Independent Auditors' Report
To the Members of Malabar Institute of Medical Sciences Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone Ind AS financial statements of Malabar Institute of Medical Sciences Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone 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 standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and 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 Standalone 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 standalone 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.

Other Information

The Company's Board of Directors is 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's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

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

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 2019 on its financial position in its standalone financial statements - Refer Note 30 to the standalone 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 standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

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

In our opinion and according to the information and explanation given to us, during the current year, the remuneration paid by the Company to its directors 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

Baby Paul
Partner
Membership No: 218255

Kochi
22 May 2019

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 standalone financial statements for the year ended 31 March 2019, 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 account relating to materials, labour, and other items of cost maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under section 148 (1) of the Act and we are of the opinion that prima facie the prescribed amounts and records have been made and maintained. However, we have not made a detailed examination of the 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 been 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 2019 for a period of more than six months from the date they became payable.

(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 paid under protest (in INR)	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.

Malabar Institute of Medical Sciences Limited

Annexure A to the Independent Auditors' Report *(continued)*

(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.

(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

Baby Paul
Partner
Membership No: 218255

Kochi
22 May 2019

Malabar Institute of Medical Sciences Limited

Annexure B to the Independent Auditors' Report

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

(Referred to in paragraph 1A(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 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

Baby Paul
Partner
Membership No: 218255

Kochi
22 May 2019

Malabar Institute of Medical Sciences Limited
Balance sheet as at 31 March 2019
(All amounts in Indian rupee crores)

	Note	As at 31 March 2019	As at 31 March 2018
Assets			
Non-current assets			
Property, plant and equipment	**4**	587.97	482.10
Capital work-in-progress	**4**	41.44	47.67
Intangible assets	**5**	0.74	0.57
Financial assets			
Investments	**6**	9.29	9.29
Loans	**7**	2.54	1.50
Other financial assets	**8**	7.96	0.10
Other non-current assets	**9**	8.93	5.70
Income tax assets (net)	**29**	5.31	2.08
		664.18	**549.01**
Current assets			
Inventories	**10**	11.87	9.48
Financial assets			
Trade receivables	**11**	41.92	31.36
Cash and cash equivalents	**12**	8.38	1.56
Bank balances other than above	**13**	1.76	0.12
Other financial assets	**8**	2.47	3.98
Other current assets	**9**	4.30	3.04
		70.70	**49.54**
Assets held-for-sale	**41**	0.87	-
Total assets		**735.75**	**598.55**
Equity and liabilities			
Equity			
Equity share capital	**14**	99.91	90.83
Other equity		326.81	284.73
		426.72	**375.56**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	**15**	117.03	76.02
Provisions	**18**	7.68	4.58
Deferred tax liabilities (net)	**29**	70.09	66.91
Other non-current liabilities	**19**	5.65	-
		200.45	**147.51**
Current liabilities			
Financial liabilities			
Borrowings	**15**	9.58	5.12
Trade payables	**16**		
- Total outstanding dues of micro and small enterprises		-	-
- Total outstanding dues of creditors other than micro and small enterprises		31.81	24.78
Other financial liabilities	**17**	61.53	40.34
Provisions	**18**	1.53	1.06
Other current liabilities	**19**	4.13	4.18
		108.58	**75.48**
Total		**735.75**	**598.55**
Significant accounting policies	**3**		

The accompanying notes form an integral part of the standalone balance sheet

As per our report of even date attached

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

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

Baby Paul
Partner
Membership number: 218255

Kochi
22 May 2019

Dr. Azad Moopen
Chairman
DIN: 00159403

Dubai
22 May 2019

U. Basheer
Whole Time Director
DIN: 01482427

Calicut
22 May 2019

P. Jayakrishnan
Chief Financial Officer

Calicut
22 May 2019

Udayakumar T. P.
Company Secretary
Membership no. FCS 8073
Calicut
22 May 2019

Malabar Institute of Medical Sciences Limited
Statement of profit and loss for the year ended 31 March 2019
(All amounts in Indian rupee crores)

	Note	Year ended 31 March 2019	Year ended 31 March 2018
Income			
Revenue from operations	**20**	345.47	323.61
Other income	**21**	2.50	4.07
Total income		**347.97**	**327.68**
Expenses			
Purchases of medicines and consumables	**22**	83.13	80.69
Change in inventories	**23**	(2.25)	(0.33)
Employee benefits expense	**24**	83.46	71.38
Finance costs	**25**	5.94	5.11
Depreciation and amortisation	**26**	13.52	13.34
Other expenses	**27**	150.26	136.94
Total expenses		**334.06**	**307.13**
Profit before tax		**13.91**	**20.55**
Tax expense	**29**		
Current tax		4.50	7.23
Deferred tax		3.35	0.69
Total tax expense		**7.85**	**7.92**
Profit for the year		**6.06**	**12.63**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of net defined benefit liability, net of income-tax		(0.31)	0.23
Total comprehensive income for the year		**5.75**	**12.86**
Earnings per share (equity share of face value of Rs.10 each)	**31**		
Basic and diluted (Rs)		0.64	1.39
Significant accounting policies	**3**		

The accompanying notes form an integral part of the standalone 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

for and on behalf of the Board of Directors of
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Malabar Institute of Medical Sciences Limited
Cash flow statement for the year ended 31 March 2019
(All amounts in Indian rupee crores)

