B S R & Associates LLP
Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Members of Malabar Institute of Medical Sciences Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Malabar Institute of Medical Sciences 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.

Other Information

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 annual report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditor report.

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

B S R & Associates (a partnership firm with Registration No. BA69226) converted into B S R & Associates LLP (a Limited Liability Partnership with LLP Registration No. AAB - 8182) with effect from October 14, 2013

Registered Office:
5th Floor, Lodha Excelus
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N M Joshi Marg, Mahalakshmi
Mumbai 400 011

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. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as applicable under the applicable laws and regulations.

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 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.

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.

Malabar Institute of Medical Sciences Limited
Independent Auditors' Report (continued)

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 29 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 has been no delay in transferring amounts, 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.

Malabar Institute of Medical Sciences Limited
Independent Auditors' Report (continued)

(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 remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. 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 & Associates LLP**
Chartered Accountants
Firm's Registration No.: 116231W/ W-100024

Rushank Muthreja
Partner
Membership No: 211386
Unique Document Identification Number: 20211386AAAABF6009

Bengaluru
10 June 2020

Malabar Institute of Medical Sciences Limited
Annexure A to the Independent Auditors' Report

Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements 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 fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

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

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Thus paragraph 3 (iii) (a) to (c) of the Order is not applicable.

(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 investments made. Further, there were no loans, guarantees and security given in respect of which provisions of section 185 and 186 of the Act are applicable.

(v) The Company has not accepted any deposits from the public within the meaning the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder and accordingly paragraph 3(v) of the said order is not applicable.

(vi) We have broadly reviewed the books of accounts relating to material, labour and other item of cost maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended, prescribed by the Central Government under section 148 of the Act and we are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such records.

(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 services tax, cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and services tax, duty of customs, cess 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.

Malabar Institute of Medical Sciences Limited
Annexure A to the Independent Auditors' Report (continued)

(b) According to information and explanations given to us, there are no material dues of sales tax, customs duty, service tax, value added tax, goods and services tax and cess which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us, the following dues of income tax have not been deposited by the Company on account of dispute.

Name of the statute	Nature of dues	Amount (in Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	183,632	AY 2004-05	The Commissioner of Income Tax (Appeals), Calicut
Income Tax Act, 1961	Income tax	11,781,469 (10,361,666)*	AY 2005-06	The Commissioner of Income Tax (Appeals), Calicut
Income Tax Act, 1961	Income tax	2,378,693 (2,066,999)*	AY 2006-07	The Commissioner of Income Tax (Appeals), Calicut
Income Tax Act, 1961	Income tax	3,535,104 (2,464,110)*	AY 2008-09	The Commissioner of Income Tax (Appeals), Calicut
Income Tax Act, 1961	Income tax	9,053,270 (1,811,000)*	AY 2012-13	The Commissioner of Income Tax (Appeals), Calicut

* The amount represents the payment made under protest

(viii) The Company has not defaulted in the repayment of loans and borrowings from any banks. According to the information and explanations given to us, the Company did not have any loans or borrowings from government or debenture holders during the year.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. According to the information and explanation given to us, the term loans taken by the company have been applied for the purpose for which they were raised.

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

(xi) According to the information and explanations given to us and based on the examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.

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

Malabar Institute of Medical Sciences Limited
Annexure A to the Independent Auditors' Report (continued)

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

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

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.: 116231W/ W-100024

Rushank Muthreja
Partner
Membership No: 211386
Unique Document Identification Number: 20211386AAAABF6009

Bengaluru
10 June 2020

Malabar Institute of Medical Sciences Limited
Annexure B to the Independent Auditors' report

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

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Malabar Institute of Medical Sciences Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Malabar Institute of Medical Sciences Limited
Annexure B to the Independent Auditors' report (continued)

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.: 116231W/W-100024

Rushank Muthreja
Partner
Membership No: 211386
Unique Document Identification Number: 20211386AAAABF6009

Bengaluru
10 June 2020

Malabar Institute of Medical Sciences Limited
Balance sheet as at 31 March 2020
(All amounts in Indian rupee crores)

	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	4	661.44	587.97
Capital work-in-progress	4	5.25	41.44
Intangible assets	5	1.84	0.74
Right to use assets	32	5.47	-
Financial assets			
Investments	6	9.29	9.29
Loans	7	3.74	2.54
Other financial assets	8	17.68	7.96
Deferred tax assets	28	2.62	-
Income tax assets (net)	28	10.07	5.31
Other non-current assets	9	2.66	8.93
		720.06	664.18
Current assets			
Inventories	10	21.24	11.87
Financial assets			
Trade receivables	11	51.37	41.86
Cash and cash equivalents	12	9.93	8.38
Bank balances other than above	13	0.51	1.76
Other financial assets	8	5.16	2.59
Other current assets	9	5.40	4.30
		93.61	70.76
Assets held-for-sale	40	0.87	0.81
		94.48	71.57
TOTAL		814.54	735.75
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	14	99.91	99.91
Other equity		337.52	326.81
		437.43	426.72
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	15	131.21	117.03
Lease liabilities	32	6.51	-
Provisions	18	7.10	7.68
Deferred tax liabilities	28	70.19	70.09
Other non current liabilites	19	6.79	5.65
		221.80	200.45
Current liabilities			
Financial liabilities			
Borrowings	15	26.99	9.58
Trade payables	17		
- Total outstanding dues of micro and small enterprises		3.82	-
- Total outstanding dues of creditors other than micro and small enterprises		42.52	31.81
Other financial liabilities	16	73.17	61.53
Lease liabilities	32	1.15	-
Provisions	18	2.49	1.53
Other current liabilities	19	5.17	4.13
		155.31	108.58
		377.11	309.03
TOTAL		814.54	735.75

Significant accounting policies 3

The accompanying notes form an integral part of the balance sheet

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W /W-100024

Rushank Muthreja
Partner
Membership number: 211386
Bengaluru
10 June 2020

for and on behalf of the Board of Directors of
Malabar Institute of Medical Sciences Limited
CIN:U85110KL1995PLC008617

Dr. Azad Moopen
Chairman
DIN: 00159403
Dubai
10 June 2020

Dr Hamza P M
Whole Time Director
DIN: 02263209
Calicut
10 June 2020

Arjun Vijayakumar
Chief Financial Officer
Calicut
10 June 2020

Udayakumar T. P.
Company Secretary
Membership no. FCS 8073
Calicut
10 June 2020

Malabar Institute of Medical Sciences Limited
Statement of profit and loss for the year ended 31 March 2020
(All amounts in Indian rupee crores)

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Income			
Revenue from operations	20	484.17	346.16
Other income	21	3.35	1.81
Total income		**487.52**	**347.97**
Expenses			
Purchases of medicines and consumables	22	127.10	83.13
Change in inventories	23	(8.77)	(2.25)
Employee benefits expense	24	103.61	82.43
Finance costs	25	17.28	5.94
Depreciation and amortisation expense	26	23.98	13.52
Other expenses	27	211.67	151.29
Total expenses		**474.87**	**334.06**
Profit before tax		12.65	13.91
Tax expense			
Current tax : MAT for the year	28	2.62	4.50
Deferred tax (Including MAT credit entitlement)	28	(1.95)	3.35
Total tax expense		**0.67**	**7.85**
Profit for the year		**11.98**	**6.06**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of net defined benefit liability, net of tax effect		0.19	(0.31)
Total comprehensive income for the year		**12.17**	**5.75**
Earnings per share (equity share of face value of Rs.10 each)	30		
Basic and diluted		1.20	0.64

Significant accounting policies 3

The accompanying notes form an integral part of the statement of profit and loss

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W /W-100024

Rushank Muthreja
Partner
Membership number: 211386

Bengaluru
10 June 2020

for and on behalf of the Board of Directors of
Malabar Institute of Medical Sciences Limited
CIN:U85110KL1995PLC008677

Dr. Azad Moopen
Chairman
DIN: 00159403

Dubai
10 June 2020

Dr Hamza P M
Whole Time Director
DIN: 02263209

Calicut
10 June 2020

Arjun Vijayakumar
Chief Financial Officer
Calicut
10 June 2020

Udayakumar T. P.
Company Secretary
Membership no. FCS 8073
Calicut
10 June 2020

Malabar Institute of Medical Sciences Limited
Statement of cash flows for the year ended 31 March 2020
(All amounts in Indian rupee crores)

