INDEPENDENT AUDITORS' REPORT

To the Members of HCG Medi-Surge Hospitals Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HCG Medi-Surge Hospitals Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

Independent Auditor's Report (continued)

Management's and Board of Directors' Responsibility for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.

Independent Auditor's Report (continued)

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

   e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

Report on Other Legal and Regulatory Requirements (continued)

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".

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

i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its financial statements - Refer Note 30 to the financial statements.

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

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

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

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

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

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

Amit Somani
Partner
Membership No. 060154
UDIN : 20060154AAAAHA2333

Place: Bengaluru
Date: 31 July 2020

HCG Medi-Surge Hospitals Private Limited

Annexure A to the Independent Auditors' Report of even date on the financial statements of HCG Medi-Surge Hospitals Private Limited

In respect of the Annexure referred to in paragraph 1 of the Independent Auditors' Report to the members of HCG Medi-Surge Hospitals Private Limited ("the Company") for the year ended 31 March 2020, 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 all its fixed assets are verified in a phases manner over a period of 3 years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year. No material discrepancies were noted on such verification.

(c) According to the information and explanations given to us, the Company does not have any immovable properties. Accordingly, paragraph 3(i)(c) of the Order is not applicable to the Company.

(ii) The inventories have been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stock and the book records were not material.

(iii) The Company has granted loans to one company covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act").

(a) In our opinion and according to the information and explanations given to us, the terms and conditions on which the loan had been granted to a company listed in the Register maintained under Section 189 of the Act were not, prima facie prejudicial to the Company's interest.

(b) In the case of the loans granted to the companies listed in the Register maintained under Section 189 of the Act, the borrowers have been regular in the repayment of the principal and payment of interest, wherever stipulated.

(c) There are no amounts of loans granted to companies, firms, limited liability partnerships or other parties listed in the register maintained under section 189 of the Act which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans given.

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

(vi) As informed to us by the management, the Central Government of India has not prescribed the maintenance of cost records under Section 148(1) of the Act for any of the traded products/services rendered by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' state insurance, Income-tax, duty of Customs, Goods and Service tax and any other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. However, undisputed income tax (tax deducted at source) have not been regularly deposited with the appropriate authority though the delays in deposit have not been serious. Further as explained to us, the Company did not have any dues on account of Sales tax, Service tax, Duty of excise and Value added tax during the year.

According to the information and explanation given to us no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, duty of Customs, Goods and Service tax and other material statutory dues were in arrears, as at 31 March 2020, for a period of more than six months from the date they became payable.

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

Name of Statue	Nature of dues	Amount (Rs. In Million)#	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2.84	FY 2011-12	CIT(A)
Gujarat VAT Act	Value Added Tax	15.69 (0.20)*	FY 2011-12	Commissioner of Commercial Tax
Gujarat VAT Act	Value Added Tax	0.94 (0.19)*	FY 2013-14	Commissioner of Commercial Tax (Appeal)
Custom Act	Customs	4.49	FY 2011-12	Customs, Excise and Service Tax Appellate Tribunal

* represents amount paid under protest

the amounts disclosed above includes interest and penalties demanded, wherever applicable.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions and banks. The Company did not have any outstanding loans or borrowings from government and there are no dues to debenture holders during the year.

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

HCG Medi-Surge Hospitals Private Limited

Annexure A to the Independent Auditors' Report (continued)

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

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

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

(xiii) According to the information and explanation given to us and based on our examination of the records of the company all the transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable and the details of such transactions have been disclosed in the financial statements are required by the applicable accounting standards.

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

(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 provided 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 number: 060154
UDIN : 20060154AAAAHA2333

Place: Bengaluru
Date: 31 July 2020

HCG Medi-Surge Hospitals Private Limited

Balance Sheet as at	Note No.	31 March 2020	Rs. In Millions 31 March 2019
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	572.16	639.39
(b) Capital work-in-progress	5	4.93	0.63
(c) Right-of-use assets	6	219.47	-
(d) Other intangible assets	7	6.34	9.10
(e) Financial assets			
(i) Loans receivable	14	62.89	20.90
(ii) Other financial assets	8	27.00	19.89
(f) Other non-current assets	10	25.85	39.55
Total non - current assets		**918.64**	**729.46**
Current assets			
(a) Inventories	11	40.69	48.97
(b) Financial assets			
(i) Trade receivables	12	31.33	49.14
(ii) Cash and cash equivalents	13	23.28	15.67
(iii) Bank balance other than cash and cash equivalents above	13	-	3.49
(iv) Loans receivable	14	133.39	1.28
(v) Other financial assets	8	2.72	11.68
(c) Other current assets	10	21.00	88.97
Total current assets		**252.41**	**219.20**
TOTAL ASSETS		**1,171.05**	**948.66**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	55.69	55.69
(b) Other equity	16	213.89	176.00
Total equity		**269.58**	**231.69**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	465.24	421.13
(ii) Lease liabilities		173.70	-
(b) Provisions	18	2.52	1.80
(c) Deferred tax liabilities (net)	9.2	11.74	9.47
(d) Other non-current liabilities	19	42.17	46.44
Total non - current liabilities		**695.37**	**478.84**
Current liabilities			
(a) Financial Liabilities			
(i) Lease liabilities		51.28	-
(ii) Trade payables	20		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		79.01	143.39
(iii) Other financial liabilities	21	32.38	67.64
(b) Other current liabilities	19	22.07	20.64
(c) Provisions	18	2.17	1.82
(d) Income tax liabilities (net)	9.3	19.19	4.64
Total current liabilities		**206.10**	**238.13**
TOTAL LIABILITIES		**901.47**	**716.97**
TOTAL EQUITY AND LIABILITIES		**1,171.05**	**948.66**

Significant accounting policies 2

The accompanying notes are an integral part of these financial statements

As per reports of even date attached

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

for and on behalf of the Board of Directors of
HCG Medi-Surge Hospitals Private Limited

Amit Somani
Partner
Membership Number: 060154

Dr. B S Ajaikumar
Director
DIN 00713779

Rajendra B Toprani
Director
DIN 01576097

Place : Bengaluru
Date : 31 July 2020

Place : Bengaluru
Date : 31 July 2020

Place : Ahmedabad
Date : 31 July 2020

HCG Medi-Surge Hospitals Private Limited

				Rs. In Millions
	Statement of profit and loss for the year ended	**Note No.**	**31 March 2020**	**31 March 2019**
I	**Income**			
	Revenue from operations	22	1,136.05	1,114.33
	Income from government grants	23	4.54	4.81
	Other income	24	18.02	3.35
	Total income (I)		**1,158.61**	**1,122.49**
II	**Expenses**			
	Purchases of medical and non-medical items		221.23	258.58
	Changes in inventories	25	8.28	(17.20)
	Employee benefits expense	26	130.19	108.43
	Finance costs	27	85.26	84.95
	Depreciation and amortisation expense	28	139.89	87.31
	Other expenses	29	515.97	547.13
	Total expenses (II)		**1,100.82**	**1,069.20**
			-	
III	**Profit before tax (I- II)**		**57.79**	**53.29**
IV	**Tax expense**			
	Current tax	9.1	17.34	10.97
	Deferred tax	9.1	2.41	21.65
			19.75	**32.62**
V	**Profit for the year (III-IV)**		**38.04**	**20.67**
VI	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans	34.2	(0.52)	(0.36)
	(b) Income tax on the above		0.14	0.10
			(0.38)	(0.26)
	Other comprehensive expenses for the year, net of tax		**(0.38)**	**(0.26)**
VII	**Total comprehensive income for the year (V+VI)**		**37.66**	**20.41**
	Earnings per equity share (nominal value of share Rs. 10)			
	Basic and diluted (in Rs.)	32	6.83	3.71
	Significant accounting policies	2		
	The accompanying notes are an integral part of these financial statements			