	Year ended 31 March 2019	Year ended 31 March 2018
Cash flows from operating activities		
Profit before tax	13.91	20.55
Adjustments for		
Depreciation and amortisation	13.52	13.34
Finance costs	5.94	5.11
Interest income	(0.60)	(0.13)
Dividend on non-current investments	(0.19)	-
Allowances for credit losses on financial assets	0.49	0.35
Loss on sale of property, plant and equipment, net	2.73	-
Operating cash flow before working capital changes	**35.80**	**39.22**
Increase in trade receivables	(11.05)	(9.01)
Increase in inventories	(2.37)	(0.21)
Increase in other financial assets and other assets	(11.19)	(0.06)
Increase in trade payables, provisions and other financials liabilities	19.74	11.54
Cash generated from operations	**30.93**	**41.48**
Taxes paid, net of refund received	(7.90)	(4.94)
Net cash generated from operating activities (A)	**23.03**	**36.54**
Cash flows from investing activities		
Interest received	0.61	0.13
Dividend received	0.19	-
Acquisition of property, plant and equipment	(99.89)	(30.76)
Proceeds from sale of property, plant and equipment	0.94	0.14
Net cash used in investing activities (B)	**(98.15)**	**(30.49)**
Cash flows from financing activities		
Proceeds from issue of equity share capital	45.41	-
Dividend paid and related dividend distribution tax	-	(5.46)
Interest paid (including borrowing cost capitalised)	(12.89)	(8.15)
Long-term secured loans availed	73.35	24.46
Long-term secured loans repaid	(28.39)	(18.71)
Short-term secured borrowings availed/ (repaid), net	4.46	0.63
Net cash generated used in financing activities (C)	**81.94**	**(7.23)**
Net Increase / (decrease) in cash and cash equivalents (A+B+C)	**6.82**	**(1.18)**
Cash and cash equivalents at the beginning of the year	1.56	2.74
Cash and cash equivalents at the end of the year	**8.38**	**1.56**

(refer to note 12- Cash and cash equivalents)

The accompanying notes form an integral part of the standalone cash flow statement

As per our report of even date attached

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

for and on behalf of the Board of Directors of
Malabar Institute of Medical Sciences Limited
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22 May 2019

Malabar Institute of Medical Sciences Limited
Statement of changes in equity for the year ended 31 March 2019
(All amounts in Indian rupee crores)

A. Equity share capital

	Note	Number of shares (in crores)	Amount
Equity shares of INR 10 each issued at par, subscribed and fully paid-up			
As at 1 April 2017		9.08	90.83
Changes in equity share capital during 2017-18	**14**	-	-
As at 31 March 2018		**9.08**	**90.83**
Changes in equity share capital during 2018-19		0.91	9.08
As at 31 March 2019		**9.99**	**99.91**

B Other equity

Particulars	Reserves and surplus		Items of other comprehensive income	Total equity attributable to equity holders of the company
	Securities premium	Retained earnings	Remeasurement of net defined benefit liability, net of income-tax	
As at 1 April 2017	**42.38**	**234.95**	**-**	**277.33**
Total comprehensive income for the year ended 31 March 2018				
Profit for the year	-	12.63	-	12.63
Other comprehensive income	-	-	0.23	0.23
Total comprehensive income	**-**	**12.63**	**0.23**	**12.86**
Transferred to retained earnings	-	0.23	(0.23)	-
Dividend paid	-	(4.54)	-	(4.54)
Dividend tax	-	(0.92)	-	(0.92)
Total contributions by and distributions to owners	**-**	**(5.23)**	**(0.23)**	**(5.46)**
As at 31 March 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	-
Shares issued 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**

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

Baby Paul
Partner
Membership number: 218255
Kochi
22 May 2019

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
22 May 2019

U. Basheer
Whole Time Director
DIN: 01482427
Calicut
22 May 2019

P. Jayakrishnan
Chief Financial Officer
Calicut
22 May 2019

Udayakumar T. P.
Company Secretary
Membership no. FCS 8073
Calicut
22 May 2019

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 standalone 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 standalone financial statements were authorized for issue by the Company’s Board of Directors on 22 May 2019

Details of the Company’s accounting policies are included in Note 3.

B. Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (INR), which is also the Company’s functional currency. All amounts are presented in Indian Rupees in Crores, except share data, unless otherwise stated.

C. Basis of measurement

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

Items	Measurement basis
Net defined benefit (asset)/ 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

There are no significant judgement made in applying accounting policies that have the most material effects on the amounts recognised in the financial statements.

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 2019 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 37 - Measurement of defined benefit obligations: key actuarial assumptions;
- Note 29 - recognition of deferred tax asset: availability of future taxable profit against which tax losses carried forward can be used;
- Note 30 - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of outflow of resources;
- Note 36 - recognition of allowance for credit losses on financial assets;

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 36 - Financial instruments.

F. Recent Accounting Pronouncements

i. Standards issued but not effective on Balance sheet date:

Ind AS 116, Leases

The Company is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard - i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

Lessees are required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

2. Basis of preparation (continued)

F. Recent Accounting Pronouncements (continued)

The Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

Based on the information currently available, the Company estimates that the effect of adoption of Ind AS 116 is not expected to be material.

ii. Other Amendments

The MCA has notified below amendments which are effective 1 April 2019:

- Appendix C to Ind AS 12, Income taxes
- Amendments to Ind AS 103, Business Combinations
- Amendments to Ind AS 109, Financial Instruments
- Amendments to Ind AS 111, Joint Arrangements
- Amendments to Ind AS 19, Employee Benefits
- Amendments to Ind AS 23, Borrowing Costs
- Amendments to Ind AS 28, Investments to Associates and Joint Ventures

Based on Preliminary work, the Company does not expect these amendments to have any significant impact on its Financial statements.

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.

