B S R and Associates
Chartered Accountants

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Independent Auditors' Report
To the Members of Prerana Hospital Limited

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

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 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 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Prerana Hospital Limited

Independent Auditors' Report (continued)

Auditor's Responsibilities for the Audit of the 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

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

Prerana Hospital Limited
Independent Auditors' Report (continued)

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 financial statements - Refer Note 28 to the financial statements;.

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

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

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

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

In our opinion and according to the information and 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 and Associates**
Chartered Accountants
ICAI Firm's Registration No.: 128901W

Sd/-

Rushank Muthreja
Partner
Membership No.: 211386
ICAI UDIN: 19211386AAAABC9463

Bangalore
15 July 2019

Prerana Hospital Limited
Annexure A to the Independent Auditors' Report

Annexure referred to in our Independent Auditors' Report to the members of the Company on the s 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) According to the information and explanations given to us, the Company has not granted loans, investments, guarantees and security to companies, firms or other parties and Section 185 and 186 of the Act is not applicable to the Company. Thus, paragraph 3 (iv) of the Order is not 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 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. However, there have been delays in depositing amounts accrued in respect of Dividend Distribution Tax and Goods and Services Tax ranging from 7 to 78 days. As explained to us, the Company did not have any dues on account of excise duty.

(b) 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.

(c) According to information and explanations given to us, there are no material dues of Sales tax, Duty of customs, Duty of excise, Service Tax, Value Added Tax, Goods and Services Tax which have not been deposited with the appropriate authorities on account of any dispute.

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

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

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

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

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

(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. Thus, 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. Thus, paragraph 3(xv) of the Order is not applicable.

Prerana Hospital Limited

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

(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 and Associates**
Chartered Accountants
ICAI Firm's Registration No.: 128901W

Sd/-

Rushank Muthreja
Partner
Membership No.: 211386
ICAI UDIN: 19211386AAAABC9463

Bangalore
15 July 2019

Prerana Hospital Limited

Annexure B to the Independent Auditors' Report

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

(Referred to in paragraph 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 Prerana Hospital Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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 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.

Prerana Hospital 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 and Associates**
Chartered Accountants
ICAI Firm's Registration No.: 128901W

Sd/-

Rushank Muthreja
Partner
Membership No.: 211386
ICAI UDIN: 19211386AAAABC9463

Bangalore
15 July 2019

Prerana Hospital Limited
Balance sheet as at 31 March 2019
(All amounts in Indian rupees thousands)

	Notes	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	4	661,382.91	660,958.19
Capital work-in-progress	4	61,490.89	7,064.58
Intangible assets	5	633.80	408.40
Financial assets			
Investments	6	10.00	10.00
Other financial assets	7	1,999.70	1,709.26
Other non-current assets	8	786.75	3,990.27
Income tax assets (net)	27	53,448.47	37,475.27
Total Non-current assets		**779,752.52**	**711,615.97**
Current assets			
Inventories	9	7,039.45	7,552.14
Financial assets			
Trade receivables	10	44,942.82	41,900.73
Cash and cash equivalents	11	9,414.69	8,560.67
Bank balances other than cash and cash equivalent	12	163.10	1,020.90
Other financial assets	7	9,738.48	8,561.52
Other current assets	8	5,831.42	4,665.13
		77,129.96	**72,261.09**
TOTAL ASSETS		**856,882.48**	**783,877.06**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	13	41,396.66	32,500.00
Other equity		226,864.51	128,330.76
		268,261.17	**160,830.76**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	14	375,331.37	352,165.20
Deferred tax liabilities (net)	26	68,360.00	68,360.00
		443,691.37	**420,525.20**
Current liabilities			
Financial liabilities			
Borrowings	14	4,802.51	45,033.56
Trade payables	18		
- Total outstanding dues of micro and small enterprises		-	-
- Total outstanding dues of creditors other than micro and small enterprises		23,156.99	28,625.35
Other financial liabilities	15	104,763.13	118,483.50
Other current liabilities	17	10,802.02	8,281.37
Provisions	16	1,405.29	2,097.32
		144,929.94	**202,521.10**
TOTAL		**856,882.48**	**783,877.06**
Significant accounting policies	3		

The notes referred to above form an integral part of the balance sheet

As per our report of even date attached

for **B S R and Associates**
Chartered Accountants
ICAI Firm registration number: 128901W

for and on behalf of the Board of Directors of
Prerana Hospital Limited
CIN: U85110PN1996PLC104292

Sd'-
Rushank Muthreja
Partner
Membership No.: 211386
ICAI UDIN: 19211386AAAABC9463

Sd/-
Dr. U. B. Damale
Managing Director
DIN : 00333654

Sd/-
Dr. S. M. Navare
Whole-time Director
DIN : 00334421

Bangalore
15 July 2019

Kolhapur
15 July 2019

Statement of profit and loss for the year ended 31 March 2019

(All amounts in Indian rupees thousands)

	Notes	Year ended 31 March 2019	Year ended 31 March 2018
Income			
Revenue from operations	**19**	717,452.35	678,533.39
Other income	**20**	57.26	462.13
Total income		**717,509.61**	**678,995.52**
Expenses			
Purchases of medicines and consumables	**21**	173,234.45	188,386.26
Change in inventories of stock in trade	**22**	493.18	(579.40)
Employee benefits expense	**23**	142,795.57	130,880.23
Finance costs	**24**	46,618.71	52,680.35
Depreciation and amortisation expense	**25**	25,473.11	27,591.43
Other expenses	**26**	283,405.60	266,682.01
Total expenses		**672,020.62**	**665,640.88**
Profit before tax		**45,488.99**	**13,354.64**
Tax expense			
Current tax	**27**	-	-
Deferred tax	**27**	-	-
Profit for the year		**45,488.99**	**13,354.64**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of net defined benefit liability/ asset, net of tax effect		(131.59)	984.64
Total comprehensive income for the year		**45,357.40**	**14,339.28**
Earnings per share (equity share of face value of Rs.10 each, fully paid up)	**29**		
Basic		11.81	2.79
Diluted		11.81	2.79
Significant accounting policies	**3**		

The notes referred to above form an integral part of the statement of profit and loss

As per our Report of even date attached

for **B S R and Associates**
Chartered Accountants
ICAI Firm registration number: 128901W

Sd/-
Rushank Muthreja
Partner
Membership No.: 211386
ICAI UDIN: 19211386AAAABC9463

Bangalore
15 July 2019

for and on behalf of the Board of Directors of
Prerana Hospital Limited
CIN: U85110PN1996PLC104292

