INDEPENDENT AUDITORS' REPORT

To the Members of HealthCare Global Senthil Multi-Specialty Hospitals Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HealthCare Global Senthil Multi-Specialty Hospitals Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2019, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

   (A) As required by Section 143(3) of the Act, we report that:

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

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

   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

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

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

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

Report on Other Legal and Regulatory Requirements (continued)

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its financial statements - Refer Note 14 to the financial statements.

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

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

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us and based on examination of the records of the Company, the Company has not paid any managerial remuneration during the current year and hence reporting under Section 197(16) is not applicable. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

Amit Somani
Partner
Membership No. 060154
UDIN No: 1906015AAAAAS2078

Place: Bengaluru
Date: 8 August 2019

HealthCare Global Senthil Multi-Specialty Hospitals Private Limited

Annexure- A to the Independent Auditor's Report

The Annexure referred to in paragraph 1 in 'Report on Other Legal and Regulatory Requirements' of the Independent Auditor's Report to the members of HealthCare Global Senthil Multi-Specialty Hospitals Private Limited ("the Company") on the Financial Statements for the year ended 31 March 2019. We report that:

(i) The Company does not have any fixed assets. Accordingly, paragraph 3(i) of the Order is not applicable to the Company.

(ii) The Company does not have any inventory. Accordingly, paragraph 3(ii) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act"). Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us, there are no loans, investments, guarantees and security given in respect of which provisions of section 185 and 186 of the Act are applicable. Accordingly, the provisions of clause 3(iv) of the Order are not applicable to the Company.

(v) The Company has not accepted any deposits from the public within the meaning the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.

(vi) The Central Government has not prescribed the maintenance of cost records under Section 148 of the Act for any of the products manufactured/services rendered by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employee's state insurance, Income tax, Goods and Service tax, sales-tax, service tax, duty of customs, duty of excise and value added tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Service tax, Income-tax, Sales-tax, service tax, duty of customs, duty of excise, value added tax and any other material statutory dues were in arrears, as at 31 March 2019, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income Tax or sales Tax or service Tax or duty of customs or duty of excise or value added tax which have not been deposited by the Company on account of disputes, except for the following:

Name of the Statute	*Nature of the Dues*	*Amount (Rs.in millions)*	*Period to which the amount relates*	*Forum where dispute is pending*
Finance act, 1995	Service Tax	3.38 (0.34)*	AY 2009-13	Customs, Excise and Service Tax Appellate Tribunal
The Income Tax Act, 1961	Income Tax	6.85	AY 2011-12	Commissioner of Income Tax, Appeals

*(Represents the amount paid under protest)

(viii) According to the information and explanations given to us, the Company did not have any outstanding loans or borrowings from any financial institution or bank or government or dues to debenture holders during the year.

(ix) According to the information and explanations given to us and based on examination of the records of the Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans during the year.

(x) According to the information and explanations given to us, no material fraud on the Company by its officers and employees or fraud by the Company has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on examination of the records
of the Company, the Company has not paid/provided managerial remuneration during the year. Accordingly, the provisions of Section 197 read with Schedule V to the Act are not applicable to the Company.

(xii) According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, there were no transactions with the related parties during the year. Hence, the provisions of Section 177 and Sections 188 are not applicable to the Company.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

Senthil Multi-Specialty Hospitals Private Limited

Annexure A to the Independent Auditor’s report (continued)

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **B S R & Co. LLP**
Chartered Accountants
Firm’s registration number: 101248W/W-100022

Amit Somani
Partner
Membership No. 060154
UDIN No: 1906015AAAAAS2078

Place: Bengaluru
Date: 8 August 2019

Annexure B to the Independent Auditors' report on the financial statements of HealthCare Global Senthil Multi-Specialty Hospitals Private Limited for the year ended 31 March 2019

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of HealthCare Global Senthil Multi-Specialty Hospitals Private Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Annexure - B to the Independent Auditor's Report (continued)

Auditors' Responsibility (continued)

