INDEPENDENT AUDITOR'S REPORT

To the Members of Malnad Hospital & Institute of Oncology Private Limited

Report on the Audit of the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Malnad Hospital & Institute of Oncology Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information (herein after referred as 'Ind AS financial statements').

Management's Responsibility for the Ind AS 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 Ind AS 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) 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on 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 and the Rules made thereunder.

We conducted our audit of the Ind AS 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 Ind AS financial statements are free from material misstatement.

Independent Auditor’s Report (continued)

Auditor’s Responsibility (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS financial statements.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the 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 2018, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Other Matters

Corresponding figures for the year ended 31 March 2017 of the Ind AS financial statements of the Company have been audited by predecessor auditor who expressed an unmodified opinion dated 23 May 2017.

Our opinion on the Ind AS financial statements is not modified in respect of the above matter.

Independent Auditor's Report (continued)

Report on Other Legal and Regulatory Requirements

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

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

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

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

   c) The Balance Sheet, the Statement of Profit and Loss, 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 Ind AS 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 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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".

Independent Auditor’s Report (continued)

Report on Other Legal and Regulatory Requirements (continued)

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

i. The Company does not have any pending litigations which would impact its financial position.

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 Ind AS 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 since they do not pertain to the financial year ended 31 March 2018. However, amounts as appearing in the audited Ind AS financial statements for the period ended 31 March 2017 have been disclosed.

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

Amit Somani
Partner
Membership No. 060154

Place: Bengaluru
Date: 8 August 2018

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 Malnad Hospital & Institute of Oncology Private Limited ("the Company") on the Ind AS financial statements for the year ended 31 March 2018, we report that:

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

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of the assets. Pursuant to the programme, entire fixed assets were verified during the current year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no immovable properties are held in the name of the Company. Accordingly, paragraph 3(i)(c) of the Order is not applicable to the Company.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and no material discrepancies were noticed on such 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 ('the Act'). Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

(iv) The Company has not made any loans and investments or given guarantee and security. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.

(v) According to information and explanations given to us, the Company has not accepted any deposits. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) According to the information and explanation given to us, as per Companies (Cost records and Audit) rules, 2014, the Central Government has not prescribed the maintenance of cost records under Sub-section (1) of section 148 of the Act, for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to 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, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including employee provident fund, employees' state insurance, income tax, service tax, duty of customs, value added tax, cess, goods and service tax and other material statutory dues have generally been regularly deposited during the year with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of employee provident fund, income tax, service tax, duty of customs, value added tax, cess and goods and service tax other material statutory dues were in arrears as at 31 March 2018 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, service tax, goods and service tax, value added tax and duty of customs which have not been deposited with the appropriate authorities on account of any dispute.

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

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

(ix) According to the information and explanations given to us, the Company did not raise money during the year by way of initial public offer or further public offer (including debt instruments) and by way of term loan. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

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

(xi) According to the information and explanations given to us, the Company is a private limited Company and accordingly the provisions of Section 197 read with Schedule V to the Act are not applicable to the Company.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards. The Company is a Private Company, thus Section 177 of the Act is not applicable.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

(xv) According to 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

Place: Bengaluru
Date: 8 August 2018

Annexure - B to the Independent Auditor's Report

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 with reference to Ind AS financial statements of Malnad Hospital & Institute of Oncology Private Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the Ind AS 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 ("Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of 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 Act.

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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 judgment, including the assessment of the risks of material misstatement of the Ind AS 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.

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control 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 control with reference to financial statements includes those policies and procedures that:

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to Ind AS financial statements and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Amit Somani
Partner
Membership No. 060154

Place: Bengaluru
Date: 8 August 2018

Malnad Hospital & Institute of Oncology Private Limited

Balance Sheet as at	Note No.	31 March 2018	31 March 2017
			(Rs in Million)
Assets			
Non-current assets			
Property, plant and equipment	3	7.62	8.63
Other intangible assets	4	0.20	0.10
Financial assets			
Loans	10	3.65	3.65
Other financial assets	5	2.88	2.68
Deferred tax assets (net)	6	2.92	3.09
Income tax assets (net)	6.1	6.16	0.19
(f) Other non-current assets	11	0.05	-
Total non - current assets		**23.47**	**18.34**
Current assets			
Inventories	7	0.72	0.98
Financial assets			
Trade receivables	8	11.55	30.05
Cash and cash equivalents	9	2.82	3.01
Loans	10	0.12	0.24
Other financial assets	5	2.68	-
Other current assets	11	0.18	0.18
Total current assets		**18.07**	**34.46**
Total assets		**41.54**	**52.80**
Equity and liabilities			
Equity			
Equity share capital	12	9.50	9.50
Other equity	13	1.17	0.01
Total equity		**10.67**	**9.51**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14	0.92	1.80
Provisions	15	1.60	1.36
Other non-current liabilities	18	0.41	-
Total non-current liabilities		**2.93**	**3.16**
Current liabilities			
Financial liabilities			
Trade payables	16	8.17	12.70
Other financial liabilities	17	17.28	23.97
Provisions	15	0.68	0.05
Other current liabilities	18	1.81	3.41
Total current liabilities		**27.94**	**40.13**
Total liabilities		**30.87**	**43.29**
Total equity and liabilities		**41.54**	**52.80**

