Walker Chandiok & Co LLP

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Independent Auditor's Report

To the Members of Medanta Holdings Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Medanta Holdings Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. 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 including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards 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 ('ICAI') 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.

Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Director's Report, but does not include the financial statements and our auditor's report thereon.

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

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

Independent Auditor's Report to the members of Medanta Holdings Private Limited on the financial statements for the year ended 31 March 2020 (cont'd)

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

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is 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 financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

8. 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 Standards on Auditing 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.

9. As part of an audit in accordance with Standards on Auditing, 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;

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

Independent Auditor's Report to the members of Medanta Holdings Private Limited on the financial statements for the year ended 31 March 2020 (cont'd)

- 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;
- 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; and
- 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.

10. 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.

Report on Other Legal and Regulatory Requirements

11. Based on our audit, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.

12. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India 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.

13. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 purpose of our audit of the accompanying financial statements;

    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 financial statements dealt with by this report are in agreement with the books of account;

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

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

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

Independent Auditor's Report to the members of Medanta Holdings Private Limited on the financial statements for the year ended 31 March 2020 (cont'd)

f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 22 September 2020 as per Annexure B expressed unmodified opinion; and

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

i. the Company does not have any pending litigation which would impact its financial position as at 31 March 2020;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rajni Mundra

Rajni Mundra
Partner
Membership No.: 058644

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

UDIN: 20058644AAAADY6308

Place: New Delhi
Date: 28 September 2020

Annexure A to the Independent Auditor's Report of even date to the members of Medanta Holdings Private Limited on the financial statements for the year ended 31 March 2020

Annexure A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress, right of use assets and intangible assets.

(b) The property, plant and equipment and capital work-in-progress have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the property, plant and equipment and capital work-in-progress is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title/lease deeds of all the immovable properties (which are included under the head 'property, plant and equipment' and 'right of use assets') are held in the name of the Company.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) There are no dues in respect of income-tax, sales tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Annexure A to the Independent Auditor's Report of even date to the members of Medanta Holdings Private Limited on the financial statements for the year ended 31 March 2020 (cont'd)

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank during the year. Further, the Company has no loans or borrowings payable to a financial institution or government and no dues payable to debenture-holders during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained, though idle/surplus funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) The provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under Section 2(71) of the Act. Accordingly, provisions of clause 3(xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the Company is not required to constitute audit committee under Section 177 of the Act.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rajni Mundra

Rajni Mundra
Partner
Membership No.: 058644

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

UDIN: 20058644AAAADY6308

Place: New Delhi
Date: 28 September 2020

Annexure B to the Independent Auditor's Report of even date to the members of Medanta Holdings Private Limited on the financial statements for the year ended 31 March 2020

Annexure B

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

1. In conjunction with our audit of the financial statements of Medanta Holdings Private Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. 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 Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. 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 if such controls operated effectively in all material respects.

4. 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 includes 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.

5. 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.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. 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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Annexure B to the Independent Auditor's Report of even date to the members of Medanta Holdings Private Limited on the financial statements for the year ended 31 March 2020 (cont'd)

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

7. 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.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rajni Mundra

Rajni Mundra
Partner
Membership No.: 058644

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

UDIN: 20058644AAAADY6308

Place: New Delhi
Date: 28 September 2020

Medanta Holdings Private Limited
Balance sheet as at 31 March 2020

	Notes	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
ASSETS			
Non-current assets			
Property, plant and equipment	6	58,866.92	7,538.83
Capital work-in-progress	6	15,489.20	50,057.73
Right of use assets	6 A	371.83	-
Intangible assets	6 B	484.53	-
Financial assets			
Loans	7	193.68	182.64
Other financial assets	8 A	705.76	153.45
Deferred tax assets (net)	9	-	34.62
Income-tax assets (net)	10	11.45	10.92
Other non-current assets	11 A	83.49	429.55
Total non-current assets		**76,206.86**	**58,407.74**
Current assets			
Inventories	12	626.28	-
Financial assets			
Trade receivables	13	83.93	-
Cash and cash equivalents	14	1,190.60	2,565.80
Other bank balances	15	107.87	106.34
Other financial assets	8 B	215.78	172.08
Other current assets	11 B	42.26	0.48
Total current assets		**2,266.72**	**2,844.70**
Total assets		**78,473.58**	**61,252.44**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16 A	6,540.72	5,138.58
Instruments entirely equity in nature	16 B	632.91	723.08
Other equity	17	20,278.68	16,776.52
Total equity		**27,452.31**	**22,638.18**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	18	42,813.70	36,422.24
Lease liabilities	19	382.05	-
Provisions	20 A	81.36	7.00
Other non-current liabilities	21 A	206.02	219.72
Total non-current liabilities		**43,483.13**	**36,648.96**
Current liabilities			
Financial liabilities			
Lease liabilities	19	25.06	-
Trade payables			
- total outstanding dues of micro enterprise and small enterprises	22 A	151.23	-
- total outstanding dues of creditors other than micro enterprise and small enterprises	22 B	1,128.56	10.38
Other financial liabilities	23	6,006.20	1,851.14
Other current liabilities	21 B	217.87	100.23
Provisions	20 B	9.22	3.56
Total current liabilities		**7,538.14**	**1,965.31**
Total liabilities		**78,473.58**	**61,252.44**

The accompanying summary of significant accounting policies and other explanatory information are an integral part of these financial statements.

This is the balance sheet referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rajni Mundra
Partner
Membership No: 058644

Place: New Delhi
Date: 28 September 2020

For and on behalf of the Board of Directors

Dr. Naresh Trehan
Director
[DIN:00012148]

Place: Gurugram
Date: 28 September 2020

Sunil Sachdeva
Director
[DIN:00012115]

Place: Gurugram
Date: 28 September 2020

Pranab Bal
Chief Financial Officer

Place: Lucknow
Date: 28 September 2020

Nitu Kumari
Company Secretary

Place: New Delhi
Date: 28 September 2020

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

Medanta Holdings Private Limited
Statement of profit and loss for the year ended 31 March 2020

	Note	For the year ended 31 March 2020 (₹ in lakhs)	For the year ended 31 March 2019 (₹ in lakhs)
Income			
Revenue from operations	24	2,779.88	-
Other income	25	118.28	16.23
		2,898.16	**16.23**
Expenses			
Cost of materials consumed	26	562.08	-
Employee benefits expense	27	1,647.92	32.88
Finance costs	28	1,660.65	1.08
Depreciation and amortisation expense	29	1,322.34	2.11
Other expenses	30	3,157.68	56.89
		8,350.67	**92.96**
Loss before tax		(5,452.51)	(76.73)
Tax expense			
Deferred tax credit	31	34.33	(34.38)
Loss after tax		**(5,486.84)**	**(42.35)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains on defined benefit plans		1.27	0.21
Income-tax relating to items that will not be reclassified to profit and loss		(0.29)	(0.05)
Total other comprehensive income for the year		0.98	0.16
Total comprehensive income for the year		**(5,485.86)**	**(42.19)**
Earnings per equity share	32		
Basic (₹)		(8.77)	(0.09)
Diluted (₹)		(8.77)	(0.09)

The accompanying summary of significant accounting policies and other explanatory information are an integral part of these financial statements.

This is the statement of profit and loss referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rajni Mundra

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Rajni Mundra
Partner
Membership No: 058644

Place: New Delhi
Date: 28 September 2020

For and on behalf of the Board of Directors

Dr. Naresh Trehan
Director
[DIN:00012148]

Place: Gurugram
Date: 28 September 2020

Sunil Sachdeva
Director
[DIN:00012115]

Place: Gurugram
Date: 28 September 2020

Pranab Bal

Pranab Bal
Chief Financial Officer

Place: Lucknow
Date: 28 September 2020

Nitu Kumari
Company Secretary

Place: New Delhi
Date: 28 September 2020

Medanta Holdings Private Limited
Statement of changes in equity for the year ended 31 March 2020

A Equity share capital*

(₹ in lakhs)

Particulars	Opening balance as at 1 April 2018	Issue of equity share capital during the year	Balance as at 31 March 2019	Issue of equity share capital during the year^	Balance as at 31 March 2020
Equity share capital^	4,369.35	769.23	5,138.58	1,402.14	6,540.72

^ *On account of conversion of compulsorily convertible preference shares.*

B Instruments entirely equity in nature**

(₹ in lakhs)

Particulars	Opening balance as at 1 April 2018	Issue of preference share capital during the year	Balance as at 31 March 2019	Conversion into equity share capital during the year	Issue of preference share capital during the year	Balance as at 31 March 2020
Compulsorily convertible preference shares	-	723.08	723.08	(1,402.14)	1,311.98	632.91

C Other equity***

(₹ in lakhs)

Particulars	Capital contribution from Holding Company	Reserves and surplus		Total
		Securities premium	Retained earnings	
Balance as at 31 March 2018	**-**	**8,529.66**	**(118.64)**	**8,411.02**
Loss for the year	-	-	(42.35)	(42.35)
Other comprehensive income				
Re-measurement gains on defined benefit plans (net of tax)	-	-	0.16	0.16
Issue of equity shares	-	4,230.77	-	4,230.77
Issue of compulsorily convertible preference shares	-	3,976.92	-	3,976.92
Transfer of Served from India Scheme ('SFIS') license from Holding Company	200.00	-	-	200.00
Balance as at 31 March 2019	**200.00**	**16,737.35**	**(160.83)**	**16,776.52**
Loss for the year	-	-	(5,486.84)	(5,486.84)
Other comprehensive income				
Re-measurement gains on defined benefit plans (net of tax)	-	-	0.98	0.98
Issue of equity shares	-	4,620.93	-	4,620.93
Issue of compulsorily convertible preference shares	-	4,367.09	-	4,367.09
Balance as at 31 March 2020	**200.00**	**25,725.37**	**(5,646.69)**	**20,278.68**

**Refer note 16A for details*
***Refer note 16B for details*
****Refer note 17 for details*

The accompanying summary of significant accounting policies and other explanatory information are an integral part of these financial statements.