Sd/-
Dr. U. B. Damale
Managing Director
DIN : 00333654

Sd/-
Dr. S. M. Navare
Whole-time Director
DIN : 00334421

Kolhapur
15 July 2019

Prerana Hospital Limited
Statement of changes in equity for the year ended 31 March 2019
(All amounts in Indian rupees thousands)

A. Equity share capital

	Note	Equity shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paidup			
As at 1 April 2017		**3,250.00**	**32,500.00**
Changes in equity share capital during the year		-	
As at 31 March 2018		**3,250.00**	**32,500.00**
Changes in equity share capital during the year		889.67	8,896.66
As at 31 March 2019		**4,139.67**	**41,396.66**

B Other equity

Particulars	Compulsorily convertible cumulative preference shares	Reserves and Surplus					Items of other comprehensive income	Total other equity attributable to equity holders of the Company
		Securities premium	Capital reserve	General reserve	Capital redemption reserve	Retained earnings	Remeasurement of defined benefit liability/ (asset), net of tax	
Balance as at 1 April 2017	**15,311.67**	**263,983.42**	**170.54**	**255.00**	**3,000.00**	**(168,729.14)**	**-**	**113,991.49**
Total comprehensive income for the year ended 31 March 2018								
Profit for the year	-	-	-	-	-	13,354.64	-	13,354.64
Other comprehensive income (net of taxes)	-	-	-	-	-		984.63	984.63
Total comprehensive income	-	-	-	-	-	**13,354.64**	**984.63**	**14,339.27**
Transferred to retained earnings	-	-	-	-	-	984.63	(984.63)	-
Balance as at 31 March 2018	**15,311.67**	**263,983.42**	**170.54**	**255.00**	**3,000.00**	**(154,389.87)**	**-**	**128,330.76**
Total comprehensive income for the year ended 31 March 2019								
Profit for the year	-	-	-	-	-	45,488.99	-	45,488.99
Other comprehensive income (net of taxes)	-	-	-	-	-		(131.59)	(131.59)
Total comprehensive income	-	-	-	-	-	**45,488.99**	**(131.59)**	**45,357.40**
Transferred to retained earnings	-	-	-	-	-	(131.59)	131.59	-
Transactions with owners fo the Company								-
Conversion of Compulsorily Convertible Preference Shares (CCPS) to equity shares (Refer note 13)	(15,311.67)	71,509.61	-	-	-	-	-	56,197.94
Dividend on Compulsorily Convertible Preference Shares	-	-	-	-	-	(1,574.23)	-	(1,574.23)
Dividend distribution tax (DDT) on above	-	-	-	-	-	(1,447.36)	-	(1,447.36)
Balance as at 31 March 2019	**-**	**335,493.03**	**170.54**	**255.00**	**3,000.00**	**(112,054.06)**	**-**	**226,864.51**

B Other equity (continued)

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

(a) 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.

(b) Capital reserve and capital redemption reserve

Capital reserve and capital redemption reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(c) General reserve

General reserve is used from time to time to transfer profits from retained earnings for appropriate purposes.

The accompanying notes are an integral part of these financial statements.

As per our Report of even date attached
for B S R and Associates
Chartered Accountants
ICAI Firm Registration No.: 128901W

Sd/-
Rushank Muthreja
Partner
Membership No.: 211386
ICAI UDIN: 19211386AAAABC9463

Bangalore
15 July 2019

for and on behalf of the Board of Directors of
Prerana Hospital Limited
CIN: U85110PN1996PLC104292

Sd/-
Dr. U. B. Damale
Managing Director
DIN 00333654

Sd/-
Dr. S. M. Navare
Whole-time Director
DIN 00334421

Kolhapur
15 July 2019

Prerana Hospital Limited

Cash flow statement for the year ended 31 March 2019

(All amounts in Indian rupees thousands)

	Year ended 31 March 2019	Year ended 31 March 2018
Cash flows from operating activities		
Profit before tax for the year	**45,488.99**	**13,354.64**
Adjustments for:		
Depreciation and amortisation	25,473.11	27,591.43
Allowances for credit losses on financial assets	1,618.87	1,860.51
Net loss on sale of property, plant and equipment	(41.80)	-
Interest income	(15.46)	(462.13)
Finance costs	46,618.71	52,680.35
Operating profit before working capital changes	119,142.42	95,024.80
Decrease/(Increase) in inventories	512.69	(326.69)
Increase in trade recievables	(4,660.96)	(6,958.90)
Decrease in other financial assets and other assets	1,203.66	257.67
Increase in trade payables, provisions and other liabilities	22,108.57	23,817.85
Net cash generated from operating activities	**138,306.38**	**111,814.72**
Taxes paid, net of refund received	(15,973.20)	(2,149.00)
Net cash generated from operating activities (A)	**122,333.18**	**109,665.72**
Cash flows from investing activities		
Acquisition of property, plant and equipment	(71,596.87)	(29,348.36)
Proceeds from sale of property, plant and equipment	41.80	-
Interest received	15.46	462.13
Net cash used in investing activities (B)	**(71,539.61)**	**(28,886.24)**
Cash flows from financing activities		
Long term secured loans availed	71,283.53	-
Long term secured loans repaid	(30,464.24)	(17,235.99)
Short term unsecured loans repaid	(40,231.05)	(8,228.58)
Finance charges paid (including interest capitalised)	(50,527.79)	(53,413.42)
Net cash used in financing activities (C)	**(49,939.55)**	**(78,877.99)**
Net increase in cash and cash equivalents (A+B+C)	854.02	1,901.49
Cash and cash equivalents at beginning of the year	8,560.67	6,659.18
Cash and cash equivalents at end of the year	**9,414.69**	**8,560.67**

Refer note 11 - Cash and cash equivalents

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

As per our report of even date attached

for **B S R and Associates**
Chartered Accountants
Firm Registration No.: 128901W

Sd/-
Rushank Muthreja
Partner
Membership No.: 211386
ICAI UDIN: 19211386AAAABC9463

Bangalore
15 July 2019

for and on behalf of the Board of Directors of
Prerana Hospital Limited
CIN: U85110PN1996PLC104292

Sd/-
Dr. U. B. Damale
Managing Director
DIN 00333654

Sd/-
Dr. S. M. Navare
Whole-time Director
DIN 00334421

Kolhapur
15 July 2019

1. Company overview

Prerana Hospital Limited ('the Company') was incorporated on 3 December 1996 as a private limited company. The registered office of the Company is located at R. S. No 628, 'B' Ward, near Shastri Nagar KMT Workshop, Kolhapur 416012. The Company was converted into a public limited company on 12 March 2001. The Company is primarily engaged in the business of running hospitals. The Company is a subsidiary of Aster DM Healthcare Limited (formerly known as Aster DM Healthcare Private Limited).