Significant accounting policies 2

The accompanying notes are an integral part of these Ind AS Financial Statements

As per our report 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
Malnad Hospital & Institute of Oncology Private Limited

Amit Somani
Partner
Membership Number: 060154

Place : Bengaluru
Date : 8 August 2018

Dr. Mallesh Hullamani
Director
DIN : 00532530

Place : Bengaluru
Date : 8 August 2018

Dr.T Narendra Bhat
Director
DIN : 00532432

Place : Bengaluru
Date : 8 August 2018

Malnad Hospital & Institute of Oncology Private Limited

Statement of Profit and Loss for the years ended	Note No.	31 March 2018	(Rs in Million) 31 March 2017
Revenue from operations	19	39.44	46.69
Other income	20	-	0.04
Total income		**39.44**	**46.73**
Expenses			
Purchases of medical and non-medical items		10.52	12.92
Changes in inventories	21	0.26	(0.02)
Employee benefits expense	22	12.17	10.30
Finance costs	23	0.45	0.43
Depreciation and amortisation expense	24	1.34	1.72
Other expenses	25	14.35	17.13
Total expenses		**39.09**	**42.48**
Profit before tax		**0.35**	**4.25**
Tax expense			
Current tax	26.1		1.41
- for current year		-	-
- Change in estimate of previous year		(1.07)	-
Deferred tax	26.1	0.20	(0.06)
		(0.87)	**1.35**
Profit for the year		**1.22**	**2.90**
Other comprehensive income / expense			
tems that will not be reclassified subsequently to profit or loss			
(a) Remeasurements of defined benefit plans	31.2	(0.09)	0.04
(b) Income tax effect		0.03	(0.01)
Other comprehensive income/ (expense) for the year, net of income tax		**(0.06)**	**0.03**
Total comprehensive income for the year		**1.16**	**2.93**
Earnings per equity share (nominal value of share Rs. 100)			
Basic and diluted (in Rs.)	27	12.85	30.54
Significant accounting policies	2		

The accompanying notes are an integral part of these Ind AS Financial Statements

As per our report 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
Malnad Hospital & Institute of Oncology Private Limited

Amit Somani
Partner
Membership Number: 060154

Place : Bengaluru
Date : 8 August 2018

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Dr.T Narendra Bhat
Director
DIN : 00532432

Place : Bengaluru
Date : 8 August 2018

Malnad Hospital & Institute of Oncology Private Limited

Cash Flow Statement for the years ended	Note No.	31 March 2018	(Rs. in Million) 31 March 2017
Cash flows from operating activities			
Profit before tax for the year		0.35	4.25
Adjustments for:			
Finance costs		0.45	0.34
Interest income		-	(0.01)
Depreciation and amortisation expense		1.34	1.72
Movements in working capital:			
Changes in trade receivables		18.51	(17.58)
Changes in inventories		0.26	(0.02)
Changes in loans, financial assets and other assets other than security deposits		(2.56)	0.03
Changes in trade payable and other financial liabilities		(4.53)	1.73
Changes in provisions		0.78	0.33
Changes in other liabilities		2.41	(0.84)
Cash generated from operations		**17.01**	**(10.05)**
Income taxes paid (net of refunds)		(4.90)	2.28
Net cash generated by / (used in) operating activities (A)		**12.11**	**(7.77)**
Cash flows from investing activities			
Proceeds on sale of financial assets		-	(0.01)
Interest received		-	0.03
Amounts advanced (to)/by related parties		(10.56)	11.59
Payments for property, plant and equipment		(0.54)	(1.21)
Net cash (used in) / generated by investing activities (B)		**(11.10)**	**10.40**
Cash flows from financing activities			
Repayment of borrowings		(0.75)	(0.97)
Interest paid		(0.45)	(0.34)
Net cash used in financing activities (C)		**(1.20)**	**(1.31)**
Net (decrease) / increase in cash and cash equivalents (A+B+C)		**(0.19)**	**1.32**
Cash and cash equivalents at the beginning of the year	9	3.01	1.69
Cash and cash equivalents at the end of the year	9	**2.82**	**3.01**

Refer note 39 for reconciliation of movements of liabilities to cash flows arising from financing activities

Significant accounting policies 2

The accompanying notes are an integral part of these Ind AS Financial Statements

As per our report 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
Malnad Hospital & Institute of Oncology Private Limited

Amit Somani
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Place : Bengaluru
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Director
DIN : 00532432

Place : Bengaluru
Date : 8 August 2018

Malnad Hospital & Institute of Oncology Private Limited

Statement of changes in equity for the years ended 31 March 2018 and 2017 **(Rs in Million)**

(a) Equity share capital

Equity shares of Rs.100 each issued, subscribed and fully paid up

	No. of shares	Rs. in Million
As at 01 April 2016	**94,956**	**9.50**
Changes in equity share capital during the year	-	-
Balance as at 31 March 2017	**94,956**	**9.50**
Changes in equity share capital during the year	-	-
Balance as at 31 March 2018	**94,956**	**9.50**