As per reports of even date attached

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

for and on behalf of the Board of Directors of
HCG Medi-Surge Hospitals Private Limited

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Date : 31 July 2020

HCG Medi-Surge Hospitals Private Limited

Cash flow statement for the years ended	Note No.	31 March 2020	31 March 2019
			Rs. In Millions
Cash flow from operating activities			
Profit before tax		57.79	53.29
Adjustments for:			
Finance costs		85.26	75.37
Interest income		(15.73)	(1.67)
Governemnt grant		(4.54)	(4.81)
Depreciation and amortisation expense		139.89	87.31
Provision for bad and doubtful trade receivables and advances		(8.22)	(1.19)
Working capital adjustment:			
Changes in trade receivables		26.03	(8.44)
Changes in inventories		8.28	(17.20)
Changes in loans, other financial assets and other assets		24.47	(55.82)
Changes in trade payables		(64.38)	(5.71)
Changes in provisions		0.55	0.35
Changes in financial liabilities and other liabilities		2.82	(3.31)
Cash generated from operating activities		**252.22**	**118.17**
Income taxes paid (net of refunds)		(2.79)	(12.84)
Net cash generated from operating activities (A)		**249.43**	**105.33**
Cash flow from investing activities			
Interest received		15.11	0.29
Acquisition of property, plant and equipment		(5.88)	(20.70)
Proceeds from disposal of property, plant and equipment		0.29	-
Loans to related parties (net)		(131.78)	-
Margin money deposits, net		2.48	(2.92)
Net cash used in investing activities (B)		**(119.78)**	**(23.33)**
Cash flows from financing activities $			
Proceeds from borrowings		2.70	418.14
Repayment of borrowings		-	(439.00)
Repayment of principal portion of lease liability		(45.17)	-
Interest paid on lease liability		(27.49)	-
Interest and other borrowing cost paid		(52.08)	(83.47)
Net cash used in financing activities (C)		**(122.04)**	**(104.33)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		**7.61**	**(22.33)**
Cash and cash equivalents at the beginning of the year	13	15.67	38.00
Cash and cash equivalents at the end of the year	13	**23.28**	**15.67**

For the purpose of the statement of cash flows, cash and cash equivalent comprise the followings

Particulars	**As at 31 March 2020**	**As at 31 March 2019**
Cash on hand	3.96	1.71
Cheques on hand	0.79	2.34
Balances with Banks		
In current accounts	14.60	6.36
In EEFC accounts	3.93	5.26
Cash and cash equivalents as per balance sheet	**23.28**	**15.67**

$ Reconciliation of movements of liabilities to cash flows arising from financing activities as an extraction of cash flow as at 31 March 2020

Particulars	**Term loan and deferred payment obligation**	**Other borrowing cost**	**Total**
Debt as at 1 April 2019	**473.89**	**-**	**473.89**
Interest accrued but not due	1.01	-	1.01
	474.90	**-**	**474.90**
Cash flows including interest and other borrowing cost	(44.81)	(4.57)	(49.38)
Interest and other borrowing cost*	46.13	11.64	57.77
Non cash transactions	0.37	(7.07)	(6.70)
Debt as at 31 March 2020	**476.59**	**-**	**476.59**

*Interest and other borrowing cost include interest on Short term borrowings, bank charges measured at amortised cost etc.

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

Particulars	**Term loan and deferred payment obligation**	**Other borrowing cost**	**Total**
Debt as at 1 April 2018	**494.75**	**-**	**494.75**
Interest accrued but not due	9.24	-	9.24
	503.99		**503.99**
Cash flows including interest and other borrowing cost	(64.94)	(39.39)	(104.33)
Interest and other borrowing cost*	35.42	49.53	84.95
Non cash transactions	(0.58)	(10.14)	(10.72)
Debt as at 31 March 2019	**473.89**	**-**	**473.89**

*Interest and other borrowing cost include interest on Short term borrowings, bank charges measured at amortised cost etc.

Significant accounting policies 2

The accompanying notes are an integral part of these financial statements

As per reports of even date attached

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

Amit Somani
Partner
Membership Number: 060154

Place : Bengaluru
Date : 31 July 2020

for and on behalf of the Board of Directors of
HCG Medi-Surge Hospitals Private Limited

Dr. B S Ajaikumar
Director
DIN 00713779

Place : Bengaluru
Date : 31 July 2020

Rajendra B Toprani
Director
DIN 01576097

Place : Ahmedabad
Date : 31 July 2020

HCG Medi-Surge Hospitals Private Limited

Statement of changes in equity for the year ended 31 March 2020

a. Equity share capital

	No of shares	Rs. in Million
Balance as at 01 April 2018	55,68,704	55.69
Changes in equity share capital during the year	-	-
Balance as at 31 March 2019	**55,68,704**	**55.69**
Changes in equity share capital during the year	-	-
Balance as at 31 March 2020	**55,68,704**	**55.69**

b. Other equity

Rs. In Millions

Particular	Reserves and Surplus		Items of other comprehensive income	Total other equity
	Retained earnings	Others*	Remeasurements of the defined benefit plan	
Balance as at 01 April 2018	**104.60**	**28.00**	**0.57**	**133.17**
Profit for the year	20.67	-	-	20.67
Other comprehensive income for the year, net of income tax	-	-	(0.26)	(0.26)
Fair valuation of corporate guarantee given by holding company	-	22.42	-	22.42
Total comprehensive income	**20.67**	**22.42**	**(0.26)**	**42.83**
Balance as at 31 March 2019	**125.27**	**50.42**	**0.31**	**176.00**
Profit for the year	38.04	-	-	38.04
Other comprehensive income for the year, net of income tax	-	-	(0.38)	(0.38)
Fair valuation of corporate guarantee given by holding company	-	0.23	-	0.23
Total comprehensive income	**38.04**	**0.23**	**(0.38)**	**37.89**
Balance as at 31 March 2020	**163.31**	**50.65**	**(0.07)**	**213.89**

Retained earnings

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

Remeasurement of defined benefit plan

This represents the acturial gain and losses on defined benefit plan (excluding interest).

* It comprises of corporate guarantee commission on the guarantee given by Healthcare Global Enterprises Limited (Holding Company) towards the term loans of the Company.