2. Basis of preparation

A. Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on 15 July 2019.

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

B. New and amended standards adopted by the Company

Effective 1 April 2018, Ind AS 115 "Revenue from Contracts with Customers" (hereafter "Ind AS 115") introduced a 5-step approach to revenue recognition, which establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced Ind AS 18 "Revenue", Ind AS 11 "Construction Contracts" and related interpretations.

The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. 1 April 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the profit or loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11.

Management reviewed and assessed the Company's existing policy for recognising the revenue at 1 April 2018 and concluded that, apart from more extensive disclosures for the Company's revenue transactions, the initial application of Ind AS 115 has had no significant impact on the Company's standalone statement of financial position as at 31 March 2019 and its standalone statement of profit or loss and other comprehensive income for the year then ended. Consequently, there were no adjustments as at 1 April 2018.

C. Functional and presentation currency

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

D. Basis of measurement

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

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

E. Use of estimates and judgements

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

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

Judgements

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

Note 31- lease classification

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2019 is included in the following notes:

Note 33 – measurement of defined benefit obligations: key actuarial assumptions;

Notes 28 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

Note 35 – financial instruments.

F. 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 board of directors.

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

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

Measurement of fair values (continued)

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

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

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

- Note 35: financial instruments.

G. 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.

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

Recent Accounting Pronouncements (continued)

- 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.

H. Going concern

The paid-up share capital and the accumulated losses of the Company as at 31 March 2019 were Rs. 413,96.66 and Rs. 112,054.06 respectively.

Management however believes that the Company will be able to continue its operations on a going concern basis and will meet all its liabilities as they fall due for payment in the foreseeable future atleast for the period of twelve months from the balance sheet date on the basis of financial support from the holding company and based on business strategies and operating plans which will enable the Company to generate operating cash flows in the future.

The financial statements have accordingly been prepared on a going concern basis.

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 capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any

Cost of an item of property, plant and equipment comprises 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 fixed assets, outstanding at each balance sheet date are shown under long-term loans and advances. The cost of fixed assets not ready for its intended use at each balance sheet date are disclosed as capital work-in-progress.

ii.Transition to Ind AS

On transition to Ind AS, the Company has elected to fair value its freehold land as at 1 April 2015 and use that fair value as deemed cost of such property, plant and equipment.

iii. Subsequent expenditure

Subsequent expenditure is capitalised 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)

iv. 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 profit or 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 are as follows:

Class of assets	**Years**
Buildings	60
Plant and machinery *	5
Medical equipments *	10
Vehicles *	5
Computer	3
Furniture and fittings *	5
Books*	5
Electrical equipments*	5
Office equipments*	5

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

3.2 Intangible assets:

Intangibles assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortised 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 amortisation in profit or loss.

The estimated useful lives are as follows:

Class of assets	**Years**
Software	3

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Subsequent expenditure is capitalised 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 Employee benefits

(i) Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. 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

(ii) 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.

(iii) 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 plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount.

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

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in other comprehensive income (OCI). The Company determines the net interest expense on the net defined benefit liability 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, taking into account any changes in the net defined benefit liability 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.

(iv) Other long term employee benefits

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

3.3 Provisions (other than for employee benefits)

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

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

3.4 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.

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.

Revenue (continued)

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 19

3.5 Inventories

Inventories are measured at the lower of cost and net realisable 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 realisable 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 realisable values is made on an item-by-item basis.

3.6 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.

3.7 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 amortised 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 amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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 amortised 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 amortised 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.

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 instruments (continued)

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

iii) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the

Financial instruments (continued)

Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

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

Financial liabilities

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

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

iv) Offsetting

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

v) Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

3.8 Impairment

i) Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised 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 amortised cost are deducted from the gross carrying amount of the assets.

Impairment (continued)

Write-off

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

ii) Impairment of non- financial assets

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

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

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

3.10 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

Lease of property, plant and equipment that transfer to the company substantially all the risks and rewards of ownership are classified as finance lease. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of minimum lease payments.

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (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.

Leases (continued)

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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 amortised cost of the financial liability.

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

3.12 Income tax

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

i. Current tax

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

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise 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 liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

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

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

Income tax (continued)

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

3.13 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 capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

3.14 Loss per share

The basic loss per share is computed by dividing the net profit / (loss) 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.

3.15 Cash-flow statement

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

3.16 Cash and cash equivalents

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

4 Property, plant and equipment

Particulars	Freehold land	Buildings	Leasehold improvements	Furniture and fixtures	Electrical Fixtures	Plant and machinery	Computers	Medical equipments	Books	Vehicles	Total	Capital work- in -progess (B)
Gross carrying value												
Balance at 1 April 2017	333,000.00	240,120.05	1,328.68	61,654.79	46,600.98	64,532.48	8,471.98	231,304.28	83.94	2,024.94	989,122.12	1,159.99
Additions	-	-	10,055.05	911.59	270.03	556.56	549.58	11,367.72	-	-	23,710.52	15,959.64
Capitalisation	-	-	-	-	-	-	-	-	-	-	-	10,055.05
Deletions	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 March 2018	333,000.00	240,120.05	11,383.72	62,566.38	46,871.01	65,089.04	9,021.56	242,672.00	83.94	2,024.94	1,012,832.64	7,064.58
Balance at 1 April 2018	333,000.00	240,120.05	11,383.72	62,566.38	46,871.01	65,089.04	9,021.56	242,672.00	83.94	2,024.94	1,012,832.64	7,064.58
Additions	-	-	-	759.30	229.75	3,683.63	1,663.18	19,033.10	231.88	-	25,600.84	57,001.89
Capitalisation	-	-	-	-	-	-	-	-	-	-	-	2,575.57
Deletions	-	-	-	201.60	-	72.80	-	-	-	58.49	332.89	-
Balance at 31 March 2019	333,000.00	240,120.05	11,383.72	63,124.08	47,100.77	68,699.87	10,684.74	261,705.10	315.82	1,966.45	1,038,100.59	61,490.89
Accumulated depreciation												
Balance at 1 April 2017	-	31,711.63	1,328.68	59,545.07	46,061.75	63,817.03	7,449.06	113,889.49	83.72	572.71	324,459.14	-
Depreciation for the year	-	4,002.00	1,304.91	155.14	111.55	83.33	564.42	20,800.45	0.22	393.29	27,415.31	-
Deletions	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 March 2018	**-**	**35,713.63**	**2,633.59**	**59,700.21**	**46,173.30**	**63,900.36**	**8,013.48**	**134,689.94**	**83.94**	**966.00**	**351,874.45**	
Balance at 1 April 2018	-	35,713.63	2,633.59	59,700.21	46,173.30	63,900.36	8,013.48	134,689.94	83.94	966.00	351,874.44	-
Depreciation for the year	-	4,002.00	3,351.35	371.31	106.68	244.31	824.51	15,876.79	5.88	393.29	25,176.13	-
Deletions				201.60		72.80				58.49	332.89	-
Balance at 31 March 2019	**-**	**39,715.63**	**5,984.94**	**59,869.92**	**46,279.98**	**64,071.87**	**8,837.99**	**150,566.73**	**89.82**	**1,300.80**	**376,717.68**	
Net carrying value as at 31 March 2019	**333,000.00**	**200,404.42**	**5,398.78**	**3,254.16**	**820.79**	**4,628.00**	**1,846.75**	**111,138.37**	**226.00**	**665.65**	**661,382.91**	**61,490.89**
Net carrying value as at 31 March 2018	333,000.00	204,406.42	8,750.14	2,866.17	697.71	1,188.68	1,008.08	107,982.06	-	1,058.94	660,958.19	7,064.58