	Year ended 31 March 2020	Year ended 31 March 2019
Cash flows from operating activities		
Profit before tax	12.65	13.91
Adjustments for		
Depreciation and amortisation	23.98	13.52
Finance costs	17.28	5.94
Interest income	(0.61)	(0.68)
Liabilities and provisions no longer required written back	(0.50)	-
Dividend on non-current investments	*	(0.19)
Allowances for credit losses on financial assets	2.35	0.49
Loss on sale of property, plant and equipment, net	0.07	2.75
Operating cash flow before working capital changes	55.22	35.80
Increase in trade receivables	(11.92)	(11.05)
Increase in inventories	(9.37)	(2.37)
Increase in other financial assets and other assets	(3.38)	(11.19)
Increase in trade payables, provisions, other financials liabilities and other liabilities	35.39	19.74
Cash generated from/ (used in) operations	65.94	30.93
Taxes paid, net of refund received	(7.38)	(7.90)
Net cash generated from operating activities (A)	58.56	23.03
Cash flows from investing activities		
Interest received	0.41	0.61
Dividend received	-	0.19
Advance against equity to a subsidary	(9.25)	-
Investment in subsidary	*	-
Payment of lease liabilities	(1.79)	-
Acquisition of property, plant and equipment	(61.70)	(99.89)
Proceeds from sale of property, plant and equipment	0.08	0.94
Net cash used in investing activities (B)	(72.25)	(98.15)
Cash flows from financing activities		
Proceeds from issue of equity share capital	-	45.41
Finance cost paid (including borrowing cost capitalised)	(16.73)	(12.89)
Long-term secured borrowings availed	36.79	73.35
Long-term secured borrowings repaid	(22.23)	(28.39)
Current borrowings (repaid)/availed, net	17.41	4.46
Net cash generated from in financing activities (C)	15.24	81.94
Net increase in cash and cash equivalents (A+B+C)	1.55	6.82
Cash and cash equivalents at the beginning of the year	8.38	1.56
Cash and cash equivalents at the end of the year	9.93	8.38

Changes in liabilities arising from financing activities

Particulars	As at 1 April 2019	Cash flows	Non-cash changes		As at 31 March 2020
			Foreign Exchange	Fair Value changes	
Non-current borrowings	135.02	14.56	-	-	149.58
Current borrowings	9.58	17.41	-	-	26.99
Total	144.60	31.97	-	-	176.57

Particulars	As at 1 April 2018	Cash flows	Non-cash changes		As at 31 March 2019
			Foreign Exchange	Fair Value changes	
Non-current borrowings	90.06	44.96	-	-	135.02
Current borrowings	5.12	4.46	-	-	9.58
Total	95.18	49.42	-	-	144.60

(Refer to note 12 - Cash and cash equivalents)
*Amount is below the rounding off norms adopted by the Company
The accompanying notes form an integral part of the statement of cash flows

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W /W-100024

Rushank Muthreja
Partner
Membership number: 211386

Bengaluru
10 June 2020

for and on behalf of the Board of Directors of
Malabar Institute of Medical Sciences Limited
CIN:U85110KL1995PLC008677

Dr. Azad Moopen
Chairman
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10 June 2020

Dr Hamza P M
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Calicut
10 June 2020

Arjun Vijayakumar
Chief Financial Officer
Calicut
10 June 2020

Udayakumar T. P.
Company Secretary
Membership no. FCS 8073
Calicut
10 June 2020

Malabar Institute of Medical Sciences Limited
Statement of changes in equity for the year ended 31 March 2020
(All amounts in Indian rupee crores)

A. Equity share capital

	Note	Equity shares (In crore)	Amount
Equity shares of INR 10 each issued at par, subscribed and fully paid-up			
As at 1 April 2018		9.08	90.83
Changes in equity share capital during 2018-19	14	0.91	9.08
As at 31 March 2019		9.99	99.91
Changes in equity share capital during 2019-20		-	-
As at 31 March 2020		9.99	99.91

B Other equity

Particulars	Reserves and surplus		Items of other comprehensive income	Total equity attributable to equity owners of the Company
	Securities premium	Retained earnings	Remeasurement of net defined benefit liability, net of tax effect	
As at 1 April 2018	42.38	242.35	-	284.73
Total comprehensive income for the year ended 31 March 2019				
Profit for the year	-	6.06	-	6.06
Other comprehensive income	-	-	(0.31)	(0.31)
Total comprehensive income	-	6.06	(0.31)	5.75
Transferred to retained earnings	-	(0.31)	0.31	-
Share issue for cash	36.33	-	-	36.33
Total contributions by and distributions to owners	36.33	(0.31)	0.31	36.33
As at 31 March 2019	78.71	248.10	-	326.81
Profit for the year	-	11.98	-	11.98
Other comprehensive income	-	-	0.19	0.19
Impact on account of transition to Ind AS 116, net of deferred tax (Refer note 32)	-	(1.46)	-	(1.46)
Total comprehensive income	-	10.52	0.19	10.71
Transferred to retained earnings	-	0.19	(0.19)	-
Total contributions by and distributions to owners	-	0.19	(0.19)	-
As at 31 March 2020	78.71	258.81	-	337.52

Description of the nature and purpose of each reserve within equity is as follows:

Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013

The accompanying notes are an integral part of the statement of changes in equity

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W /W-100024

Rushank Muthreja
Partner
Membership number: 211386

Bengaluru
10 June 2020

for and on behalf of the Board of Directors of
Malabar Institute of Medical Sciences Limited
CIN:U85110KL1995PLC008677

Dr. Azad Moopen
Chairman
DIN: 00159403

Dubai
10 June 2020

Dr Hamza P M
Whole Time Director
DIN: 02263209

Calicut
10 June 2020

Arjun Vijayakumar
Chief Financial Officer
Calicut
10 June 2020

Udayakumar T. P.
Company Secretary
Membership no. FCS 8073
Calicut
10 June 2020

Malabar Institute of Medical Sciences Limited
Notes to the financial statements

1. **Company overview**

Malabar Institute of Medical Sciences Limited ('the Company') was incorporated on 17 February 1995 as a limited company. The registered office of the Company is located at Mini Bypass Road, Govindapuram, Calicut, Kerala. The Company is primarily engaged in the business of rendering healthcare services. The holding and ultimate holding company is Aster DM healthcare Limited, India

2. **Basis of preparation**

A. **Statement of compliance**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') as amended and other relevant provisions of the Act. The Company has availed the exemption available under the Act and not presented consolidated financial statements.

The financial statements were authorized for issue by the Company's Board of Directors on 10 June 2020

Details of the Company's accounting policies are included in note 3.

B. **Functional and presentation currency**

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency, and have been rounded off to nearest crores, unless otherwise indicated.

C. **Basis of measurement**

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

Items	Measurement basis
Net defined benefit liability	Fair value of plan assets less present value of defined benefit obligations

D. **Use of estimates and judgements**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

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

- Note 6 - Valuation of investments
- Note 32 - Lease classification

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 4 and 5 - Measurement of useful life and residual value of property, plant and equipment and intangible assets;
- Note 36 - Measurement of defined benefit obligations: key actuarial assumptions;
- Note 28 - Recognition of deferred tax asset: availability of future taxable profit against which tax losses carried forward can be used;
- Note 29 - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of outflow of resources;
- Note 35 – Impairment of financial assets;

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Notes to the financial statements (continued)

2. Basis of preparation (continued)

E. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. Significant valuation issues are reported to the Company's audit committee.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 35 - Financial instruments.

F. Recent Accounting Pronouncements

i. Amendments

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 1 April 2020.

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3. Significant accounting policies

3.1 Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises of its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Advances paid towards the acquisition of property, plant and equipment, outstanding at each balance sheet date are shown under long-term loans and advances. The cost of property, plant and equipment not ready for its intended use at each balance sheet date are disclosed as capital work-in-progress.

ii. Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss. Leasehold improvements are amortized over the lease term or useful lives of assets, whichever is lower. Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Class of assets	Useful Life
Buildings	3 to 60
Plant and Machinery	10 to15
Medical equipments*	10 to 13
Motor vehicles	8
Computer equipments	3 to 6
Furniture and fittings	5 to 10
Office Equipments	5

* For the above mentioned classes of assets, the Company believes that the useful lives as given above best represent the useful lives of these assets based on internal assessment and supported by technical advice, where necessary, which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate

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Malabar Institute of Medical Sciences Limited
Notes to the financial statements (continued)

3.2 Intangible assets

Intangibles assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use and is included in depreciation and amortization in statement of profit and loss.