Significant accounting policies 2

The accompanying notes are an integral part of these financial statements

As per reports of even date attached

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

for and on behalf of the Board of Directors of
HCG Medi-Surge Hospitals Private Limited

Amit Somani
Partner
Membership Number: 060154

Place : Bengaluru
Date : 31 July 2020

Dr. B S Ajaikumar
Director
DIN 00713779

Place : Bengaluru
Date : 31 July 2020

Rajendra B Toprani
Director
DIN 01576097

Place : Ahmedabad
Date : 31 July 2020

1 General information

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

2 Significant accounting policies

2 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) ***Going concern basis and impact of Covid-19***

The COVID-19 pandemic has been rapidly spreading throughout the world, including India. Governments around the world have been taking significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities including travel. Consequently, the scale of operations has reduced significantly, intra-state movement restrictions have impacted both the patients footfall and the healthcare workers. As a result of the lockdown, the likely revenue from mid March 2020 and onwards has been impacted. Continued lockdowns are likely to impact the Company operationally including new projects.

Management believes that it has taken into account the possible impacts of known events arising out of COVID-19 pandemic in the preparation of financial statements including but not limted to Company's recoverable values of its property plant and equipment, allowance for trade recievables and net realisable value of other assets.

(c) Functional and presentation 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.

(d) Basis of measurement

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

Items	**Measurement**
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.

(e) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going 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 5 - Property, plant and equipment : Timing of capitalisation and nature of cost capitalised.
- Note 6 - Lease Arrangements : Evaluation whether an arrangement qualifies to be a lease based on the requirements of the relevant standard. Identification of a lease requires significant management judgement.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2020 is included in the following notes:

- Note 5 - Estimation of useful life of property, plant and equipment
- Note 6 - Leasing arrangements and Determination of lease term and discount rate
- Note 30 - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 34 - Employee benefit plans: key actuarial assumptions.
- Note 36 - Expected credit loss : Forward adjustment to the collected trend

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, allowance for trade receivables and the net realisable values of other assets. Refer note (b) above.

(f) Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company's 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's 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's recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3 Summary of significant accounting policies

(a) 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. As per Ind AS 115, "Revenue fron contracts with customers", revenue from hospital services are recognized as and when services are performed, unless significant future uncertainties exist. The Company assess the distinct performance obligation in the contract and measures to at an amount that reflects the consideration it expects to receive net of tax collected and remitted to Government and adjusted for discounts and concession. The Company based on contractual terms and past experience determines the performance obligation satisfaction over time. Unbilled revenue is recorded for the service rendered where the patients are not discharged and final invoice is not raised for the services.

Sale of medical and non-medical items

Pharmacy Sales are recognised when the control of the products being sold is transferred to the customer and no significant uncertainties exist regarding the amount of consideration that will be derived from the sale of goods as regarding its collection. 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 facilitation of training programmes, operations and maintenance arrangements and research projects as per the management agreement with other entities. The service income is recognised only once the services are rendered, there is no unfulfilled performance obligation as per the terms of agreement and no significant future uncertainties exist.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. The Company recognizes a deferred income (contract liability) if consideration has been received (or has become receivable) before the company transfers the
promised goods or services to the customer.

Disaggregation of revenue

The Company disaggregates revenue from hospital services (medical and healthcare services), sale of medical and non-medical items and other operating income. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of Company's revenues and cash flows are affected by industry, market and other economic factors.

Interest income

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

(b) Leases : Policy applicable with effect from 1 April 2019

Company as a lessee

A contract is,or contains,a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

➢ the contract involves the use of an identified asset;
➢ the Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
➢ the Company has the right to direct the use of the asset.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each leasecomponent on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date.The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date,less any lease incentives received,plus any initial direct costs incurred and an estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use asset is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability.The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.The estimated useful lives of right-of-use assets are determined on the same basis as those of property,plant and equipment.Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable.Impairment loss,if any, is recognised in the statement of profit and loss

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate applicable to the entity within the Company. Generally, the Company uses its incremental borrowing rate as the discount rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning from 1 April 2019 using the modified retrospective method where right of use of asset is recognised equal to lease liability recognised on the date of initial application (1 April 2019). Accordingly, the Company has not restated comparative information.

Company as a lessee

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under Ind AS 116, the Company recognizes right of use assets and lease liabilities for most leases i.e. these leases are on balance sheet.On transition, the Company has applied following practical expedients:Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with similar end date.

➢ Applied the exemption not to recognise right-of-use-assets and liabilities for leases with less than 12 months of lease term on the date of transition.
➢ Excluded the initial direct costs from the measurement of the right-of -use-asset at the date of transition.
➢ Grandfathered the assessment of which transactions are, or contain leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
➢ Relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review.
➢ Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

The Company has also applied recognition exemptions of short-term leases to all categories of underlying assets.On transition, the Company recognised a lease liability measured at the present value of the remaining lease payments. Refer note 7 for details on impact due to Ind AS 116 application.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability. Also, the payments made for the lease arrangements has changed from operating activities to financing activities in the current year.

Policy applicable before 1 April 2019

Refer note 3 – Significant accounting policies – Leases in financial statements of the Company for the year ended 31 March 2019, for the policy as per Ind AS 17, the previous standard on leases.

(c) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of 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 retranslated.
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.

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 benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected 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-employment benefit 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 and employee state insurance to Government administered provident fund scheme and ESI scheme which is a defined contribution plan. 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.

(i) 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.

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

Deferred tax assets 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. The estimated useful lives of assets for the

Asset category	**Useful life as per the management**	**As per schedule II of Companies Act, 2013**
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

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

(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) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the Company receives non-monetary grants, the asset and the grant are accounted at fair value and recognised in the statement of profit and loss over the expected useful life of the assets.

(j) 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 GST wherever applicable applying FIFO method.

(k) 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.

(l) 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;
- 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: 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

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 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 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.

(l) Financial instruments (Continued)

Financial liabilities

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

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

d. Offsetting

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

e. Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

(m) Impairment

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

The Company assesses at each date of balance sheet, whether a financial asset or a Company of financial assets is impaired. Ind AS 109 - Financial Instruments 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

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.

(n) Earnings per share (EPS)

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 dilutive potential equity shares.

(o) 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.

(p) 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 segregate.

(q) 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.

For the purpose of cash flow statement, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, are considered part of the cash management system.

(r) Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairman of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the Chief Operating Decision Maker (CODM). The CODM evaluates the Company's performance and allocates resources on overall basis.