a) Plant and machinery includes asset taken under finance lease - gross block Rs 25,000 (previous year Rs 25,000) accumulated depreciation Rs. 10,722 (previous year Rs 9,317) and Net block Rs. 14,271 (previous year Rs 15,682)

a) Property, plant and equipment and capital work-in-progress includes borrowing cost capitalised in accordance with Ind AS 23 - Borrowing cost capitalised aggregating to Rs.3,232 (Previous year : Nil) crore for the previous year.

b) For details of property, plant and equipment pledged, refer Note 14

c) 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	5,610.00	5,225.00	4,735.00	2,004.00

(All amounts in Indian rupees thousands)

5 Intangibles assets

	Software	Total
Gross carrying value		
Balance at 1 April 2017	3,533.97	3,533.97
Additions	342.59	342.59
Deletions		-
Balance at 31 March 2018	**3,876.56**	**3,876.56**
Balance at 1 April 2018	3,876.56	3,876.56
Additions	522.38	522.38
Deletions	-	-
Balance at 31 March 2019	**4,398.94**	**4,398.94**
Amortisation expense		
Balance at 1 April 2017	3,292.02	3,292.02
Amortisation for the year	176.14	176.14
Balance at 31 March 2018	**3,468.16**	**3,468.16**
Balance at 1 April 2018	3,468.16	3,468.16
Amortisation for the year	296.98	296.98
Balance at 31 March 2019	**3,765.14**	**3,765.14**
Net carrying value as at 31 March 2019	**633.80**	**633.80**
Net carrying value as at 31 March 2018	408.40	408.40

(All amounts in Indian rupees thousands)

		As at 31 March 2019	As at 31 March 2018
6	**Investments (Non current)**		
	Unquoted shares		
	at fair value through profit or loss		
	Janata Sahakari Bank Limited, Pune (1,000 equity shares of Rs. 10 each)	10.00	10.00
		10.00	**10.00**
	Aggregate book value of quoted and unquoted investments	10.00	10.00
	Aggregate market value of quoted and unquoted investments	-	-
7	**Other financial assets**		
	Non-current		
	Unsecured, considered good		
	Security deposits	1,999.70	1,709.26
		1,999.70	**1,709.26**
	Current		
	Unsecured, considered good		
	Contract assets (Unbilled revenue)	9,738.48	8,561.52
		9,738.48	**8,561.52**
	Total other financial assets	**11,738.18**	**10,270.78**
8	**Other assets**		
	Unsecured, considered good		
	Non-current		
	Prepayments	-	2,979.55
	Capital advance	786.75	1,010.72
		786.75	**3,990.27**
	Current		
	Prepaid expenses	3,848.68	3,958.65
	Payment to vendors for supply of goods and services	1,063.73	483.40
	Gratuity fund with Life Insurance Corporation of India (Refer note 33)	919.01	223.08
		5,831.42	**4,665.13**
	Total other assets	**6,618.17**	**8,655.40**
9	**Inventories**		
	(Valued at lower of cost or net realisable value)		
	Stock in trade including medical consumables	6,629.04	7,122.22
	Stores and spares	410.41	429.92
		7,039.45	**7,552.14**
	For details of inventories pledged, refer Note 14		
10	**Trade receivables**		
	Current		
	Unsecured		
	considered good	44,942.82	40,837.02
	considered doubtful	10,419.27	9,864.11
		55,362.09	**50,701.13**
	Allowances for expected credit loss		
	Considered doubtful	(10,419.27)	(8,800.40)
	Net trade receivables	**44,942.82**	**41,900.73**

For details of trade receivables pledged, refer Note 14
The Company's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in Note 35

		As at 31 March 2019	As at 31 March 2018
11	**Cash and cash equivalents**		
	Balance with banks		
	- in current accounts	7,648.82	7,958.97
	Cash on hand	1,765.87	601.70
		9,414.69	**8,560.67**
12	**Bank balances other than cash and cash equivalent**		
	Deposits with banks held as margin money against guarantees (with original maturity of more than 3 months	163.10	1,020.90
		163.10	**1,020.90**

		As at 31 March 2019		As at 31 March 2018	
13	**Share capital**	**Number of shares**	**Amount**	**Number of shares**	**Amount**
	Authorised	**in thousands**		**in thousands**	
	Equity shares of Rs 10 each	3,400	34,000.00	3,400	34,000.00
	Compulsory convertible preference shares of Rs 10 each	1,600	16,000.00	1,600	16,000.00
		5,000	**50,000.00**	**5,000**	**50,000.00**
	Issued, subscribed and paid-up				
	Equity shares of Rs 10 each, fully paid up	4,140	41.40	3,250	32.50
	Compulsory convertible preference shares of Rs 10 each, fully paid up	-	-	1,531	15.31
		4,140	**41.40**	**4,781**	**47.81**
	Reconciliation of shares outstanding at the beginning and at the end of reporting period				
a)	*Equity shares of Rs 10 each, fully paid up*				
	At the beginning of the year	3,250	32,500.00	3,250	32,500.00
	Add: issued during the year	890	8.90	-	-
	At the end of the year	**4,140**	**32,508.90**	**3,250**	**32,500.00**
(b)	*Compulsory convertible preference share capital (CCPS)***				
	Preference shares of Rs.10 each fully paid-up				
	At the beginning of the year	1,531,167	15,311.67	1,531,167	15,311.67
	Conversion into equity shares	(1,531,167)	(15,311.67)	-	-
	At the end of the year	**-**	**-**	**1,531,167**	**15,311.67**
		4,140	**32,508.90**	**1,534,417**	**47,811.67**

*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. 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.