The estimated useful lives are as follows:

Class of assets	Revised Useful Lives
Software	6

Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

3.3 Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories comprises purchase price, cost of conversion and other cost incurred in bringing the inventories to their present location and condition. The Company uses the weighted average method to determine the cost of inventory consisting of medicines and medical consumables.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The comparison of cost and net realizable values is made on an item-by-item basis.

3.4 Financial instruments

i. 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.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at either at amortized cost FVTPL or fair value in Other Comprehensive Income (FVOCI)

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 amortized 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.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

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Notes to the financial statements (continued)

3.4 Financial instruments (continued)

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as 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 investment level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- 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;
- 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).

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 amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized 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 de recognition is recognized in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized 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 amortized 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 de recognition is also recognized in profit or loss.

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3.4 Financial instruments (continued)

iii. Derecognition

Financial assets

The Company derecognizes 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 derecognized.

Financial liabilities

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

iv. 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.

3.5 Impairment

i. Impairment of financial instruments

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off.

ii. Impairment of non- financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

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Notes to the financial statements (continued)

3.6 Impairment(continued)

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount i.e. the 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 the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

3.7 Employee benefits

Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets, if any.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss..

Other long term employee benefits - Compensated absences

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurement gains or losses are recognised in other comprehensive income in the period in which they arise.

With effect from 31 March 2020, the Company does not have any long term employee benefits under compensated absences due to change in policy for compensated absences.

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3.8 Provisions (other than employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

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.

3.9 Revenue

Revenue from contract with customers

The Company generates revenue from rendering of medical and healthcare services, sale of medicines and other related activities. Ind AS 115, Revenue from Contracts with Customers, establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced Ind AS 18 Revenue and Ind AS 11 Construction Contracts. Under Ind AS 115, revenue is recognised when a customer obtains control of the goods or services.

Disaggregation of revenue

The Company disaggregates revenue from hospital services (medical and healthcare services), sale of medicines 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.

Contract balances

The Company classifies the right to consideration in exchange for sale of services as trade receivables, advance consideration as advance from customers.

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer. The following details provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

a) Medical and healthcare services

The Company's revenue from medical and healthcare services comprises of income from hospital services.

Revenue from hospital services to patients is recognised as revenue when the related services are rendered unless significant future uncertainties exist. Revenue is also recognised in relation to the services rendered to the patients who are undergoing treatment/ observation on the balance sheet date to the extent of the services rendered. Revenue is recognised net of discounts and concessions given to the patients.

Unbilled receivable represents value to the extent of medical and healthcare services rendered to the patients who are undergoing treatment/observation on the balance sheet date and is not billed as at the balance sheet date.

b) Sale of medicines

Revenue from sale of medical consumables and medicines within the hospital premises is recognised when property in the goods or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection. The amount of revenue recognised is net of sales returns, taxes and duties, wherever applicable.

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3.9 Revenue (continued)

c) Other operating income

The Company's revenue from other operating income comprises primarily of canteen sales (sales of food and beverages), revenue from courses conducted at the hospital, income from revenue sharing agreements.

Revenue from services rendered in based on the agreements/arrangements with the customers as the service is performed. Income from sale of food and beverages is recognised at a point in time when control is transferred.

Disaggregated revenue information: Refer note 20

3.10 Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the 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. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non- monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss.

3.11 Leases

i. Determining whether an arrangement contains a lease:

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values

ii. Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component 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 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 assets is subsequently measured at cost less any 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 Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. 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 due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. 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.

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3.11 Leases (continued)

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

iii. Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

iv. Transition to Ind AS 116

The Company has adopted Ind AS 116, effective annual reporting period beginning 1 April 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (1 April 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on 1 April 2019.

Company as a lessee

Operating leases

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, 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, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

On transition, the Company recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. Accordingly, a right-of-use asset of 6.56 crore and a corresponding lease liability of 7.66 crore has been recognized. The cumulative effect on transition in retained earnings net off taxes is 1.46 crore. The principal portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cashflow from operating activity

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.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Company has chosen to apply the practical expedient as per the standard.

v. Company as a lessor

The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub-lease. The Company accounted for its leases in accordance with Ind AS 116 from the date of initial application. The Company does not have any significant impact on account of sub-lease on the application of this standard.

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3.11 Leases (continued)

vi. Impact of COVID-19

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

For the impact of Ind AS 116 on profit or loss for the period, see Note 32.

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 April 2019. The weighted average rate applied is 9.25% to 10.37%.

3.12. Recognition of dividend income, interest income or interest expense

Dividend income is recognised in profit or loss on the date on which the right to receive payment is established. Interest on deployment of surplus funds is recognized using the time proportionate method, based on the transactional interest rates.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

3.12 Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date. In computing dilutive earning per share, only potential equity shares that are dilutive i.e. which reduces earnings per share or increases loss per share are included.

3.13 Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the statement of profit or loss. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

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 asset and settle the liability on a net basis or simultaneously.

3.13 Income tax (continued)

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, 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.

3.14 Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

3.15 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 regular revenue generating, investing and financing activities of the Company are segregated.

3.16 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less which are subject to insignificant risk of changes in value.

3.17 Non-current assets classified as held-for-sale

Assets are classified as held for disposal and stated at the lower of carrying amount and fair value less costs to sell. To classify any Asset as "Asset held for sale" the asset must be available for immediate sale and its sale must be highly probable. Such assets or group of assets are presented separately in the Balance Sheet, in the line "Assets held for sale". Once classified as held for sale, intangible assets and Property Plant Equipment are no longer amortised or depreciated.

3.18 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 asset.

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

Particulars	Land	Buildings	Leasehold improvements	Furniture and fixtures	Office equipments	Plant and machinery	Computers	Medical equipments	Vehicles	Property,Plant and Equipment (A)	Capital work-in-progress (B)	Total (A)+(B)
Gross carrying value												
Balance at 1 April 2018	335.38	83.56	0.48	13.38	1.50	33.57	7.06	133.00	1.37	609.30	47.67	656.97
Additions	0.29	53.67	-	6.15	0.01	7.60	4.10	50.92	0.04	122.78	91.44	214.22
Deletions	(3.65)	-	-	-	-	-	-	(0.36)	-	(4.01)	(97.67)	(101.68)
Balance at 31 March 2019	**332.02**	**137.23**	**0.48**	**19.53**	**1.51**	**41.17**	**11.16**	**183.56**	**1.41**	**728.07**	**41.44**	**769.51**
Balance at 1 April 2019	332.02	137.23	0.48	19.53	1.51	41.17	11.16	183.56	1.41	728.07	41.44	769.51
Additions	0.19	33.88	-	6.00	0.05	17.03	1.52	37.37	0.09	96.13	51.80	147.93
Deletions	-	-	-	(0.05)	-	(0.01)	(0.04)	(0.13)	(0.11)	(0.34)	(87.99)	(88.33)
Balance at 31 March 2020	**332.21**	**171.11**	**0.48**	**25.48**	**1.56**	**58.19**	**12.64**	**220.80**	**1.39**	**823.86**	**5.25**	**829.11**
Accumulated Depreciation												
Balance at 1 April 2018	-	14.19	0.39	9.55	1.38	20.28	6.38	74.29	0.72	127.18	-	127.18
Depreciation	-	1.40	0.07	1.82	0.04	1.62	0.45	7.74	0.12	13.26	-	13.26
Deletions	-	-	-	-	-	-	-	(0.34)	-	(0.34)	-	(0.34)
Balance at 31 March 2019	-	**15.59**	**0.46**	**11.37**	**1.42**	**21.90**	**6.83**	**81.69**	**0.84**	**140.10**	-	**140.10**
Balance at 1 April 2019	-	15.59	0.46	11.37	1.42	21.90	6.83	81.69	0.84	140.10	-	140.10
Depreciation	-	2.52	-	1.69	0.04	2.81	1.30	14.04	0.11	22.51	-	22.51
Deletions	-	-	-	(0.02)	-	(0.01)	(0.04)	(0.08)	(0.04)	(0.19)	-	(0.19)
Balance at 31 March 2020	-	**18.11**	**0.46**	**13.04**	**1.46**	**24.70**	**8.09**	**95.65**	**0.91**	**162.42**	-	**162.42**
Net carrying value as at 31 March 2020	**332.21**	**153.00**	**0.02**	**12.44**	**0.10**	**33.49**	**4.55**	**125.15**	**0.48**	**661.44**	**5.25**	**666.69**
Net carrying value as at 31 March 2019	**332.02**	**121.64**	**0.02**	**8.16**	**0.09**	**19.27**	**4.32**	**101.87**	**0.58**	**587.97**	**41.44**	**629.41**

a) Property Plant and equipment and capital work-in-progress includes borrowing cost capitalised in accordance with Ind AS 23 - Borrowing cost aggregating INR 0.97 Crore (31 March 2019: INR 7.19 Crore).