4 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

HCG Medi-Surge Hospitals Private Limited
Notes to the financial statements (continued)

5 Property, plant and equipment and capital work-in-progress **Rs. In Millions**

Description of Assets	Leasehold improvements	Plant and medical equipment - owned	Furniture and fixtures	Data processing equipment	Vehicles	Tangible assets Total (A)	Capital work in progress* (B)	Total (A+B)
I. Gross Block								
Balance as at 01 April 2018	**112.01**	**741.59**	**30.99**	**7.19**	**2.25**	**894.03**	**-**	**894.03**
Additions**	7.50	9.77	0.17	1.25	-	18.69	0.63	**19.32**
Exchange fluctuation	-	0.02	-	-	-	0.02	-	**0.02**
Balance as at 31 March 2019	**119.51**	**751.38**	**31.16**	**8.44**	**2.25**	**912.74**	**0.63**	**913.37**
Additions**	1.52	7.44	0.34	0.26	-	9.56	5.41	**14.97**
Disposals	-	(1.12)	-	-	-	(1.12)	-	**(1.12)**
Capitalised	-	-	-	-	-	-	(1.11)	**(1.11)**
Balance as at 31 March 2020	**121.03**	**757.70**	**31.50**	**8.70**	**2.25**	**921.18**	**4.93**	**926.11**
II. Accumulated depreciation and impairment								
Balance as at 01 April 2018	**51.38**	**119.15**	**11.93**	**3.88**	**0.59**	**186.93**	**-**	**186.93**
Depreciation expense	22.12	58.90	3.57	1.52	0.31	86.42	-	**86.42**
Balance as at 31 March 2019	**73.50**	**178.05**	**15.50**	**5.40**	**0.90**	**273.35**	**-**	**273.35**
Eliminated on disposal of assets	-	(0.83)	-	-	-	(0.83)	-	**(0.83)**
Depreciation expense	11.31	59.90	3.76	1.22	0.31	76.50	-	**76.50**
Balance as at 31 March 2020	**84.81**	**237.12**	**19.26**	**6.62**	**1.21**	**349.02**	**-**	**349.02**
Net block as at 31 March 2019	**46.01**	**573.33**	**15.66**	**3.04**	**1.35**	**639.39**	**0.63**	**640.02**
Net block as at 31 March 2020	**36.22**	**520.58**	**12.24**	**2.08**	**1.04**	**572.16**	**4.93**	**577.09**

Refer note 17 for details of charge created on property, plant and equipment.
* Directly attributable expenditure capitalised of Rs Nil (PY 19 Rs.Nil million)
**Additon includes governent grant recognised at fair value - refer note 19

6 Leases

Description of Assets	Rs. In Millions Buildings
I. Cost	
As at 1 April 2019	-
Additions	280.10
Balance as at 31 March 2020	**280.10**
II. Accumulated depreciation and impairment	
As at 1 April 2019	-
Amortisation expense	60.63
Balance as at 31 March 2020	**60.63**
Net block as at 31 March 2020	**219.47**

The Company has lease arrangements primarily for its hospital buildings.

The following is the break-up of current and non-current lease liabilities as at 31 March 2020

(Rs.in million)

Particular's	As at 31 March 2020
Current lease liabilities	51.28
Non-current liabilities	173.70
Total	**224.98**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

(Rs.in million)

Particular's	As at 31 March 2020
Less than one year	51.28
One to five years	97.49
More than five years	76.20

The Company does not expect liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Amounts recognised in Statement of profit and loss

(Rs.in million)

Particular's	As at 31 March 2020	As at 31 March 2019
Depreciation of right-of-use assets	60.63	-
Interest expense on lease liabilities	27.49	-
Rent expenses # (refer note 29)	5.70	53.71

During the year ended 31 March 2020, the Company incurred expenses amounting to Rs. 5.7 million towards short-term leases.

Amounts recognised in Cash flow statement

(Rs.in million)

Particular's	As at 31 March 2020
Repayment of principal portion of lease liability	(45.17)

Leases not yet commenced to which the Company is committed: Ahemdabad phase III.

Impact of COVID-19 (Global pandemic)

The Company does not foresee any large-scale contraction in demand which could result in significant down-sizing of its operations base rendering the physical infrastructure redundant. The leases that the Company has entered into with lessors for buildings are long term in nature and no changes in terms of those leases are expected due to the Covid-19.

Rs. In Millions

7 Other intangible assets

Description of Assets	Intangible Assets	
	Computer software	**Total**
I. Gross block		
Balance as at 01 April 2018	-	-
Additions	9.99	**9.99**
Balance as at 31 March 2019	**9.99**	**9.99**
Additions	-	-
Balance as at 31 March 2020	**9.99**	**9.99**
II. Accumulated depreciation and impairment		
Balance as at 01 April 2018	-	-
Depreciation expense	0.89	**0.89**
Balance as at 31 March 2019	**0.89**	**0.89**
Depreciation expense	2.76	**2.76**
Balance as at 31 March 2020	**3.65**	**3.65**
Net Block as at 31 March 2019	**9.10**	**9.10**
Net Block as at 31 March 2020	**6.34**	**6.34**

Rs. In Millions

8 Other financial assets

	As at 31 March 2020		As at 31 March 2019	
	Non current	**Current***	**Non current**	**Current**
Unbilled revenue (refer note 40)	-	2.72	-	6.20
Term deposit**	21.78	-	15.29	5.48
Interest accrued on term deposits	5.22	-	4.60	-
	27.00	**2.72**	**19.89**	**11.68**

* Refer note 17.1 for details of charge created on loans.
**The above deposits are restrictive as it pertains to margin money given against bank loan.

9 Income tax expense

	As at 31 March 2020	As at 31 March 2019
9.1 Income tax recognised in the statement of profit and loss		
Current income tax:		
In respect of the current year	17.34	10.97
Deferred tax		
In respect of the current year	2.41	21.65
Total income tax expense recognised in the statement of profit and loss	**19.75**	**32.62**

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:

	As at 31 March 2020	As at 31 March 2019
Profit before tax for the year	**57.79**	**53.29**
Enacted income tax rate in India	27.82%	27.82%
Computed expected tax expense	16.08	14.83
Effect of:		
Income not taxable	-	22.23
Non-deductible expenses	1.04	10.79
Sec 43B items	-	0.05
MAT credit (created)/utilised	2.40	(15.28)
Others	0.23	-
	19.75	**32.62**

9.2 Deferred tax balances

	As at 31 March 2020	As at 31 March 2019
Deferred tax assets	19.15	26.92
Deferred tax liability	(30.89)	(36.38)
	(11.74)	**(9.47)**

Significant components of net deferred tax assets and liabilities for the year ended 31 March 2020 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	(36.05)	5.16	-	(30.89)
Financial assets at amortised cost	0.45	-	-	0.45
MAT credit entitlement	6.86	(6.86)	-	-
Provision for doubtful debts	2.92	(2.29)	-	0.63
Defined benefit obligation	16.46	(15.68)	0.14	0.92
Tax losses	0.22	(0.22)	-	0.00
Lease Liability net of Lease asset		1.53	-	1.53
Deferred income		12.99	-	12.99
43B and Others	(0.33)	2.95	-	2.62
	(9.47)	**(2.41)**	**0.14**	**(11.74)**

Significant components of net deferred tax assets and liabilities for the year ended 31 March 2019 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	(15.52)	(20.53)	-	(36.05)
Financial assets at amortised cost	0.05	0.40	-	0.45
MAT credit entitlement	22.14	(15.28)	-	6.86
Provision for doubtful debts	1.70	1.22	-	2.92
Defined benefit obligation	1.93	14.43	0.10	16.46
Tax losses	0.22	-	-	0.22
Others	1.54	(1.88)	-	(0.33)
	12.06	**(21.64)**	**0.10**	**(9.47)**

Rs. In Millions

9.3 Income tax liabilities (net)

	As at 31 March 2020	As at 31 March 2019
Provision for income tax (net of advance tax)	19.19	4.64
	19.19	**4.64**

10 Other assets (Considered good)	As at 31 March 2020		As at 31 March 2019	
	Non current	Current*	Non current	Current
Capital advances	0.29	-	8.93	-
Prepaid expenses	25.56	6.95	30.62	7.30
Advance to vendors**	-	14.05	-	81.67
	25.85	**21.00**	**39.55**	**88.97**

* Refer note 17.1 for details of charge created on current loans.
** Includes advance to related parties (refer note 39)

11 Inventories (lower of cost and net realisable value)*

	As at 31 March 2020	As at 31 March 2019
Medicial and non medical items*	40.69	48.97
	40.69	**48.97**

*Inventories are subject to charge to secure bank loans. There are nil provision towards written down to net realisable value.