During the financial year 2014-15, the Company has issued 1,531,167 compulsory convertible preference shares of INR 10 each to Aster DM Healthcare Limited, its parent company. As per the terms of these instruments the same has been the classified as equity in financial statements. On 28 February 2019, these compulsory convertible preference shares have been converted into 889,666 equity shares of INR 10 each fully paid up in the Company.

** The CCPS holder have the right to receive, in priority to the holders of any other class of shares in the capital of the Company, a cumulative preference dividend on the face value of the CCPS, such dividend to be apportioned and paid up on the CCPS during any portion or portions of the period in respect of which the preference dividend is paid. On a distribution of capital in the event of liquidation, dissolution or winding up of the Company or otherwise, the CCPS shall have a preferred right over such distribution in accordance with the applicable law.

Each holder of a CCPS shall be entitled to convert the CCPS into equity shares of Rs 10 each, fully paid up as per the terms mentioned in the agreement. The conversion price will be adjusted based on future bonus issue, issuances arising from exercise of any stock options, share splits, consolidation, reorganization and other situations mentioned in the agreement. The right to convert CCPS shall be exercisable by the holder at any time prior to the expiry of the CCPS term by delivering to the Company a notice in writing of its desire to convert any CCPS, provided that such notice shall specify the number of CCPS that the holder desires to convert. 1,531,167 CCPS have been converted to 889,666 equity shares of Rs 10 each, fully paid up on 28 February 2019.

(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	**Amount**	**Number of shares**	**Amount**
Equity shares of Rs. 10 each fully paid-up held by				
Aster DM Healthcare Limited, India, the holding company	3,516	35.16	2,626	26.26
Compulsory convertible preference shares of Rs 10 each, fully paid up				
Aster DM Healthcare Limited, India, the holding company	-	-	1,531	15.31

(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	**%**	**Number of shares**	**%**
Equity shares of Rs. 10 each fully paid -up held by				
Aster DM Healthcare Limited	3,516	84.93%	2,626	80.80%
Compulsory convertible preference shares of Rs 10 each, fully paid up				
Aster DM Healthcare Limited, India, the holding company	-	-	1,531	100.00%

(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.

(All amounts in Indian rupees thousands)

	As at 31 March 2019	As at 31 March 2018
14 Borrowings		
Non-current		
Term loans from banks - Secured (Refer note 1 and note 2)	375,331.37	344,801.53
Long-term maturities of finance lease obligations - Secured (Refer note 14A)	-	7,363.67
	375,331.37	**352,165.20**
Current		
Secured loans from banks		
Cash credit and overdraft (Refer note 4)	4,802.51	45,033.56
	4,802.51	**45,033.56**
Amount included under 'other financial liabilities'	43,413.18	25,760.06
Total borrowings	**423,547.06**	**422,958.82**

Information about the Company's exposure to interest rate and liquidity risks are included in Note 35

Note 1: Term loan from Yes Bank was availed and is repayable in 32 quarterly instalments starting from December 2016. The loan carries an interest of Yes Bank;s yearly MCLR rate plus 1.5% per annum. The term loan is secured by equitable mortgage on immovable fixed assets, exclusive charge on all current and movable fixed assets, both present and future, personal guarantee of Dr. U. B. Damale, Managing Director and Dr. S. M. Navare, corporate guarantee of Aster DM Healthcare Limited, the holding company.

Note 2: Term loan from Yes Bank was availed in April 2019 and is repayable in 36 quarterly instalments commencing after 8 quarters of moratorium period. The loan carries an interest of Yes Bank;s yearly MCLR rate plus 1.50% per annum. The term loan is secured by equitable mortgage on immovable fixed assets, exclusive charge on all current and movable fixed assets, both present and future, personal guarantee of Dr. U. B. Damale, Managing Director and Dr. S. M. Navare, corporate guarantee of Aster DM Healthcare Limited, the holding company.

Note 3: There are no defaults in repayment of principal or interest to lenders as at the balance sheet date.

Note 4: Cash credit and overdraft facility from banks are availed and carries and interest of Yes Bank's 3 months MCLR rate plus 1.25% per annum. The facility is secured by way of an equitable mortgage of immovable assets, exclusive chagre on all current and movable assets, both present and future, personal guarantee of Dr. U.B Damale, Managing Director and Dr. S.M Navare, corporate guarantee of Aster DM Healthcare Limited, the holding company.

A Finance leases

The finance lease obligations are payable as follows:
The Company has taken medical equipment under finance lease. Future minimum lease payments under finance leases are as follows :

Particulars	**31 March 2019**			**31 March 2018**		
	Future minimum lease payments	**Interest element of minimum lease payments**	**Present value of minimum lease payments**	**Future minimum lease payments**	**Interest element of minimum lease payments**	**Present value of minimum lease payments**
Within less than one year	7,322.88	404.92	6,917.96	6,703.07	1,155.51	5,547.56
Between 1 and 5 years	-	-	-	7,768.60	404.92	7,363.68
After more than 5 years	-	-	-	-	-	-
Total	**7,322.88**	**404.92**	**6,917.96**	**14,471.66**	**1,560.43**	**12,911.24**

The Company has obtained medical equipments on finance lease basis. The legal title of these items vests with the lessor. The lease term of such medical equipments is 16 years with the equated monthly payments beginning from the 13 month subsequent to the commencement of lease.

B Changes in liabilities and financial assets arising from financing activities

Particulars	**As at 31 March 2018**	**Cash flows**	**Non cash changes**			**As at 31 March 2019**
			Acquisition	**Exchange Movement**	**Fair Value changes**	
Non-current borrowings	377,925.26	40,819.29	-	-	-	418,744.55
Current borrowings	45,033.56	(40,231.05)	-	-	-	4,802.51
Total	**422,958.82**	**588.24**	**-**	**-**	**-**	**423,547.06**

15 Other financial liabilties		
Current		
Current maturities of long-term borrowings(refer Note 14)	36,495.22	20,212.50
Current maturities of finance lease obligations (refer Note 14)	6,917.96	5,547.56
Accrued employee benefits / payable to staff	20,341.63	16,525.41
Dues to creditors for capital goods	5,935.71	438.89
Dues to other creditors	23,195.97	24,820.65
Interest accrued but not due on borrowings*	3,943.90	3,266.70
Security and other deposits	3,968.62	3,928.91
Dues to holding company	3,964.12	43,742.88
	104,763.13	**118,483.50**
Total other financial liabilities	**104,763.13**	**118,483.50**

* The details of interest rates, repayment and other terms are disclosed in note 14
The Company’s exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note 35.