(b) Other equity

	Reserves and Surplus		
	Retained earnings	**Remeasurements of the defined benefit plan**	**Total**
Balance as at 01 April 2016	**(2.88)**	**(0.04)**	**(2.92)**
Profit for the year	2.90	-	**2.90**
Other comprehensive income for the year, net of income tax	-	0.03	**0.03**
Balance as at 31 March 2017	**0.02**	**(0.01)**	**0.01**
Profit for the year	1.22	-	**1.22**
Other comprehensive income for the year, net of income tax	-	(0.06)	**(0.06)**
Balance as at 31 March 2018	**1.24**	**(0.07)**	**1.17**

Significant accounting policies 2

The accompanying notes are an integral part of these Ind AS Financial Statements

As per our report 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
Malnad Hospital & Institute of Oncology Private Limited

Amit Somani
Partner
Membership Number: 060154

Place : Bengaluru
Date : 8 August 2018

Dr. Mallesh Hullamani
Director
DIN : 00532530

Place : Bengaluru
Date : 8 August 2018

Dr.T Narendra Bhat
Director
DIN : 00532432

Place : Bengaluru
Date : 8 August 2018

1 Malnad Hospital & Institute of Oncology Private Limited is engaged in setting up and managing cancer hospitals, cancer centers and medical diagnostic services. The registered office of the Company is situated at No. 600/601, Irwin Road, Mysore - 570 001.

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) Basis of measurement

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
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

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.

(d) Use of estimates and judgements

In preparing these financial statements, management of the company 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 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.

Judgements

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 32 - Financial instruments

Assumptions and estimate uncertainities

Information about assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment in the year ending 31 March 2018 is included in the following notes:

Note -3 - Useful life of property, plant and equipment and intangible asset.
Note -6 - Deferred taxes balances
Note -31 - Employee benefit plans: key actuarial assumptions;

(e) 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.

2.2 Summary of significant accounting policies

(a) Revenue recognition

Medical 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 net of discounts given to patients 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.

Sale of medical and non-medical items

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.

Other operating revenue

Other operating revenue comprises revenue from various ancillary revenue generating activities like operations and maintenance arrangements as per the management agreement with other entities. The service income is recognised on the basis of services rendered and as per the terms of the agreement.

(b) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially capitalised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a deferred payment obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

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.

(c) Foreign currency translation

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions or an average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Exchange differences on monetary items are recognised in the Statement of profit and loss in the period in which they arise except for 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 01 April 2016), as per the previous GAAP, pursuant to the Company's choice of availing the exemption as permitted by Ind AS 101.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not re-translated.

Income and expense items in foreign currency are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

(d) 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 the statement of profit and loss in the period in which they are incurred.

(e) Employee benefits

Defined benefit plan

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 plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations bei 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 in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. The service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) is recognised in the statement of profit and loss in the line item 'Employee benefits expense'. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. The net interest expense is recognised in the line item 'Finance costs'.

Defined contribution plan

A defined contribution plan is post-employmentbenefit plan under which an entity pays specified contributions to separate entity and has no obligation to pay any further amounts. The Company makes specified obligations towards employee provident fund .The Company's contributions are recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service

Compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the employee has unconditional right to avail the leave, the benefit is classified as a short term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

(f) Taxation

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

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.

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

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 of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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 measurementof deferred tax liabilities and assets reflects the tax consequencesthat 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 and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Minimum alternative tax ('MAT') paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in future years. Ind AS 12, Income Taxes defines deferred tax to include carry forward of unused tax credits that are carried forward by the entity for a specified period of time. Accordingly, MAT credit entitlement is grouped with deferred tax assets (net) in the balance sheet.

(g) Property, plant and equipment

Property, plant and equipment are measured at cost which includes capitalized borrowing costs, less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies, freight, any directly attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling and restoring onsite; any trade discounts and rebates are deducted in arriving at the purchase price. Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Cost includes expenditures directly attributable to the acquisition of the asset.

The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are ready for intended use. Assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life and lease term. The estimated useful lives of assets for the current and comparative period of significant items of property, plant and equipment are as follows:

Estimated useful lives of the assets are as follows:

Asset category	Useful life as per the management	As per schedule II of
Plant and medical equipment	10-15 years	10-15 years
Data processing equipment	3-6 years	3-6 years
Furniture and fixtures	10 years	10 years
Vehicles	8 years	8 years
Office Equipment	5 years	5 years

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date are recognized as capital advance and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work- in-progress.

(h) Intangible assets

(i) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Asset category	Useful life
Computer software	3 years

(i) Inventories

Inventories are measured at the lower of cost and net realisable value on the weighted average cost 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 value added tax /good and service tax wherever applicable applying weighted average cost method.

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

(j) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that 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 provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the 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.

(k) Financial instruments

a. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other 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: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

b. Classification and subsequent measurement (Continued)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non- recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

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 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.

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.

(l) 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 - Financial instrument requires expected credit losses to be measured though a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute 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 life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

(ii) Non-financial assets

(a) Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability 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.

(m) Earnings per share

Basic earnings per share are computed by dividing profit 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 potential diluted equity shares.

(n) 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.

(o) Cash flow statement

Cash flows are reported using the indirect method, whereby net profit 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.

(p) Cash and cash equivalents

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

2.3 New Accounting standards not yet adopted:

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after 01 April 2018:

Ind AS 115 - Revenue from Contracts with Customers

On 28 March 2018, the MCA notified the Ind AS 115 Revenue from contract with customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and service. Further, the new standard requires enhanced disclosure about the nature,amount, timing and uncertainty of revenue and cash flow arising from the entity's contract with customers. The effective date for adoption of Ind AS 115 is financial period beginning on or after 01 April 2018.
There is no material impact on account of adoption of Ind AS 115 to the Company's current policy of revenue recognition.