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

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

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

Amit Somani
Partner
Membership No. 060154
UDIN No: 1906015AAAAAS2078

Place: Bengaluru
Date: 8 August 2019

HealthCare Global Senthil Multi-Specialty Hospitals Private Limited

(Rs. in million)

Balance Sheet as at	**Note No**	**31 March 2019**	**31 March 2018**
ASSETS			
Non-current assets			
(a) Income tax assets (net)	4	0.61	0.61
(b) Other non-current assets	5	0.34	0.34
Total non current assets		**0.95**	**0.95**
Current assets			
(a) Financial assets			
(i) Trade receivables	6	-	-
(ii) Cash and cash equivalents	7	0.09	0.09
Total current assets		**0.09**	**0.09**
TOTAL ASSETS		**1.04**	**1.04**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	8	9.30	9.30
(b) Other equity	9	(38.73)	(38.66)
Total equity		**(29.43)**	**(29.36)**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	10	29.01	29.01
Total non current liabilities		**29.01**	**29.01**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	11		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		0.37	0.30
(b) Other current liabilities	12	1.09	1.09
Total current liabilities		**1.46**	**1.39**
Total liabilities		**30.47**	**30.40**
TOTAL EQUITY AND LIABILITIES		**1.04**	**1.04**
Significant accounting policies	2		

The accompanying notes are on integral part of these financial statements

As per our reports of even date attached

***for* B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W -100022

***for* and on behalf of the Board of Directors of**
HealthCare Global Senthil Multi-Specialty Hospitals Private Limited

Amit Somani
Partner
Membership number: 060154

Place : Bangalore
Date : 08 August 2019

Anant S Kittur
Director
DIN: 07215374

Place : Bangalore
Date : 08 August 2019

Dr. Ramesh B.S.
Director
DIN: 00518434

Place : Bangalore
Date : 08 August 2019

HealthCare Global Senthil Multi-Specialty Hospitals Private Limited

(Rs. in million)

Statement of Profit and Loss for the years ended		**Note No.**	**31 March 2019**	**31 March 2018**
I	**Total income (I)**		-	-
II	**Expenses**			
	Other expenses	13	0.07	0.06
	Total expenses (II)		**0.07**	**0.06**
III	**Loss before tax (I- II)**		**(0.07)**	**(0.06)**
IV	**Tax expense**		**-**	**-**
V	**Loss for the year (III-IV)**		**(0.07)**	**(0.06)**
VI	**Other comprehensive income**		-	-
VII	**Total comprehensive loss for the year (V+VI)**		**(0.07)**	**(0.06)**
	Loss per equity share (nominal value of share Rs.100)			
	Basic and diluted (in Rs.)	15	(0.75)	(0.65)
	Significant accounting policies	2		

The accompanying notes are on integral part of these financial statements

As per our reports of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W -100022

for **and on behalf of the Board of Directors of**
HealthCare Global Senthil Multi-Specialty Hospitals Private Limited

Amit Somani
Partner
Membership number: 060154

Place : Bangalore
Date : 08 August 2019

Anant S Kittur
Director
DIN: 07215374

Place : Bangalore
Date : 08 August 2019

Dr. Ramesh B.S.
Director
DIN: 00518434

Place : Bangalore
Date : 08 August 2019

HealthCare Global Senthil Multi-Specialty Hospitals Private Limited

(Rs. in million)

Cash flow statement for the years ended	**Note No**	**31 March 2019**	**31 March 2018**
Cash flow from operating activities			
Loss before tax for the year		(0.07)	(0.06)
Working capital adjustments:			
Changes in trade and other payables		0.07	(1.77)
Cash used in operating activities		**-**	**(1.83)**
Income taxes refund received		-	-
Net cash used in operating activities (A)		**-**	**(1.83)**
Net cash used in investing activities (B)		**-**	**-**
Cash flows from financing activities $			
Proceeds from borrowings		-	1.83
Net cash provided by financing activities (C)		**-**	**1.83**
Net increase in cash and cash equivalents (A+B+C)		**-**	**-**
Cash and cash equivalents at the beginning of the year	7	0.09	0.09
Total cash and cash equivalents at the end of the year	7	**0.09**	**0.09**