(All amounts in Indian rupees thousands)

16 Provisions

	As at 31 March 2019	As at 31 March 2018
Current		
Provision for employee benefits		
Compensated absences	1,405.29	2,097.32
	1,405.29	**2,097.32**

17 Other liabilities

Current		
Contract liabilities (Advances received from customers)	5,637.74	4,861.15
Statutory dues payables	5,164.28	3,420.22
	10,802.02	**8,281.37**

18 Trade payables

Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	23,156.99	28,625.35
	23,156.99	**28,625.35**

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

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

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 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	-	-

Prerana Hospital Limited
Notes to the financial statements (continued)
(All amounts in Indian rupees thousands)

		Year ended 31 March 2019	Year ended 31 March 2018
19	**Revenue from operations**		
	Income from hospital services and medical services	574,620.79	641,006.66
	Revenue from pharmacy	137,795.14	30,009.60
	Revenue canteen and others	5,036.42	7,517.13
		717,452.35	**678,533.39**
	Reconciliation of revenue from hospital services with the contracted prices		
	Gross revenue	771,629.27	750,700.02
	Less: discounts, disallowances etc	54,176.92	72,166.62
		717,452.35	**678,533.39**
20	**Other income**		
	Interest income on bank deposits under the effective interest method	15.46	462.13
	Profit on sale of property, plant and equipment	41.80	-
		57.26	**462.13**
21	**Purchases of stock-in-trade**		
	Medicines and consumables	173,234.45	188,386.26
		173,234.45	**188,386.26**
22	**Change in inventories of stock-in-trade**		
	Medicines and medical consumables:		
	Opening stock	7,122.22	6,542.82
	Closing stock	6,629.04	7,122.22
		493.18	**(579.40)**
23	**Employee benefits expense**		
	Salaries and allowances	127,498.01	115,158.20
	Contribution to provident and other funds	9,593.85	10,840.28
	Staff welfare expenses	5,703.71	4,881.75
		142,795.57	**130,880.23**
24	**Finance costs**		
	Interest	43,111.62	48,031.04
	Interest on compulsory convertible preference shares	-	1,799.12
	Others	3,507.09	2,850.19
		46,618.71	**52,680.35**
25	**Depreciation and amortisation**		
	Depreciation on tangible assets	25,176.13	27,415.29
	Amortisation on intangible assets	296.98	176.14
		25,473.11	**27,591.43**
26	**Other expenses**		
	Professional fee paid to doctors	149,184.25	145,315.60
	Food and beverage	12,339.18	12,957.38
	Power, water and fuel	22,230.59	19,919.55
	Rent (refer note 31)	2,313.76	869.53
	Insurance expenses	1,298.37	968.94
	Repairs and maintenance:		-
	- Buildings	3,737.67	1,545.73
	- Others	38,343.30	38,218.26
	Communication	1,647.35	2,183.23
	Advertising and promotional expenses	8,179.57	9,622.01
	Outsourcing charges - labs, minor procedures, etc	6,964.28	6,797.43
	Rates and taxes	8,011.82	2,678.28
	Legal, professional and other consultancy	7,252.34	2,418.89
	Allowances for credit losses on financial assets	1,618.87	1,860.51
	Travelling and conveyance	1,073.35	806.85
	Consultancy fee paid	16,871.08	18,300.18
	Miscellaneous expenses	2,339.82	2,219.64
		283,405.60	**266,682.01**

(All amounts in Indian rupees thousands)

27 A. Income taxes

Particulars	As at 31 March 2019	As at 31 March 2018
Income tax assets/(liability)		
Income tax assets	53,448.47	37,475.27
Current income tax liabilities	-	-
Net income tax assets/(liability) at the end	**53,448.47**	**37,475.27**

On 28th 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.

(i) Tax expense recognised in statement of profit and loss

	Year ended 31 March 2019	Year ended 31 March 2018
Current tax	-	-

(ii) Reconciliation of effective tax rate

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Loss before income taxes	45,488.99	13,354.64
Enacted tax rates in India	33.38%	30.90%
Tax expenes /(asset)	15,184.22	4,126.59
Other temporary differences	(30,658.25)	(14,131.25)
Un-recognised deferred tax assets	15,474.03	10,004.67
Income tax expense	-	-

B. Recognised deferred tax assets and (liabilities)

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

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred tax asset		
Provision for doubtful debts and advances	3,478.37	2,719.32
Provision for employee benefits	469.14	648.07
Unabsorbed depreciation and business loss	11,526.52	6,637.28
Total deferred tax asset	15,474.03	10,004.67
Deferred tax liabilities		
On account of fair valuation land *	68,360.00	68,360.00
Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act.	15,474.03	10,004.67
Total deferred tax liability	83,834.03	78,364.67
Deferred tax (liability) net	**(68,360.00)**	**(68,360.00)**

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

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

(ii) Movement in temporary differences

Movement during the year ended 31 March 2019	As at 1 April 2017	Recognised in Profit and loss	Recognise in OCI	As at 31 March 2018
Provision for doubtful debts and advances	2,144.43	574.89	-	2,719.32
Provision for employee benefits	1,266.02	(661.87)	43.92	648.07
Unabsorbed depreciation and business loss	1,449.74	5,187.54	-	6,637.28
On account of fair valuation land	(68,360.00)	-	-	(68,360.00)
Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act.	(4,860.19)	(5,144.48)	-	(10,004.67)
	(68,360.00)	**(43.92)**	**43.92**	**(68,360.00)**

Movement during the year ended 31 March 2019	As at 1 April 2017	Recognised in Profit and loss	Recognise in OCI	As at 31 March 2018
Provision for doubtful debts and advances	2,719.32	759.05	-	3,478.37
Provision for employee benefits	648.07	148.76	(327.69)	469.14
Unabsorbed depreciation and business loss	6,637.28	4,889.24	-	11,526.52
On account of fair valuation land	(68,360.00)	-	-	(68,360.00)
Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act.	(10,004.67)	(5,469.36)	-	(15,474.03)
	(68,360.00)	**327.69**	**(327.69)**	**(68,360.00)**

