar-17 Non Current	31-Mar-17 Current	31-Mar-16 Non Current	31-Mar-16 Current	01-Apr-15 Non Current	01-Apr-15 Current
Capital Advances	-	17.26	-	8.64	-	0.44
Prepaid expenses	14.95	3.77	-	11.76	-	3.47
Advance to vendors	-	1.67	-	0.94	-	0.88
	14.95	22.70	-	21.34	-	4.79

9 Inventories

	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
a) Inventories (lower of cost and net realisable value)			
Medicines	17.76	10.16	7.15
	17.76	10.16	7.15

10 Trade receivables

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Trade receivables (unsecured) consist of following			
a) considered good	15.33	15.56	21.23
b) considered doubtful	5.13	5.13	4.99
Allowance for doubtful debts (expected credit loss allowance)	(5.13)	(5.13)	(4.99)
	15.33	15.56	21.23

The company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Movement in the expected credit loss allowance

	Year ended 31-Mar-17	Year ended 31-Mar-16
Balance at beginning of the year	5.13	4.99
Additional provision during the year	-	0.14
Written-off during the year		
Balance at end of the year	5.13	5.13

11 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Balances with Banks			
In current accounts	23.61	2.23	0.54
In EEFC accounts	5.97	5.31	-
Cheques, drafts on hand	2.78	0.59	0.43
Cash on hand	6.42	1.68	1.35
Cash and cash equivalents as per balance sheet	38.78	9.81	2.32
Bank overdrafts(Refer note 14(i))	-	(2.98)	-
Cash and cash equivalents as per statement of cash flows	38.78	6.83	2.32

Pursuant to the MCA notification G.S.R. 308(E) dated March 30, 2017, the details of Specified Bank Notes (SBN)* held and transacted during the period from November 8, 2016 to December 30, 2016 are provided in the table below:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	2.48	0.01	2.49
(+) Permitted receipts	0.39	20.71	21.10
(-) Permitted payments	-	(0.12)	(0.12)
(-) Amount deposited in Banks	(2.87)	(19.16)	(22.03)
Closing cash in hand as on December 30, 2016	-	**1.44**	**1.44**

* The term 'Specified Bank Notes' have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the November 8, 2016

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12 Equity Share Capital

Equity share capital	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Authorised Share capital :			
10,000,000 fully paid equity shares of Rs.10 each	100.00	100.00	100.00
Issued and subscribed capital comprises:			
5,568,704 fully paid equity shares of Rs.10 each (as at March 31, 2016: 5,568,704; as at April 1, 2015: 5,568,704)	55.69	55.69	55.69

12.1 Fully paid equity shares

	Number of shares	Share capital (Amount)
Balance at April 1, 2015	5,568,704	55.69
Balance at March 31, 2016	5,568,704	55.69
Balance at March 31, 2017	**5,568,704**	**55.69**

Details of shares held by each shareholder holding more than 5% shares

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
Fully paid equity shares	Number of Shares held	% holding of equity shares	Number of Shares held	% holding of equity shares	Number of Shares held	% holding of equity shares
HealthCare Global Enterprises Limited	4,120,807	74.00%	4.12	74.00%	4.12	74.00%
Asthta Oncology Private Limited	1,447,897	26.00%	1.45	26.00%	1.45	26.00%

Fully paid equity shares, which have a par value of Rs.10, carry one vote per share and carry a right to dividends. The Company has only one class of equity share having a par value of Rs.10/- each. Holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. However, as on date no such preferential amount exists. The distribution will be in proportion to number of equity shares held by the shareholders.

13 Other equity

	Note	As at 31-Mar-17	As at 31-Mar-16	As at 31-Mar-15
Retained earnings	13.1	92.13	45.04	(6.63)
Remeasurements of the defined benefit liabilities/ (assets)	13.2	0.82	0.51	-
		92.95	**45.55**	**(6.63)**

13.1 Retained earnings

	Year ended 31-Mar-17	Year ended 31-Mar-16
Balance at beginning of year	45.04	(6.63)
Profit attributable to the owners of the company	47.09	51.67
Balance at end of year	**92.13**	**45.04**

13.2 Remeasurements of the defined benefit liabilities/ (assets)

Balance at beginning of year	0.51	-
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	0.31	0.51
Balance at end of year	**0.82**	**0.51**