b) Capital work in progress represents expenditure towards construction of hospitals at Kannur and Kottakkal

c) For details of property, plant and equipment pledged, refer Note 15

d) With effect from 1 April 2017, the Company has revised the useful lives of certain property, plant and equipment. The change in accounting estimate is applied prospectively in accordance with Ind AS 8 - Accounting policies, changes in accounting estimates and errors. The effect of these changes on the depreciation charge in the current and future years is as follows:

For the year ended	31 March 2020	31 March 2021	31 March 2022
Decrease in depreciation charge	1.21	1.26	1.12

e) There is no impairment loss during the current and previous year

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5 Intangible assets

	Software	Total
Gross carrying value		
Balance at 1 April 2018	1.18	1.18
Additions	0.43	0.43
Balance at 31 March 2019	**1.61**	**1.61**
Balance at 1 April 2019	1.61	1.61
Additions	1.48	1.48
Balance at 31 March 2020	**3.09**	**3.09**
Accumulated amortisation		
Balance at 1 April 2018	0.61	0.61
Amortisation	0.26	0.26
Balance at 31 March 2019	**0.87**	**0.87**
Balance at 1 April 2019	0.87	0.87
Amortisation	0.38	0.38
Balance at 31 March 2020	**1.25**	**1.25**
Net carrying value as at 31 March 2020	**1.84**	**1.84**
Net carrying value as at 31 March 2019	**0.74**	**0.74**

a) There is no impairment loss during the current and previous year

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	As at 31 March 2020	As at 31 March 2019
6 Investments		
Non-current		
Investment in subsidary - Unquoted investments (non- trade at cost)		
Investment in Ezhimala Infrastructure LLP	*	
Investment in associate - Unquoted investments (non- trade at cost)		
Investment in MIMS Infrastructure and Properties Private Limited		
0.66 crore (31 March 2019 -0.66 crore) equity shares of INR 10 each	6.62	6.62
Investments in preference shares at amortised cost		
Investment in MIMS Infrastructure and Properties Private Limited		
0.26 crore (31 March 2019 - 0.26 crore) preference shares of INR 10 each	2.67	2.67
	9.29	**9.29**
Aggregate amount of unquoted investments	9.29	9.29
*Amount is below the rounding off norms adopted by the Company		
7 Loans		
Non-current		
Unsecured, considered good		
Security deposits	3.74	2.54
	3.74	**2.54**
Includes deposits with related party (refer note 34)		
8 Other financial assets		
Non-current		
Unsecured, considered good		
Advance against equity to a subsidary	9.25	-
In deposit account for margin money	8.43	7.96
	17.68	**7.96**
Current		
Unsecured, considered good		
Security deposits	0.21	0.23
Insurance claim receivable	0.22	0.06
Rent receivable	0.52	0.12
Interest accrued on fixed deposits with banks	0.70	-
Unbilled revenue	3.29	2.13
Due from related party (refer note 34)	0.22	0.05
	5.16	**2.59**
	22.84	**10.55**
9 Other assets		
Non-current		
Unsecured, considered good		
Advance for capital goods	2.52	8.77
Other loans and advances	0.14	0.16
	2.66	**8.93**
Current		
Unsecured, considered good		
Prepaid expenses	2.96	3.34
Advance to employees	0.59	0.29
Advances for supply of goods and rendering of services	1.85	0.67
	5.40	**4.30**
	8.06	**13.23**
10 Inventories		
Stock in trade including medicines and consumables	19.62	10.85
Stores and spares	1.62	1.02
	21.24	**11.87**
* for details of inventory pledged, refer note 15		
** *Individual items not exceed 10% of total inventory*		
11 Trade receivables		
Current		
Unsecured		
considered good	51.37	42.21
considered doubtful	4.20	1.44
	55.57	**43.65**
Allowances for credit loss	(4.20)	(1.85)
Net trade receivables	**51.37**	**41.80**
* for details of trade receivable pledged, refer note 15		
The Company's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in note 35		
12 Cash and cash equivalents		
Balance with banks		
- in current accounts	9.28	7.85
Cash on hand	0.65	0.53
	9.93	**8.38**
Cash and cash equivalents in the statement of cashflows	**9.93**	**8.38**
13 Bank balances other than above		
Balance in banks for margin money	0.51	1.76
	0.51	**1.76**

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	As at 31 March 2020		As at 31 March 2019	
14 Equity share capital	**Number of shares**	**Amount**	**Number of shares**	**Amount**
Authorised				
Equity shares	10.00	100.00	10.00	100.00
	10.00	**100.00**	**10.00**	**100.00**
Issued, subscribed and paid-up				
Equity shares				
At the beginning of the year	9.99	99.91	9.08	90.83
Add: issued during the year (Right issue)	-	-	0.91	9.08
At the end of the year	**9.99**	**99.91**	**9.99**	**99.91**

The Company has a single class of equity shares. All equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to shareholders' share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(a) Shares held by ultimate holding company/ holding company and their subsidiaries/ associates

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	**Amount**	**Number of shares**	**Amount**
Equity shares of Rs. 10 each fully paid-up held by				
Aster DM Healthcare Limited, Holding and Ultimate holding company	7.41	74.08	7.32	73.16

(b) Details of shareholders holding more than 5% shares of the Company

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	**% holding**	**Number of shares**	**% holding**
Equity shares of Rs. 10 each fully paid -up held by				
Aster DM Healthcare Limited	7.41	74.14%	7.32	73.22%

(c) Details of buyback, bonus shares, issue for consideration other than for cash for past 5 years

The Company has not allotted any fully paid-up equity shares by way of bonus shares nor has bought back any class of equity shares nor has there been any issue for consideration other than for cash during the period of five years immediately preceding the balance sheet date.

Also refer note 37 for policy with respect to capital management.

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	As at 31 March 2020	As at 31 March 2019
15 Borrowings		
Non-current		
Secured		
Term loans from banks	147.09	132.12
Less: Current maturities of long term borrowings	18.37	17.99
	128.72	114.13
Unsecured		
Term loan from asociate	2.49	2.90
	131.21	**117.03**
Current		
Secured		
Short-term loan from banks	-	5.00
Cash credit and overdraft	26.99	4.58
Current maturities of long term borrowings	18.37	17.99
	45.36	**27.57**
Less: Amount includede in 'other financial liabilities'	(18.37)	(17.99)
	26.99	**9.58**
Total borrowings	**176.57**	**144.60**

Details of securities, terms and conditions on loans

Lenders name	Security terms	Interest Rate (p.a)	Tenure	As at 31 March 2020	As at 31 March 2019
HDFC Bank Limited(6.06)	Secured by hypothecation of equipments purchased using the term loan.	Base rate plus 1.5% - Base rate	36 - 63 months	-	1.35
ICICI Bank Limited	Vehicle loans are secured by hypothecation of vehicles purchased using the term loan.	8% to 11.25%	36 - 47 months	-	0.06
South Indian Bank	Secured by equitable mortgage of 319.9 cents of land	Base rate plus 1.3%	36 months	12.49	15.89
HDFC Bank	Secured by hypothecation of equipments , spares and immovable properties Corporate guarntee by Aster DM Healthcare	Base rate plus 0.25%	132 months	111.97	87.42
HDFC Bank	Secured by hypothecation of equipments purchased using the term loan	Base rate plus 0.25%	6 - 60 months	22.63	24.88
HDFC Bank	Secured by equitable mortgage of land with building and also by hypothecation of furniture, equipments, machinery, computers.Vehicle loans are secured by hypothecation of vehicles purchased using the term loans.	Base rate plus 0.25%	23 months	-	2.51
HDFC Bank(CC+OD)	Cash credit facility availed from the bank is repayable on demand and is secured by book debts and stock of all goods including pharmacy and general goods.	Base rate plus 0.85%	60 days	-	4.58
ICICI Bank Limited	Secure by first paripasu charges on all current asset, operating cash flow,receivables,commission, revenue of whatsoever nature and whenever arising, present and future of the borrower Corporate guarntee by Aster DM Healthcare	MCLR+0.975%	One year	26.99	-
HDFC Bank	Secured by hypothecation of equipments purchased using the term loan	Base rate plus 0.85%	90 days	-	5.00
HDFC Bank	Secured by hypothecation of equipments purchased using the term loan	Base rate plus 0.25%	36 months	-	0.01
				174.08	**141.70**