12 Trade receivables (unsecured) (refer note 40)*

	As at 31 March 2020	As at 31 March 2019
Considered good**	31.33	49.14
Considered doubtful	2.24	10.46
	33.57	59.60
Allowance for bad and doubtful debts (expected credit loss allowance-refer note 36)	(2.24)	(10.46)
Net trade receivables	**31.33**	**49.14**

* Trade receivables are subject to charge to secured bank loans
** Includes receivable from related parties (refer note 39)

13 Cash and bank balances

	As at 31 March 2020	As at 31 March 2019
(a) Cash and cash equivalents		
Cash on hand	3.96	1.71
Cheques on hand	0.79	2.34
Balances with Banks		
In current accounts	14.60	6.36
In EEFC accounts	3.93	5.26
	23.28	**15.67**
(b) Bank balance other than cash and cash equivalents above		
Other deposit*	-	3.49
	-	**3.49**

*Other deposits include margin money deposits with banks.

14 Loans receivable (unsecured, considered good)	As at 31 March 2020		As at 31 March 2019	
	Non current	Current*	Non current	Current
Security deposits	62.89	0.98	20.9	1.16
Advances to employees	-	0.63	-	0.12
Loan to related party (refer note 39)	-	131.78	-	-
	62.89	**133.39**	**20.90**	**1.28**

* Refer note 17.1 for details of charge created on current loans.

Rs. In Millions

15 Equity share capital

	As at 31 March 2020	As at 31 March 2019
Authorised Share capital :		
10,000,000 equity shares of Rs.10 each (as at 31 March 2019 : 10,000,000)	100.00	100.00
Issued, subscribed and paid up capital comprises:		
5,568,704 fully paid equity shares of Rs.10 each (as at 31 March 2019: 5,568,704 fully paid equity shares of Rs.10 each)	55.69	55.69

15.1 Fully paid equity shares

	Number of shares	Share capital (Amount)
Balance as at 01 April 2018	55,68,704	55.69
Issued during the year	-	-
Balance as at 31 March 2019	55,68,704	55.69
Issued during the year	-	-
Balance as at 31 March 2020	**55,68,704**	**55.69**

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

	As at 31 March 2020		As at 31 March 2019	
	Number of Shares held	% holding of equity shares	Number of Shares held	% holding of equity shares
Fully paid equity shares				
HealthCare Global Enterprises Limited	41,20,807	74.00%	41,20,807	74.00%
Asthta Oncology Private Limited	14,47,897	26.00%	14,47,897	26.00%

15.3 Rights, preferences and restrictions attached to equity shares

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

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

16 Other equity

	As at 31 March 2020	As at 31 March 2019
Retained earnings (refer note 16.1)	163.31	125.27
Remeasurement of defined benefit plans (refer note 16.2)	(0.07)	0.31
Others (refer note 16.3)	50.65	50.42
	213.89	**176.00**

16.1 Retained earnings

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	125.27	104.60
Profit for the year	38.04	20.67
Balance at the end of the year	**163.31**	**125.27**

16.2 Remeasurements of the defined benefit plans

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	0.31	0.57
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(0.38)	(0.26)
Balance at the end of the year	**(0.07)**	**0.31**

16.3 Others

Balance at the beginning of the year	50.42	28.00
Addition during the year	0.23	22.42
Balance at the end of the year	**50.65**	**50.42**

17 Borrowings

	As at 31 March 2020		As at 31 March 2019	
	Non current	Current	Non current	Current
Secured				
Term loans - from banks and financial Institutions (refer note 17.1)	465.24	8.51	414.11	-
Unsecured				
Deferred payment liabilities (refer note 17.1)	-	2.84	7.02	52.76
Less : Amount included under 'Other financial liabilites' (refer note 21)	-	(11.35)	-	(52.76)
Total	**465.24**	**-**	**421.13**	**-**

Rs. In Millions

17.1 Summary of borrowing arrangements

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

Detail of repayment terms, interest and maturity	As at 31 March 2020	As at 31 March 2019
Term loans from banks - secured		
Non-current portion*	466.75	418.14
Amounts included under current maturities of long-term debt	8.51	-
- Security: Exclusive charge on medical equipments and other fixed assets purchased out of bank finance. Exclusive charge on all the movable fixed asset and current assets (both present and future). Further, corporate guarantee is given by Healthcare Global Enterprises Limited, the holding company of the entity. - Rate of interest: bank's one year MCLR + 0.75% to 1% p.a. - Repayable in installments over a period of 4 to 10 years after 1 to 3 year moratorium from the date of borrowing.		
* Non-current portion of bank debt is net of Rs. 1.51 million (31 March 2019: Rs. 4.03 million) towards unamortised loan processing charges set off against loan.		
Deferred payment liabilities - unsecured		
Non-current portion	-	7.02
Amounts included under current maturities of long-term debt	2.84	52.76
Repayment Term - Interest at the rate of 3% repayable in next 3 years - Repayment over a period of 1 to 3 years		
Less: Unamortised loan processing charges	(1.51)	(4.03)
Total	**476.59**	**473.89**
Non-current portion	465.24	421.13
Amounts included under current maturities of long-term debt	11.35	52.76

18 Provisions

	As at 31 March 2020		As at 31 March 2019	
	Non current	**Current**	**Non current**	**Current**
Employee benefits				
Gratuity (Refer note 34.2)	2.52	1.38	1.80	1.14
Compensated absences	-	0.79	-	0.68
Total	**2.52**	**2.17**	**1.80**	**1.82**

19 Other liabilities

	As at 31 March 2020		As at 31 March 2019	
	Non current	**Current**	**Non current**	**Current**
Advance from customers (refer note 40)	-	7.61	-	8.84
Balance due to statutuory/government authorities	-	9.92	-	6.99
Deferred government grant *	42.17	4.54	46.44	4.81
Total	**42.17**	**22.07**	**46.44**	**20.64**

* The Company imports medical equipments under Export Promotion Capital Goods (EPCG) scheme. Under the Scheme, on the Company expected to meet the specified criteria, it is exempt from paying customs duty on imports which is recognised as a government grant. Fair value of the government grant is capitalised along with the equipment. Deferred income is amortised over the useful life of the equipment it has been procured for. EPCG income recognised during the year is Rs 4.54 million (31 March 2019: Rs 4.81 million). The unfulfilled export obligation as on 31 March 2020 is Rs.46.71 million (31 March 2019: Rs 51.25 million).