This is the statement of changes in equity referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rajni

Rajni Mundra
Partner
Membership No: 058644

Place: New Delhi
Date: 28 September 2020

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS

Dr. Naresh Trehan
Director
[DIN:00012148]

Place: Gurugram
Date: 28 September 2020

Sunil Sachdeva
Director
[DIN:00012115]

Place: Gurugram
Date: 28 September 2020

For and on behalf of the Board of Directors

Pranab Bal

Pranab Bal
Chief Financial Officer

Place: Lucknow
Date: 28 September 2020

Nitu Kumari
Company Secretary

Place: New Delhi
Date: 28 September 2020

Medanta Holdings Private Limited

Cash flow statement for the year ended 31 March 2020

	For the year ended 31 March 2020	For the year ended 31 March 2019
A CASH FLOWS FROM OPERATING ACTIVITIES	**(₹ in lakhs)**	**(₹ in lakhs)**
Loss before tax	(5,452.51)	(76.73)
Adjustments for:		
Depreciation and amortisation expense	1,322.34	2.11
Interest income on bank deposits	(75.00)	(16.18)
Government grants income	(6.58)	
Interest on borrowings	1,248.99	-
Interest on lease liabilities	32.29	-
Other finance costs	379.37	1.08
Unrealised foreign exchange loss (net)	216.46	-
Provision for employee benefits (net)	81.28	6.10
Operating loss before working capital changes	**(2,253.36)**	**(83.62)**
Movement in working capital		
Non-current loans	(11.04)	(182.29)
Inventories	(626.28)	-
Other current assets	(41.78)	(0.48)
Other current financial assets	(43.70)	-
Trade receivables	(83.93)	-
Trade payables	1,269.41	-
Other current financial liabilities	30.29	6.60
Other current and non-current liabilities	110.52	25.67
Cash used in operations	**(1,649.87)**	**(234.12)**
Income tax paid (net of refunds)	(0.53)	(3.62)
Net cash used in operating activities (A)	**(1,650.40)**	**(237.74)**
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property plant and equipments, capital work-in-progress and intangible assets (including capital advances, capital creditors and deferred payment liabilities)	(11,838.09)	(16,494.18)
Movement in other bank balances (net)	(1.53)	(39.40)
Movement in bank deposits having maturity period more than 12 months (net)	(540.96)	76.75
Interest received	68.49	32.61
Net cash used in investing activities (B)	**(12,312.09)**	**(16,424.22)**
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital (including securities premium)	-	5,000.00
Proceeds from issue of compulsorily convertible preference shares (including securities premium)	10,300.00	4,700.00
Proceeds from non-current borrowings	6,300.00	11,725.01
Repayments of non-current borrowings	(199.86)	-
Interest paid on borrowings	(3,762.55)	(2,557.41)
Interest paid of lease liabilities	(32.29)	-
Payment of lease liabilities	(18.01)	-
Net cash flows from financing activities (C)	**12,587.29**	**18,867.60**
(Decrease)/increase in cash and cash equivalents (A+B+C)	(1,375.20)	2,205.64
Cash and cash equivalents at the beginning of the year	2,565.80	360.16
Cash and cash equivalents at the end of the year (refer note below)	**1,190.60**	**2,565.80**
Note: Reconciliation of cash and cash equivalents as per cash flow statement (refer note 14)		
Balances with banks in current accounts	980.89	2,038.44
Cash on hand	51.65	1.30
Bank deposits with original maturity less than three months	158.06	526.06
	1,190.60	**2,565.80**

The accompanying summary of significant accounting policies and other explanatory information are an integral part of these financial statements.

This is the cash flow statement referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rajni Mundra

Rajni Mundra
Partner
Membership No: 058644

Place: New Delhi
Date: 28 September 2020

For and on behalf of the Board of Directors

Dr. Naresh Trehan
Director
[DIN:00012148]

Place: Gurugram
Date: 28 September 2020

Sunil Sachdeva
Director
[DIN:00012115]

Place: Gurugram
Date: 28 September 2020

Pranab Bal

Pranab Bal
Chief Financial Officer

Place: Lucknow
Date: 28 September 2020

Nitu Kumari
Company Secretary

Place: New Delhi
Date: 28 September 2020

Medanta Holdings Private Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

1. Background

Medanta Holdings Private Limited ('the Company') is engaged in the business of providing healthcare services. The Company is domiciled in India and its registered office is situated at E – 18, Defence Colony, New Delhi – 110024.

2. General information and statement of compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules 2015, as amended and other relevant provisions of the Act.

The financial statements for the year ended 31 March 2020 were authorized and approved for issue by the Board of Directors on 28 September 2020. The revision to financial statements is permitted by Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

3. Basis of preparation

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities which are measured at fair value.

4. Recent accounting pronouncement

Amendment to Ind AS 103, Business Combinations

On 24 July 2020, Ministry of Corporate Affairs ("MCA") has issued an amendment to Ind AS 103 whereby definition of the business has been amended. Additionally, new amendments also provide new aspects to evaluate a set of activities as business. The effective date of these amendments is 1 April 2020. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

Amendment to Ind AS 116, Leases

On 24 July 2020, Ministry of Corporate Affairs ("MCA") has issued an amendment to Ind AS 116 in respect of rent concessions occurring as a direct consequence of the COVID-19 pandemic. The effective date of these amendments is 1 April 2020. However, in case an entity (lessee) has not yet approved the financial statements before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2019 as well. Currently, the Company does not have any such scenario and hence, the Company has not considered any impact of this amendment on these financial statements.

Amendment to Ind AS 1, Presentation of Financial Statements

On 24 July 2020, Ministry of Corporate Affairs ("MCA") has issued an amendment to Ind AS 1 whereby definition of the word 'material' has been enhanced to make it more explanatory and it now covers more scenarios. The effective date of these amendments is 1 April 2020. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

Amendment to Ind AS 10, Events After the Reporting Period

On 24 July 2020, Ministry of Corporate Affairs ("MCA") has issued an amendment to Ind AS 10 in respect of disclosure requirement related to non-adjusting event. This amendment requires additional information to be disclosed for material non-adjusting events. The effective date of these amendments is 1 April 2020. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

5. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These policies have been consistently applied to all the years presented, unless otherwise stated.

5.1 Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Division II of Schedule III of the Act. Based on the nature of the operations and the time between the acquisition of assets for processing/servicing and their realisation in cash or cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

5.2 Property, plant and equipment

Recognition and initial measurement
Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Property, plant and equipment purchased on deferred payment basis are recorded at equivalent cash price. The difference between the cash price equivalent and the total payment is recognised as interest expense over the period until payment is made.

Subsequent costs and disposal
Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Items such as spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

An item of property, plant and equipment initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in statement of profit and loss when the asset is derecognised.

Capital work-in-progress excluding capital advances includes property, plant and equipment under construction and not ready for intended use as on the balance sheet date.

Subsequent measurement (depreciation and useful lives)
Freehold land is carried at historical cost. All other items of property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on a straight-line basis, computed on the basis of useful lives (as set out below) prescribed in Schedule II to the Act.

Asset class	**Useful life**
Building	30 years
Medical equipments	5 to 15 years
Medical and surgical instruments	3 years
Other plant and equipments	15 years
Furniture and fixtures	10 years
IT equipment	3 to 6 years
Office equipment	5 years
Electrical installation	10 years
Vehicles	6 to 8 years

The residual values, useful lives and method of depreciation of are reviewed at the end of each financial year.

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5.3 Intangible assets

Recognition and initial measurement
Intangible assets (software) are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent measurement
The cost of capitalized software is amortized over a period of five years from the date of its acquisition.

De-recognition
Intangible asset is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of profit and loss, when the asset is derecognised.

5.4 Inventories

Inventories are valued at cost or net realisable value, whichever is lower. Cost is calculated on weighted average basis. Cost of these inventories comprises of all cost of purchase, taxes and other costs incurred in bringing the inventories to their present location and condition. Cost of purchased inventory is determined after deducting rebates and discounts.

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.