**includes current maturities of long-term borrowings*

16 Other financial liabilties		
Current		
Current maturities of long-term borrowings*	18.37	17.99
Interest accrued but not due on borrowings *	1.37	0.67
Dues to creditors for expenses and others	30.20	14.03
Security deposits from others	1.92	2.27
Due to related party (refer note 34)	3.15	1.35
Dues to creditors for capital goods	11.28	18.80
Accrued salaries and benefits	6.87	6.41
Unpaid dividend	0.01	0.01
	73.17	**61.53**
	73.17	**61.53**

* The details of interest rates, repayment and other terms are disclosed in note 15
The Company's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note 35

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	As at 31 March 2020	As at 31 March 2019
17 Trade payables		
Total outstanding dues of micro and small enterprises	3.82	-
Total outstanding dues of creditors other than micro and small enterprises	42.52	31.81
	46.34	**31.81**

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 35

Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") based on the information available with the Company are given below:

	As at 31 March 2020	As at 31 March 2019
The principal amount remaining unpaid to any supplier as at the end of the year ;	3.70	-
The interest due on the principal remaining outstanding as at the end of the year;	*	-
The amount of interest paid under the Act, along with the amounts of the payment made beyond the appointed day during the 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 Act;	0.12	-
The amount of interest accrued and remaining unpaid at the end of the year ;	0.12	
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 Act;	0.12	-

*Amount is below the rounding off norms adopted by the Company

	As at 31 March 2020	As at 31 March 2019
18 Provisions		
Non-current		
Provision for employee benefits		
Net defined benefit liability - Gratuity *	7.10	6.55
Compensated absences*	-	1.13
	7.10	**7.68**
Current		
Provision for employee benefits		
Net defined benefit liability - Gratuity *	1.55	1.07
Compensated absences*	0.94	0.46
	2.49	**1.53**

*Refer note 36

	As at 31 March 2020	As at 31 March 2019
19 Other liabilities		
Non-current		
Deferred government grant*	6.79	5.65
	6.79	**5.65**
Current		
Advances received from customers	1.79	1.58
Statutory dues payables	3.38	2.55
	5.17	**4.13**

* represents government grant under Export Promotion Capital Goods (EPCG) scheme accounted at fair value as per Ind AS 20 - Accounting for Government Grants and Disclosure of Government Assistance

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	Year ended 31 March 2020	Year ended 31 March 2019
20 Revenue from operations		
Income from hospital and medical services	440.55	312.85
Other operating income	4.51	2.16
Sale of medicines *	39.11	31.15
	484.17	**346.16**
** Individual items do not exceed 10% of total sales*		
21 Other income		
Interest income under effective interest method on Fixed deposits with banks	0.61	0.60
Rent	1.56	0.68
Dividend on non-current investments	-	0.20
Liabilities and provisions no longer required written back	0.50	-
Other non-operating income	0.68	0.33
	3.35	**1.81**
22 Purchases of medicines and consumables		
Medicines and consumables*	127.10	83.13
	127.10	**83.13**
** Individual items do not exceed 10% of total inventory*		
23 Change in inventories		
Medicines and medical consumables:		
Opening stock	10.85	8.60
Closing stock	19.62	10.85
	(8.77)	**(2.25)**
24 Employee benefits expense		
Salaries, wages and bonuses	92.84	71.37
Contribution to provident and other funds	8.23	9.43
Staff welfare expense	2.54	1.63
	103.61	**82.43**
25 Finance costs		
Interest on borrowings	16.48	13.12
Less : Borrowing cost capitalised	(0.97)	(7.19)
Interest on lease liabilities (refer note 32)	0.82	-
Other borrowing cost	0.95	0.01
	17.28	**5.94**
26 Depreciation and amortisation expenses		
Depreciation on tangible assets	22.51	13.26
Depreciation on right-of-use assets (refer note 32)	1.09	-
Amortisation on intangible assets	0.38	0.26
	23.98	**13.52**
27 Other expenses		
Stores and spares	3.28	2.56
Power and fuel	17.34	12.37
Water	1.87	1.25
Laboratory investigation outsourcing	1.57	0.69
Professional fee to doctors	122.54	86.62
Rent	1.45	2.13
Repairs and maintenance - buildings	1.37	0.89
Repairs and maintenance - plant and machinery	3.68	2.93
Repairs and maintenance - others	32.69	23.27
Insurance	1.39	1.17
Rates and taxes	1.66	1.13
Travel and conveyance	0.66	0.42
Legal, professional and consultancy charges	2.55	2.26
Communication	1.63	1.30
Advertising and promotional	9.54	5.40
Allowance for credit losses on financial assets	2.35	0.49
Donations	0.59	0.46
Loss on sale of property, plant and equipment (net)	0.07	2.73
Bank charges	1.60	0.87
Expenditure on corporate social responsibility *	0.32	0.53
Miscellaneous expenses	3.52	1.82
	211.67	**151.29**
*** Details of corporate social responsibility expenditure**		
- Gross amount required to be spent during the year	0.32	0.48
-Amount spent during the year on :		
Construction/acquisition of an asset		
On purposes other than above	0.32	0.53
	0.32	**0.53**

(All amounts in Indian rupee crores)

28 Income taxes

	As at 31 March 2020	As at 31 March 2019
Income tax assets/(liability)		
Income tax assets	10.07	5.31
Net income tax assets/(liability)	**10.07**	**5.31**

(A) Amount recognised in statement of profit and loss

	As at 31 March 2020	As at 31 March 2019
Current tax : MAT for the year	2.62	4.50
Deferred tax (Including MAT credit entitlement)	(1.95)	3.35
Tax expense for the year	**0.67**	**7.85**

(b) Amount recognised in other comprehensive income

	Year ended 31 March 2020			Year ended 31 March 2019		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
Re-measurement on defined benefit liability	0.18	0.01	0.19	(0.48)	0.17	(0.31)

(c) Reconciliation of effective tax rate

Particulars	As at 31 March 2020	As at 31 March 2019
Profit before income taxes	12.65	13.91
Enacted tax rates in India	29.12%	34.94%
Expected tax expense	3.68	4.86
Exempt income	-	0.06
Effect of permanent allowances for tax purposes	0.08	2.92
Impact of change in deffered tax rate	(3.09)	-
Income tax expense	0.67	7.84
Effective tax rate	5.33%	56.35%

The Taxation Laws (Amendment)Ordinance 2019 ('Ordinance') was promulgated by the President of India on 20 September 2019. The Ordinance has amended the Income Tax Act, 1961 and Finance Act, 2019 to interalia provide an option to a domestic company to pay income tax at reduced rate of 22%. The Company has elected not to exercise this option to pay income tax at a reduced rate of 22%. Accordingly, the Company has recognised, provision for income tax for the year ended 31 March 2020 based on earlier income tax provisions i.e. higher of income tax as per the normal provisions of Income Tax Act, 1961 and Minimum Alternate Tax.

(d) Recognised deferred tax assets and liabilities

(i) Deferred tax assets and liabilities are attributable to the following:

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax assets		
Trade receivables	1.22	0.65
Provision for employee benefits	2.78	3.22
EPCG Disallowance in assets	1.98	1.70
LTCL carried forward	0.40	0.40
Lease liabilities, impact on acocunt of Ind AS 116	0.63	-
Tax losses (Unabsorbed depreciation)	1.04	-
MAT credit entitlement	2.62	-
Total deferred tax assets	10.67	5.97
Deferred tax liabilities		
On account of fair valuation of land *	52.09	52.09
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act.	26.15	23.97
Total deferred tax liabilities	78.24	76.06
Deferred tax Asset	**2.62**	**-**
Deferred tax liability (net)	**(70.19)**	**(70.09)**

* The deferred tax liability arising on the fair valuation is recognised based on tax rates applicable to the long-term capital gains.