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

(iii) Unrecognised deferred tax assets

Particulars	As at 31 March 2019		As at 31 March 2018	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Tax losses (business loss)	92,353.23	31,243.10	236,563.40	73,098.09
Tax losses (unabsorbed depreciation)	263,476.34	89,134.05	181,967.38	56,227.92
Total deferred tax asset	**355,829.57**	**120,377.14**	**418,530.78**	**129,326.01**

(iv) Tax losses carried forward

Particulars	As at 31 March 2019	Expiry date	As at 31 March 2018	Expiry date
Brought forward losses - allowed to carry forward for specified period	123,570.31	Various dates	135,941.28	Various dates
Brought forward losses - allowed to carry forward for infinite period	263,476.34	-	263,476.34	-
Total deferred tax asset	**387,046.65**		**399,417.62**	

(All amounts in Indian rupees thousands)

28 Contingent liabilities and commitments

Particulars	As at 31 March 2019	As at 31 March 2018
Contingent liabilities		
Medical claims against the Company	2,832.72	-
Commitments		
Estimated amount of contracts remaining to be executed on capital account (net of advance) and not provided for	-	2.03

On 28th 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.

29 Earnings per share

A. Basic earnings per share

The calculation of earnings attributable to equity share holders and weighted average number of equity shares outstanding for the purpose of basic (loss) 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 equity share holders	45,488.99	13,354.64

ii) Weighted average number of equity shares (basic)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Opening balance (refer note 13)	3,250.00	3,250.00
Convertible preference shares (Refer note 13)	602.48	1,531.17
Weighted average number of equity shares of Rs. 10 each for the year	3,852.48	4,781.17
Earning per share, basic	**11.81**	**2.79**

B. Diluted loss per share

The Company does not have any outstanding dilutive instruments as at 31 March 2019 and 31 March 2018. Hence, the Basic and Diluted EPS are the same.

30 Auditors' remuneration (included under legal and professional charges, net of service tax)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Statutory audit	515.00	495.00
Tax audit	155.00	165.00
Total	**670.00**	**660.00**

31 Operating leases

The Company is obligated under cancellable operating leases for its office premises which are renewable at the option of both the lessor and lessee. Total rental expenses under such leases amounted to Rs 2,313.76 thousands (previous year: Rs. 869.53 rhougsands)

32 Segmental reporting

The Company is engaged in the business of rendering health care services, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated and to assess its performance, and for which discrete financial information is available. Hence, there are no separate reportable segments, as required by the Ind AS 108 on "Operating Segment".

(All amounts in Indian rupees thousands)

33 Employee benefits

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

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

Particulars	Year ended 31 March 2019	As at 31 March 2018
Defined benefit obligation liability	22,959.77	19,437.60
Plan assets	23,878.77	19,660.69
Net defined benefit (asset)/ liability (Refer note 8)	**(919.00)**	**(223.09)**
Compensated absences	1,405.29	2,097.32
Total employee benefit (asset)/ liability	**486.29**	**1,874.23**

B Reconcilation of present value of defined benefit obligaiton

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Balance at beginning of the year	19,437.60	17,670.22
Benefit paid	(322.44)	(1,049.42)
Current service cost	2,328.06	2,238.14
Past service cost		336.28
Interest cost	1,288.70	1,072.92
Actuarial (gain)/ loss recognised in other comprehensive income		
- changes in demographic assumptions		-
- changes in financial assumptions	409.98	(427.67)
- experience adjustments	(182.13)	(402.87)
Obligations at the end of the year	**22,959.77**	**19,437.60**

Reconciliatoin of prresent value of plan assets

	As at 31 March 2019	As at 31 March 2018
Balance at beginning of the year at fair value	19,660.69	15,266.45
Contributions paid into the plan	3,054.30	4,303.36
Benefits paid	(322.44)	(1,049.41)
Interest Income	1,389.96	986.20
Return on plan asset recognised in other comprehensive income	96.26	154.10
Balance at the end of the year	**23,878.77**	**19,660.69**
Net defined benefit liability	**(919.00)**	**(223.09)**

C (i) Expenses recognised in the profit and loss account

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Current Service cost	2,328.06	2,238.14
Interest cost	1,288.70	1,072.92
Past service cost	-	336.28
Interest income	(1,389.96)	(986.20)
Net gratuity cost	**2,226.80**	**2,661.14**

(ii) Remeasurements recognised in other comprehensive income

Acturial (gain) loss on defined benefit obligation	227.85	(830.54)
Return on plan asset excluding interest income	(96.26)	(154.10)
	131.59	**(984.64)**

D Plan asset

Plan asset comprises of the following:

Particulars	As at 31 March 2019	As at 31 March 2019
Insurance policy	23,878.77	19,660.69

E Defined benefit obligation

i) Actuarial assumptions

The following are the principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Discount rate	6.85%	7.30%
Future salary growth	7.00%	7.00%
Attrition rate	30.00% p.a at younger ages reducing to 5.00% p.a% at older ages	30.00% p.a at younger ages reducing to 5.00% p.a% at older ages

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

(ii) Sensitivity analysis

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

Particulars	31 March 2019		31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(454.56)	474.73	(372.32)	388.00
Future salary growth (0.5% movement)	471.59	(456.01)	387.15	(375.05)
Withdrawal rate (30% movement)	(111.60)	117.97	(83.03)	86.21

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.

(All amounts in Indian rupees thousands)

34 Related parties

A. Related Party relationships

Names of related parties and description of relationship with the Company:

I) *Enterprises where control exist*

(a)	Holding company	Aster DM Healthcare Limited, India
(b)	Ultimate holding Company	Union Investment Private Limited, Mauritius (upto 26 february 2018)

II) *Other related parties with whom the group had transactions during the year*

(a) Key managerial personnel and relatives

Dr. U.B. Damale	Managing director
Dr. S.M.Navare	Whole time director
Dr.Charusheela Damale	Wife of managing director
Dr.Sujata Navare	Wife of whole time director

B. Related party transactions:

The Company has entered into the following transactions with related parties during the year ended 31 March 2019

Sl.No.	Nature of transaction	Volume of transactions	
		Year ended 31 March 2019	**Year ended 31 March 2018**
1	**Managerial remuneration**		
	Dr. U.B. Damale	1,200.00	1,200.00
	Dr. S.M.Navare	600.00	600.00
2	**Short-term employee benefits**		
	Dr. U.B. Damale	1,562.27	1,119.37
	Dr. S.M.Navare	7,280.47	7,280.47
	Dr.Charusheela Damale	3,166.31	2,968.17
	Dr.Sujata Navare	759.57	779.57
	Post employment defined benefit*	-	-
3	**Aster DM Healthcare Limited**		
	Consultancy fee	16,871.08	15,809.52
	Corporate guarantee received	630127.55	630,127.55
	Guarantee commission paid	2,464.81	2,176.44
	Interest on Compulsorily convertible preference shares	-	1,799.12

*The aforesaid amount does not include provision for gratuity and leave encashment as the same is determined for the Company as a whole based on an actuarial valuation.