Ind AS 21 – The effect of changes in foreign Exchange rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company is evaluating the impact of this amendment on its Ind AS financial statements.

(Rs in Million)

3 Property, plant and equipment

Description of Assets	Plant and equipment	Office equipment	Furniture and fixtures	Data processing equipment	Vehicles	Total
I. Gross block						
Balance as at 01 April 2016	**7.48**	**0.19**	**1.12**	**0.93**	**1.05**	**10.77**
Additions	0.78	0.03	0.33	0.05	**-**	**1.19**
Balance as at 31 March 2017	**8.26**	**0.22**	**1.45**	**0.98**	**1.05**	**11.96**
Additions	0.11	0.04	0.04	0.11	-	**0.30**
Balance as at 31 March 2018	**8.37**	**0.26**	**1.49**	**1.09**	**1.05**	**12.26**
II. Accumulated depreciation and impairment						
Balance as at 01 April 2016	0.99	0.01	0.17	0.30	0.17	**1.64**
Depreciation expense	0.83	0.04	0.32	0.32	0.18	**1.69**
Balance as at 31 March 2017	**1.82**	**0.05**	**0.49**	**0.62**	**0.35**	**3.33**
Depreciation expense	0.74	0.04	0.18	0.17	0.18	**1.31**
Balance as at 31 March 2018	**2.56**	**0.09**	**0.67**	**0.79**	**0.53**	**4.64**
Net block as at 31 March 2017	**6.44**	**0.17**	**0.96**	**0.36**	**0.70**	**8.63**
Net block as at 31 March 2018	**5.81**	**0.17**	**0.82**	**0.30**	**0.52**	**7.62**

Refer note 14.1.for details of charge created on fixed assets.

(Rs in Million)

4 Intangible assets

	Computer software	Total
I. Gross block		
Balance as at 01 April 2016	0.16	0.16
Additions	-	-
Balance as at 31 March 2017	**0.16**	**0.16**
Additions	0.13	0.13
Balance as at 31 March 2018	**0.29**	**0.29**
II. Accumulated depreciation and impairment		
Balance as at 01 April 2016	0.03	0.03
Amortisation expense	0.03	0.03
Balance as at 31 March 2017	**0.06**	**0.06**
Amortisation expense	0.03	0.03
Balance as at 31 March 2018	**0.09**	**0.09**
Net block as at 31 March 2017	**0.10**	**0.10**
Net block as at 31 March 2018	**0.20**	**0.20**

5 Other financial assets

	As at 31 March 2018		As at 31 March 2017	
	Non current	Current	Non current	Current
Advances to related parties (refer note 37)	2.88	-	2.68	-
Unbilled revenue	-	2.68	-	-
	2.88	**2.68**	**2.68**	**-**

6 Deferred tax balances

	As at 31 March 2018	As at 31 March 2017
Deferred tax assets	2.92	3.09
	2.92	**3.09**

6.1 Income tax assets (net)

	As at 31 March 2018	As at 31 March 2017
Advance tax (net of provision for tax)	6.16	0.19
	6.16	**0.19**

7 Inventories ((lower of cost and net realisable value)

	As at 31 March 2018	As at 31 March 2017
Medical and non medical items	0.72	0.98
	0.72	**0.98**

8 Trade receivables

	As at 31 March 2018	As at 31 March 2017
(Unsecured)		
Considered good	11.55	30.05
Considered doubtful	8.68	8.68
	20.23	38.73
Allowance for doubtful debts (expected credit loss allowance refer note 33)	(8.68)	(8.68)
	11.55	**30.05**

9 Cash and cash equivalents

	As at 31 March 2018	As at 31 March 2017
Cash on hand	0.10	0.04
Balances with banks		
- In current accounts	2.72	2.97
	2.82	3.01

10 Loans (unsecured, considered good)

	As at 31 March 2018		As at 31 March 2017	
	Non current	Current	Non current	Current
Security deposits	3.65	-	3.65	-
Advance to employees	-	0.12	-	0.24
	3.65	**0.12**	**3.65**	**0.24**

11 Other assets (considered good)

	As at 31 March 2018		As at 31 March 2017	
	Non current	Current	Non current	Current
Capital advances	0.05	-	-	-
Prepaid expenses	-	0.18	-	0.18
	0.05	**0.18**	**-**	**0.18**

(Rs in Million)

12 Equity share capital

	As at 31 March 2018	As at 31 March 2017
Authorised share capital :		
150,000 equity shares of Rs.100 each (31 March 2017 : 150,000 equity shares of Rs.100 each)	15.00	15.00
Issued, subscribed and paid up capital comprises:		
94,956 fully paid equity shares of Rs.100 each (as at 31 March 2017: 94,956 fully paid equity shares of Rs 100 each)	9.50	9.50

12.1 Reconciliation of equity shares outstanding at the beginning and at the end of the year

	Number of shares	Rs. in million
At the beginning of the year 01 April 2016	94,956	9.50
Issued during the year	-	-
At the end of the year 31 March 2017	94,956	9.50
Issued during the year	-	-
At the end of the year 31 March 2018	**94,956**	**9.50**