3.1 Property, plant and equipment (continued)

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 – 60
Plant and Machinery	15
Medical equipment's*	10 – 13
Motor vehicles	8
Computer equipment's	3
Furniture and fittings	5 – 10
Electrical fixtures	10

* 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. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Change in estimated useful life: With effect from 1 April 2017, based on the technical evaluation, the Company has revised the estimated useful lives of certain categories of 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' and has an impact on the depreciation expense. The financial impact due to the change in the estimate is disclosed in Note 4. Depreciation method, useful lives and residual values are reviewed at each financial year - end and adjusted if appropriate.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

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.

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 stated policies and objectives for each of such investments and the operation of those policies in practice.
- 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.

3.4 Financial instruments (continued)

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.

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.

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.

3.5 Impairment (continued)

ii. Impairment of non- financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each re- porting 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.

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). An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.6 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. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, 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. When the calculation results in a potential asset for the Company, the recognised asset is limitedto the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling').

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.

3.6 Employee benefits (continued)

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long term employee benefits - Compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

3.7 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 recognizes any impairment loss on the assets associated with that contract.

3.8 Revenue

Revenue from contract with customers

The Company generates revenue from rendering of medical and healthcare services, sale of medicines and other operating avenues. Ind AS 115 Revenue from Contracts with Customers establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts. Under Ind AS 115, revenue is recognised when a customer obtains control of the goods or services. The Company has adopted Ind AS 115 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (i.e. 01 April 2018) being included in retained earnings. Accordingly, the information presented for the year ended 31 March 2018 has not been restated – i.e. it is presented, as previously reported, under Ind AS 18, Revenue.

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.

3.8 Revenue (continued)

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.

c) Other operating income

The Company's revenue from other operating income comprises of primarily of canteen sales (sales of food and beverages).

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 of the assets is transferred.

Disaggregated revenue information: Refer note 20

3.9 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.

3.10 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. Assets held under leases

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of owner-ship (i.e. operating leases) are not recognised in the Balance Sheet.

iii. Lease payments

Payments made under operating leases are generally recognised in profit or loss on a straight- line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

3.11 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 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 amortized 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 amortized 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. 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.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and li- abilities 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 recognizes 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 realized. Deferred tax assets - unrecognized or recognized, 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 realized.

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 realized 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 trans- actions 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 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.

3.17 Interest

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Malabar Institute of Medical Sciences Limited

Notes to the standalone financial statements (continued)

(All amounts in Indian rupee crores)

4 Property, plant and equipment

Particulars	Land	Buildings	Leasehold improvements	Furniture and fixtures	Office equipments	Plant and machinery	Computers	Medical equipments	Vehicles	Total (A)	Capital work-in-progress (B)	Total (A)+(B)
Gross carrying value												
Balance at 1 April 2017	334.86	83.29	0.48	13.21	1.47	32.85	6.79	130.75	1.15	604.87	23.05	627.92
Additions	0.52	0.26	-	0.17	0.02	0.72	0.26	3.06	0.25	5.26	24.62	29.87
Deletions	-	-	-	-	-	-	-	(0.82)	(0.03)	(0.85)	-	(0.85)
Balance at 31 March 2018	**335.38**	**83.56**	**0.48**	**13.38**	**1.50**	**33.57**	**7.06**	**133.00**	**1.37**	**609.28**	**47.67**	**656.95**
Balance at 1 April 2018	335.38	83.56	0.48	13.38	1.50	33.57	7.06	133.00	1.37	609.28	47.67	656.95
Additions	0.29	53.67	-	6.15	0.02	7.60	4.10	50.92	0.04	122.79	91.44	214.23
Deletions	(3.65)	-	-	-	-	-	-	(0.36)	-	(4.01)	(97.67)	(101.67)
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**
Accumulated depreciation												
Balance at 1 April 2017	-	12.85	0.30	8.37	1.33	18.71	5.92	66.68	0.63	114.81	-	114.81
Depreciation	-	1.34	0.09	1.17	0.05	1.57	0.46	8.29	0.12	13.08	-	13.08
Deletions	-	-	-	-	-	-	-	(0.68)	(0.03)	(0.71)	-	(0.71)
Balance at 31 March 2018	**-**	**14.19**	**0.39**	**9.55**	**1.38**	**20.28**	**6.38**	**74.29**	**0.72**	**127.18**	**-**	**127.18**
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	1.81	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**
Net carrying value as at 31 March 2019	**332.02**	**121.64**	**0.02**	**8.16**	**0.09**	**19.27**	**4.33**	**101.87**	**0.57**	**587.97**	**41.44**	**629.40**
Net carrying value as at 31 March 2018	**335.38**	**69.36**	**0.09**	**3.83**	**0.11**	**13.29**	**0.68**	**58.70**	**0.65**	**482.10**	**47.67**	**529.76**

a) Property Plant and equipment and capital work-in-progress includes borrowing cost capitalised in accordance with Ind AS 23 - Borrowing cost aggregating Rs 7.19 (31 March 2018: Rs 3.57) .