14 Borrowings

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
Secured - at amortised cost						
(i) Term loans - From banks	303.50	-	292.00	-	116.76	-
(ii) Loans repayable on demand from banks	-		-	2.98	-	
Unsecured - at amortised cost						
(i) Deferred payment liabilities	161.60		3.76		17.82	-
(ii) Loans and advance from related parties (Refer note 35)	-		-	19.08		39.18
Total	**465.10**	**-**	**295.76**	**22.06**	**134.58**	**39.18**

14.1 Summary of borrowing arrangements

14.1.1 (i) The details of security and terms of repayment of term loans and other loans are stated below.

Terms of repayment and security	31-Mar-17 Rs.	31-Mar-16 Rs.	31-Mar-15 Rs.
Term loans from banks - Secured			
Non-current portion	303.50	292.00	116.76
Amounts included under current maturities of long-term debt	-	-	30.80
- Security: Hypothecation of medical equipments and other fixed assets purchased out of bank finance and collateral security of equitable mortgage over immovable property. Further, corporate guarantee is given by Healthcare Global Enterprises Limited, the holding company of the entity.			
- Rate of interest: bank's base rate + 0.75% to 1% p.a.			
- Repayable in installments over a period of 4 to 10 years after 1 to 3 year moratorium from the date of borrowing.			
Repayment shedule will be 5% in 4th year, 10% 5&6 Year,15% in 7th Year & 20% will be payble in 8,9&10 year			

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	31-Mar-17	31-Mar-16	31-Mar-15
Deferred payment liabilities - Unsecured			
Non-current portion	161.60	3.76	17.82
Amounts included under current maturities of long-term debt	72.31	16.72	15.78
Repayment Term - Interest free loan repayable in next 3 years			
- Repayment in installments over a period of 1 to 3 years			
Total	**537.41**	**312.48**	**181.16**
Non-current portion	**465.10**	**295.76**	**134.58**
Amounts included under Current maturities of long-term debt	**72.31**	**16.72**	**46.58**

14.1.2 Details of security and terms of repayment for the short-term borrowings:

Terms of repayment and security	31-Mar-17	31-Mar-16	31-Mar-15
Secured loans repayable on demand from banks - Secured by first pari-passu charge on entire current assets (both present and future), second pari-passu charge over entire fixed assets (borh present and future other than exclusively charged) of the Company	-	2.98	

14.1.3 Details of terms of repayment for loans from related parties:

Terms of repayment and security	31-Mar-17	31-Mar-16	31-Mar-15
Loans and advances from related parties - Unsecured Repayable as and when funds are available. Interest at the rate of 12% p.a.	-	19.08	39.18

15 Other financial liabilities

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
(a) Current maturities of long-term debt (Refer note 14.1.1 above)	-	-	-	-	-	30.80
(b) Current maturities of deferred payment obligations (Refer note 14.1.2 above)	-	72.31	-	16.72	-	15.78
(c) Interest accrued but not due on borrowings and Finance Lease obligation	-	2.60	-	2.23	-	1.65
(d) Interest payable to holding company (Refer note 35)	-	6.83		11.93		9.27
(e) Payables on purchase of fixed assets	-	5.13	-	0.84	-	1.36
Total	**-**	**86.87**	**-**	**31.72**	**-**	**58.86**

16 Provisions

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
Employee benefits -						
Gratuity expense (Refer note 31.2)	0.72	0.72	1.34	0.13	1.42	0.18
Compensated absences	-	0.59	-	0.43	-	0.35
Total	**0.72**	**1.31**	**1.34**	**0.56**	**1.42**	**0.53**

17 Trade Payables

	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
Trade payables	139.09	96.80	87.83
Total	**139.09**	**96.80**	**87.83**

18 Other Liabilities

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
(a) Advance from Customers	-	19.75	-	14.91	-	17.97
(b) Others - Statutory remittances	-	9.77	-	4.40	-	3.47
Total	**-**	**29.52**	**-**	**19.31**	**-**	**21.44**

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19 Revenue from Operations

	Year ended March 31, 2017	Year ended March 31, 2016
(a) Income from medical services	640.05	506.47
(b) Income from pharmacy	182.37	157.81
(c) Other operating revenues	4.14	3.61
	826.56	**667.89**