12.2 Rights, preferences 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.

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

	As at 31 March 2018		As at 31 March 2017	
	Number of Shares held	% holding of equity shares	Number of Shares held	% holding of equity shares
Fully paid equity shares				
HealthCare Global Enterprises Limited	66,706	70.25%	66,706	70.25%

13 Other equity

	As at 31 March 2018	As at 31 March 2017
Retained earnings (refer note 13.1)	1.24	0.02
Remeasurements of the defined benefit plans (refer note 13.2)	(0.07)	(0.01)
	1.17	**0.01**

13.1 Retained earnings

	As at 31 March 2018	As at 31 March 2017
Balance at the beginning of the year	0.02	(2.88)
Profit for the year	1.22	2.90
Balance at the end of the year	**1.24**	**0.02**

13.2 Remeasurements of the defined benefit plans

	As at 31 March 2018	As at 31 March 2017
Balance at the beginning of the year	(0.01)	(0.04)
Other comprehensive income arising from remeasurement of defined benefit obligation, net of income tax	(0.06)	0.03
Balance at the end of the year	**(0.07)**	**(0.01)**

14 Borrowings

	As at 31 March 2018		As at 31 March 2017	
	Non current	Current	Non current	Current
Secured - at amortised cost				
Term loans				
from banks (refer note 14.1)	0.79	0.81	1.61	0.70
Vehicle loan (refer note 14.1)	0.13	0.06	0.19	0.04
Less: Amount included under 'Other financial liabilities' (refer note 17)	-	(0.87)	-	(0.74)
	0.92	**-**	**1.80**	**-**

(Rs in Million)

14.1 Summary of borrowing arrangements

Particulars	As at 31 March 2018	As at 31 March 2017
(i) Secured term loan from bank:		
Facility-1		
Non-current portion	0.79	1.61
Amounts included under current maturities of long-term debt	0.81	0.70
- Security: Term loan is secured by hypothecation against plant and equipment of the Company purchased out of		
- Rate of interest: Bank's base rate + 2.75% p.a		
- Payable in 84 monthly installments commencing from the date of		
(ii) Secured vehicle loan from bank:		
Non-current portion	0.13	0.19
Amounts included under current maturities of long-term debt	0.06	0.04
- Security: Vehicle loan is secured by hypothecation against respective vehicles of the Company purchased out of		
Total	**1.79**	**2.54**
Non-current portion	0.92	1.80
Amounts included under current maturities of long-term debt	0.87	0.74

15 Provisions

	As at 31 March 2018		As at 31 March 2017	
	Non current	current	Non current	current
Gratuity (refer note 31.2)	1.60	0.03	1.19	0.01
Compensated absences	-	0.65	0.17	0.04
	1.60	**0.68**	**1.36**	**0.05**

16 Trade payables

	As at 31 March 2018	As at 31 March 2017
Trade payables*	8.17	12.70
Trade payables to Micro, Small and Medium Enterprises Development (MSMED) (refer note 35)	-	-
	8.17	**12.70**

All trade payables are ‘current.’ The Company’s exposure to currency and liquidity risks related to trade payable is disclosed in note 33

* For details relating to payable to related parties, please refer note 37

17 Other financial liabilities

	As at 31 March 2018		As at 31 March 2017	
	Non current	Current	Non current	Current
Current maturities of long-term debt (refer note 14.1)	-	0.87	-	0.74
Interest payable to holding company (refer note 37)	-	0.30	-	0.30
Advance payable to holding company (refer note 37)	-	12.51	-	22.87
Creditors for capital goods	-	-	-	0.06
Accrued salaries and benefits	-	3.60	-	-
	-	**17.28**	**-**	**23.97**

18 Other non-current liabilities

	As at 31 March 2018		As at 31 March 2017	
	Non current	Current	Non current	Current
Advance from customers	-	1.56	-	3.14
Statutory dues	-	0.25	-	0.27
Rent equalisation reserve	0.41	-	-	-
	0.41	**1.81**	**-**	**3.41**

(Rs in Million)

19 Revenue from operations

	For the year ended 31 March 2018	For the year ended 31 March 2017
Income from medical services	35.62	30.34
Sale of medical and non medical items	2.83	15.90
Other operating revenues	0.99	0.45
	39.44	**46.69**

20 Other income

	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest income	-	0.01
Miscellaneous income	-	0.03
	-	**0.04**

21 Changes in inventories

	For the year ended 31 March 2018	For the year ended 31 March 2017
Inventories at the beginning of the year	0.98	0.96
Inventories at the end of the year	0.72	0.98
Net decrease/(increase)	**0.26**	**(0.02)**

22 Employee benefits expense

	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries and wages	10.26	8.36
Contribution to provident and other funds	1.43	1.39
Staff welfare expenses	0.48	0.55
	12.17	**10.30**

23 Finance costs

	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest costs :-		
- Interest on bank overdrafts and loans	0.31	0.33
- Interest on defined benefit obligations (Refer note 31.2)	0.11	0.08
Other borrowing cost:		
- Bank charges	0.03	0.02
	0.45	**0.43**

24 Depreciation and amortisation expense

	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation of property, plant and equipment	1.31	1.69
Amortisation of intangible assets	0.03	0.03
	1.34	**1.72**