$ Reconciliation of movements of liabilities to cash flows arising from financing activities as an extraction of cash flow as at 31 March 2019

Particulars	Borrowings	Total
Debt as at 1 April 2018	29.01	29.01
Debt as at 31 March 2019	29.01	29.01

$ Reconciliation of movements of liabilities to cash flows arising from financing activities as an extraction of cash flow as at 31 March 2018

Particulars	Borrowings	Total
Debt as at 1 April 2017	27.18	27.18
Cash flows including interest	1.83	1.83
Debt as at 31 March 2018	29.01	29.01

Significant accounting policies 2

The accompanying notes are on integral part of these financial statements

As per our reports of even date attached

***for* B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W -100022

***for* and on behalf of the Board of Directors of**
HealthCare Global Senthil Multi-Specialty Hospitals Private Limited

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Director
DIN: 00518434

Place : Bangalore
Date : 08 August 2019

HealthCare Global Senthil Multi-Specialty Hospitals Private Limited
Statement of changes in equity for the years ended 31 March 2019 and 31 March 2018

(Rs. in million)

a. Equity share capital

	Numbers	Amount
Balance as at 01 April 2017	92,980	9.30
Changes in equity share capital during the year	-	-
Balance as at 31 March 2018	92,980	9.30
Changes in equity share capital during the year	-	-
Balance as at 31 March 2019	**92,980**	**9.30**

b. Other equity

	Reserves and surplus	
Particulars	**Retained earnings**	**Total**
Balance as at 01 April 2017	(38.60)	**(38.60)**
Loss for the year	(0.06)	**(0.06)**
Other comprehensive income for the year, net of income tax	-	-
Balance as at 31 March 2018	**(38.66)**	**(38.66)**
Loss for the year	(0.07)	**(0.07)**
Other comprehensive income for the year, net of income tax	-	-
Balance at 31 March 2019	**(38.73)**	**(38.73)**

Retained earnings

Retained earnings represent the amount of accumulated losses of the Company.

Significant accounting policies 2

The accompanying notes are on integral part of these financial statements

As per our reports of even date attached

***for* B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W -100022

***for* and on behalf of the Board of Directors of**
HealthCare Global Senthil Multi-Specialty Hospitals Private Limited

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Place : Bangalore
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Place : Bangalore
Date : 08 August 2019

Dr. Ramesh B.S.
Director
DIN: 00518434

Place : Bangalore
Date : 08 August 2019

1 General Information

Healthcare Global Senthil Multi-Specialty Hospitals Private Limited ('the Company') is engaged in setting up and managing hospitals and medical diagnostic services. The Company has its registered office and principal place of business at 536, Perundurai Road, Erode 638 011, Tamil Nadu, India.

2 Significant accounting policies

2.1 Basis of preparation of the financial statements

a) *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.

b) *Functional and presentaion currency*

These financial statements are presented in Indian Rupees (Rs), which is also the Company's functional currency. All amounts are in Indian Rupees million except share data and per share data, unless otherwise stated.

c) Going concern

The Company has incurred loss during the years ended 31 March 2019 and negative networth as at 31 March 2019. However, these financial statements have been prepared on a going concern basis based on management intention of future operations and the letter of support received from the HealthCare Global Enterprises Limited (the Holding Company).

d) Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement
Certain financial assets and liabilities	Fair value

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.

e) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

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.
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.

Assumptions and estimate uncertainities

Information about assumptions and estimation uncertainities that have significant risk of resulting in a material adjustments for the year ended 31 March 2019 is included in contingent liabilities and capital commitments in respect of key assumptions about the likelihood and magnitude of an outflow of resources.

f) Measurement of fair values

The Company’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurement, including level 3 fair values, and reports directly to the chief financial officer.
Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.
The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3 Summary of significant accounting policies

a) 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).