20 Other Income

	Year ended March 31, 2017	Year ended March 31, 2016
(a) Interest income	3.04	0.77
(b) Net foreign exchange gain	8.93	0.01
(c) Miscellaneous income	0.72	1.76
	12.69	**2.54**
Interest income comprise:		
Interest on Bank deposits	1.32	0.56
Other financial assets carried at amortised cost	1.72	0.21
	3.04	**0.77**

21 Employee benefits expense

	Year ended March 31, 2017	Year ended March 31, 2016
Salaries and wages	81.19	66.13
Contribution to provident and other funds (Refer note 31.1)	2.87	2.83
Gratuity Expenses (Refer note 31.2)	0.49	0.51
Staff welfare expenses	0.93	0.49
	85.48	**69.96**

22 Finance costs

	Year ended March 31, 2017	Year ended March 31, 2016
(a) Interest costs		
Interest on bank overdrafts and loans	35.06	18.99
Interest on defined benefit obligations (Refer note 31.2)	0.11	0.12
Interest on loans from related parties	1.31	3.29
(b) Other borrowing cost		
Bank charges	3.33	1.38
	39.81	**23.78**

23 Depreciation and amortisation expense

	Year ended March 31, 2017	Year ended March 31, 2016
Depreciation of property, plant and equipment	58.35	38.53
	58.35	**38.53**

24 Other expenses

	Year ended March 31, 2017	Year ended March 31, 2016
Medical consultancy charges	288.45	231.26
Lab charges	25.20	14.17
Power and fuel	13.72	14.71
House Keeping Expenses	14.50	10.79
Rent (Refer note 30.1)	41.82	36.13
Repairs to Buildings	2.04	1.66
Repairs to Machinery	18.69	13.30
Office Maintenance & Others	4.12	3.11
Insurance	0.62	0.93
Rates and Taxes, excluding taxes on income	3.00	3.06
Printing & Stationery	4.21	2.00
Advertisement, Publicity & Marketing	14.66	12.29
Travelling & Conveyance	2.01	0.93
Legal & Professional Fees	5.57	3.65
Audit Fee (Refer note 24.1)	0.63	1.68
Telephone Expenses	0.96	0.62
Provision for doubtful debts	-	0.14
Loss on disposal of property, plant and equipment	-	0.06
Miscellaneous expenses	8.86	6.13
	449.06	**356.62**

24.1 Payments to auditors

a) For audit of financials statements	0.55	0.62
b) For other expenses (including service tax)	0.08	1.06
	0.63	**1.68**

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25 Income tax expense

25.1 Income tax recognised in the Statement of profit and loss

Current income tax:		
In respect of the current year	12.82	9.32
Deferred tax		
In respect of the current year	2.45	(15.32)
Total income tax expense recognised in the Statement of profit and loss	**15.27**	**(6.00)**

The reconciliation between the income tax expense of the company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

Profit before tax for the year	**62.36**	**45.67**
Enacted income tax rate in India	33.06%	33.06%
Computed expected tax expense	20.62	15.10
Effect of:		
Adjustments recognised in respect of brought forward tax losses	(5.35)	(21.10)
	15.27	**(6.00)**

25.2 Deferred tax balances

	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
Deferred Tax Assets	12.54	15.16	0.09
Deferred Tax Liabilities	-	-	-
Total	**12.54**	**15.16**	**0.09**

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2017 are as follows:

Deferred tax assets / (liabilities) in relation to	Opening Balance	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	Closing Balance
Property, plant and equipment	(16.44)	(23.64)	-	(40.08)
Financial assets at amortised cost	0.08	(0.03)	-	0.05
MAT credit entitlement	9.31	12.82	-	22.13
Provision for doubtful debts	1.70	-	-	1.70
Defined benefit obligation	3.39	(2.34)	(0.17)	0.88
Tax losses	17.12	6.51	-	23.63
Others	-	4.23	-	4.23
	15.16	**(2.45)**	**(0.17)**	**12.54**

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2016 are as follows:

Deferred tax assets / (liabilities) in relation to	Opening Balance	Recognised in Profit or Loss	Recognised in other comprehensive income	Closing Balance
Property, plant and equipment	(21.89)	5.45	-	(16.44)
Financial assets at amortised cost	0.10	(0.02)	-	0.08
MAT credit entitlement	-	9.31	-	9.31
Provision for doubtful debts	1.70	-	-	1.70
Defined benefit obligation	0.92	2.72	(0.25)	3.39
Tax losses	19.26	(2.14)	-	17.12
	0.09	**15.32**	**(0.25)**	**15.16**

25.3 Income tax assets (net)

	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
Advance tax (net of provision for income tax)	-	7.28	11.71
	-	**7.28**	**11.71**

25.4 Current tax liabilities (net)

	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
Provision for income tax (net of Advance tax)	10.41	-	-
	10.41	**-**	**-**

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26 Contingent liabilities

	31-Mar-17	31-Mar-16	01-Apr-15
Disputed income tax matters	1.09	1.09	-

27 Commitments

	31-Mar-17	31-Mar-16	01-Apr-15
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	7.14	0.97	2.47

28 Earnings per Share

28.1 Basic earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.

Profit for the year attributable to owners of the Company	47.09	51.67
The earnings used in the calculation of basic earnings per share	47.09	51.67
Weighted average number of equity shares for the purposes of basic earnings per share	5,568,704	5,568,704
Basic earnings per share for the year (amount in Rs.)	**8.46**	**9.28**

28.2 Diluted earnings per share

The earnings used in the calculation of diluted earnings per share are as follows.

Earnings used in the calculation of basic earnings per share	47.09	51.67
Earnings used in the calculation of diluted earnings per share	47.09	51.67
Weighted average number of equity shares used in the calculation of diluted earnings per share	5,568,704	5,568,704
Diluted earnings per share for the year (amount in Rs.)	**8.46**	**9.28**

29 Segment information

The company is mainly engaged in the business of setting up and managing hospitals and medical diagnostic services which constitute a single business segment. These activities are mainly conducted only in one geographical segment viz, India. Therefore, the disclosure requirements under the Ind AS 108 "Operating Segments" are not applicable.

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30 Leasing arrangements: The Company being a lessee

30.1 Operating lease arrangements

The Company has entered into operating lease arrangements for certain facilities and office premises. The leases are non-cancellable and are for a period of 5 to 30 years and may be renewed for a further period, based on mutual agreement of the parties.

Payments recognised as an expense in note 24

Particulars	**Year ended 31-Mar-17**	**Year ended 31-Mar-16**
Minimum lease payments	41.82	36.13
	41.82	36.13

Non-cancellable operating lease commitments

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Not later than 1 year	41.81	37.97	28.97
Later than 1 year and not later than 5 years	101.30	133.28	158.62
Later than 5 years	33.17	471.01	59.74
	176.28	642.26	247.33

31 Employee benefit plans

31.1 Defined contribution plans

The Company has defined contribution plan in form of Provident Fund and Pension Scheme for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The total expense recognised in the Statement of profit and loss in respect of such schemes are given below:

Particulars	**Year ended 31-Mar-17**	**Year ended 31-Mar-16**
Contribution to Provident Fund and Pension Scheme, included under contribution to provident and other funds.	2.87	2.83
	2.87	2.83

31.2 Defined benefit plans

The company offers gratuity plan for its qualified employees which is payable as per the requirements of Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

The principal assumptions used for the purposes of the actuarial valuations were as follows.

	Valuation as at		
	31-Mar-17	31-Mar-16	01-Apr-15
Discount rate(s)	6.20%	7.85%	7.80%
Expected rate(s) of salary increase	5.00%	5.00%	5.00%
Rate of return on plan assets	NA	NA	NA
Employee turnover rate	55.00%	15.00%	15.00%

Amounts recognised in statement of profit and loss in respect of this defined benefit plan are as follows.