20 Trade payables

	As at 31 March 2020	As at 31 March 2019
Total outstanding dues of creditors other than micro enterprises and small enterprises	66.34	143.39
Total outstanding to related parties*	12.67	-
Total	**79.01**	**143.39**

* For details relating to payable to related parties- refer note 39

21 Other financial liabilities

	As at 31 March 2020		As at 31 March 2019	
	Non current	**Current**	**Non current**	**Current**
Current maturities of long-term debt (refer note 17)	-	8.51	-	-
Current maturities of deferred payment obligations (refer note 17)	-	2.84	-	52.76
Interest accrued but not due on borrowings	-	-	-	1.01
Interest payable to holding company (refer note 39)	-	6.83	-	0.13
Creditors for capital goods	-	0.47	-	1.13
Accrued employee benefits	-	13.73	-	12.61
Total	**-**	**32.38**	**-**	**67.64**

Rs. In Millions

22 Revenue from operations (refer note 40)	Year ended 31 March 2020	Year ended 31 March 2019
Income from medical services	1,112.65	1,090.77
Sale of medical and non medical items	17.70	17.51
Other operating revenues	5.70	6.05
	1,136.05	**1,114.33**

Impact of COVID-19 (Global pandemic)

The Company has evaluated the impact of Covid-19 and resultant delay, postponement and/ or cancellation of oncology, multi-specialty procedures, reduction in footfalls of patients in Out Patients. The likely revenue from mid-March 2020 and onwards has been impacted. Continued lockdowns are likely to impact the Company operationally including its new projects.

23 Income from Government Grants	Year ended 31 March 2020	Year ended 31 March 2019
EPCG Income	4.54	4.81
	4.54	**4.81**

24 Other income	Year ended 31 March 2020	Year ended 31 March 2019
Interest income	15.73	1.67
Miscellaneous income	2.29	1.68
	18.02	**3.35**
Interest income comprise:		
Interest on bank deposits	2.11	1.67
Interest on loans and advances (refer note 39)	12.62	-
Interest on income tax refund	1.00	-
	15.73	**1.67**

25 Changes in inventories of medical and non-medical items	Year ended 31 March 2020	Year ended 31 March 2019
Inventories at the beginning of the year	48.97	31.77
Inventories at the end of the year	40.69	48.97
	8.28	**(17.20)**

26 Employee benefits expense	Year ended 31 March 2020	Year ended 31 March 2019
Salaries and wages	120.41	103.47
Contribution to provident and other funds (refer note 34.1)	7.65	4.38
Expense on employee stock option scheme	0.84	-
Staff welfare expenses	1.29	0.58
	130.19	**108.43**

27 Finance costs	Year ended 31 March 2020	Year ended 31 March 2019
Interest costs		
Interest on borrowings	44.81	35.42
Interest on defined benefit obligations (Refer note 34.2)	0.29	0.17
Interest expense on lease liabilities	27.49	-
Interest on deferred payment obligations	1.32	4.51
Net loss on foreign currency transactions and translations to the extent regarded as borrowing costs	1.38	20.12
Other borrowing cost		
Commission on corporate guarantee	3.73	15.15
Bank charges	6.24	9.58
	85.26	**84.95**

28 Depreciation and amortisation expense	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation of property, plant and equipment (refer note 5)	76.50	86.42
Depreciation of right-of-use assets (refer note 6)	60.63	-
Amortisation of intangible assets (refer note 7)	2.76	0.89
	139.89	**87.31**

Rs. In Millions

29 Other expenses	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Medical consultancy charges (refer note 39)	365.90	346.13
Lab charges (refer note 39)	52.89	48.15
Power and fuel	18.35	19.56
House keeping expenses	9.72	11.63
Rent (refer note 6)	5.70	53.71
Repairs and maintainance		
- Buildings	1.42	1.33
- Machinery	37.53	29.53
- Others	3.57	4.88
Insurance	1.85	1.14
Rates and taxes	15.10	3.23
Printing and stationery	1.73	5.14
Advertisement, publicity and marketing	2.39	9.76
Travelling and conveyance	1.91	2.59
Legal and professional Fees	0.76	4.85
Payment to auditors (refer note 29.1)	1.41	1.61
Telephone expenses	1.06	0.58
Provision/ (reversal) for doubtful debts	(8.22)	(1.19)
Expenditure incurred for corporate social responsibility (refer note 29.2)	-	0.85
Miscellaneous expenses	2.90	3.65
	515.97	**547.13**

29.1 Payments to auditors (excluding taxes)	**Year ended 31 March 2020**	**Year ended 31 March 2019**
As an auditor		
Audit fee	1.41	1.61
Reimburesement of expenses	-	-
	1.41	**1.61**

29.2 Corporate social responsibility

(a) Gross amount required to be spent by the Company during the year is Rs 0.91 million (2018-19: Rs 0.85 million)

(b) Amount spent during the year ended 31 March 2020 on corporate social responsibility activities :

Particulars	31 March 2020	31 March 2019
Construction/acquisation of any asset	-	-
On purposes other than above	-	-

30 Contingent liabilities	**As at 31 March 2020**	**As at 31 March 2019**
Value added tax (refer note 1)	16.63	15.69
Customs duty (refer note 2)	4.49	4.49
Income tax (refer note 3)	2.74	2.74
	23.86	22.92

1 HCG Medisurge Hospitals Private Limited's VAT Assessment has been done for FY 2011-12 and noted that the Company has not paid VAT totaling Rs.9.49 million on goods which the Company claimed as Exempted goods. The AO has levied interest of Rs. 4.56 million and penalty of Rs. 1.64 million by wrongly assessing service income as a taxable item and levying VAT on cafeteria which was offered by the Company to VAT under different VAT registration.
The Company has filed an appeal before the Joint Commissioner of Commercial Taxes producing the relevant supporting documents for supply of exempted goods, provision of medical Services and offering of cafeteria sales under different VAT registration number. The Company believes that the VAT demand will be dropped.

Also, VAT Assessment has been done for FY 2013-14 and noted that the Company has not paid VAT totaling Rs.0.55 million on goods which the Company claimed as Input tax credit was disallowed wrongly. The AO has levied interest of Rs. 0.39 million by wrongly disallowing input tax credit and levying VAT.
The Company has filed an appeal before the Joint Commissioner of Commercial Taxes by paying deposit under protest of Rs. 0.19 million on dated 15-05-2019 . The Company believes that the VAT demand will be dropped.

2 The Company imported radiation equipment, Linear Accelarator-True Beam with standard accessories in two consigments. First consignment with main Linear Accelarator equiment was cleared by paying CVD @5% and second consignment was cleared as accessories of the medical equipment with Nil rate of CVD by claiming benefit under Notification No.06/2006 dated01.03.2006. The Commissioner of Customs has passed the order against the import of the second consignment as "Accessories/spare parts of Linear Accelarator" which attracts CVD @ 5% and declined the benefit of Notification No. 06/2006 and levied duty of Rs. 2.244 million and penalty of Rs. 2.244 million along with applicable interest.
The Company has appealed before Customs, Excise & Service Tax Appellate Tribunal, Mumbai and is positive of claiming benefit under said notification and no adverse effect on financial statement.

Rs. In Millions

3 During the Financial Year 2011-12, the Company had made payment to Aastha Oncology Private Limited towards their medical/professional consultancy services after deducting TDS @ 2% (Sec 197 certificate issued for Rs. 31 Million) and there after @ 10% under Section 194J. However, the AO has erred in arriving at the total amount paid/payable to Aastha Oncology Private Limited due to not considering the revised quarterly e-TDS return amount while making TDS assessment and has levied short payment of TDS of Rs. 1.51 million and interest of Rs. 1.23 million.