5.5 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized upon transfer of control of promised products or services to customers/patients in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. Revenue is measured net of rebates, discounts and taxes. The Company applies the revenue recognition criteria to each component of the revenue transaction as set out below.

Healthcare services
Revenue from healthcare services is recognized as and when related services are rendered and include services for patients undergoing treatment and pending for discharge, which is shown as unbilled revenue under other current financial assets. The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for the services, excluding amounts collected on behalf of third parties (for example, indirect taxes).

A receivable is recognised by the Company when the control is transferred as this is the case of point in time recognition where consideration is unconditional because only the passage of time is required. When either party to a contract has performed, an entity shall present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the payment.

Interest income
Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

5.6 Borrowing cost

Borrowing cost includes interest expense as per effective interest rate (EIR). Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for its intended use or sale. All other borrowing costs are expensed in the period they occur.

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5.7 Right of use assets and lease liabilities

Till previous year, assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on straightline basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

For any new contracts entered into on or after 1 April 2019, the Company considers whether a contract is, or contains a lease (for existing leases, the transition approach has been explained and disclosed in Note 40). A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Classification of leases
The Company enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

Recognition and initial measurement of right of use assets
At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement of right of use assets
The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

Lease liabilities
At lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.
The Company has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in statement of profit and loss on a straight-line basis over the lease term.

5.8 Impairment of non-financial assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

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5.9 Foreign currency

Functional and presentation currency
Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements have been prepared and presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

Transactions and balances
Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.
Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

5.10 Financial instruments

Recognition and initial measurement
Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ('FVOCI').

Non-derivative financial assets

Subsequent measurement
Financial assets carried at amortised cost – A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

De-recognition of financial assets
A financial asset is de-recognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Non-derivative financial liabilities

Subsequent measurement
Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

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De-recognition of financial liabilities
A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

5.11 Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets and the impairment methodology depends on whether there has been a significant increase in credit risk.

Trade receivables
In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance 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.

Other financial assets
In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date

5.12 Taxes

Tax expense comprises current and deferred tax. Current and deferred tax is recognised in statement of profit and loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

The current income-tax charge is calculated on the basis of the tax laws enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

5.13 Cash and cash equivalents

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

5.14 Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are classified as short-term employee benefits. These benefits include salaries and wages, short-term bonus, incentives etc. These are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Defined contribution plan
Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as defined contribution plan as the Company does not carry any further obligations, apart from the contributions made on a monthly basis. In addition, contributions are made to employees' state insurance schemes and labour welfare fund, which are also defined contribution plans recognized and administered by the Government of India and Haryana respectively. The Company's contributions to these schemes are expensed in the statement of profit and loss.

Defined benefit plan
The Company has unfunded gratuity as defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The gratuity plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. This is based on standard rates of inflation, salary growth rate and mortality.

Discount factors are determined close to each year-end by reference to market yields on government bonds that have terms to maturity approximating the terms of the related liability. Service cost and net interest expense on the Company's defined benefit plan is included in employee benefits expense.

Actuarial gains/losses resulting from re-measurements of the defined benefit obligation are included in other comprehensive income.

Other long-term employee benefits
The Company also provides benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Service cost and net interest expense on the Company's other long-term employee benefits plan is included in employee benefits expense. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are also recorded in the statement of profit and loss in the year in which such gains or losses arise.

5.15 Government grants

Grants from the government are recognised at their fair value when there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions. When the grant relates to a revenue item, it is recognized in statement of profit and loss on a systematic basis over the periods in which the related costs are expensed. The grant can either be presented separately or can deduct from related reported expense.

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Government grant relating to capital assets are recognised initially as deferred income and are credited to statement of profit and loss on a straight-line basis over the expected lives of the related asset and presented within other income. Ministry of Corporate Affairs ('MCA') has inserted new provisions effective 20 September 2018 and allowed government grants related to capital assets to be to be netted off from capital asset and recognise in statement of profit and loss over the life of a depreciable asset as a reduced depreciation expense.

5.16 Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present (legal or constructive) obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions required to settle are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed unless the likelihood of an outflow of resources is remote and there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

Contingent assets are disclosed only when inflow of economic benefits therefrom is probable and recognized only when realization of income is virtually certain.

5.17 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

5.18 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Division II of Schedule III, unless otherwise stated.

5.19 Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

a) **Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

b) **Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

c) **Impairment of financial assets** – At each balance sheet date, based on historical default rates observed over expected life, existing market conditions as well as forward looking estimates, the management assesses the expected credit losses on outstanding receivables. Further, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with industry and country in which the customer operates.

d) **Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

e) **Useful lives of depreciable/amortisable assets** – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

f) **Leases** - The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

g) **Government grant** – Grants receivables are based on estimates for utilization of the grant as per the regulations as well as analysing actual outcomes on a regular basis and compliance with stipulated conditions. Changes in estimates or non-compliance of stipulated conditions could lead to significant changes in grant income and are accounted for prospectively over the balance life of the asset.

Estimates and judgements are continuously evaluated. They are based on historical experience and other factors including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

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Medanta Holdings Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Note - 6

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

(₹ in lakhs)

	Freehold land	Building	Medical equipments	Medical and surgical instruments	Other plant and equipments	Furniture and fixtures	IT equipment	Office equipment	Electrical Installations	Motor Vehicles	Total	Capital work-in-progress*
Gross block												
Balance as at 01 April 2018	7,450.51	-	-	-	-	1.55	5.05	0.37	-	-	7,457.48	14,373.95
Additions	83.43	-	-	-	-	-	1.76	1.09	-	-	86.28	35,683.78
Disposals/adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	7,533.94	-	-	-	-	1.55	6.81	1.46	-	-	7,543.76	50,057.73
Additions	-	31,006.71	9,898.76	390.04	4,959.34	600.01	1,810.13	100.33	3,721.35	85.34	52,572.01	18,281.67
Disposals/adjustments	-	-	-	-	-	-	-	-	-	-	-	(52,850.20)
Balance as at 31 March 2020	7,533.94	31,006.71	9,898.76	390.04	4,959.34	601.56	1,816.94	101.79	3,721.35	85.34	60,115.77	15,489.20
Accumulated depreciation												
Balance as at 01 April 2018	-	-	-	-	-	0.44	2.18	0.20	-	-	2.82	-
Charge for the year	-	-	-	-	-	0.18	1.67	0.26	-	-	2.11	-
Disposals/adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	-	-	-	-	-	0.62	3.85	0.46	-	-	4.93	-
Charge for the year	-	429.24	314.49	33.88	132.82	23.85	144.81	5.33	154.54	4.97	1,243.92	-
Disposals/adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2020	-	429.24	314.49	33.88	132.82	24.47	148.66	5.79	154.54	4.97	1,248.85	-
Net block as at 31 March 2019	7,533.94	-	-	-	-	0.93	2.96	1.00	-	-	7,538.83	50,057.73
Net block as at 31 March 2020	7,533.94	30,577.47	9,584.27	356.16	4,826.52	577.09	1,668.28	96.00	3,566.81	80.37	58,866.92	15,489.20

* During the year ended 31 March 2020 and 31 March 2019, following expenses has been capitalised as part of capital work-in-progress.

(` in lakhs)

Particulars	31 March 2020	31 March 2019
Borrowing costs	2,518.45	2,677.75
Employee benefits expense	729.28	326.36
Other expenses	204.08	872.23
Total	**3,451.81**	**3,876.34**

(i) **Contractual obligations**

Refer note 37 for disclosure of contractual commitments for the acquisition of property, plant and equipment and capital work-in-progress.

(ii) **Property, plant and equipment pledged as security**

Property, plant and equipment have been pledged as security for borrowings. Refer note 18 for details.

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6A Right of use assets*

(₹ in lakhs)

	Building	Other plant and equipment	Total
Gross block			
Balance as at 1 April 2019	-	-	-
Additions	386.99	22.61	409.60
Balance as at 31 March 2020	**386.99**	**22.61**	**409.60**
Accumulated depreciation			
Balance as at 1 April 2019	-	-	-
Charge for the year	35.90	1.87	37.77
Balance as at 31 March 2020	**35.90**	**1.87**	**37.77**
Net block as at 31 March 2019	-	-	-
Net block as at 31 March 2020	**351.09**	**20.74**	**371.83**

** Refer note 40 for transition related details*

6B Intangible assets

(₹ in lakhs)

	Software
Gross block	
Balance as at 1 April 2018	-
Additions	-
Balance as at 31 March 2019	-
Additions	525.18
Balance as at 31 March 2020	**525.18**
Accumulated amortisation	
Balance as at 1 April 2018	-
Charge for the year	-
Balance as at 31 March 2019	-
Charge for the year	40.65
Balance as at 31 March 2020	**40.65**
Net block as at 31 March 2019	-
Net block as at 31 March 2020	**484.53**

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WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
Note - 7		
Loans* - Non-current		
(Unsecured, considered good)		
Security deposits	193.68	182.64
	193.68	**182.64**

* The Company does not have any loans which are either credit impaired or where there is significant increase in credit risk.