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provisions for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

b) Financial instruments

a. Recognition and initial measurement

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.
A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost or FVTPL. Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

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

Financial assets are initially measured at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

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

c. Derecognition

Financial assets

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

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

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

d. Offsetting

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

c) Impairment

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

The Company assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured though a loss allowance. For 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 life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

d) Loss per share

Basic loss per share are computed by dividing loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The company does not have any dilutive potential equity shares.

e) Contingent liabilities

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

Contingent liabilities and commitments are reviewed by the management at each balance sheet date.

f) Cash flow statement

Cash flows are reported using the indirect method, whereby net loss before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

g) Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprises cash in hand and in banks, which are considered part of the cash management system.

(Rs. in million)

4 Income tax assets (net)

	As at 31 March 2019		As at 31 March 2018	
	Non Current	**Current**	**Non current**	**Current**
Advance tax (net of provision for tax)	0.61	-	0.61	-
	0.61	**-**	**0.61**	**-**

5 Other assets (unsecured)

	As at 31 March 2019		As at 31 March 2018	
	Non Current	**Current**	**Non Current**	**Current**
Balances with government authorities	0.34	-	0.34	-
Advance to vendors (considered doubtful)	-	1.01	-	1.01
Less : Allowance for bad and doubtful advances	-	(1.01)	-	(1.01)
	0.34	-	0.34	-

6 Trade receivables (unsecured)

	As at 31 March 2019	**As at 31 March 2018**
a) Considered good	-	-
b) Considered doubtful	2.17	2.17
	2.17	2.17
Less : Allowance for bad and doubtful debts	(2.17)	(2.17)
	-	-

7 Cash and cash equivalents

	As at 31 March 2019	**As at 31 March 2018**
Balance with banks		
- Current accounts	0.09	0.09
	0.09	**0.09**

(Rs. in million)

8 Equity share capital

	As at 31 March 2019	As at 31 March 2018
Authorised share capital :		
125,000 equity shares of Rs.100 each	12.50	12.50
Issued, subscribed and paid up		
92,980 fully paid equity shares of Rs 100 each (as at 31 March 2018: 92,980 fully paid equity shares of Rs 100 each)	9.30	9.30

8.1 Reconciliation of equity shares outstanding at the beginning at end of the year

	Number of shares	Amount
At the beginning of the year 01 April 2017	92,980	9.30
Issued during the year	-	-
At the end of the year 31 March 2018	92,980	9.30
Issued during the year	-	-
At the end of the year 31 March 2019	**92,980**	**9.30**

8.2 Rights, preference and restrictions attached to equity shares

Fully paid equity shares, which have a par value of Rs.100, 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.100 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.

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

	As at 31 March 2019		As at 31 March 2018	
	Number of Shares held	% holding of equity shares	Number of Shares held	% holding of equity shares
Fully paid equity shares				
HealthCare Global Enterprises Limited	92,980	100%	92,980	100%

8.4 There has been no buyback of shares, issue of shares by way of bonus shares or issue of shares pursuant to contract without payment being received in cash for the period of five years immediately preceding the date of balance sheet.

9 Other equity

Retained earnings

	As at 31 March 2019	As at 31 March 2018
Balance at beginning of year	(38.66)	(38.60)
Loss for the year	(0.07)	(0.06)
Balance at end of year	**(38.73)**	**(38.66)**

10 Borrowings (unsecured)

	As at 31 March 2019		As at 31 March 2018	
	Non Current	Current	Non Current	Current
Loan from holding company (refer note 17)	29.01	-	29.01	-
	29.01	**-**	**29.01**	**-**

The above loan from holding company is repayable as and when the internal funds from operation supports the repayment or a suitable alternative third party funding is available. This loan is interest free.

11 Trade payables

	As at 31 March 2019	As at 31 March 2018
Total outstanding dues of micro enterprises and small enterprises (refer note 18)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises*	0.37	0.30
	0.37	**0.30**

* For details relating to payable to related parties, please refer note 17

All trade payables are 'current.'