C. Balance receivable / (payable) as at the year end

Sl.No.	Particulars	As at 31 March 2019	As at 31 March 2018
1	Salaries and professional fee		
	Dr. U.B. Damale	(210.08)	
	Dr. S.M.Navare	(569.24)	(567.82)
	Dr.Charusheela Damale	(242.10)	(246.32)
	Dr.Sujata Navare	(37.65)	(37.72)
2	**Other financial liabilities**		
	Aster DM Healthcare Limited		
	Dues to Holding Company	(3.96)	(43,742.88)

Prerana Hospital Limited
Notes to the financial statements (continued)
(All amounts in Indian rupees thousands)

35 Financial Instruments- Fair values and risk management

A Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

As at 31 March 2019

Particulars	Note	Financial assets at amortised cost	Mandatorily at FVTPL	Other financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	Total
Assets									
Financial assets not measured at fair value									
Cash and cash equivalents	11	9,414.69	-	-	9,414.69	-	-	-	-
Trade receivables	10	44,942.82	-	-	44,942.82	-	-	-	-
Other bank balances	12	163.10	-	-	163.10	-	-	-	-
Other financial assets	7	11,738.18	-	-	11,738.18	-	-	-	-
Financial assets measured at fair value									
Investments	6	-	10.00	-	10.00	-	10.00	-	**10.00**
Total		**66,258.79**	**10.00**	**-**	**66,268.79**	**-**	**10.00**	**-**	**10.00**
Liabilities									
Financial liabilities not measured at fair value									
Trade payables	18	-	-	23,156.99	23,156.99	-	-	-	-
Borrowings including current maturities	14	-	-	423,547.06	423,547.06	-	-	-	-
Other financial liabilities	15	-	-	61,349.95	61,349.95	-	-	-	-
Total		**-**	**-**	**508,054.00**	**508,054.00**	**-**	**-**	**-**	**-**

As at 31 March 2018

Particulars	Note	Financial assets at amortised cost	Mandatorily at FVTPL	Other financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	Total
Assets									
Financial assets not measured at fair value									
Cash and Cash equivalents	11	8,560.67	-	-	8,560.67	-	-	-	-
Trade receivables	10	41,900.73	-	-	41,900.73	-	-	-	-
Other bank balances	12	1,020.90	-	-	1,020.90	-	-	-	-
Other financial assets	7	10,270.78	-	-	10,270.78	-	-	-	-
Financial assets measured at fair value									
Investments	6	-	10.00	-	10.00	-	10.00	-	**10.00**
Total		**61,753.08**	**10.00**	**-**	**61,763.08**	**-**	**10.00**	**-**	**10.00**
Liabilities									
Financial liabilities not measured at fair value									
Trade payables	18	-	-	28,625.35	28,625.35	-	-	-	-
Borrowings including current maturities	14	-	-	422,958.82	422,958.82	-	-	-	-
Other financial liabilities	15	-	-	92,723.43	92,723.43	-	-	-	-
Total		**-**	**-**	**544,307.60**	**544,307.60**	**-**	**-**	**-**	**-**

(All amounts in Indian rupees thousands)

B Financial risk management

The Company's activities expose it to a variety of financial risks:

a) Credit Risk
b) Liquidity risk
c) Market risk

i) 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 audit and risk management committee oversees 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.

ii) 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 maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 44,942.82 (31 March 2018: Rs. 41,900.73) and contract revenue amounting to Rs. 9,738.48 (31 March 2018 8,561.52) . 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	8,800.40	6,939.89
Impairment loss recognised/ reversed	1,618.87	1,860.51
Balance at the end	10,419.27	8,800.40

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 and other bank balances is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in shares.

iii) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

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

Particulars	**Payable within 1 year**	**More than 1 year**	**Total**
Trade payables	23,156.99	-	23,156.99
Borrowings	48,215.69	375,331.37	423,547.06
Other financial liabilities	61,349.95	-	61,349.95

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

Particulars	**Payable within 1 year**	**More than 1 year**	**Total**
Trade payables	28,625.35	-	28,625.35
Borrowings	70,793.62	352,165.20	422,958.82
Other financial liabilities	92,723.43	-	92,723.43

iv) Market risk

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

Foreign currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which transactions are denominated and the functional currency of the Company. The functional currency of company is INR. There are no transactions made in foreign currency by the Company during the year.

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.

(a) Interest rate risk exposure

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

Financial liabilities (bank borrowings)	**As at 31 March 2019**	**As at 31 March 2018**
Variable rate long term borrowings including current maturities	416,629	365,014

Sensitivity

Particulars	**Impact on profit or (loss)**		**Impact on equity, net of tax**	
	As at 31 March 2019	**As at 31 March 2018**	**As at 31 March 2019**	**As at 31 March 2018**
1% increase in MCLR rate	(4,166.29)	(3,650.14)	(4,166.29)	(3,650.14)
1% decrease in MCLR rate	4,166.29	3,650.14	4,166.29	3,650.14

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

(All amounts in Indian rupees thousands)

36 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	268,261.17	160,830.76
As a percentage of total capital	**39%**	**28%**
Long-term borrowings including current maturities*	418,744.55	377,925.26
Short-term borrowings	4,802.51	45,033.56
Total borrowings	423,547.06	422,958.82
As a percentage of total capital	**61%**	**72%**
Total capital (equity and borrowings)	**691,808.23**	**583,789.58**

37 Derivatives and foreign currency exposures

The Company does not have any foreign currency receivable / payable as on the balance sheet date. Further, the company did not import any goods during the year and did not have any foreign currency expense during the year.

38 Previous year figures have been regrouped /reclassified wherever necessary to confirm to the current year's presentation.

As per our report of even date attached
for **B S R and Associates**
Chartered Accountants
ICAI Firm registration number: 128901W

Sd/-
Rushank Muthreja
Partner
Membership No.: 211386
ICAI UDIN: 19211386AAAABC9463

Bangalore
15 July 2019

for and on behalf of the Board of Directors of
Prerana Hospital Limited
CIN: U85110PN1996PLC104292

Sd/-
Dr. U. B. Damale
Managing Director
DIN 00333654

Sd/-
Dr. S. M. Navare
Whole-time Director
DIN 00334421

Kolhapur
15 July 2019