(Rs in Million)

25 Other expenses

	For the year ended 31 March 2018	For the year ended 31 March 2017
Power and fuel	0.40	0.43
House keeping expenses	0.77	1.04
Rent (refer note 30.1)	0.76	0.76
Repairs and maintenance		
-Building	0.17	0.11
-Machinery	0.08	0.09
-Others	0.53	0.77
Insurance	0.20	0.10
Rates and taxes	0.11	0.08
Printing and stationery	0.31	0.36
Advertisement, publicity and marketing	0.33	0.32
Travelling and conveyance	0.54	0.65
Legal and professional fees	0.14	0.16
Payment to auditors (refer note 25.1)	0.18	0.17
Medical consultancy charges	7.12	8.89
Telephone expenses	0.17	0.13
Lab charges (refer note 37)	2.00	2.46
Miscellaneous expenses	0.54	0.61
	14.35	**17.13**

25.1 Payments to auditors (excluding taxes)

	For the year ended 31 March 2018	For the year ended 31 March 2017
As an auditor		
a) For audit of the financial statements of the Company		
Audit fee	0.15	0.15
b) Out of pocket expenses and service tax on above	0.03	0.02
	0.18	**0.17**

(Rs in Million)

26 Income tax expense

26.1 Income tax recognised in the statement of profit and loss

	For the year ended 31 March 2018	For the year ended 31 March 2017
Current tax	(1.07)	1.41
	(1.07)	**1.41**
Deferred tax	0.20	(0.06)
	0.20	**(0.06)**
Total income tax expense recognised in the statement of profit and loss	**(0.87)**	**1.35**

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:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit before tax for the year	**0.35**	**4.25**
Enacted income tax rate in India	25.75%	30.90%
Computed expected tax expense	0.09	1.31
Effect of:		
Expenses that are not deductible in determining taxable profit	0.47	0.04
Changes in estimates related to prior years	(1.43)	-
	(0.87)	**1.35**

Significant components of net deferred tax assets and liabilities for the year ended 31 March 2018 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	(0.31)	0.14	-	(0.17)
Defined benefit obligation	0.59	0.13	-	0.72
Provision for doubtful debts/advances	2.68	(0.44)	-	2.24
Other items	0.13	(0.03)	0.03	0.13
	3.09	**(0.20)**	**0.03**	**2.92**

(Rs in Million)

Significant components of net deferred tax assets and liabilities for the year ended 31 March 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	(0.40)	0.09	-	(0.31)
Defined benefit obligation	0.55	0.03	0.01	0.59
Provision for doubtful debts/advances	2.68	-	-	2.68
Other items	0.13	-	-	0.13
Tax losses	0.06	(0.06)	-	-
	3.02	**0.06**	**0.01**	**3.09**

27 Earnings per share

	For the year ending 31 March 2018	For the year ending 31 March 2017
a. Profit for the period attributable to equity holders	1.22	2.90
b. Weighted average number of equity shares for the year	94,956	94,956
c. Nominal value of shares (in Rs.)	100	100
d. Earning per equity share Rs. per share (a/b)	12.85	30.54

28 Segment information

Ind AS 108 "Operating Segment" ("Ind AS 108") establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, Operating segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM evaluates the Company's performance and allocates resources on overall basis. The Company's sole operating segment is therefore 'Medical and Healthcare Services'. Accordingly, there are no additional disclosure to be provided under Ind AS 108, other than those already provided in the financial statements.

Geographical information

Geographical information analyses the company's revenue and non-current assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been presented based on the geographical location of the customers and segment assets has been presented based on the geographical location of the assets.

(i) Revenue from operations

Particulars	For the year ending 31 March 2018	For the year ending 31 March 2017
India	39.44	46.69
Outside India	-	-
Total	**39.44**	**46.69**

(ii) Non current assets*

Particulars	As at 31 March 2018	As at 31 March 2017
India	20.59	15.66
Total	**20.59**	**15.66**

*Non-current assets exclude financial instruments

29 Contingent liabilities and capital commitments

Contingent liabilities

The Company does not have any contingent liabilities as at 31 March 2018.

Other litigations

The Company is involved in other disputes, law suits and other claims including commercial matters which arise from time to time in the ordinary course of business. The Company believes that there are no such pending matters that are expected to have any material adverse effect on the financial statements.

(Rs in Million)

30 Leasing arrangements:

30.1 Operating lease arrangements

The Company has entered into cancellable operating lease arrangements for certain facilities and office premises. The rent expenses for the year ended 31 March 2018 on account of this lease arrangement is Rs. 0.76 million (31 March 2017: Rs. 0.76 million).