The Company has produced the supporting documents during appeal and also accepted a short payment of TDS after considering all transactions with Aastha Oncology Private Limited during the year amounts to for Rs. 0.024 million. The appellate authority has passed the order and has directed the AO to verify and if appellant has effected the TDS @ 2% on Rs.3,10,00,000/- and @ 10% on the balance amount of Rs.86,86,635/- delete the impugned demand u/s.201/201(1A) of the Act. No adverse effect on financial statement.

The Company is involved in disputes, lawsuits, claims, governmental and/or regulatory inspections, inquiries, including tax and commercial matters that arise from time to time in ordinary course of business. The Company believes that there are no such pending matters that are expected to have any material adverse effect on its financial statements.

4 The Hon'ble Supreme Court has, in a decision dated 28 February 2019, ruled that special allowance would form part of wages for computing the Provident Fund (PF) contribution. The Company keeps a close watch on further clarifications and directions from the respective department based on which suitable action would be initiated.

31 Commitments	**As at 31 March 2020**	**As at 31 March 2019**
Estimated amount of contracts remaining to be executed on capital account (net of advance) and not provided for	1.40	-

32 Earnings per share

	For the year ending 31 March 2020	**For the year ending 31 March 2019**
a. Profit for the year attributable to equity holders	38.04	20.67
b. Weighted average number of equity shares for the year	55,68,704	55,68,704
c. Nominal value of shares (in Rs.)	10	10
d. Earning per equity share Rs. per share (a/b)	6.83	3.71

33 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.

(i) Revenue from operations

Particulars	**Year ended 31 March 2020**	**Year ended 31 March 2019**
India	1,136.05	1,114.33
Total	**1,136.05**	**1,114.33**

(ii) Non current assets* -

Particulars	**Year ended 31 March 2020**	**Year ended 31 March 2019**
India	828.75	688.67
Total	**828.75**	**688.67**

*Non-current assets exclude financial instruments and deferred tax assets

Rs. In Millions

34 Employee benefit plans

34.1 Defined contribution plans

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

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Contribution to provident fund and pension scheme, included under contribution to provident and other funds	7.65	4.38
	7.65	**4.38**

34.2 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.

Amounts recognised in statement of profit and loss in respect of this defined benefit plan are as follows.	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Current service cost	0.75	0.45
Net interest expense	0.29	0.17
Components of defined benefit costs recognised in the statement of profit and loss	**1.04**	**0.62**
Service cost recognised in employee benefits expense in note 26	0.75	0.45
Net interest expense recognised in finance costs in note 27	0.29	0.17
Remeasurement on the net defined benefit liability:		
Actuarial loss due to changes in demographic assumptions	-	0.15
Actuarial (gains) / losses arising from changes in financial assumptions	0.08	(0.02)
Actuarial (gains) / losses arising from experience adjustments	0.43	0.23
Remeasurement on the net defined benefit liability recognised in other comprehensive income	**0.52**	**0.36**

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

	Year ended 31 March 2020	**Year ended 31 March 2019**
Present value of defined benefit obligation	3.90	2.94
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation	**3.90**	**2.94**
Non- Current	2.52	1.80
Current	1.38	1.14

Movements in the present value of the defined benefit obligation are as follows.	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Opening defined benefit obligation	2.94	2.17
Current service cost	0.75	0.45
Interest cost	0.29	0.17
Remeasurement (gains)/losses:		
Actuarial loss due to changes in demographic assumptions	-	0.15
Actuarial gains and losses arising from changes in financial assumptions	0.08	(0.02)
Actuarial gains and losses arising from experience adjustments	0.43	0.23
Benefits paid	(0.60)	(0.21)
Closing defined benefit obligation	**3.90**	**2.94**

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses as determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant is not material.

Particulars	**As at 31 March 2020**		**As at 31 March 2019**	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (1% change)	(0.08)	0.08	(0.05)	0.05
Future salary increase (1% change)	0.18	(0.17)	0.13	(0.12)
Attrition rate (10% change)	(0.13)	0.14	(0.07)	0.08

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

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

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

The average duration of the benefit obligation as at 31 March 2020 is 4.24 years (net of cashflow) (as at 31 March 2019: 4.50 years).

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

Particulars	**As at 31 March 2020**	**As at 31 March 2019**
Discount rate	5.90%	7.00%
Expected rate of salary increase	5.00%	5.00%
Employee turnover rate	45.00%	45.00%
Mortality table	IALM 2012-14	IALM 2006-08

Maturity profile of defined benefit obligation:

Particulars	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Within 1 year	1.38	1.14
1-2 years	1.12	0.78
2-3 years	0.71	0.53
3-4 years	0.48	0.36
4-5 years	0.31	0.23
6-10 years	0.40	0.30
Year 10+	0.02	0.02

Rs. In Millions

35 Financial instruments

The carrying value and fair value of financial instruments by categories as at 31 March 2020 and 31 March 2019

Particulars	Carrying value as at		Fair value as at	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Financial assets				
Amortised cost				
Loans (includes current and non-current)	196.28	22.18	196.28	22.18
Trade receivables	31.33	49.14	31.33	49.14
Cash and cash equivalents	23.28	15.67	23.28	15.67
Bank balance other than cash and cash equivalents above	-	3.49	-	3.49
Other financial assets (includes current and non-current)	29.72	31.57	29.72	31.57
Total assets	**280.61**	**122.05**	**280.61**	**122.05**
Financial liabilities				
Amortised cost				
Borrowings (includes current maturities of borrowings)	476.59	473.89	476.59	473.89
Lease liabilities	224.98	-	224.98	-
Trade payables	66.34	143.39	66.34	143.39
Other financial liabilities (includes current and non-current)	21.03	14.88	21.03	14.88
Total liabilities	**788.94**	**632.16**	**788.94**	**632.16**

The management assessed that carrying value of above financial assets and liabilities approximates the fair value.

Refer note 17.1 for details related to charge on financial assets.

36 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.

(i) Risk management framework

The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The focus of risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

Rs. In Millions

(ii) Credit risk

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

a) Trade and other receivables

Trade receivables comprise a widespread customer base. Management evaluate credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set for patients without medical aid insurance. Services to customers without medical aid insurance are settled in cash or using major credit cards on discharge date as far as possible. Credit Guarantees insurance is not purchased. The receivables are mainly unsecured, the Company does not hold any collateral or a guarantee as security. The provision details of the trade receivable is provided in Note 11 of the financial statements.

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

1. The Provision matrix at the end of the reporting period is as follows:-

Category	31 March 2020	31 March 2019
Less than 1 year	5% to 10%	10% to 25%
1-2 years	35% to 54%	100%
More than 2 years	100%	100%

2. Movement in the expected credit loss allowance	Year ended 31 March 2020	Year ended 31 March 2019
Balance at beginning of the year	10.46	11.65
Additional provision during the year	(8.22)	(1.19)
Balance at end of the year	**2.24**	**10.46**

No single customer accounted for more than 10% of the revenue as of 31 March 2020 and 31 March 2019. There is no significant concentration of credit risk.