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. Company has recognised deferred tax assets arising out of tax losses (unabsorbed depreciation) to the extent of net deferred tax liability on account of taxable temporary differences.

(ii) Movement in temporary differences

Particulars	As at 1 April 2019	Recognised through retained earning	Credit/ (Charge) in the statement of profit and loss	Recognise in OCI during 2019-20	As at 31 March 2020
Trade receivable (loss allowance)	0.65	-	0.57	-	1.22
Provision for employee benefits	3.22	-	(0.45)	0.01	2.78
Tax losses (Unabsorbed depreciation	-	-	1.04	-	1.04
Deferred government grants	1.70	-	0.28	-	1.98
Tax losses (Unabsorbed depreciation	0.40	-	-	-	0.40
MAT credit entitlemen	-	-	2.62	-	2.62
Lease liabilities, impact on acocunt of Ind AS 11	-	0.60	0.03	-	0.63
On account of fair valuation of land	(52.09)	-	-	-	(52.09)
Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act.	(23.97)	-	(2.18)	-	(26.15)
Net deferred tax (liabilities) / assets	**(70.09)**	**0.60**	**1.91**	**0.01**	**(67.57)**

Particulars	As at 1 April 2018	Recognised through retained earning	Credit/ (Charge) in the statement of profit and loss	Recognise in OCI during 2018-19	As at 31 March 2019
Trade receivable (loss allowance)	0.47	-	0.18	-	0.65
Provision for employee benefits	1.95	-	1.10	0.17	3.22
Deferred government grants	-	-	1.70	-	1.70
Carried forward long-term capital loss	-	-	0.40	-	0.40
On account of fair valuation land *	-	-	(52.09)	-	(52.09)
Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act.	(69.33)	-	45.36	-	(23.97)
Net deferred tax (liabilities) / assets	**(66.91)**	**-**	**(3.35)**	**0.17**	**(70.09)**

*Amount is below the rounding off norms adopted by the Company

** The deferred tax liability arising on the fair valuation is recognised based on tax rates applicable to the long-term capital gains.

(iv) Tax losses carried forward

Particulars	As at 31 March 2020	Expiry date	As at 31 March 2019	Expiry date
Brought forward losses - allowed to carry forward for infinite period	3.59	Never Expire	-	
Brought forward losses - allowed to carry forward	1.70	31 March 2027	1.70	31 March 2027
Total deferred tax asset on above losses	1.44	NA	0.40	NA

(v) Unreccogonised deferred tax asset

There are no Unreccogonised deferred tax asset on account of [illegible] forward tax losses or other items

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29 Contingent liabilities and commitments

Particulars	As at 31 March 2020	As at 31 March 2019
Contingent liabilities		
Disputed income tax demand pending before assessing authorities (Refer notes (a) and (b) below)	0.75	0.75
Disputed provident fund demand pending before appellate authorities (Refer note (c) and (e) below)	0.94	0.88
Customer claims (refer note (h))	3.86	3.34
Employee bonus (Refer note (d) below)	1.61	1.61
Additional salary payable under minimum wages act for retrospective periods (Refer note (f))	10.30	10.30
Export commitment under EPCG claim (Refer note (g))	5.24	5.37
Bank guarantee	8.43	7.83
Commitments		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	5.77	10.59

a) The Company has received an income tax demand for the assessment year 2008-09 wherein demand of Rs. 0.27 crore has been raised against the Company on account of certain disallowances, adjustments made by the income tax department. The Company has paid Rs. 0.25 crore under protest against the demand. A significant portion of this amount arises from certain adjustment done by the income tax department in the computation of Minimum Alternative Tax. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Company has filed an appeal against the demands received.

b) The Company has received an income tax demand for the assessment year 2012-13 wherein demand of Rs. 0.91 crore has been raised against the Company on account of certain disallowances, adjustments made by the income tax department. The Company has paid Rs. 0.18 crore under protest against the demand. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Company has filed an appeal against the demands received.

c) The Company has received demand from the provident fund authorities wherein demand of Rs. 0.94 million net of advance has been raised against the Company on account of provident fund contribution in respect of certain trainees employed by the Company. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Company has filed an appeal against the demands received.

d) Employee bonus refers to amount payable to employees as per Payment of Bonus (Amendment) Act 2015 vis-à-vis retrospective application from 1 April 2014 to 31 March 2015. Company has relied on stay petition granted by the Honorable High Court of Kerala and Honorable High Court Madras against retrospective application of Payment of Bonus (Amendment) Act 2015 from 1 April 2014. Pending disposal of the case, no provision has been made in the books of accounts. The Company has obtained an independent legal opinion in support of this.

e) On 28 February 2019, the Hon'ble Supreme Court of India has delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. Basis this judgment, the Company has re-computed its liability towards PF for the month of March 2019. In respect of the earlier periods/years, the Company has been legally advised that there are numerous interpretative challenges on the application of the judgment retrospectively. Based on such legal advice, the management believes that it is impracticable at this stage to reliably measure the provision required, if any, and accordingly, no provision has been made towards the same. Necessary adjustments, if any, will be made to the books as more clarity emerges on this subject.

f) On 23 April 2018, The Government of Kerala issued an order revising the minimum wages of medical and nursing staff. The order mentions that the changes would be effective retrospectively from 1 October 2017 Since the legislation was issued in April 2018, management has started paying the revised salary with effect from 1 April 2018 The Company filed an appeal against the retrospective application of this order with the High Court of Kerala which has issued an interim stay order on 26 July 2018 The Writ Petition WP (c) No 25109/2018 challenging the retrospective effect of minimum wage order passed by the Government of Kerala is pending before the Hon'ble High Court of Kerala in hearing list Based on the stay order and.legal advise, management believes that their position will be upheld and therefore has not provided for the incremental cost for the period October 2017 to March 2018

g) The Company has obtained duty free / concessional duty licenses for import of capital goods by undertaking export obligations under the EPCG scheme. As at 31 March 2020, export obligations remaining to be fulfilled amounts to INR 5.24 Crore (31 March 2019: INR 5.37 Crore). In the event that export obligations are not fulfilled, the Company would be liable to pay the levies. The Company's bankers have provided bank guarantees aggregating INR 8.43 Crore (31 March 2019: INR 7.83 Crore) to the customs authorities in this regard

h) There are certain claims raised by various customers, pending before various consumer forums. The management does not expect the outcome of the action to have a material effect on its financial position.

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(All amounts in Indian rupee crores)

30 Earnings per share

A. Basic earnings per share

The calculation of profit attributable to equity share holders and weighted average number of equity shares outstanding for the purpose of basic earnings per share calculaitons are as follows:

i) Net profit attributable to equity share holders (basic)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Net profit for the year, attributable to the equity share holders	11.98	6.06

ii) Weighted average number of equity shares (basic)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Opening balance (Refer note 14)	9.99	9.08
Effect on Right Issue	-	0.43
Weighted average number of equity shares of Rs. 10 each for the year	9.99	9.51
Earnings per share, basic	1.20	0.64

B. Diluted earnings per share

The calculation of profit attributable to equity share holders and weighted average number of equity shares outstanding, after adjustment for the effects of all dilutive potential equity shares is as follows:

i) Net profit attributable to equity share holders

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Net profit for the year, attributable to the equity share holders	11.98	6.06

ii) Weighted average number of equity shares

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Weighted average number of equity shares of Rs. 10 each for the year (basic)	9.99	9.51
Earnings per share, diluted	1.20	0.64

31 Auditors' remuneration (included under legal and professional charges, excluding goods and services tax)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Statutory audit	0.10	0.08
Total	**0.10**	**0.08**

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32 Leases

The Company has taken hospital premises on lease from various parties from where healthcare and management services are rendered. The leases typically run for a period of 1 year - 15 years. Lease payments are renegotiated nearing the expiry to reflect market rentals.

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all the risks and rewards of ownership. Under Ind AS 116, the Company recognises right-of-use assets and lease liabilities – i.e. these leases are recorded on the balance sheet.

On transition to Ind AS 116, the Company recognised INR 6.56 Crore of right-of use assets and INR 8.62 Crore of lease liabilities, recognising the difference of INR 2.06 Crore net of deferred tax of INR 0.60 Crore in retained earnings.When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at 1 April 2019.The rate applied is 10.3%.