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
Note - 8		
A Other financial assets - non-current		
(Unsecured considered good)		
Bank deposits with maturity of more than 12 months	705.76	153.45
	705.76	**153.45**

Notes:

(i) Bank deposits (excluding interest accrued) of ` 48.39 lakhs (31 March 2019: ` 45.88 lakhs) have been lien marked as a security for servicing of interest of term loans.
(ii) Bank deposits (excluding interest accrued) of ` 594.56 lakhs (31 March 2019: ` 45.58 lakhs) are kept under lien with bank as margin money against the letter of credit issued.
(iii) Bank deposits (excluding interest accrued) of ` 51.45 lakhs (31 March 2019: ` 48.90 lakhs) have been pledged with banks against guarantees.

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
B Other financial assets - current		
(Unsecured, considered good)		
Receivables from related parties (refer note 35)	11.15	-
Other receivables	12.83	-
Unbilled revenue	19.72	-
Receivables under export benefit scheme*	172.08	172.08
	215.78	**172.08**
***Movement of receivables under export benefit scheme**		
Opening balance	172.08	-
Add : Grants received during the year	-	200.00
Less : Utilised for purchase of property, plant and equipment	-	(27.92)
	172.08	**172.08**

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
Note - 9		
Deferred tax assets (net)		
Deferred tax assets arising on account of :		
Employee benefits	20.72	2.74
Unabsorbed business losses and depreciaion	653.30	31.13
Others	-	0.48
	674.02	**34.35**
Deferred tax liabilities arising on account of :		
Property, plant and equipment and intangible assets	(674.02)	(0.06)
	(674.02)	**(0.06)**
Minimum alternate tax credit entitlement	-	0.33
	-	**34.62**

(i) The Company has unabsorbed business losses (including unabsorbed depreciation) of ₹ 7,827.43 lakhs as at 31 March 2020. Deferred tax assets on unabsorbed business losses (including unabsorbed depreciation) are recognised to the extent that it is probable that it will be utilised against future taxable income. The Company has recognised deferred tax asset on the aforementioned losses only to the extent of deferred tax liabilities. Further, the unabsorbed business losses are available for utilisation for a maximum period of eight years.

(ii) Caption wise movement in deferred tax assets as follows:

(₹ in lakhs)

Particulars	1 April 2018	Recognised in other comprehensive income	Recognised in statement of profit and loss	31 March 2019
Assets				
Employee benefits	-	0.05	(2.79)	2.74
Unabsorbed business losses and depreciation	-	-	(31.13)	31.13
Others	-	-	(0.48)	0.48
Liabilities				
Property, plant and equipment and intangible assets	0.04	-	0.02	(0.06)
Sub-total	**0.04**	**0.05**	**(34.38)**	**34.29**
Minimum alternate tax credit entitlement	0.33	-	-	0.33
Total	**0.37**	**0.05**	**(34.38)**	**34.62**

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WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

(₹ in lakhs)

Particulars	1 April 2019	Recognised in other comprehensive income	Recognised in statement of profit and loss	31 March 2020
Assets				
Employee benefits	2.74	0.29	(18.27)	20.72
Unabsorbed business losses and depreciation	31.13	-	(622.17)	653.30
Others	0.48	-	0.48	-
Liabilities				
Property, plant and equipment and intangible assets	(0.06)	-	673.96	(674.02)
Sub-total	34.29	0.29	34.00	-
Minimum alternate tax credit entitlement	0.33	-	(0.33)	-
Total	34.62	0.29	34.33	-

(ii) Expiry date of minimum alternate tax credit

Expiry financial year		
1 April 2031 - 31 March 2032	-	0.33
	-	-

	As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
Note - 10		
Income-tax assets (net)		
Advance tax	11.45	10.92
	11.45	**10.92**
Note - 11		
A Other non-current assets		
Capital advances	83.49	429.55
	83.49	**429.55**
B Other current assets		
Prepaid expenses	33.78	0.48
Advance to material/service providers	7.98	-
Advance to employees	0.50	-
	42.26	**0.48**
Note - 12		
Inventories*		
Pharmacy, medical and laboratory consumables	581.33	-
General stores	44.95	-
	626.28	-

* valued at cost or net realisable value, whichever is lower

Note - 13		
Trade receivables*		
Trade receivables - considered good, unsecured#	83.93	-
	83.93	-

* The Company does not have any trade receivables which are either credit impaired or where there is significant increase in credit risk.
# *inter-alia*, includes ` 2.77 lakhs (31 March 2019: ` Nil) receivables from related parties (refer note 35).

Note - 14		
Cash and cash equivalents		
Balances with banks in current accounts	980.89	2,038.44
Cash on hand	51.65	1.30
Bank deposits with original maturity less than three months	158.06	526.06
	1,190.60	**2,565.80**

Notes:
(i) Bank deposits of ` 158.06 lakhs (31 March 2019: ` 526.06 lakhs) are kept under lien with bank as margin money against the letter of credit issued.

Note - 15		
Other bank balances		
Bank deposits with maturity of more than three months and upto twelve months	107.87	106.34
	107.87	**106.34**

Notes:
(i) Bank deposits of ` 107.87 lakhs (31 March 2019: ` 106.34 lakhs) are kept under lien with bank as margin money against the letter of credit issued.

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WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Note - 16

A Equity share capital

		As at 31 March 2020		As at 31 March 2019	
		Number	Amount (₹ in lakhs)	Number	Amount (₹ in lakhs)
i	**Authorised**				
	Equity share capital of face value of ` 10 each*	8,50,00,000	8,500.00	6,00,00,000	6,000.00
			8,500.00		**6,000.00**

* During the previous year, pursuant to provisions of Section 13 and Section 61 and all other applicable provisions of the Companies Act 2013, the authorised share capital of the Company was increased from Rs. 70,00,00,000.00 (Rupees Seventy crores only) divided into 6,00,00,000 (Six Crore) equity shares of face value of Rs. 10.00 (Rupees Ten only) each and 1,00,00,000 (One Crore) Compulsorily Convertible Preference Shares of face value of Rs. 10.00 (Rupees Ten only) each to Rs. 100,00,00,000.00 (Rupees One Hundred crores only) divided into 8,50,00,000 (Eight Crore Fifty Lacs) equity shares of face value of Rs. 10.00 (Rupees Ten only) each; and 1,50,00,000 (One Crore Fifty Lacs) compulsorily convertible preference shares of face value of Rs. 10.00 (Rupees Ten only).

		31 March 2020 Number	31 March 2020 Amount	31 March 2019 Number	31 March 2019 Amount
ii	**Issued, subscribed and paid up**				
	Equity share capital of face value of ` 10 each	6,54,07,228	6,540.72	5,13,85,808	5,138.58
			6,540.72		**5,138.58**
iii	**Reconciliation of number of equity shares outstanding at the beginning and at the end of the year**				
	Equity shares				
	Balance at the beginning of the year	5,13,85,808	5,138.58	4,36,93,501	4,369.35
	Add: Issued during the year	-	-	76,92,307	769.23
	Add: Issued during the year on conversion of compulsorily convertible preference shares	1,40,21,420	1,402.14	-	-
	Balance at the end of the year	**6,54,07,228**	**6,540.72**	**5,13,85,808**	**5,138.58**

iv Rights, preferences and restrictions attached to equity shares

The holders of equity shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

v Details of shareholders holding more than 5% of equity share capital and shares held by Holding Company

Name of the equity shareholder	Number	%	Number	%
Global Health Private Limited*	6,54,07,228	100.00%	5,13,85,808	100.00%

** including nominee shares*

vi Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, by way of bonus shares and shares bought back for the period of 5 years immediately preceding the balance sheet date

The Company did not issue any shares pursuant to contract(s) without payment being received in cash.

The Company did not issue bonus shares in preceding 5 years.

The Company has not undertaken any buy back of shares.

B Instruments entirely equity in nature

		As at 31 March 2020		As at 31 March 2019	
		Number	Amount (in lakhs)	Number	Amount (in lakhs)
i	**Authorised**				
	Compulsorily convertible preference shares of face value of ` 10 each	1,50,00,000	1,500.00	1,00,00,000	1,000.00
			1,500.00		**1,000.00**
ii	**Issued, subscribed and fully paid up**				
	Compulsorily convertible preference shares of face value of ` 10 each	63,29,113	632.91	72,30,769	723.08
			632.91		**723.08**
iii	**Reconciliation of number of compulsorily convertible preference shares outstanding at the beginning and at the end of the year**				
	Compulsorily convertible preference shares				
	Balance at the beginning of the year	72,30,769	723.08	-	-
	Add: Conversion into equity share capital during the year	(1,40,21,420)	(1,402.14)	72,30,769	723.08
	Add: Issue of preference share capital during the year*	1,31,19,764	1,311.98	-	-
	Balance at the end of the year	**63,29,113**	**632.91**	**72,30,769**	**723.08**

** Subsequent to year-end, theses compulsorily convertible preference shares are converted into equity shares.*

iv Rights, preferences and restrictions attached to compulsorily convertible preference shares

These shares are non-cumulative compulsorily convertible preference shares ('CCPS') having no dividend and voting rights. The shares are convertible into equity shares as per the events and conditions stated below :-

	Conversion event (earlier of the following)	Conversion ratio
1	At the option of the Company;	One equity share for each preference share
2	After the complete allotment of CCPS; or	
3	10 years from the date of issuance and allotment of the respective CCPS.	

v Details of shareholder holding more than 5% of CCPS

Name of the shareholder	Number	%	Number	%
Global Health Private Limited	63,29,113	100.00%	72,30,769	100.00%

vi Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, by way of bonus CCPS and CCPS bought back for the period of 5 years immediately preceding the balance sheet date

The Company did not issue any CCPS pursuant to contract(s) without payment being received in cash.