12 Other liabilities

	As at 31 March 2019		As at 31 March 2018	
	Non Current	Current	Non Current	Current
Statutory dues	-	1.09	-	1.09
	-	**1.09**	**-**	**1.09**

(Rs. in million)

13 Other expenses

	As at 31 March 2019	As at 31 March 2018
Legal and professional fees	0.01	-
Payments to auditors (Refer note 13.1)	0.06	0.06
	0.07	**0.06**

13.1 Payments to auditors

	As at 31 March 2019	As at 31 March 2018
As an auditor (excluding taxes)		
Audit fee	0.06	0.06
	0.06	**0.06**

14 Contingent liabilities

	As at 31 March 2019	As at 31 March 2018
Tax matters in dispute		
Service tax matter (refer note 1)	3.38	3.38
Income tax matter (refer note 2)	6.85	6.85
	10.23	**10.23**

1. Service tax department has conducted internal audit on the HCG Senthil hospital for the period 2008-09 to 2012-13 and noted that during the period from July 2010 to April 2011, medical services provided to TPA are chargeable to service tax for which service tax is short paid to the tune of Rs. 2.09 million and on business auxiliary services Rs. 1.29 million and accordingly passed the order in original by Joint Commissioner, Salem raising a tax demand amounting Rs. 3.38 million. The Company has filed appeal before CESTAT by paying tax Rs. 0.34 million.

2. During the course of scrutiny assessment for the AY 2011-12 conducted in the year 2016, the Assessing Officer (AO') has disallowed various claims made by the Company in its income tax return which is resulting in assessed income of Rs. 27.79 million and raised the income tax demand of Rs. 12.56 million. Based on the appeal filed by the Company against this demand, the CIT(A) order has been passed by granting partial relief to the Company and a demand of Rs. 6.85 million has been sustained. Subsequently, the appeal by AO was disposed off by ITAT vide Order dated 24 August 2017, wherein matter was remanded back to CIT(A) to pass a speaking order. The Company believe that there is no amount payable against this order and is expecting the favourable order from CIT (A). The Company does not expect any adverse effect on the financial statements.

15 Loss per share

The calculations of loss attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic loss and diluted loss per share calculations are as follows:

(Rs. in million)

	For the year ending 31 March 2019	For the year ending 31 March 2018
a. Loss for the period attributable to equity holders	(0.07)	(0.06)
b. Weighted average number of equity shares for the year	**92,980**	**92,980**
c. Nominal value of shares (in Rs.)	100	100
d. Loss per equity share Rs. per share (a/b)	(0.75)	(0.65)

16 Since the Company has not commenced any business operations hence disclosure relating to Segment information, Financial risk management and Capital management has not disclosed in the financial statements.

(Rs. in million)

17 Related party disclosures

A. Details of related parties:

Description of relationship	**Names of related parties**
Holding Company	HealthCare Global Enterprises Limited
Key management personnel (KMP)	**Non-executive directors**
	Dr. Ramesh B.S
	Anant S Kittur

B Details of related party transactions during the year:

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Borrowings taken/(repaid)		
- HealthCare Global Enterprises Limited	-	1.83

C Details of related party balances outstanding:

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Loans		
- HealthCare Global Enterprises Limited	29.01	29.01
Trade payables		
- HealthCare Global Enterprises Limited	0.13	0.13

18 Due to Micro, Small and Medium Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2019 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The Company has not received any claim for interest from any supplier.

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
-Principal	-	-
-Interest	-	-
The amount of interest paid by the buyer as per the MSMED Act	-	-
The amount of payments made to micro and small suppliers beyond the appointed day during the accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act	-	-

19 Disclosure on Specified Bank Notes

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these standalone financial statements since the requirement does not pertain to financial year ended 31 March 2019 and 31 March 2018.

20 Deferred taxation

The Company has a deferred tax asset position as at 31 March 2019 and 31 March 2018. No deferred tax asset is recognized as there is no reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realised by the Company.

As per our reports of even date attached
***for* B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W -100022

***for* and on behalf of the Board of Directors of**
HealthCare Global Senthil Multi-Specialty Hospitals Private Limited

Amit Somani
Partner
Membership number: 060154

Place : Bangalore
Date : 08 August 2019

Anant S Kittur
Director
DIN: 07215374

Place :Bangalore
Date : 08 August 2019

Dr. Ramesh B.S.
Director
DIN: 00518434

Place :Bangalore
Date : 08 August 2019