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

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

d) With effect from 1 April 2017, the Group 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 2019**	**31 March 2020**	**31 March 2021**	**31 March 2022**
Decrease in depreciation charge	1.18	1.21	1.26	1.12

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

5 Intangibles assets

	Software	Total
Gross carrying value		
Balance at 1 April 2017	1.14	1.14
Additions	0.04	0.04
Deletions	-	-
Balance at 31 March 2018	**1.18**	**1.18**
Balance at 1 April 2018	1.18	1.18
Additions	0.43	0.43
Deletions	-	-
Balance at 31 March 2019	**1.61**	**1.61**
Amortisation		
Balance at 1 April 2017	0.35	0.34
Amortisation for the year	0.26	0.26
Balance at 31 March 2018	**0.61**	**0.61**
Balance at 1 April 2018	0.61	0.61
Amortisation for the year	0.26	0.26
Balance at 31 March 2019	**0.87**	**0.87**
Net carrying value as at 31 March 2019	**0.74**	**0.74**
Net carrying value as at 31 March 2018	**0.57**	**0.57**

		As at 31 March 2019	As at 31 March 2018
6	**Investments**		
	Non-current		
	Investment in Associate - Unquoted investments (non- trade at cost)		
	Investment in MIMS Infrastructure and Properties Private Limited		
	0.66 crores (31 March 2018 - 0.66 crores) equity shares of Rs.10 each	6.62	6.62
	Investments in preference shares at amortised cost		
	Investment in MIMS Infrastructure and Properties Private Limited		
	0.27 crores (31 March 2018 - 0.27 crores) preference shares of Rs.10 each	2.67	2.67
		9.29	**9.29**
	Aggregrate amount of unquoted investments	9.29	9.29
7	**Loans**		
	Non-current		
	Unsecured, considered good		
	Security deposits	2.54	1.50
		2.54	**1.50**
	Includes deposits with related party (refer note 35)		
8	**Other financial assets**		
	Non-current		
	Unsecured, considered good		
	In deposit account for margin money	7.96	0.10
		7.96	**0.10**
	Current		
	Unsecured, considered good		
	Interest accrued on fixed deposits	-	0.01
	Insurance claim receivable	0.06	0.03
	Unbilled receivables	2.13	2.65
	Due from associates (refer note 35)	0.02	0.02
	Due from related party (refer note 35)	0.10	0.16
	Other financial assets	0.16	1.11
		2.47	**3.98**
		10.43	**4.08**
9	**Other assets**		
	Non-current		
	Unsecured, considered good		
	Advance for capital goods	8.77	5.54
	Other loans and advances	0.16	0.16
		8.93	**5.70**
	Current		
	Unsecured, considered good		
	Prepaid expenses	3.34	1.99
	Advance to employees	0.29	0.16
	Advances for supply of goods and rendering of services	0.67	0.89
		4.30	**3.04**
		13.23	**8.74**
10	**Inventories**		
	Stock in trade including medical consumables	10.85	8.60
	Stores and spares	1.02	0.88
		11.87	**9.48**
	* for details of inventories pledged, refer Note 15		
11	**Trade receivables**		
	Current		
	Unsecured		
	considered good	42.33	31.63
	considered doubtful	1.44	1.09
		43.77	**32.72**
	Allowances for expected credit loss	(1.85)	(1.36)
	Net trade receivables	**41.92**	**31.36**
	* for details of trade receivables pledged, refer Note 15		
	The Company's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in Note 36		
12	**Cash and cash equivalents**		
	Balance with banks	7.85	1.18
	Cash on hand	0.53	0.38
		8.38	**1.56**
	Cash and cash equivalents in the statement of cash flows	**8.38**	**1.56**
13	**Bank balances other than cash and cash equivalents**		
	Balance in banks for margin money	1.76	0.12
		1.76	**0.12**

		As at 31 March 2019		As at 31 March 2018	
14	**Share capital**	**Number of shares (in crores)**	**Amount**	**Number of shares (in crores)**	**Amount**
	Authorised				
	Equity shares of Rs 10 each	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	9.08	90.83	9.08	90.83
	Add: issued during the year	0.91	9.08	-	-
	At the end of the year	**9.99**	**99.91**	**9.08**	**90.83**

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 2019		As at 31 March 2018	
	Number of shares (in crores)	**Amount**	**Number of shares (in crores)**	**Amount**
Equity shares of Rs. 10 each fully paid-up held by				
Aster DM Healthcare Limited - holding and ultimate holding company	7.32	73.16	6.42	64.20

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

	As at 31 March 2019		As at 31 March 2018	
	Number of shares (in crores)	**% holding**	**Number of shares (in crores)**	**% holding**
Equity shares of Rs. 10 each fully paid -up held by				
Aster DM Healthcare Limited	7.32	73.22%	6.42	70.68%

(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 38 for policy with respect to capital management.

(All amounts in Indian rupee crores)

		As at 31 March 2019	As at 31 March 2018
15	**Borrowings**		
	Non-current		
	Secured		
	Term loans from banks	114.13	76.02
	Unsecured		
	Term loans from associate	2.90	-
		117.03	**76.02**
	Current		
	Secured		
	Cash credit and overdraft	4.58	5.12
	Short-term loan from banks	5.00	-
	Current portion of term loans from banks	17.99	14.04
		27.57	**19.16**
	Less: Amount included under 'other financials liabilities'	17.99	14.04
		9.58	**5.12**
	Total borrowings	**144.60**	**95.18**

Details of securities, terms and conditions on loans

Lenders name	Security terms	Interest Rate (p.a)	Tenure	As at 31 March 2019*	As at 31 March 2018*
Dhanlaxmi Bank Limited	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 0.5% - Base rate plus 3%	36-96 months; 32 quarters	2.90	-
HDFC Bank Limited	Secured by hypothecation of equipments purchased using the term loan.	Base rate plus 1.5% - Base rate plus 3%	36 - 63 months	1.35	2.95
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	0.12
South Indian Bank	Secured by equitable mortgage of 319.9 cents of land	Base rate plus 1.3%	36 months	15.89	17.97
HDFC Bank	Secured by hypothecation of equipments , spares and immovable properties	Base rate plus 0.25%	132 months	87.42	48.65
HDFC Bank	Secured by hypothecation of equipments purchased using the term loan	Base rate plus 0.25%	6 months - 60 months	24.89	11.80
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	8.53
HDFC Bank	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	5.12
HDFC Bank	Post dated cheques	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	0.02
				144.60	**95.18**