	31-Mar-17	31-Mar-16
Current service cost	0.49	0.51
Net interest expense	0.11	0.12
Components of defined benefit costs recognised in the Statement of profit and loss	0.60	0.63
Service cost recognised in employee benefits expense in Note 21	0.49	0.51
Net interest expense recognised in finance costs in Note 22	0.11	0.12
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in financial assumptions	(0.43)	(0.00)
Actuarial (gains) / losses arising from experience adjustments	(0.05)	(0.76)
Remeasurement on the net defined benefit liability recognised in other comprehensive income	(0.48)	(0.76)

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

	31-Mar-17	31-Mar-16	01-Apr-15
Present value of funded defined benefit obligation	1.44	1.47	1.60
Fair value of plan assets	-	-	-
Net liability arising from defined benefit obligation	1.44	1.47	1.60

Movements in the present value of the defined benefit obligation are as follows.

	31-Mar-17	31-Mar-16
Opening defined benefit obligation	1.47	1.60
Current service cost	0.49	0.51
Interest cost	0.11	0.12
Actuarial gains and losses arising from changes in financial assumptions	(0.43)	-
Actuarial gains and losses arising from experience adjustments	(0.05)	(0.76)
Benefits paid	(0.15)	-
Closing defined benefit obligation	1.44	1.47

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:
If discount rate increases (decreases) by 1%, the defined benefit obligation would decrease by Rs.0.02 million (increase by Rs 0.02 million) as at March 31, 2017
If salary growth rate increases (decreases) by 1%, the defined benefit obligation would increase by Rs 0.03 million (decrease by Rs 0.03 million) as at March 31, 2017
The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

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32 Financial instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2017, March 31, 2016 and April 1, 2015 is as follows:

Particulars	Carrying value as at			Fair value as at		
	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15
Financial assets						
Amortised cost						
Loans	0.23	0.19	0.07	0.23	0.19	0.07
Trade receivables	15.33	15.56	21.23	15.33	15.56	21.23
Cash and cash equivalents	38.78	9.81	2.32	38.78	9.81	2.32
Other financial assets	60.46	47.95	28.37	60.46	47.95	28.37
Total assets	**114.80**	**73.51**	**51.99**	**114.80**	**73.51**	**51.99**
Financial liabilities						
Amortised cost						
Loans and borrowings	537.41	334.54	220.34	537.41	334.54	220.34
Trade payables	139.09	96.80	87.83	139.09	96.80	87.83
Other financial liabilities	14.56	15.00	12.28	14.56	15.00	12.28
Total liabilities	**691.06**	**446.34**	**320.45**	**691.06**	**446.34**	**320.45**

The management assessed that fair value of cash and cash equivalents, trade receivables, unbilled revenue, loans and trade payables, approximate their carrying amounts largely due to the short-term maturities of these instruments. Difference between carrying amounts and fair values of bank deposits, other financial assets, borrowings and other financial liabilities subsequently measured at amortised cost is not significant in each of the years presented.

33 Financial risk management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and price risks which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The focus of risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to the credit risk from its trade receivables, unbilled revenue, investments, cash and cash equivalents, bank deposit and other financial assets. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

a) Trade and other receivables

Trade receivables comprise a widespread customer base. Management evaluate credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set for patients without medical aid insurance. Services to customers without medical aid insurance are settled in cash or using major credit cards on discharge date as far as possible. Credit Guarantees insurance is not purchased. The receivables are mainly unsecured, the Company does not hold any collateral or a guarantee as security. The provision details of the trade receivable is provided in Note 10 of the financial statements.

For trade receivables, provision is provided by the Company as per the below mentioned policy:

Particulars	As at		
	31-Mar-17	31-Mar-16	01-Apr-15
Self paid/private patients- amount due for			
< 2 months	2%	2%	2%
>2months	100%	100%	100%
Government			
0 - 6 months	9%	9%	9%
6 months - 1 year	17%	17%	17%
1 - 2 year	36%	36%	36%
2 - 3 year	57%	57%	57%
3 years and above	100%	100%	100%
TPAs (Third party Administrator)			
0 - 6 months	7%	7%	7%
6 months - 1 year	17%	17%	17%
More than 1 year	100%	100%	100%

The Company's exposure to customers is diversified. No single customer contributes to more than 10% of the outstanding receivable and unbilled revenue as of March 31, 2017, March 31, 2016 and April 1, 2015.

Geographic concentration of credit risk: The Company has a geographic concentration of trade receivables and unbilled revenue in India.

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b) Investments and cash deposits

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non- performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Company has unutilized credit limits with banks.