(i) Lease liabilities

Following are the changes in the lease liabilities for the year ended 31 March 2020:

Particulars	**Year ended 31 March 2020**
Balance as at 1 April 2019 (on transition)	8.62
Additions	-
Finance cost accrued during the period	0.82
Payment of lease liabilities	(1.78)
Balance as at 31 March 2020	7.66
Non-current lease liabilities	6.51
Current lease liabilities	1.15

(ii) Maturity analysis – contractual undiscounted cash flows

Particulars	**Year ended 31 March 2020**
Less than one year	1.15
One to five years	5.50
More than five years	1.01
Total undiscounted lease liabilities at 31 March 2020	7.66

(iii) Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment

	Total
Balance at 1 April 2019	-
Addition to right-of-use assets	6.56
Depreciation for the year	(1.09)
Balance at 31 March 2020	**5.47**

(iv) Amounts recognised in statement of profit or loss

	Year ended 31 March 2020
Interest on lease liabilities	0.82
Depreciation on right-of-use assets	1.09

(v) Amounts recognised in statement of cash flows

	Year ended 31 March 2020
Total cash outflow for leases	1.78

(vi)Operating leases *

The Company is obligated under cancellable operating leases for office, hospital premises and residential premises which are renewable at the

Particulars	**31 March 2020**	**31 March 2019**
Payable in less than one year	-	1.78
Payable between one to five years	-	8.65
Payable after more than five years	-	1.65

Amounts recognised in statement of profit or loss

Particulars	**31 March 2020**	**31 March 2019**
Cancellable lease	-	0.38
Non-cancellable lease	-	1.65

* On adoption of IND AS 116, the Company recognised right of use assets & lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17 (disclosed in (i)above)

33 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.

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34 Related parties

(i) Names of related parties and description of relationship with the Company:

(a)	Holding company	Aster DM Healthcare Limited, India
(c)	Subsidary	Ezhimala Infrastructure LLP, India
(d)	Associate Company	MIMS Infrastructure and Properties Private Limited, India
(e)	Fellow subsidiaries	Aster Pharmacies Group LLC Aster DM Healthcare FZC, UAE DM Medcity Hospitals India Private Limited, India Dr.Moopens Healthcare Management Services LLC, UAE Al Raffah Hospital LLC, Oman Oman Al Khair Hospital Sri Sainatha Multispeciality Hospitals Private Limited, India Emed Human Resources India private Limited, India

(f) Key managerial personnel and relatives

Dr. Azad Moopen	Chairman
Dr. M Ali	Vice chairman
Mr. U Basheer	Whole time director (till 31 July 2019)
Dr.Hamza P M	Whole time director (w.e.f 01 August 2019)
Mr. Saidalavi Koya Thangal	Director (till 22 May 2019)
Dr. Santy Sajan	Chief executive officer (till 22 May 2019)
Mr. Jayakrishnan P	Chief financial officer (till 30 September 2019)
Mr. Arjun Vijaykumar	Chief financial officer (w.e.f 1 October 2019)
Mr. Udayakumar P T	Company Secretary

(e) Enterprises over which Key Management Personnel are able to exercise significant influence: Aster Global Centre, India; Cantown Infra Developers LLP, India

(ii) Related party transactions:
The Company has entered into the following transactions with related parties during the year ended 31 March 2020 and 31 March 2019

Sl.No.	Name of related party	Description of the transaction.	Volume of transactions		Outstanding balance (receivable/payable)	
			As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31-March 2019
1	U Basheer	Short term employee benefit	0.04	0.12	-	-
		Expenses reimbursement	(0.01)	-	(0.01)	-
		Rent	0.73	0.70	(0.06)	(0.05)
		Rent deposit	-	-	0.16	0.16
2	Dr. Hamza. P M	Short term employee benefit	0.02	-	-	-
		Professional fees and incentives	0.14	-	(0.01)	-
3	Aster DM Healthcare Limited	Expenses reimbursement	(0.87)	(0.75)	(2.03)	(1.13)
		Dividend paid	-	-	-	-
		Corporate Guarantee commission	(0.73)	-	(0.70)	-
		Corporate Guarantee	-	-	138.96	-
4	Aster DM Healthcare FZC, UAE	Expenses reimbursement	-	0.01	(0.06)	(0.06)
5	Aster Pharmacies Group LLC	Expenses reimbursement	-	(0.06)	0.03	0.03
6	DM Medcity Hospitals India Private Limited	Expenses reimbursement	0.03	*	0.06	0.02
7	MIMS Infrastructure and Properties Private Limited	Expenses reimbursement	0.10	*	0.07	0.02
		Investments	-	-	9.29	9.29
		Finance cost	0.35	0.08	-	-
		Intercorporate deposit	0.40	(2.90)	(2.50)	(2.90)
8	Oman Al Khair Hospital L.L.C.	Expenses reimbursement	-	*	*	*
9	Sri Sainatha Multispeciality Hospitals Private Limited	Expenses reimbursement	*	-	*	-
10	Emed Human Resources India private Limited	Doctors Recruitment Expense	(0.24)	-	(0.24)	-
11	Saidalavi Koya Thangal	Rent	-	*	-	-
		Rent deposit	-	(0.05)	0.06	0.06
		Expenses reimbursement	(0.04)	-	-	0.04
12	Dr.Moopens Healthcare Management Services LLC, Dubai	Expenses reimbursement	-	(0.11)	(0.11)	(0.11)
13	Al Raffah Hospital LLC, Oman	Expenses reimbursement	-	*	*	*
14	Ezhimala Infrastructure LLP	Investment	*	-	*	-
		Advance against Investee	9.25	-	9.25	-
		Expense reimbursement	0.07	-	0.07	-
15	Cantown Infra Developers LLP, India	Rent	0.06	-	(0.01)	-
		Expenses Reimbursement	-	-	*	*
16	Sitting Fee to Directors		0.18	0.18	(0.19)	(0.07)
17	Managerial remuneration	Short term employee benefit	0.71	1.21	-	-

*Amount is below the rounding off norms adopted by the Company

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35 Financial Instruments- Fair values and risk management

A Accounting classifications and fair values

The following table shows the carrying amounts of financial assets and financial liabilities at amortised cost:

31 March 2020

Particulars	Note	Carrying amount			
		Financial assets at amortised cost	Mandatorily at FVTPL	Other financial liabilities at amortised cost	Total Carrying value
Assets					
Financial assets not measured at fair value					
Cash and Cash equivalents	12	9.93	-	-	9.93
Investment	6	9.29	-	-	9.29
Loans	7	3.74	-	-	3.74
Trade receivables	11	51.37	-	-	51.37
Bank balances other than above	13	0.51	-	-	0.51
Other financial assets	8	22.84	-	-	22.84
Total		**97.68**	-	-	**97.68**
Liabilities					
Financial liabilities not measured at fair value					
Trade payables	17	-	-	46.34	46.34
Lease liabilities	18	-	-	7.66	7.66
Borrowings (including current maturities)	15	-	-	176.57	176.57
Other financial liabilities	16	-	-	54.80	54.80
Total				**285.37**	**285.37**

31 March 2019

Particulars	Note	Carrying amount			
		Financial assets at amortised cost	Mandatorily at FVTPL	Other financial liabilities at amortised cost	Total Carrying value
Assets					
Financial assets not measured at fair value					
Cash and Cash equivalents	12	8.38	-	-	8.38
Investment	6	9.29	-	-	9.29
Loans	7	2.54	-	-	2.54
Trade receivables	11	41.80	-	-	41.80
Bank balances other than above	13	1.76	-	-	1.76
Other financial assets	8	10.55	-	-	10.55
Total		**74.33**	-	-	**74.33**
Liabilities					
Financial liabilities not measured at fair value					
Trade payables	17	-	-	31.81	31.81
Lease liabilities	18	-	-	-	-
Borrowings (including current maturities)	15	-	-	144.60	144.60
Other financial liabilities	16	-	-	43.54	43.54
Total				**219.96**	**219.96**

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35 Financial Instruments (continued)

B Financial risk management

The Company's activities expose it to a variety of financial risks: credit risk, market risk, interest risk and liquidity risk

a) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the risk management framework.
The Company's board of directors oversee how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit and risk management committee.

b) Credit risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial
Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.
The Company establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trend.The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to INR 51.37 crore (31 March 2019: INR 41.80 crore). The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows:

The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows:

Allowance for credit loss	As at 31 March 2020	As at 31 March 2019
Balance at the beginning	1.85	1.36
Impairment loss recognised	2.35	0.49
Balance at the end	**4.20**	**1.85**

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.