The Company did not issue bonus CCPS in preceding 5 years

The Company has not undertaken any buy back of CCPS.

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Note - 17 Other equity Particulars	As at 31 March 2020 (` in lakhs)	As at 31 March 2019 (` in lakhs)
Capital contribution from Holding Company	200.00	200.00
Reserves and surplus		
Securities premium	25,725.37	16,737.35
Retained earnings	(5,646.69)	(160.83)
	20,278.68	**16,776.52**

Nature and purpose of other reserves

(i) Capital contribution

Capital contribution includes the amount of Served for India Scheme ('SFIS') licence obtained by the Holding Company and transferred to the Company basis the exports made by the Holding Company.

(ii) Securities premium

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

(ii) Retained earnings

Retained earnings is used to record the balance of statement of profit and loss.

Note - 18 Borrowings - non-current Secured loans Term loans		
From banks (refer note (a) below)	39,115.79	33,015.66
Less: Current maturities of lon-term borrowings (refer note 23)	(1,068.13)	(25.00)
	38,047.66	**32,990.66**
Unsecured loans		
Deferred payment liabilities (refer note (b) below)	4,766.04	3,431.58
	42,813.70	**36,422.24**

a) **Repayment terms (including current maturities) and security details for term loan from banks:**

(i) The Company has loan facility with Yes Bank Limited ('YBL') amounting to ` 50,000.00 lakhs out of which YBL has novated ` 5,000 lakhs to State Bank of Hyderabad (SBH). The loan is repayable in 32 structured quarterly instalments after moratorium period of 48 months from the date of first disbursement. The rate of interest as on 31 March 2020 is 9.90% p.a. and interest is payable monthly. The outstanding balance as at 31 March 2020 is ` 34,144.08 lakhs (31 March 2019: ` 28,015.66 lakhs).

The loan is secured by way of exclusive charge on -
- equitable mortgage on project (Medanta Hospital in Lucknow) land admeasuring 12.50 acres and building;
- all current assets and movable property, plant and equipment of the project;
- project's book debts, operating cash flows, receivables, commission and intangible assets pertaining to the project; and
- all project's bank accounts.

(ii) The Company has loan facility with State Bank of Hyderabad ('SBH') amounting to ` 5,000.00 lakhs. The loan is repayable in 32 structured quarterly instalments after moratorium period of 33 months from the date of first disbursement. The rate of interest as on 31 March 2020 is 9.90 % p.a. and interest is payable monthly. The outstanding balance as at 31 March 2020 is ` 4,971.71 lakhs (31 March 2019: ` 5,000.00 lakhs).

The loan is secured by way of first parri-passu charge on -
- equitable mortgage on project (Medanta Hospital in Lucknow) land admeasuring 12.50 acres and building;
- all current assets and movable property, plant and equipment of the project;
- project's book debts, operating cash flows, receivables, commission and intangible assets pertaining to the project; and
- all project's bank accounts.

The borrower shall maintain a debts service reserve account (DSRA) for one quarter's principal repayment and one month's interest payment and principal DSRA to be maintained one quarter prior to commencement of repayment. Interest DSRA to be created upfront at the time of each disbursement.

b) This represents liability for medical equipment purchased on deferred payment terms to be repaid in April and October 2022.

The changes in the entities liabilities arising from financing activities are summarised as follows:

(₹ in lakhs)

Particulars	Borrowings Non-current	Finance cost*	Total
1 April 2018	21,290.65	145.37	21,436.02
Cash flows:			
- Interest expense (including interest capitalised)	-	2,690.15	2,690.15
- Interest paid	-	(2,557.41)	(2,557.41)
- Proceeds from non-current borrowings	11,725.01	-	11,725.01
- Payments made	-	-	-
31 March 2019	**33,015.66**	**278.11**	**33,293.77**
Cash flows:			
- Interest expense (including interest capitalised)	-	3,772.27	3,772.27
- Interest paid	-	(3,762.55)	(3,762.55)
- Proceeds from non-current borrowings	6,300.00	-	6,300.00
- Payments made	(199.86)	-	(199.86)
31 March 2020	**39,115.80**	**287.82**	**39,403.62**

** Opening and closing balances represent interest accrued outstanding at the respective year-end*

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Note - 19	As at 31 March 2020	As at 31 March 2019
A Lease liabilities - non-current		
Lease liabilities (refer note 40)	382.05	-
	382.05	**-**
B Lease liabilities - current		
Lease liabilities (refer note 40)	25.06	-
	25.06	**-**

The changes in the Company's lease liabilities arising from financing activities can be classified as follows:

(₹ in lakhs)

Particulars	Amount
Lease liabilities as at 1 April 2019 (current and non-current)	-
Additions	420.34
Interest on lease liabilities	32.29
Payment of lease liabilities	(50.30)
Lease liabilities as at 31 March 2020 (current and non-current)	**402.32**

Note - 20	As at 31 March 2020 (` in lakhs)	As at 31 March 2019 (` in lakhs)
A Provisions - non-current		
Provision for employee benefits:		
Gratuity (refer note 38)	32.17	5.23
Compensated absences	49.19	1.77
	81.36	**7.00**
B Provisions - current		
Provision for employee benefits:		
Gratuity (refer note 38)	0.24	2.73
Compensated absences	8.98	0.83
	9.22	**3.56**
Note - 21		
A Other non-current liabilities		
Deferred government grants*	206.02	219.72
	206.02	**219.72**
*** Deferred government grant**		
Opening balance	228.51	-
Add : Grant received during the year	-	228.51
Less : Released to statement of profit and loss	6.58	-
	221.93	**228.51**
*** Classified into**		
Non-current portion	206.02	219.72
Current portion	15.91	8.79
	221.93	**228.51**
B Other current liabilities		
Deferred government grants	15.91	8.79
Advance from customers	19.36	-
Payable to statutory authorities	182.60	91.44
	217.87	**100.23**

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WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

	As at 31 March 2020 (` in lakhs)	As at 31 March 2019 (` in lakhs)
Note - 22		
Trade payables - current		
A Total outstanding dues of micro enterprises and small enterprises*	151.23	-
	151.23	**-**

***Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at 31 March 2020 and 31 March 2019**

	Particulars	31 March 2020 (` in lakhs)	31 March 2019 (` in lakhs)
i)	the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	151.23	-
ii)	the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
iii)	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 this Act;	-	-
iv)	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	1.84	-
v)	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 section 23.	-	-

	31 March 2020	31 March 2019
B Total outstanding dues of creditors other than micro enterprises and small enterprises		
Due to related parties (refer note 35)	27.23	-
Due to others	1,101.33	10.38
	1,128.56	**10.38**

	31 March 2020	31 March 2019
Note - 23		
Other financial liabilities		
Current maturities of long-term borrowings	1,068.13	25.00
Interest accrued	287.82	278.11
Capital creditors*	4,619.96	1,548.03
Employee related payables	30.29	-
	6,006.20	**1,851.14**

inter-alia, includes ` 6.96 lakhs (31 March 2019: ` Nil) payable to related parties (refer note 35).

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Medanta Holdings Private Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

	For the year ended 31 March 2020 (₹ in lakhs)	For the year ended 31 March 2019 (₹ in lakhs)
Note - 24		
Revenue from operations		
Income from healthcare services		
In patient	2,349.07	-
Out patient	430.81	-
	2,779.88	**-**
Note - 25		
Other income		
Interest income on bank deposits	75.00	16.18
Government grants income	6.58	-
Revenue share from food court	6.12	-
Revenue share from pharmacy	9.78	-
Miscellaneous income	20.80	0.05
	118.28	**16.23**
Note - 26		
Cost of materials consumed		
Pharmacy, medical and laboratory consumables		
Opening stock	-	-
Add: Purchases	1,109.60	-
Less: Closing stock	581.33	-
Materials consumed	**528.27**	**-**
General stores		
Opening stock	-	-
Add: Purchases	78.76	-
Less: Closing stock	44.95	-
Materials consumed	**33.81**	**-**
	562.08	**-**
Note - 27		
Employee benefits expense*		
Salaries and wages	1,545.24	32.16
Contribution to provident and other funds	102.14	0.72
Staff welfare expenses	0.54	-
	1,647.92	**32.88**

* During the year ended 31 March 2020, employee benefits expense of ` 729.28 lakhs (31 March 2019: ` 326.36 lakhs) has been capitalised as a part of capital work in- progress.