**includes current maturities of long-term borrowings*

A Changes in liabilities and financial assets arising from financing activities

Particulars	As at 31 March 2018	Cash flows	Non-cash changes: Foreign Exchange Movement	Non-cash changes: Fair Value changes	As at 31 March 2019
Non-current borrowings	76.02	41.01	-	-	117.03
Current borrowings *	19.16	8.41	-	-	27.57
Total	**95.18**	**49.42**	**-**	**-**	**144.60**

* includes current maturities of long term borrowing

(All amounts in Indian rupee crores)

	As at 31 March 2019	As at 31 March 2018
16 Trade payables		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	31.81	24.78
	31.81	**24.78**

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 36)

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:

The principal amount remaining unpaid to any supplier as at the end of the year	-	-
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	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the Act	-	-

17 Other financial liabilties		
Current		
Current maturities of long-term borrowings*	17.99	14.04
Interest accrued but not due on borrowings *	0.67	0.44
Dues to creditors for expenses and others	13.14	13.54
Security deposits from others	2.27	1.99
Due to related party	1.35	0.44
Dues to creditors for capital goods	18.80	5.66
Accrued salaries and benefits	7.30	4.12
Unpaid dividend	0.01	0.11
	61.53	**40.34**

* 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 36

18 Provisions		
Non-current		
Provision for employee benefits		
Net defined benefit liability - Gratuity *	6.55	3.70
Compensated absences	1.13	0.88
	7.68	**4.58**
Current		
Provision for employee benefits		
Net defined benefit liability - Gratuity *	1.07	0.78
Compensated absences	0.46	0.28
	1.53	**1.06**

*Refer note 37

19 Other liabilities		
Non-current		
Deferred government grant *	5.65	-
	5.65	**-**
Current		
Advances received from customers	1.58	1.95
Other advance	-	0.05
Statutory dues payables	2.55	2.18
	4.13	**4.18**

* 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

(All amounts in Indian rupee crores)

		Year ended 31 March 2019	Year ended 31 March 2018
20	**Revenue from operations**		
	Revenue from hospital and medical services	313.06	291.13
	Revenue from pharmacy and others	31.15	30.11
	Revenue from canteen	1.26	2.37
		345.47	**323.61**
	Reconciliation of revenue from hospital services with the contracted prices		
	Gross revenue	321.06	298.60
	Less: discounts, disallowances etc	(6.74)	(5.10)
		314.32	**293.50**
21	**Other income**		
	Interest income under effective interest method on		
	Fixed deposits with banks	0.60	0.13
	Rent	1.10	3.56
	Dividend on non-current investments	0.19	-
	Other non-operating income	0.61	0.38
		2.50	**4.07**
22	**Purchases of stock-in-trade**		
	Medicines and consumables	83.13	80.69
		83.13	**80.69**
23	**Change in inventories of stock-in-trade**		
	Medicines and medical consumables:		
	Opening stock	8.60	8.27
	Closing stock	10.85	8.60
		(2.25)	**(0.33)**
24	**Employee benefits expense**		
	Salaries, wages and bonuses *	73.21	64.33
	Contribution to provident and other funds	9.43	6.26
	Staff welfare expense	0.82	0.79
		83.46	**71.38**

* Previous year figures includes, professional fee paid to resident doctors, amounting Rs.7.41, reclassified from 'Other expenses'

		Year ended 31 March 2019	Year ended 31 March 2018
25	**Finance cost**		
	Interest on borrowings	13.12	8.67
	Less : Borrowing cost capitalised	(7.19)	(3.57)
	Other borrowing cost	0.01	0.01
		5.94	**5.11**
26	**Depreciation and amortisation**		
	Depreciation on property, plant and equipment	13.26	13.08
	Amortisation on intangible assets	0.26	0.26
		13.52	**13.34**
27	**Other expenses**		
	Stores and spares	2.56	3.67
	Power and fuel	12.37	11.50
	Water	1.25	1.34
	Laboratory investigation outsourcing	0.69	0.64
	Professional fee to doctors *	85.60	78.73
	Rent	2.03	2.91
	Repairs and maintenance - buildings	0.89	0.85
	Repairs and maintenance - plant and machinery	2.50	1.75
	Repairs and maintenance - others	23.57	19.82
	Insurance	1.30	0.92
	Rates and taxes	1.13	1.48
	Travel and conveyance	0.42	0.28
	Legal, professional and consultancy charges	2.26	0.34
	Communication	0.61	0.48
	Advertising and promotional	5.40	6.70
	Allowances for credit losses on financial assets	0.49	0.35
	Donations	0.46	0.84
	Loss on sale of property, plant and equipment (net)	2.73	-
	Bank charges	0.87	0.91
	Corporate social responsibility (Refer Note 28)	0.53	1.06
	Miscellaneous expenses	2.60	2.37
		150.26	**136.94**
28	**CSR expenditure**		
	Gross amount required to be spent during the year	0.48	0.63
	Amount spent during the year on :		
	Construction/acquisition of an asset	-	-
	On purposes other than above	0.53	1.06
		0.53	**1.06**

(All amounts in Indian rupee crores)

	As at 31 March 2019	As at 31 March 2018
29 Income taxes		
Income tax assets/(liability)		
Income tax assets	5.31	2.08
Current income tax liabilities	-	-
Net income tax assets/(liability)	**5.31**	**2.08**
Deferred tax assets/(liabilities)		
Deferred tax asset		
Trade receivables	0.65	0.47
Provision for employee benefits	3.22	1.95
Deferred government grants	1.70	-
Carried forward long-term capital loss	0.40	-
Total deferred income tax assets	**5.97**	**2.42**
Deferred tax liabilities		
On account of fair valuation of land *	52.09	50.88
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act.	23.97	18.45
Total deferred income tax liabilities	**76.06**	**69.33**
Net deferred income tax liabilities	(70.09)	(66.91)

* 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.