Details of geographic concentration of revenue is included in note 33 to the financial statements

Impact of COVID-19 (Global pandemic)

Trade receivables as at 31 March 2020 forms a significant part of the financial assets carried at amortized cost which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, the Company has evaluated the likelihood of increased credit risk and consequential default considering emerging Covid-19 situation. This assessment considers the current collection pattern across various customers. The Company is closely monitoring the developments across various customers. Basis this assessment, provision made towards ECL is considered adequate.

(iii) 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 table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2020 and 31 March 2019

Particulars	As at 31 March 2020				
	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 4 years
Borrowings	11.35	41.31	41.31	61.96	320.66
Lease liabilities	51.28	56.01	14.03	15.03	88.63
Trade payables	66.34	-	-	-	-
Other financial liabilities	21.03	-	-	-	-
	150.00	**97.32**	**55.34**	**76.99**	**409.29**

Particulars	As at 31 March 2019				
	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 4 years
Borrowings	52.76	12.75	35.74	35.74	340.92
Trade payables	143.39	-	-	-	-
Other financial liabilities	14.88	-	-	-	-
	211.03	**12.75**	**35.74**	**35.74**	**340.92**

Rs. In Millions

(iv) 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 2020	As at 31 March 2019
Variable rate long term borrowings including current maturities	472.29	418.14
Total borrowings	**472.29**	**418.14**

b. Sensitivity analysis

	Impact on profit or (loss) before tax	
Particulars	**As at 31 March 2020**	**As at 31 March 2019**
Sensitivity		
1% increase in MCLR rate	4.72	4.18
1% decrease in MCLR rate	(4.72)	(4.18)

(v) Foreign currency risk
The Company's exchange risk arises mainly from its foreign currency borrowings. As a result, depreciation of Indian rupee relative to these foreign currencies will have a significant impact on the financial performance of the Company. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future.

The following table presents unhedged foreign currency risk from financial instruments as of 31 March 2020 and 31 March 2019

Particulars	As at 31 March 2020	As at 31 March 2019
Assets		
Cash and cash equivalents	3.93	5.26
Liabilities		
Borrowings	1.71	59.78
Net assets/(liabilities)	**2.22**	**(54.52)**

	Impact on profit or (loss) before tax	
Particulars	**As at 31 March 2020**	**As at 31 March 2019**
USD Sensitivity		
Rs/USD - Increase by 1%	0.02	0.55
Rs/USD - Decrease by 1%	(0.02)	(0.55)

37 Capital management
The Company manages its capital to ensure 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 2020	As at 31 March 2019
Total equity attributable to the equity share holders of the Company	269.58	231.69
As percentage of total capital	37%	34%
Total loans and borrowings	476.59	473.89
Cash and cash equivalents	(23.28)	(15.67)
Net loans and borrowings	453.31	458.22
As a percentage of total capital	63%	66%
Total capital (loans and borrowings and equity)	**722.89**	**689.91**

Rs. In Millions

38 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 2020 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 2020	As at 31 March 2019
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	-	-

Rs. In Millions

39 Related Party Disclosures

a Details of related parties:

Description of relationship	**Names of related parties**
Holding company	HealthCare Global Enterprise Limited
Enterprises having significant influence	Aastha Oncology Private Limited
	HCG Foundation
Common control entity	HCG Sun Hospital LLP
	Strand Life science Private Limited
Key Management Personnel (KMP)	**Non-executive directors**
	- Kaustubhbhai Dhirajlal Patel - Dr.Ramesh Shankarappashetty - Dr.B.S Ajaikumar - Rajendra Bhagwandas Toprani - Vijay Govinda Devanhalli

b Transactions with related party

Rs. In Millions

Particulars	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Purchases of medical and non-medical items		
- HealthCare Global Enterprises Limited	8.54	93.50
Medical consultancy charges		
- HealthCare Global Enterprises Limited	12.16	9.99
- Aastha Oncology Private Limited	178.46	177.41
Lab charges		
- Strand Life science Private Limited	41.00	34.55
Income from medical services		
- HCG Foundation	0.85	-
Interest on loan given		
- HCG Sun Hospital LLP	0.26	0.09
- HealthCare Global Enterprises Limited	12.36	-
Reimbursement of expense on employee stock option scheme cross charged by the Company		
- HealthCare Global Enterprises Limited	0.84	-
Loans given		
- HCG Sun Hospital LLP	13.00	6.00
- HealthCare Global Enterprises Limited	332.15	79.03
Advances given		
- HealthCare Global Enterprises Limited	14.05	-
Loans / Advances repaid by		
- HCG Sun Hospital LLP	-	6.00
- HealthCare Global Enterprises Limited	225.53	-
Capital expenditure/ revenue expenditure reimbursed		
- HealthCare Global Enterprises Limited	10.09	23.24
Sale of Fixed Asset		
- Strand Life science Private Limited	0.24	-
Corporate guarantee commission		
- HealthCare Global Enterprises Limited	3.73	15.15
Investments received during the year in (including corporate guarantee)		
- HealthCare Global Enterprises Limited	0.23	22.42

c Closing balances with related party during the year

Particulars	**As at 31 March 2020**	**As at 31 March 2019**
Trade receivables		
- HCG Foundation	0.08	-
- Strand Life science Private Limited	0.24	-
Other assets		
- HealthCare Global Enterprises Limited	14.05	79.16
Other financial liabilities		
- HealthCare Global Enterprises Limited	6.83	-
Loans receivable		
- HealthCare Global Enterprises Limited	118.52	-
- HCG Sun Hospital LLP	13.26	-
(Including interest accrued on loans)		
Trade payables		
- Aastha Oncology Private Limited	12.67	14.52
Corporate guarantees		
- Healthcare Global Enterprises Limited	473.80	418.14

Rs. In Millions

40 Ind AS 115- Revenue from contract

Contract balances
(a) Receivables

i) Trade receivables: Refer note 12	
Opening balance as on 1 April 2019	49.14
Closing balance as on 31 March 2020	31.33
ii) Unbilled revenue : Refer note 8	
Opening balance as on 1 April 2019	6.2
Closing balance as on 31 March 2020	2.72

b) The Company does not have any contract asset as at 31 March 2020 and 31 March 2019.
c) The contract liability amount from contracts with customers is given below :

Advance from customers : Refer note 19	
Opening balance as on 1 April 2019	8.84
Closing balance as on 31 March 2020	7.61
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	4.78

41 The financial statements have not been authenticated by a Company Secretary as required by the provisions of Section 203 of the Companies Act, 2013, as the Company is in the process of appointing a whole time company secretary.

Significant accounting policies 2
The accompanying notes are an integral part of these financial statements

As per reports of even date attached

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

Amit Somani
Partner
Membership Number: 060154

Place : Bengaluru
Date : 31 July 2020

for and on behalf of the Board of Directors of
HCG Medi-Surge Hospitals Private Limited

Dr. B S Ajaikumar	**Rajendra B Toprani**
Director	*Director*
DIN 00713779	DIN 01576097
Place : Bengaluru	Place : Ahmedabad
Date : 31 July 2020	Date : 31 July 2020