	For the year ended 31 March 2020 (₹ in lakhs)	For the year ended 31 March 2019 (₹ in lakhs)
Note - 28		
Finance costs*		
Interest on term loans	1,248.99	-
Interest on lease liabilities	32.29	-
Interest on deferred payment liabilities	377.53	-
Other borrowing costs	1.84	1.08
	1,660.65	**1.08**

* During the year ended 31 March 2020, borrowing cost of ` 2,518.45 lakhs (31 March 2019: ` 2,677.75 lakhs) has been capitalised as part of capital work-in-progress.

	For the year ended 31 March 2020 (₹ in lakhs)	For the year ended 31 March 2019 (₹ in lakhs)
Note - 29		
Depreciation and amorisation expense		
Depreciation of property, plant and equipment	1,243.92	2.11
Depreciation on right of use assets	37.77	-
Amortisation of intangible assets	40.65	-
	1,322.34	**2.11**

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WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Medanta Holdings Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

	For the year ended 31 March 2020 (₹ in lakhs)	For the year ended 31 March 2019 (₹ in lakhs)
Note - 30		
Other expenses*		
Power and fuel	349.25	-
Lease rent		-
Premises	46.93	9.00
Equipments	83.95	-
Repair and maintenance		
Equipment	53.82	-
Office	1.64	-
Building	8.25	-
Rates and taxes	39.33	4.98
Training and recruitment expenses	156.15	-
Insurance	19.03	-
Travelling and conveyance	113.41	-
Communication expenses	11.52	-
Auditor's remuneration		
Statutory audit fees (including taxes)	20.65	5.90
Reimbursement of expenses (including taxes)	0.27	-
Pantry expenses	63.27	-
Laundry expenses	57.99	-
Security expenses	119.70	-
Facility management expenses	387.19	-
Advertisement and sales promotion	75.59	-
Legal and professional expenses	30.67	35.72
Retainership fees	1,156.95	-
Printing and stationery	33.85	-
Bank charges	12.67	-
Foreign exchange loss (net)	221.36	-
Miscellaneous expenses	94.24	1.29
	3,157.68	**56.89**

* During the year ended 31 March 2020, other expenses of ` 204.08 lakhs (31 March 2019: ` 872.23 lakhs) has been capitalised as a part of capital work-in-progress.

Note - 31

Tax expenses

Deferred tax credit	34.33	(34.38)
Tax expense recognised in the statement of profit and loss	**34.33**	**(34.38)**

The Company has elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for the year ended 31 March 2020 and re-measured its deferred tax assets/liabilities basis the rate prescribed in the aforesaid section.

The major components of the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 22.88% and the reported tax expense in the statement of profit and loss are as follows:

Accounting profit before income tax	**(5,452.51)**	**(76.73)**
At India's statutory income tax rate of 22.88% (31 March 2019: 26.00%)	(1,247.53)	(19.95)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax impact of statutory deduction allowed as per Income-tax act, 1961 under the head income from 'House Property'	1.09	-
Tax impact of unabsorbed business losses (including unabsorbed depreciation)	1,200.34	(15.01)
Tax impact of expenses which will never be allowed under Income-tax Act, 1961	84.87	0.28
Tax impact on account of change in income tax rate	(4.45)	-
Others	-	0.29
Income tax expense	**34.33**	**(34.38)**

Note - 32

Earnings per share (EPS)

Earnings per share ('EPS') is determined based on the net profit attributable to the shareholders. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except where the result would be anti-dilutive.

	31 March 2020	31 March 2019
Loss attributable to equity shareholders for basic and diluted EPS	(5,486.84)	(42.35)
Weighted average number of equity shares for basic EPS	6,25,66,930	4,71,03,832
Weighted average number of equity shares for diluted EPS	6,25,66,930	4,71,03,832
Earnings per equity share		
Basic	(8.77)	(0.09)
Diluted	(8.77)	(0.09)

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Note - 33
Fair value disclosures

(i) Fair value hierarchy

The following explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: unobservable inputs for the asset or liability.

Valuation techniques used to determine fair value

The fair value of the financial instruments are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants. The following methods were used to estimate the fair values:-

- Cash and cash equivalents, other bank balances, loans, other current financial assets, trade payables and other current financial liabilities: Approximate their carrying amounts largely due to the short-term maturities of these instruments.

- Borrowings taken by the Company are as per the Company's credit and liquidity risk assessment and there is no comparable instrument having the similar terms and conditions with related security being pledged and hence the carrying value of the borrowings represents the best estimate of fair value.

(ii) Fair value of assets and liabilities which are measured at amortised cost for which fair value are disclosed

(₹ in lakhs)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Loans	193.68	193.68	182.64	182.64
Cash and cash equivalents	1,190.60	1,190.60	2,565.80	2,565.80
Other bank balances	107.87	107.87	106.34	106.34
Trade receivables	83.93	83.93	-	-
Other financial assets	921.54	921.54	325.53	325.53
Total financial assets	**2,497.62**	**2,497.62**	**3,180.31**	**3,180.31**
Financial liabilities				
Borrowings (including current maturities of long-term borrowings and deferred payment liabilities)	43,881.82	43,881.82	36,447.24	36,447.24
Lease liabilities	407.11	407.11	-	-
Trade payables	1,279.79	1,279.79	10.38	-
Other financial liabilities (excluding current maturities of long-term borrowings)	4,938.07	4,938.07	1,826.14	1,826.14
Total financial liabilities	**50,506.80**	**50,506.80**	**38,283.76**	**38,273.38**

Note - 34
Financial risk management

(i) Financial instruments by category*

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
	Amortised cost	Amortised cost
Financial assets		
Loans	193.68	182.64
Cash and cash equivalents	1,190.60	2,565.80
Other bank balances	107.87	106.34
Trade receivables	83.93	-
Other financial assets	921.54	325.53
Total financial assets	**2,497.62**	**3,180.31**
Financial liabilities		
Borrowings (including current maturities of long-term borrowings and deferred payment liabilities)	43,881.82	36,447.24
Lease liabilities	407.11	-
Trade payables	1,279.79	10.38
Other financial liabilities (excluding current maturities of long-term borrowings)	4,938.07	1,826.14
Total financial liabilities	**50,506.80**	**38,283.76**

*There are no financial assets and liabilities which are measured at fair value through other comprehensive income or fair value through profit or loss.

(ii) Risk management

The Company's activities expose it to market risk (foreign exchange and interest risk), liquidity risk and credit risk. The Company's board of directors has overall responsibility for

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, other bank balances, loans and other financial assets	Ageing analysis	Diversification of bank deposits and credit limits and regular monitoring and follow ups
Liquidity risk	Borrowings, trade payables and other financial liabilities	Cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee	Cash flow forecasting sensitivity analysis	Forward foreign exchange contracts
Market risk – interest rate	Borrowings at variable rates	Sensitivity analysis	Diversification of borrowings

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(a) Credit risk

i) Credit risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial asset fails to meet its contractual obligations. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each financial asset. The carrying amounts of financial assets represent the maximum credit risk exposure.

A default on a financial asset is when the counterparty fails to make contractual payments as per agreed terms. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

The Company has a credit risk management policy in place to limit credit losses due to non-performance of counterparties. The Company monitors its exposure to credit risk on an ongoing basis. Assets are written off when there is no reasonable expectation of recovery. Where loans and receivables are written off, the Company continues to engage in enforcement activity to attempt to recover the dues.

Trade receivables

The Company closely monitors the credit-worthiness of the receivables through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company has started it's commercial operations during the year. Subsequent to year-end, the Company has received substantial amount from it's outstanding trade receivables and accordingly, the Company did not recognise any expected credit loss for trade receivables.

Cash and cash equivalents and other bank balances

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and financial institutions and diversifying bank deposits and accounts in different banks. Credit risk is considered low because the Company deals with highly rated banks and financial institution.

Loans and other financial assets

Loans and other financial assets measured at amortized cost includes security deposits and other receivables. Credit risk related to these financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system are in place ensure the amounts are within defined limits. Credit risk is considered low because the Company is in possession of the underlying asset (in case of security deposit) or as per trade experience (in case of unbilled revenue from patient and other receivables from revenue sharing arrangements). Further, the Company creates provision by assessing individual financial asset for expectation of any credit loss basis 12 month expected credit loss model.

b) Credit risk exposure

i) Expected credit loss for trade receivables under simplified approach i.e. provision matrix approach using historical trends.

As at 31 March 2020

(₹ in lakhs)

Particulars	Government	Non-government				
		Individuals	Corporates	Third party administrators of insurance companies	Others	Total
Gross carrying value	-	0.85	0.61	82.47	-	83.93
Less: Expected credit loss (impairment)	-	-	-	-	-	-
Carrying amount (net of impairment)	-	0.85	0.61	82.47	-	83.93

ii) Expected credit losses for other financial assets (measured at an amount equal to 12 months expected credit losses)

As at 31 March 2020

(₹ in lakhs)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Loans	193.68	-	193.68
Cash and cash equivalents	1,190.60	-	1,190.60
Other bank balances	107.87	-	107.87
Other financial assets	921.54	-	921.54

As at 31 March 2019

(₹ in lakhs)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Loans	182.64	-	182.64
Cash and cash equivalents	2,565.80	-	2,565.80
Other bank balances	106.34	-	106.34
Other financial assets	325.53	-	325.53

(b) 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, that it will have sufficient liquidity to meet its liabilities when they are due.

The Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors the Company's liquidity position (also comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows.

The Company takes into account the liquidity of the market in which the entity operates.

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Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

(₹ in lakhs)

As at 31 March 2020	Less than 1 year	1 - 3 years	More than 3 years	Total
Non-derivatives				
Borrowings	1,068.13	12,460.79	30,967.29	44,496.21
Lease liabilities	62.70	132.53	377.66	572.89
Trade payables	1,279.79	-	-	1,279.79
Other financial liabilities	4,938.07	-	-	4,938.07
Total	**7,348.69**	**12,593.32**	**31,344.95**	**51,286.96**

(₹ in lakhs)

As at 31 March 2019	Less than 1 year	1 - 3 years	More than 3 years	Total
Non-derivatives				
Borrowings	25.00	11,954.65	25,606.32	37,585.97
Trade payables	10.38	-	-	10.38
Other financial liabilities	1,826.14	-	-	1,826.14
Total	**1,861.52**	**11,954.65**	**25,606.32**	**39,422.49**

The Company also has access to the following undrawn borrowing from banks at the end of the reporting period.

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Undrawn borrowing facilities	716.32	13,575.00

(c) Market risk

(i) Foreign exchange risk

The Company has international transactions and is exposed to foreign exchange risk arising from foreign currency transactions (imports and exports). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The Company has not hedged its foreign exchange receivables and payables as at 31 March 2020.

Foreign currency risk exposure:

Particulars	As at 31 March 2020		As at 31 March 2019	
	Foreign currency	Amount (₹ in lakhs)	Foreign currency	Amount (₹ in lakhs)
Liabilities				
Deferred payment liabilities	USD	380.68	USD	15.13
	EURO	4,385.36	EURO	3,416.45
		4,766.04		**3,431.58**

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises from foreign currency denominated financial instruments.

(₹ in lakhs)

Particulars	Currency	31 March 2020		31 March 2019	
		Exchange rate increase by 6%	Exchange rate decrease by 6%	Exchange rate increase by 5%	Exchange rate decrease by 5%
Liabilities					
Deferred payment liabilities	USD	(22.84)	22.84	(0.76)	0.76
	EURO	(263.12)	263.12	(170.82)	170.82

(ii) Interest rate risk

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

The Company's variable rate borrowing is subject to interest rate risk. Below is the overall exposure of the borrowing:

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Variable rate borrowing	43,881.82	36,447.24
Fixed rate borrowing	-	-
Total borrowings	**43,881.82**	**36,447.24**

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Interest rates – increase by 100 basis points	438.82	364.47
Interest rates – decrease by 100 basis points	(438.82)	(364.47)

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Medanta Holdings Private Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Note - 35
Related party transactions
In accordance with the requirements of Ind AS 24 the names of the related party where control exists/able to exercise significant influence along with the transactions and year-end balances with them as identified

i) Holding Company — Global Health Private Limited

ii) Key Management Personnel (KMP) — Dr. Naresh Trehan
Mr. Neeraj Bhardwaj
Mr. Ravi Kant Jaipuria
Mr. Sunil Sachdeva
Mr. Pranab Bal (from 26 September 2019)

iii) Relatives of KMP — Mrs. Madhu Trehan, wife of Dr. Naresh Trehan

iv) Enterprises over which KMPs are able to exercise significant influence with whom transactions have been undertaken — IFAN Global India Private Limited
Raksha TPA Private Limited
Devyani International Limited
Language Architecture Body (LAB)

(a) Transactions with related parties carried out in the ordinary course of business: (₹ in lakhs)

S No.	Particulars	Year	Related parties				Total
			Holding Company	Key Management Personnel	Relatives of Key Management Personnel	Enterprise over which KMP is able to exercise significant influence	
1	**Issue of equity share capital including securities premium**						
	Global Health Private Limited	31 March 2020	-	-	-	-	-
		31 March 2019	5,000.00	-	-	-	**5,000.00**
2	**Issue of compulsorily convertible preference shares including securities premium**						
	Global Health Private Limited	31 March 2020	10,300.00	-	-	-	**10,300.00**
		31 March 2019	4,700.00	-	-	-	**4,700.00**
3	**Transfer of Served from India Scheme ('SFIS') license**						
	Global Health Private Limited	31 March 2020	-	-	-	-	-
		31 March 2019	200.00	-	-	-	**200.00**
4	**Purchase of assets**						
	Global Health Private Limited	31 March 2020	7.39	-	-	-	**7.39**
		31 March 2019	-	-	-	-	-
5	**Professional charges**						
	Language Architecture Body	31 March 2020	-	-	-	-	-
		31 March 2019	-	-	-	140.04	**140.04**
6	**Recruitment Expenses**						
	IFAN Global India Private Limited	31 March 2020	-	-	-	133.96	**133.96**
		31 March 2019	-	-	-	-	-
7	**Laboratory and scrap related expenses**						
	Global Health Private Limited	31 March 2020	11.04	-	-	-	**11.04**
		31 March 2019	-	-	-	-	-
8	**Revenue from patients covered under tie-ups**						
	Raksha TPA Private Limited	31 March 2020		-	-	6.43	**6.43**
		31 March 2019	-	-	-	-	-
9	**Revenue share from food court**						
	Devyani International Limited	31 March 2020		-	-	6.61	**6.61**
		31 March 2019	-	-	-	-	-
10	**Salaries and other benefits**						
	Pranab Bal^	31 March 2020		53.69	-	-	**53.69**
		31 March 2019		-	-	-	-

^ inclusive of post employment benefit of ` 0.58 lakhs.

(b) Closing balance with related parties in the ordinary course of business : (` in lakhs)

S No.	Particulars	Year	Related parties				Total
			Holding Company	Key Management Personnel	Relatives of Key Management Personnel	Enterprise over which KMP is able to exercise significant influence	
1	**Equity share capital (excluding securities premium)**						
	Global Health Private Limited	31 March 2020	6,540.72	-	-	-	**6,540.72**
		31 March 2019	5,138.58	-	-	-	**5,138.58**
2	**Compulsorily convertible preference shares (excluding securities premium)**						
	Global Health Private Limited	31 March 2020	632.91	-	-	-	**632.91**
		31 March 2019	723.08	-	-	-	**723.08**
3	**Capital contribution**						
	Global Health Private Limited	31 March 2020	200.00	-	-	-	**200.00**
		31 March 2019	200.00	-	-	-	**200.00**
4	**Capital creditors**						
	Global Health Private Limited	31 March 2020	6.96	-	-	-	**6.96**
		31 March 2019	-	-	-	-	-
5	**Trade payables**						
	IFAN Global India Private Limited	31 March 2020	-	-	-	16.19	**16.19**
		31 March 2019	-	-	-	-	-
	Global Health Private Limited	31 March 2020	11.04	-	-	-	**11.04**
		31 March 2019	-	-	-	-	-
6	**Trade receivables**						
	Raksha TPA Private Limited	31 March 2020	-	-	-	2.77	**2.77**
		31 March 2019	-	-	-	-	-
7	**Other receivables**						
	Devyani International Limited	31 March 2020	-	-		6.61	**6.61**
		31 March 2019	-	-		-	-
	Global Health Private Limited	31 March 2020	4.54	-	-	-	**4.54**
		31 March 2019	-	-	-	-	-

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Note - 36

Capital management

The Company's objectives when managing capital are to:
- To ensure Company's ability to continue as a going concern, and
- To maintain optimum capital structure and to reduce cost of capital

Management assesses the capital requirements in order to maintain an efficient overall financing structure. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company is not subject to externally imposed capital requirements.The Company has complied with debt covenants as per the terms of the borrowing facility arrangements.The Company manages its capital requirements by overseeing the gearing ratio:

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Total borrowings (including interest accrued)	44,169.65	36,725.35
Total equity	27,452.31	22,638.18
Net debt to equity ratio	**1.61**	**1.62**

Note - 37

Commitments

(i) **Capital commitment** (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Property, plant and equipment and capital work-in-progress	3,885.35	18,972.04

Note - 38

Employee benefits obligations

A **Defined contribution plan** (₹ in lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Employer's contribution to provident fund charged to statement of profit and loss	86.39	0.72
Contribution to Employee state insurance scheme charged to statement of profit and loss	15.75	-
Total	**102.14**	**0.72**

The Company also has certain defined contributions plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. Contributions are made to registered provident fund administered by government. The obligation of the group is limited to the amount contributed and it has no further contractual or constructive obligation.