31 Employee benefit plans

31.1 Defined contribution plans

The company has defined contribution plan in form of provident fund and pension scheme and employee state insurance 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	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**
Contribution to provident fund and pension scheme, included under contribution to provident and other funds	1.43	1.39
Contribution to employee state insurance scheme, included under staff welfare expenses	0.36	0.31
	1.79	**1.70**

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 are as follows:

	For the year ended 31 March 2018	**For the year ended 31 March 2017**
Discount rate	7.40%	7.25%
Expected rate of salary increase	5.00%	5.00%
Rate of return on plan assets	7.40%	7.25%
Employee turnover rate	13.40%	15.15%

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

	For the year ended 31 March 2018	**For the year ended 31 March 2017**
Current service cost	0.24	0.25
Past service cost and gain from settlements	-	-
Net interest expense	0.11	0.08
Components of defined benefit costs recognised in the statement of profit and loss	**0.35**	**0.33**
Service cost recognised in employee benefits expense in note 22	0.24	0.25
Net interest expense recognised in finance costs in note 23	0.11	0.08
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in demographic assumptions	(0.02)	-
Actuarial (gains) / losses arising from changes in financial assumptions	(0.01)	0.04
Actuarial (gains) / losses arising from experience adjustments	0.12	(0.05)
Remeasurement of plan assets	-	(0.02)
Remeasurement on the net defined benefit liability recognised in other comprehensive income	**0.09**	**(0.04)**

(Rs in Million)

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

	As at 31 March 2018	As at 31 March 2017
Present value of funded defined benefit obligation	0.22	0.19
Fair value of plan assets	0.02	0.03
Funded status	**0.24**	**0.22**
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	**0.24**	**0.22**

Movements in the present value of the defined benefit obligation are as follows.	As at 31 March 2018	As at 31 March 2017
Opening defined benefit obligation	1.20	0.95
Current service cost	0.24	0.25
Interest cost	0.11	0.08
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	(0.02)	-
Actuarial gains and losses arising from changes in financial assumptions	(0.01)	(0.04)
Actuarial gains and losses arising from experience adjustments	0.12	-
Benefits paid	-	(0.05)
Closing defined benefit obligation	**1.63**	**1.20**

Movements in the fair value of the plan assets are

	As at 31 March 2018	As at 31 March 2017
Opening fair value of plan assets	0.22	0.19
Interest income	0.02	0.01
Remeasurement gain (loss):	-	0.02
Closing fair value of plan assets	**0.24**	**0.22**

The fair value of the plan assets at the end of the reporting period for each category are as follows:

	As at 31 March 2018	As at 31 March 2017
Insurer-managed funds	0.24	0.22
Total	**0.24**	**0.22**

The actual return on plan assets was Rs.0.02 million (31 March 2017: Rs.0.03 million).

Particulars	**As at 31 March 2018**		**As at 31 March 2017**	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (1% change)	(0.09)	0.11	(0.07)	0.10
Future salary increase (1% change)	0.11	(0.10)	0.10	(0.10)
Attrition rate (10% change)	0.00	0.00	0.00	(0.00)

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

The average duration of the benefit obligation at 31 March 2018 is 6.27 years (as at 31 March 2017 5.59 years)

Maturity profile of defined benefit obligation:

Particulars	As at 31 March 2018	As at 31 March 2018
Within 1 year	0.27	0.25
1-2 year	0.26	0.24
2-3 year	0.24	0.22
3-4 year	0.23	0.21
4-5 year	0.22	0.19
5-10 year	0.86	0.70
>10 year	0.96	0.72
	3.04	**2.53**

(Rs in Million)

32 Financial instruments

The carrying value and fair value of financial instruments by categories as at 31 March 2018 and 31 March 2017 is as follows:

Particulars	Carrying value as at		Fair value as at	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Financial assets				
Amortised cost				
Loans	3.77	3.89	3.77	3.89
Trade receivable	11.55	30.05	11.55	30.05
Bank balance	2.72	2.97	2.72	2.97
Other financial assets	5.56	2.68	5.56	2.68
Total assets	**23.60**	**39.59**	**23.60**	**39.59**
Financial liabilities				
Amortised cost				
Borrowings	1.79	2.54	1.79	2.54
Trade payables	8.17	12.70	8.17	12.70
Other financial liabilities	16.41	23.23	16.41	23.23
Total liabilities	**26.37**	**38.47**	**26.37**	**38.47**

The management assessed that fair value of bank balance, trade receivables, loans, borrowings 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 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, investments, bank balance 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 matrix at the end of the reporting period is as follows:

Category	Ageing				
	Less than 1 year	1-1.5 year	1.5-2 year	2-3 year	More than 3 year
Government Schemes	0%	25%	50%	75%	100%
Insurance Schemes	0%	50%	50%	75%	100%
Corporate	50%	100%	100%	100%	100%
Others	100%	100.00%	100%	100%	100%

Movement in the expected credit loss allowance:

	Year ended 31 March 2018	Year ended 31 March 2017
Balance at the beginning of the year	(8.68)	(8.68)
Addition/(reversal) during the year	-	-
Balance at the end of the year	**(8.68)**	**(8.68)**

Note: Trade receivables include dues from companies in which any director is a director or member	As at 31 March 2018	As at 31 March 2017
Healthcare Global Enterprises Limited	0.04	0.04
Gutti Malnad LLP	1.73	1.15

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.

(Rs in Million)

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 March 2018	As at 31 March 2017
Cash and cash equivalents	2.82	3.01
	2.82	**3.01**

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2018 and 31 March 2017

Particulars	As at 31 March 2018				
	Less than 1 year	1-2 years	2-3 years	3-4 years	5 years and above
Borrowings	0.87	0.84	0.08	-	-
Trade payables	8.17	-	-	-	-
Other financial liabilities	16.41	-	-	-	-
	25.45	**0.84**	**0.08**	**-**	**-**

Particulars	As at 31 March 2017				
	Less than 1 year	1-2 years	2-3 years	3-4 years	5 years and above
Borrowings	0.74	0.78	0.88	0.14	0.01
Trade payables	12.70	-	-	-	-
Other financial liabilities	23.23	-	-	-	-
	36.67	**0.78**	**0.88**	**0.14**	**0.01**

Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates, interest rates and equity prices.

Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

a. Interest rate risk exposure

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

Particulars	As at 31 March 2018	As at 31 March 2017
Variable rate long term borrowings including current maturities	1.60	2.31
	1.60	**2.31**

34 Pursuant to the MCA notification G.S.R. 308(E) dated 30 March 2017, the details of Specified Bank Notes (SBN)* held and transacted during the period from 08 November 2016 to 30 December 2016 are provided in the table below:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08 November 2016	0.06	0.01	0.07
(+) Permitted receipts	-	2.73	2.73
(-) Permitted payments	-	(0.03)	(0.03)
(-) Amount deposited in Banks	(0.06)	(2.65)	(2.71)
Closing cash in hand as on 30 December 2016	-	0.06	0.06

* 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 08 November 2016.

(Rs in Million)

35 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 2018 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 2018**	**As at 31 March 2017**
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 under 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	-	-

36 Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and total equity of the Company. The capital structure is as follows:

Particulars	**As at 31 March 2018**	**As at 31 March 2017**
Total equity attributable to the equity share holders of the company	10.67	9.51
As percentage of total capital	107%	102%
Current loans and borrowings	1.17	1.04
Non-current loans and borrowings	0.92	1.80
Total loans and borrowings	2.09	2.84
Cash and cash equivalents	2.82	3.01
Net loans & borrowings	(0.73)	(0.17)
As a percentage of total capital	-7%	-2%
Total capital (loans and borrowings and equity)	**9.94**	**9.34**

(Rs in Million)

37 Related party disclosure

a. Details of related parties:

Description of relationship	**Names of related parties**
Holding company (HC)	HealthCare Global Enterprises Limited
Fellow subsidiaries(FS)	HealthCare Global Senthil-Multi Specialty Hospital Private Limited
Companies in which KMP / Relatives of KMP can exercise significant influence	Bharath Hospital and Institute of Oncology Sada Sharada Tumor and Research Institute B.C.C.H.I Trust Gutti Malnad LLP
Key management personnel(KMP)	**Non-executive directors** T.Narendra Bhat Mallesh Hullamani B.S Ajaikumar

b. Transactions with related parties

Particulars	**Year ended 31 March 2018**	**Year ended 31 March 2017**
Sale of medical and non medical items		
Gutti Malnad LLP	0.59	0.58
Purchases of medical and non-medical items		
HealthCare Global Enterprises Limited	6.76	8.10
Rent		
Sada Sharada Tumor and Research Institute	0.59	0.59
Lab charges		
HealthCare Global Enterprises Limited	0.44	0.71
Advances given		
HealthCare Global Enterprises Limited	-	0.30
Loans and advances (repiad) / received		
HealthCare Global Enterprises Limited	(10.37)	12.60
Sada Sharada Tumor and Research Institute	(0.21)	(0.72)
B.C.C.H.I Trust	0.01	0.01

c. Details of the balances of related parties

Particulars	**As at 31 March 2018**	**As at 31 March 2017**
Trade receivables		
Gutti Malnad LLP	1.73	1.15
HealthCare Global Enterprises Limited	0.04	0.04
Other financial liabilities -Interest payable on holding company		
HealthCare Global Enterprises Limited	0.30	0.30
Other financial liabilities - current		
HealthCare Global Enterprises Limited	12.51	22.87
Other financial assets - Current		
Sada Sharada Tumor and Research Institute	2.81	2.60
B.C.C.H.I Trust	0.07	0.08
Security deposits (refundable) with		
Gutti Malnad LLP	3.50	3.50
Trade payables		
HealthCare Global Enterprises Limited	4.36	7.14

(Rs in Million)

38 The information of the previous year's have been re-grouped and reclassified wherever necessary so as to make them comparable with those of current year as below:

Particulars	Previous year grouping	Current year	Amount
Security deposits	Other financial assets - Non-current	Loans - Non-current	3.65

39 Reconciliation of movement of liabilities to cash flow arising from financing activities

Particulars	Term loans from banks	Vehicle Loan	Total
Debt as at 1 April 2017	2.31	0.23	2.54
Interest accrued but not due	-	-	-
	2.31	**0.23**	**2.54**
Cash flows including interest paid	(1.13)	(0.07)	(1.20)
Interest expenses	0.42	0.03	0.45
Interest accrued but not due as on 31 March 2018	-	-	-
Debt as at 31 March 2018	**1.60**	**0.19**	**1.79**

Significant accounting policies 2

The accompanying notes are an integral part of these Ind AS Financial Statements

As per our report 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
Malnad Hospital and Institute of Oncology Private Limited

Amit Somani
Partner
Membership Number: 060154

Place : Bengaluru
Date : 8 August 2018

Dr. Mallesh Hullamani
Director
DIN : 00532530

Place : Bengaluru
Date : 8 August 2018

Dr.T Narendra Bhat
Director
DIN : 00532432

Place : Bengaluru
Date : 8 August 2018