Movement during the year ended 31 March 2019	**As at 1 April 2018**	**Credit/ (Charge) in the statement of profit and loss**	**Recognise in OCI during 2018-19**	**As at 31 March 2019**
Provision for doubtful debts and advances	0.47	0.18	-	0.65
Provision for employee benefits	1.95	1.11	0.16	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 *	(50.88)	(1.21)	-	(52.09)
Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act.	(18.45)	(5.52)	-	(23.97)
	(66.91)	**(3.34)**	**0.16**	**(70.09)**

Movement during the year ended 31 March 2018	**As at 1 April 2017**	**Credit/ (Charge) in the statement of profit and loss**	**Recognise in OCI during 2017-18**	**As at 31 March 2018**
Provision for doubtful debts and advances	0.35	0.12	-	0.47
Provision for employee benefits	1.86	0.21	(0.12)	1.95
On account of fair valuation land *	(50.88)	-	-	(50.88)
Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act.	(17.43)	(1.02)	-	(18.45)
	(66.10)	**(0.69)**	**(0.12)**	**(66.91)**

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

Brought forward losses allowed to carried forward Rs 1.70 (31 March 2018: Rs Nil)

	As at 31 March 2019	As at 31 March 2018
Income tax expense		
Current tax	4.50	7.23
Deferred tax	3.35	0.69
	7.85	**7.92**

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

Particulars		
Profit before income taxes	13.91	20.55
Enacted tax rates in India	34.94%	34.61%
Expected tax expense	4.86	7.11
Exempt income	0.06	-
Effect of permanent disallowances for tax purposes	2.92	0.81
Income tax expense	7.85	7.92
Effective tax rate	56.43%	38.55%

30 Contingent liabilities and commitments

Particulars	As at 31-March 2019	As at 31 March 2018
Commitments		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	10.59	25.83
Contingent liabilities		
Claims against the Company not acknowledged as debt	3.34	3.34
Disputed income tax demand pending before assessing authorities (Refer notes (a) to (b) below)	0.75	0.72
Disputed provident fund demand pending before appellate authorities (Refer note (c) below)	0.88	0.88
Employee bonus (Refer note (d) below)	1.61	1.61
Bank guarantee	7.89	0.15
Letter of Credit	1.72	-

a) The Company has received an income tax demand for the assessment year 2008-09 wherein demand of Rs. 0.03 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. 0.72 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 crores 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. 0.88 crores 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) In the past, the Company made certain allotment of shares in violation of provisions of section 67(3) of the Companies Act, 1956. Pursuant to a press release dated November 30, 2015 and circular no. CIR/CFD/DIL3/18/2015 dated 31 December 2015 (the press release and the circular, the "SEBI Circular"), the SEBI provided an opportunity to companies to avoid penal action in case of such violations subject to fulfillment of certain conditions.The Company had received an order from the National Company Law Board by compounding the offence and the case has been disposed-off. Company had taken necessary steps to comply with the SEBI Circular recognizing the intent of SEBI on the matter. The settlement application has been filed and the matter is still pending before SEBI.

f) 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.

31 Earnings per share

A. Basic net profit 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 calculations are as follows:

i) Net Profit attributable to equity share holders

Particulars	**Year ended 31 March 2019**	**Year ended 31 March 2018**
Net profit for the year, attributable to the equity share holders	6.06	12.63

ii) Weighted average number of equity shares

Particulars	**Year ended 31 March 2019**	**Year ended 31 March 2018**
Opening balance (Refer note 14) - in crores	9.08	9.08
Weighted average number of equity shares of Rs. 10 each for the year - in crores	9.51	9.08
Earnings per share, basic	0.64	1.39

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 2019**	**Year ended 31 March 2018**
Net profit for the year, attributable to the equity share holders	6.06	12.63

ii) Weighted average number of equity shares

Particulars	**Year ended 31 March 2019**	**Year ended 31 March 2018**
Weighted average number of equity shares of Rs. 10 each for the year - in crores (basic)	9.51	9.08
Effect of dilutive shares	-	-
Earnings per share, diluted	0.64	1.39

32 Auditors' remuneration (included under legal and consultancy, net of goods and services tax)

Particulars	**Year ended 31 March 2019**	**Year ended 31 March 2018**
Statutory audit	0.08	0.07
Total	0.08	0.07

33 Operating leases

Assets taken on operating lease

The Company has taken certain premises on operating lease arrangements that are renewable on mutually agreeable terms. All these leases are cancellable in nature. The total lease payments in respect of such leases recognised in the statement of profit and loss for the year Rs 2.03 crore (31 March 2018: Rs 2.91 crore).

Assets given on operating lease

The Company has given space in Calicut hospital premises under cancellable operating lease arrangements that are renewable on mutually agreeable terms. All these leases are cancellable in nature. The total lease income received / receivable in respect of the above leases recognised in the statement of profit and loss for the year is Rs 1.10 crore (31 March 2018: Rs 3.56 crore).