B **Gratuity**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/separation is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service

(i) **Amounts recognized in the balance sheet** (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Present value of the obligation at end	32.41	7.96
Unfunded liability/provision in balance sheet	(32.41)	(7.96)

Bifurcation of present value of obligation at the end of the year - Current and Non-Current (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Current liability	0.24	2.73
Non-current liability	32.17	5.23
Total	**32.41**	**7.96**

(ii) **Expenses recognized in other comprehensive income** (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Actuarial (gains)		
-Changes in demographic assumptions	(0.02)	-
-Changes in financial assumptions	0.27	-
-Changes in experience adjustment	(1.52)	(0.21)
Gain recognized in other comprehensive income	(1.27)	(0.21)

(iii) **Expenses recognized in statement of profit and loss** (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Current service cost	26.81	3.35
Interest cost	0.58	0.35
Expense recognized during the year	**27.39**	**3.70**

(iv) **Movement in the liability recognized in the balance sheet is as under:** (₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Present value of defined benefit obligation at the beginning of the year	7.96	4.46
Current service cost	26.81	3.36
Interest cost	0.58	0.35
Actuarial gain	(1.27)	(0.21)
Benefits paid	(1.67)	-
Present value of defined benefit obligation at the end of the year	**32.41**	**7.96**

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(v) For determination of the liability of the Company the following actuarial assumptions were used:

Particulars	As at 31 March 2020	As at 31 March 2019
Discount rate	6.76%	7.75%
Salary escalation rate	5.00%	5.00%
Retirement age (years)	60 years	60 years
Average past service	0.45 Years	1.60 Years
Average age	28.43 Years	39.80 Years
Average remaining working life	31.57 Years	20.20 Years
Withdrawal rate		
Up to 30 Years	4.00%	5.00%
From 31 to 44 years	3.00%	3.00%
Above 44 years	2.00%	2.00%

Mortality rates inclusive of provision for disability -100% of IALM (2012 – 14)

(vi) Maturity profile of defined benefit obligation

(₹ in lakhs)

Year 31 March 2020	Year 31 March 2019	As at 31 March 2020	As at 31 March 2019
April 2020- March 2021	April 2019- March 2020	0.24	2.72
April 2021- March 2022	April 2020- March 2021	0.16	0.07
April 2022- March 2023	April 2021- March 2022	0.16	0.07
April 2023- March 2024	April 2022- March 2023	1.99	0.08
April 2024- March 2025	April 2023- March 2024	1.51	0.08
April 2025 onwards	April 2024 onwards	28.35	4.94
Gross Total		**32.41**	**7.96**

(vii) Sensitivity analysis for gratuity

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
a) Impact of the change in discount rate		
Present value of obligation at the end of the year	**32.41**	**7.96**
Impact due to increase of 0.50 %	(2.24)	(0.45)
Impact due to decrease of 0.50 %	2.52	0.53
b) Impact of the change in salary increase		
Present value of obligation at the end of the year	**32.41**	**7.96**
Impact due to increase of 0.50 %	2.55	0.54
Impact due to decrease of 0.50 %	(2.29)	(0.47)

Sensitivities due to mortality and withdrawals are not material. Hence, impact of change is not calculated above.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in sum of the assumptions may be correlated. When calculating the sensitivity of defined benefit obligation to significant acturial assumptions the same method (present value of defined benefit obligations calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

Risk

Salary increases	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability	Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact the plan's liability.

Note - 39

Previous year figures have been regrouped/reclassified, where necessary, to confirm to this years classification, as below -

Balance sheet	31 March 2019 (Reported)	Adjustments	31 March 2019 (Reclassified)
Assets			
Other financial assets	-	172.08	172.08
Other current assets	172.56	(172.08)	0.48
Liabilities			
Non-current provisions	5.23	1.77	7.00
Current provisions	5.33	(1.77)	3.56
Trade payables	-	10.38	10.38
Other current financial liabilities	1,861.52	(10.38)	1,851.14

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Note - 40

Lease related disclosures as lessee

The Company has leases for building and equipments. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over buildings and equipments, the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company is required to pay maintenance fees in accordance with the lease contracts.

A Lease payments not included in measurement of lease liability

The expense relating to payments not included in the measurement of the lease liability is as follows:

(₹ in lakhs)

Particulars	31 March 2020
Short-term leases	130.88

B Total cash outflow for leases for the year ended 31 March 2020 was ₹ 50.30 lacs

C Total expense recognised during the year

(₹ in lakhs)

Particulars	31 March 2020
Interest on lease liabilities	32.29
Depreciation on right of use asset	37.77

D Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

(₹ in lakhs)

31 March 2020	Minimum lease payments due						
	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Lease payments	62.70	62.70	69.83	71.25	69.35	237.06	**572.89**
Interest expense	37.64	33.26	31.25	27.43	23.05	12.56	**165.19**
Net present values	**25.06**	**29.44**	**38.57**	**43.82**	**46.30**	**224.50**	**407.70**

E Bifurcation of lease liabilities at the end of the year in current and non-current

(₹ in lakhs)

Particulars	31 March 2020
a) Current liability (amount due within one year)	25.06
b) Non-current liability (amount due over one year)	382.05
Total lease liabilities at the end of the year	**407.11**

F Information about extension and termination options

Right of use assets	Number of leases	Range of remaining term (in years)	Average remaining lease term (in years)	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Building	1	8	8	1	-	1
Plant and machinery	1	4	4	1	-	1

G Impact on transition

Till previous year, the Company has entered into cancellable lease agreement for office premises. These leases are assessed as short-term leases under Ind AS 116 and hence, there is no impact on the Company on transition to Ind AS 116.

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Medanta Holdings Private Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Note - 41
Revenue related disclosures

I Disaggregation of revenue

Revenue recognised mainly comprises of healthcare services. Set out below is the disaggregation of the Company's revenue from contracts with customers:

(₹ in lakhs)

Description	For the year ended 31 March 2020	For the year ended 31 March 2019
(A) Operating revenue		
Income from healthcare services		
In patient	2,349.07	-
Out patient	430.81	-
Total revenue	**2,779.88**	**-**

II Contract balances

The following table provides information about receivables and contract liabilities from contract with customers:

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Contract liabilities		
Advance from customers	19.36	-
Total contract liabilities	**19.36**	**-**
Contract assets		
Unbilled revenue	19.72	-
Total contract assets	**19.72**	**-**

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets (unbilled receivables) are transferred to receivables when the rights become unconditional and contract liabilities are recognised as and when the performance obligation is satisfied.

III Significant changes in the contract liabilities balances during the year are as follows:

(₹ in lakhs)

Contract liabilities - Advance from customers	As at 31 March 2020	As at 31 March 2019
Opening balance of Contract liabilities - Advance from customers	-	-
Less: Amount of revenue recognised during the year	(2,779.88)	-
Add: Addition during the year	2,799.24	-
Closing balance of Contract liabilities - Advance from customers	**19.36**	**-**

The aggregate amount of transaction price allocated to the performance obligations (yet to complete) as at 31 March 2020 is ` 19.36 lakhs. This balance represents the advance received from customers (gross) against healthcare services. The management expects to further bill and collect the remaining balance of total consideration in the coming years. These balances will be recognised as revenue in future years as per the policy of the Company.

IV Reconciliation of revenue recognised with contract revenue:

(₹ in lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Contract revenue	2,800.82	-
Less: Adjustments for discount and rebates	20.94	-
Revenue recognised	**2,779.88**	**-**

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CHARTERED ACCOUNTANTS

Medanta Holdings Private Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Note - 42

The chief operating decision maker (CODM) i.e. Board of Directors, examines the Company's performance from a service perspective and has identified the 'Healthcare services' as a single business segment. The Company is operating in India which constitutes a single geographical segment. The CODM reviews internal management reports to assess the performance of the segment 'Healthcare services'.

The revenues from external customers attributed to an individual is not material and there are no transactions with a single external customer which would amount to ten percent or more of the Company's revenues.

Note - 43

The outbreak of 'COVID - 19' has severely impacted the businesses and economic activities around the world including India. Governments, both Central and State, have imposed lock down and other emergency restrictions which has led to the disruption of all regular business operations. The Company has made a detailed assessment and considered possible effects, if any on its liquidity position, including recoverability of its assets as at the balance sheet date. Further, due to the temporary restriction/suspension of services of elective surgeries and travel restrictions of overseas patients, business operations of the Company were lower in subsequent months after the year-end and are further expected to be lower in the short-term, though the same is not likely to have a continuing impact on the business of the Company. Further, the management believes that in the long-term, there may not be material impact of COVID - 19 pandemic on the financial position and performance of the Company. However, the impact assessment of COVID -19 pandemic is a continuing process given the uncertainties associated with its nature and duration and accordingly, the impact may be different from that estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions and its impact on its operations.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rajni

Rajni Mundra
Partner
Membership No: 058644

Place: New Delhi
Date: 28 September 2020

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

For and on behalf of the Board of Directors

Dr. Naresh Trehan
Director
[DIN:00012148]

Place: Gurugram
Date: 28 September 2020

Sunil Sachdeva
Director
[DIN:00012115]

Place: Gurugram
Date: 28 September 2020

Pranab Bal

Pranab Bal
Chief Financial Officer

Place: Lucknow
Date: 28 September 2020

Nitu Kumari
Company Secretary

Place: New Delhi
Date: 28 September 2020