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2020

Particulars	Less than 1 year	1-2 years	2-4 years	4-10 years	Total
Trade payables	46.34	-	-	-	46.34
Current Borrowings	26.99	-	-	-	26.99
Non Current borrowing (including current maturity)	18.66	52.60	39.10	39.22	149.58
Lease liabilities	1.15	1.23	2.98	2.30	7.66
Other financial liabilities	54.80	-	-	-	54.80

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2019

Particulars	Less than 1 year	1-2 years	2-4 years	4-10 years	Total
Trade payables	31.81	-	-	-	31.81
Current Borrowings	9.58	-	-	-	9.58
Non Current borrowing including current maturity	17.99	13.17	23.76	80.10	135.02
Other financial liabilities	43.54	-	-	-	43.54

Financial assets of INR 97.69 Crore as at 31 March 2020 carried at amortised cost is in the form of cash and cash equivalents, deposits, export receivables, etc. where the Company has assessed the counterparty credit risk. Trade receivables of INR 51.37 Crore as at 31 March, 2020 forms a significant part of the financial assets carried at amortised cost which is valued considering provision for allowance using expected credit loss method (if any). In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the impact immediately seen in the demand outlook and the financial strength of the customers in respect of whom amounts are receivable. The Company has specifically evaluated the potential impact with respect to Healthcare service sector. The Company closely monitors its customers who are being impacted.

d) 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.

e) 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. The interest rate on the Company's financial instruments is based on market rates. The Company monitors the movement in interest rates on an ongoing basis

f) 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:

Financial liabilities (bank borrowings)	As at 31 March 2020	As at 31 March 2019
Variable rate long term borrowing including current matuarities	149.59	135.01
Total	**149.59**	**135.01**

Sensitivity

Particulars	Impact on profit or loss		Impact on equity, net of tax	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Sensitivity				
1% in increase rate	1.06	0.96	1.06	0.96
1% in decrease rate	(1.06)	(0.96)	(1.06)	(0.96)

The interest rate sensitivity is based on the closing balance of secured term loans from banks.

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Malabar Institute of Medical Sciences Limited
Notes to the standalone financial statements (continued)
(All amounts in Indian rupee crores)

36 Provision for employee benefits

The Company has a defined benefit gratuity plan as per the Payment of Gratuity Act, 1972 ('Gratuity Act'). Under the Gratuity Act, employee who has completed five years of service is entitled to specific benefit. The level of benefit provided depends on the employee's length of service and salary at retirement/termination age.

A Based on an actuarial valuation, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Particulars	As at 31 March 2020	As at 31 March 2019
Defined benefit obligation liability	8.65	7.62
Plan assets	-	-
Net defined benefit liability	8.65	7.62
Leave encashment	0.94	1.59
Total employee benefit liability	**9.59**	**9.21**

* As at 31 March 2020, due to change in leave policy, the compensated absences are treated as short term commitments.

B Reconcilation of present value of defined benefit

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at beginning of the year	7.62	4.48
Benefit paid	(0.63)	(0.51)
Current service cost	1.30	1.16
Past service cost	-	1.67
Interest cost	0.55	0.34
Actuarial (gain)/ loss recognised in other comprehensive income	-	-
- changes in demographic assumptions	-	-
- changes in financial assumptions	(0.14)	0.16
- experience adjustments	(0.05)	0.32
Balance at the end of the year	**8.65**	**7.62**
Plan assets at the end of the year	-	-
Net Defined Benefit (liability)	**8.65**	**7.62**

B (i) Expenses recognised in statement of profit and loss

Service cost	1.30	1.16
Post service cost	-	1.67
Interest cost	0.55	0.34
Net gratuity cost	**1.85**	**3.17**

(ii) Remeasurements recognised in other comprehensive income

Acturial (gain) loss on defined benefit obligation	0.18	(0.48)
Add/(Less) Tax on above	0.01	0.17
	0.19	**(0.31)**

C Defined Benefit Obligation

(i) Assumptions used to determine benefit obligations:

Principal acturial assumptions at the reporting date (expressed as weighted average)

Particulars	31 March 2020	31 March 2019
Discount rate	6.40%	7.20%
Future salary growth	3.50%	4.50%
Weighted average duration of defined benefit obligaiton	7 Years	7 Years
Attrition rate	Below 35 years : 35% p.a 35 yrs & above : 3% p.a	Below 35 years : 35% p.a 35 yrs & above : 3% p.a

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India.
The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.
Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no other foreign defined benefit gratuity plan.

(ii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the acturial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below

Particulars	31 March 2020		31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	0.58	0.67	0.52	0.59
Future salary growth (1% movement)	0.68	0.60	0.60	0.53
Withdrawal rate (1% movement)	0.10	0.12	0.08	0.09

Although the analysis does not take account of the full distribution of the cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumption shown.

D Assumptions used to determine long-term benefits - Leave encashment

Principal actuarial assumptions at the reporting date (expressed as weighted average)

Particulars	31 March 2019	31 March 2019
Discount rate	6.40%	7.20%
Future salary growth	3.50%	4.50%
Weighted average duration of defined benefit obligation	7	7
Attrition rate	Below 35 years : 35% p.a 35 yrs & above : 3% p.a.	Below 35 years : 35% p.a 35 yrs & above : 3% p.a.

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37 Capital management

The Company's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio.

For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity reserves.

The capital structure as of 31 March 2020 and 31 March 2019,was as follows:

Particulars	As at 31 March 2020	As at 31 March 2019
Total equity attributable to the equity shareholders of the Company	437.43	426.72
As a percentage of total capital	71%	75%
Long-term borrowings including current maturities	149.58	135.02
Short-term borrowings	26.99	9.58
Total borrowings	176.57	144.60
As a percentage of total capital	29%	25%
Total capital (Equity and Borrowings)	614.00	571.32

38 Donation to political parties

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Communist Party of India (M)	0.03	0.04
Indian National Congress	0.03	0.02
Bharathiya Janatha Party	0.02	0.05
CPI	0.01	-
Total	0.09	0.11

39 Transfer Pricing

The company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with associated enterprises during the financial period and expects such records to be existence latest by the date of filing its income tax return as required by the law. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

40 Asset held-for-sale

During the year,National Highway Authority of India ('NHAI') has issued notice to the Company to acquire 50 cents of land at Kannur. The consideration fixed by NHAI amounts to Rs. 0.87 crore and the book value of the said land was Rs.3.50 crore. As at 31 March 2020, the same has been stated at fair value less cost to sell (being lower of their carrying amount).

Particulars	As at 31 March 2020	As at 31 March 2019
Land	0.87	0.87

41 In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. This pandemic has resulted in disruption to regular business operations due to lockdown, disruptions in transportation, travel bans, quarantines, social distancing and other emergency measures imposed by the government. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. The Company believes that the COVID 19 pandemic will only have a short term impact on its operations and after easing of the lockdown restrictions, the business is expected to return to normal. The Company has considered available internal and external information while finalizing various estimates in relation to its financial statements upto the date of approval of the financial statements by the Board of Directors. Further, the Company has taken various measures to reduce its fixed cost - for example, salary reductions, optimization of administrative, sales and marketing costs, deferment of capex along with judicious resource allocation and requesting for the waiver of minimum guarantee fee and revenue share for hospital premises taken on lease. Accordingly, the Management believes that the Company will not have any challenge in meeting its financial obligations for the next 12 months based on the financial position and liquidity as on the date of the balance sheet and as on date of signing of these financial statements. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID -19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions. However, the pandemic did not have any material impact on the financial statement for the year ended 31 March 2020.

42 The previous year figures have been reclassified / regrouped wherever necessary to conform to current year presentation.

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W /W-100024

Rushank Muthreja
Partner
Membership number: 211386

Bengaluru
10 June 2020

for and on behalf of the Board of Directors of
Malabar Institute of Medical Sciences Limited
CIN:U85110KL1995PLC008677

Dr. Azad Moopen
Chairman
DIN: 00159403
Dubai
10 June 2020

Dr Hamza P M
Whole Time Director
DIN: 02263209
Calicut
10 June 2020

Arjun Vijayakumar
Chief Financial Officer
Calicut
10 June 2020

Udayakumar T. P.
Company Secretary
Membership no. FCS 8073
Calicut
10 June 2020