The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The working capital position of the Company is given below:

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
Cash and cash equivalents	38.78	9.81	2.32
Total	**38.78**	**9.81**	**2.32**

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2017, March 31, 2016 and April 1, 2015:

Particulars	**As at March 31, 2017**				
	Less than 1 year	**1-2 years**	**2-3 years**	**3-4 years**	**5 years and**
Borrowings	72.31	118.81	62.26	30 35	253.68
Trade payables	139.09	-	-	-	-
Other financial liabilities	14.56	-	-	-	-
	225.96	**118.81**	**62.26**	**30.35**	**253.68**
Particulars	**As at March 31, 2016**				
	Less than 1 year	**1-2 years**	**2-3 years**	**3-4 years**	**5 years and**
Borrowings	38.78	3.76	14.60	29.20	248.20
Trade payables	96.80	-	-	-	-
Other financial liabilities	15.00	-	-	-	-
	150.58	**3.76**	**14.60**	**29.20**	**248.20**
Particulars	**As at April 1, 2015**				
	Less than 1 year	**1-2 years**	**2-3 years**	**3-4 years**	**5 years and**
Borrowings	85.76	48.44	32.34	37.20	16.60
Trade payables	87.83	-	-	-	-
Other financial liabilities	12.28	-	-	-	-
	185.87	**48.44**	**32.34**	**37.20**	**16.60**

Foreign currency risk

The Company's exchange risk arises mainly from its foreign currency borrowings. As a result, depreciation of Indian rupee relative to these foreign currencies will have a significant impact on the financial performance of the Company. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company has a foreign currency advisory committee which meets on a periodic basis to formulate the strategy for foreign currency risk management.

The following table presents unhedged foreign currency risk from financial instruments as of March 31, 2017, March 31, 2016 and April 1, 2015.

As at March 31, 2017

Particulars	**Rs in million**
Assets	
Cash and cash equivalents	5.97
Liabilities	
Borrowings	233.91
Net assets/(liabilities)	**(227.94)**

As at March 31, 2016

Particulars	**Rs in million**
Assets	
Cash and cash equivalents	5.31
Liabilities	
Borrowings	20.48
Net assets/(liabilities)	**(15.17)**

As at April 1, 2015

Particulars	
Assets	-
Liabilities	
Borrowings	33.60
Net assets/(liabilities)	**(33.60)**

For the year ended March 31, 2017, every 1% increase/decrease of the respective foreign currencies compared to functional currency of the Company would impact operating margins by 0.27%/(0.27)%. For the year ended March 31, 2016, the impact on operating margins would be 0.01% /(0.01)%.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates and investments. Such risks are overseen by the Company's corporate treasury department as well as senior management.

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35. Related Party Disclosures
Details of related parties:

Description of relationship	Names of related parties
Holding company	- Healthcare Global Enterprise Limited
Enterprises having significant influence	- HCG Foundation - Aastha Oncology Pvt Ltd
Key Management Personnel (KMP)	**Non-executive directors** - Kaustubhbhai Dhirajlal Patel - Ramesh Shankarappashetty - B.S Ajaikumar - Rajendra Bhagwandas Toprani - Vijay Govinda Devanhalli

A Details of related party transactions during the period:

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Purchase of pharmacy products and consumables		
- Healthcare Global Enterprises Limited	118.53	113.25
Expense from Medical services		
- Aastha Oncology Pvt Ltd	154.32	127.24
Diagnostic charges		
- Healthcare Global Enterprises Limited	19.09	1.35
Income from medical services		
- HCG Foundation	1.64	0.62
Interest expense on loan		
- Healthcare Global Enterprises Limited	1.31	3.29
Loans and advances received		
- Healthcare Global Enterprises Limited	24.27	60.56
Repayment of loan		
- Healthcare Global Enterprises Limited	12.77	20.09

B Details of related party balances outstanding as at:

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 31-Mar-15
Trade receivables			
- HCG Foundation	0.53	0.37	-
Interest Payable on loan			
- Healthcare Global Enterprises Limited	6.83	11.92	9.27
Loans			
- Healthcare Global Enterprises Limited	6.31	19.08	39.17
Trade Payables			
- Healthcare Global Enterprises Limited	64.78	33.27	39.50

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