34 Segmental reporting

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.

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

35 Related parties

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

(a)	Holding company	Aster DM Healthcare Limited, India
(b)	Ultimate holding Company	Union Investment P Limited, Mauritius (till 22 February 2018)
(c)	Associate Company	MIMS Infrastructure and Properties Private Limited, India
(d)	Fellow subsidiaries	Aster DM Healthcare FZC, UAE
		Aster Pharmacies Group LLC, UAE
		DM Medcity Hospitals India Private Limited, India
		Dr.Moopens Healthcare Management Services LLC, UAE
		Al Raffah Hospital LLC , Oman
(e)	Key managerial personnel and relatives	
	Dr. Azad Moopen	Chairman
	Dr. M Ali	Vice chairman
	Mr. U Basheer	Whole Time Director thereafter
	Mr. Saidalavi Koya Thangal	Director
	Mr. Kunhimoideen Haji	Director
	Dr. Santy Sajan	Chief Executive Officer
(f)	Enterprises over which Key Management Personnel are able to exercise significant influence	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 2019 and 31 March 2018

Sl.No.	Name of related party	Description of the transaction.	Volume of transactions		Outstanding balance (receivable/payable)	
			As at 31 March 2019	As at 31 March 2018	As at 31-March 2019	As at 31 March 2018
1	U Basheer	Salaries, wages and bonus*	0.12	0.51	**	**
		Rent	0.70	0.67	(0.05)	(0.05)
		Rent deposit	-	-	0.16	0.16
2	Aster DM Healthcare Limited	Expenses incurred by the Company/ (incurred on behalf of the Company)	(0.76)	(0.37)	(1.13)	(0.37)
		Dividend paid	-	3.21	-	-
3	Aster DM Healthcare FZC	Expenses incurred by the Company/ (incurred on behalf of the Company)	0.01	**	(0.06)	(0.06)
4	Aster Pharmacies Group LLC	Expenses incurred by the Company/ (incurred on behalf of the Company)	(0.06)	0.08	0.03	0.09
5	DM Medcity Hospitals India Private Limited	Expenses incurred by the Company/ (incurred on behalf of the Company)	**	0.02	0.02	0.02
6	MIMS Infrastructure and Properties Private Limited	Expenses incurred by the Company/ (incurred on behalf of the Company)	**	**	0.02	0.02
		Non-current investments	-	-	9.28	9.28
		Loan received	(3.00)	-	(2.90)	-
		Loan repaid	0.10	-		
7	Saidalavi Koya Thangal	Rent deposit	(0.05)	-	0.06	0.11
		Expenses reimbursement	**	**	0.04	0.05
8	Kunhimoideen Haji	Rent	-	0.14	-	**
		Sitting Fee	-	0.01	-	**
9	Dr.Moopens Healthcare Management Services LLC	Advertisement and promotional	(0.11)	-	(0.11)	-
10	Al Raffah Hospital LLC	Expenses incurred by the Company/ (incurred on behalf of the Company)	**	-	**	**
11	Dr Santy Sajan	Salaries, wages and bonus*	0.55	0.12	-	-
12	Cantown Infra Developers LLP	Rent	**	-	**	-
13	Sitting Fee to Directors	Sitting Fee	0.18	0.13	(0.07)	(0.11)

* The above figure does not include provision for gratuity as the same is determined for the Company as a whole based on an actuarial valuation. The remuneration is paid to the directors in their professional capacity as doctors.

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

(All amounts in Indian rupee crores)

36 Financial Instruments

A Accounting classifications and fair values

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

As at 31 March 2019	Note	Amortised cost	Total
Financial assets			
Cash and cash equivalents	12	8.38	8.38
Investments	6	9.29	9.29
Loans	7	2.54	2.54
Trade receivables	11	41.92	41.92
Bank balances other than cash and cash equivalents	13	1.76	1.76
Other financial assets	8	10.43	10.43
		74.32	**74.32**
Financial liabilities			
Trade payables	16	31.81	31.81
Borrowings	15	144.60	144.60
Other financial liabilities	17	43.54	43.54
		219.95	**219.95**

As at 31 March 2018	Note	Amortised Cost	Total
Financial assets			
Cash and cash equivalents	12	1.56	1.56
Investments	6	9.29	9.29
Loans	7	1.50	1.50
Trade receivables	11	31.36	31.36
Bank balances other than cash and cash equivalents	13	0.12	0.12
Other financial assets	8	4.08	4.08
		47.91	**47.91**
Financial liabilities			
Trade payables	16	24.78	24.78
Borrowings	15	95.18	95.18
Other financial liabilities	17	26.30	26.30
		146.26	**146.26**

The Company has not disclosed the fair values for financial instruments such as cash and cash equivalents, trade receivables,trade payables etc, because their carrying amounts are a reasonable approximation of fair value.

Fair value

The fair value of cash and cash equivalents, trade receivables, other receivables, unbilled revenues, trade payables, current financial liabilities and borrowings approximate their carrying amount largely due to the short-term nature of these instruments. A substantial portion of the Company's long-term debt has been contracted at floating rates of interest, which are reset at short intervals. Accordingly, the carrying value of such long-term debt approximates fair value.

(All amounts in Indian rupee crores)

36 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 instruments.

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 Company's exposure to credit risk for trade receivables based on type of customers are as follows :-

Particulars	As at 31 March 2019	As at 31 March 2018
Government and Government affiliated parties	34.56	25.83
Other parties	9.21	6.89
Balance at the end	**43.77**	**32.72**

As at 31 March 2019

Particulars	Not due	0- 1 year	More than 1 years	Loss allowance	Total
Government and Government affiliated parties	8.02	26.06	0.48	(0.76)	33.80
Other parties	3.91	4.16	1.14	(1.09)	8.12
Total	**11.93**	**30.22**	**1.62**	**(1.85)**	**41.92**

As at 31 March 2018

Particulars	Not due	0- 1 year	More than 1 years	Loss allowance	Total
Government and Government affiliated parties	5.90	19.47	0.46	(0.66)	25.17
Other parties	3.03	3.20	0.66	(0.70)	6.19
Total	**8.93**	**22.67**	**1.12**	**(1.36)**	**31.36**

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 2019	As at 31 March 2018
Balance at the beginning	1.36	1.01
Impairment loss recognised	0.49	0.35
Balance at the end	1.85	1.36

No single customer accounted for more than 10% of the revenue as of 31 March 2019 and 31 March 2018. 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

(All amounts in Indian rupee crores)

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 2019

Particulars	**Less than 1 year**	**1-2 years**	**3-5 years**	**More than 5 years**	**Total**
Trade payables	31.81	-	-	-	31.81
Current borrowings	9.58	-	-	-	9.58
Non-current borrowing, including current maturities	17.99	13.17	23.76	80.10	135.02
Other financial liabilities	43.54	-	-	-	43.54

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

Particulars	**Less than 1 year**	**1-2 years**	**3-5 years**	**More than 5 years**	**Total**
Trade payables	24.78	-	-	-	24.78
Current borrowings	5.12	-	-	-	5.12
Non-current borrowing, including current maturities	14.04	3.92	7.61	64.49	90.06
Other financial liabilities	26.30	-	-	-	26.30

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.

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 2019**	**As at 31 March 2018**
Variable rate long term borrowings including current maturities	135.02	90.06
Total	**135.02**	**90.06**

Sensitivity

Particulars	**Impact on profit or loss**		**Impact on other equity,net of tax**	
	As at 31 March 2019	**As at 31 March 2018**	**As at 31 March 2019**	**As at 31 March 2018**
Sensitivity				
1% increase in rate	1.35	0.90	1.35	0.90
1% decrease in rate	(1.35)	(0.90)	(1.35)	(0.90)

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

(All amounts in Indian rupee crores)

37 Employee benefits

The Company has 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 benefits. The level of benefit provided depends on the employees length of service and salary at retirement / termination age.

A Reconciliation of present value of defined benefit obligation

Particulars	**Year ended 31 March 2019**	**Year ended 31 March 2018**
Balance at beginning of the year	4.48	3.92
Benefit paid	(0.51)	(0.39)
Current service cost	1.16	1.01
Past service cost	1.67	-
Interest cost	0.34	0.29
Actuarial (gain)/ loss recognised in other comprehensive income	-	-
- changes in demographic assumptions	-	-
- changes in financial assumptions	0.16	(0.41)
- experience adjustments	0.31	0.06
Balance at the end of the year	7.62	4.48
Plan assets at the end of the year	-	-
Net defined benefit (liability)	**7.62**	**4.48**

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

Current service cost	1.16	1.01
Past service cost	1.67	
Interest cost	0.34	0.29
Net gratuity cost	**3.17**	**1.30**

(ii) Remeasurements recognised in other comprehensive income

Actuarial (gain) loss on defined benefit obligation	0.47	(0.35)
Less : Tax on above	(0.16)	0.12
	0.31	**(0.23)**

C Assumptions used to determine benefit obligations:

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

Particulars	**31 March 2019**	**31 March 2018**
Discount rate	7.20%	7.50%
Future salary growth	4.50%	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.

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 actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below

Particulars	**31 March 2019**		**31 March 2018**	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	0.60	0.53	0.29	0.33
Future salary growth (1% movement)	0.52	0.59	0.34	0.30
Withdrawal rate (1% movement)	**	**	**	**

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.

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

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 2018**
Discount rate	7.20%	7.50%
Future salary growth	4.50%	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.

(All amounts in Indian rupee crores)

38 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 2019 and 31 March 2018,was as follows:

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Total equity attributable to the equity shareholders of the Company	**426.72**	**375.56**
As a percentage of total capital	75%	80%
Long-term borrowings including current maturities	135.02	90.06
Short-term borrowings	9.58	5.12
Total borrowings	**144.60**	**95.18**
As a percentage of total capital	25%	20%
Total capital (Equity and Borrowings)	**571.32**	**470.74**

39 Donation to political parties

Particulars	**Year ended 31 March 2019**	**Year ended 31 March 2018**
Communist Party of India (M)	0.04	0.02
Indian National Congress	0.02	**
Bharathiya Janatha Party	**	0.05
Indian Union Muslim League	**	**
Others	**	**
Total	**0.06**	**0.08**

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

40 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.

41 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 has been fixed by NHAI amounts to Rs. 0.87 and the book value of the said land was Rs.3.50. As at 31 March 2019, the same has been stated at fair value less cost to sell (being lower of their carrying amount).

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Land	0.87	-

42 The previous year figures have been reclassified / regrouped wherever necessary

The accompanying notes form an integral part of these standalone financial statements
As per our report of even date attached

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

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

Baby Paul
Partner
Membership number: 218255
Kochi
22 May 2019

Dr. Azad Moopen
Chairman
DIN: 00159403
Dubai
22 May 2019

U. Basheer
Whole Time Director
DIN: 01482427
Calicut
22 May 2019

P. Jayakrishnan
Chief Financial Officer
Calicut
22 May 2019

Udayakumar T. P.
Company Secretary
Membership no. FCS 8073
Calicut
22 May 2019