

## **INDEPENDENT AUDITORS' REPORT**

### **To the Members of Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited**

#### **Report on the Audit of the Ind AS Financial Statements**

##### **Opinion**

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

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

##### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Ind AS Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS 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.

##### **Emphasis of Matter**

Attention is drawn to Note 4.1(b) to the Ind AS Financial Statements that describes the uncertainty associated with renewal of the lease of land on which one of the Company's hospital is located in Vijayawada. Our opinion is not modified in respect of this matter.

##### **Other Information**

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

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

**Dr. Ramesh Cardiac and Multispecialty Hospital Private Limited**  
**Independent Auditors' report** (continued)

**Other Information** (continued)

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

**Management's Responsibility for the Ind AS Financial Statements**

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

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

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

**Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Ind AS 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.

**Dr. Ramesh Cardiac and Multispecialty Hospital Private Limited**  
**Independent Auditors' report** (continued)

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

- 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 Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
  - (A) As required by Section 143(3) of the Act, we report that:
    - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
    - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

**Dr. Ramesh Cardiac and Multispecialty Hospital Private Limited**  
**Independent Auditors' report (continued)**

**Report on Other Legal and Regulatory Requirements (continued)**

- d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Company as on 31 March 2019, except in respect of one director (Mr. Abdurahman Kartholiparamba) from whom the written representation was not made available, taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to the Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its Ind AS financial statements - Refer note 4.1(b) and 4.24 to the Ind AS financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**Dr. Ramesh Cardiac and Multispecialty Hospital Private Limited**  
**Independent Auditors' report** (continued)

**Report on Other Legal and Regulatory Requirements** (continued)

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

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

*for* **B S R & Associates LLP**

*Chartered Accountants*

ICAI Firm Registration Number: 116231W/ W-100024

**Akhil Kapadiya**

*Partner*

Membership No.: 212991

**Place:** Hyderabad

**Date:** 20 May 2019

**Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited****Balance Sheet as at 31 March 2019**

(All amounts in Indian Rupees in lakhs, except share data and where otherwise stated)

	Notes	As at 31 March 2019	As at 31 March 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4.1	10,264.04	11,127.83
Intangible assets	4.2	17.33	29.02
Financial assets			
Investments	4.3	3,002.85	25.50
Other financial assets	4.4	198.65	176.32
Deferred tax assets	4.5	589.58	429.25
Other tax assets	4.5	1,526.13	998.62
Other non-current assets	4.6	113.85	106.12
<b>Total non-current assets</b>		<b>15,712.44</b>	<b>12,892.66</b>
<b>Current assets</b>			
Inventories	4.7	543.38	505.59
Financial assets			
Investments	4.3	232.54	2,468.67
Trade receivables	4.8	2,805.64	2,422.31
Cash and cash equivalents	4.9	56.12	112.62
Bank balances other than cash and cash equivalents	4.9	-	4.50
Other financial assets	4.4	237.28	209.01
Other current assets	4.6	253.10	191.07
<b>Total current assets</b>		<b>4,128.06</b>	<b>5,913.77</b>
<b>TOTAL ASSETS</b>		<b>19,840.50</b>	<b>18,806.43</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	4.10	1,078.58	1,078.58
Other equity	4.11	10,858.71	10,216.96
<b>Total equity</b>		<b>11,937.29</b>	<b>11,295.54</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	4.12	3,824.96	3,995.37
Provisions	4.13	207.15	106.57
<b>Total non-current liabilities</b>		<b>4,032.11</b>	<b>4,101.94</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	4.12	91.53	114.01
Trade payables	4.14		
- Total outstanding dues of micro small and medium enterprises		-	-
- Total outstanding dues to creditors other than micro small and medium enterprises		1,776.91	1,557.39
Other financial liabilities	4.15	1,549.94	1,374.24
Provisions	4.13	75.64	26.26
Other current liabilities	4.16	377.08	337.05
<b>Total current liabilities</b>		<b>3,871.10</b>	<b>3,408.95</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>19,840.50</b>	<b>18,806.43</b>

**Significant accounting policies**

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The notes referred to above form an integral part of the Ind AS Financial Statements

As per our report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 116231W/W-100024

for and behalf of the Board of Directors of

**Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited**

CIN: U73100AP1995PRC020491

**Akhil Kapadiya**

Partner

Membership No. 212991

**Dr. P. Ramesh Babu**

Managing Director

DIN: 01879436

**Mr. M.S.Rama Mohan Rao**

Chairman and Director

DIN: 02356742

**CA.P. Ravi Kiran**

CFO &amp; Whole-Time Director

DIN: 05116806

**S.Nagendra Kumar**

Company Secretary

Membership No. A33490

Place: Hyderabad

Date : 20 May 2019

Place: Vijayawada

Date : 20 May 2019

Place: Vijayawada

Date : 20 May 2019

**Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited**  
**Statement of Profit and Loss for the year ended 31 March 2019**  
(All amounts in Indian Rupees in lakhs, except share data and where otherwise stated)

	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Income</b>			
Revenue from operations	4.17	20,841.66	19,421.70
Other income	4.18	42.49	201.00
<b>Total income</b>		<b>20,884.15</b>	<b>19,622.70</b>
<b>Expenses</b>			
Purchase of medicines and consumables	4.19 (a)	5,249.60	4,876.77
Change in inventories	4.19 (b)	(37.79)	(121.28)
Employee benefits expense	4.20	5,874.15	5,479.05
Finance costs	4.21	534.98	501.78
Depreciation and amortisation expense	4.22	1,294.78	1,063.90
Other expenses	4.23	7,276.41	6,687.58
<b>Total expenses</b>		<b>20,192.13</b>	<b>18,487.80</b>
<b>Profit before tax</b>		<b>692.02</b>	<b>1,134.90</b>
Tax expense			
Current tax	4.5	168.76	253.60
Deferred tax on MAT credit entitlement	4.5	(149.45)	(188.01)
<b>Profit for the year</b>		<b>672.71</b>	<b>1,069.31</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Re-measurement on defined benefit asset		41.83	44.33
Income tax in relation to above item		(10.88)	(12.21)
Other comprehensive income for the year, net of income-tax		30.96	32.12
<b>Total comprehensive income for the year</b>		<b>641.75</b>	<b>1,037.18</b>
<b>Earnings per equity share (par value of INR 10 each)</b>			
Basic	4.25	6.24	9.91
Diluted	4.25	6.24	9.91
<b>Significant accounting policies</b>	3		
The notes referred to above form an integral part of the Ind AS Financial Statements			

As per our report of even date attached

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

for and behalf of the Board of Directors of  
**Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited**  
CIN: U73100AP1995PRC020491

**Akhil Kapadiya**  
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CFO & Whole-Time Director  
DIN: 05116806

**S.Nagendra Kumar**  
Company Secretary  
Membership No. A33490

Place: Hyderabad  
Date : 20 May 2019

Place: Vijayawada  
Date : 20 May 2019

**Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited**  
**Statement of Cash flow for the year ended 31 March 2019**  
(All amounts are in Indian Rupees Lakhs, except share data and where otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018		
<b>A. Cash flow from operating activities</b>				
Profit before tax	692.02	1,134.90		
Adjustments for operating activities:				
Depreciation and amortisation	1,294.78	1,063.90		
Provision for discounts, disallowances & doubtful debts	113.70	34.39		
Bad debts written off	45.51	21.10		
Finance cost	534.98	501.78		
Unwinding of discount on margin money deposit	-	(4.91)		
Gain on sale of current investments	(5.80)	(135.66)		
Interest income	(1.62)	(42.98)		
Liabilities no longer required written back	-	(4.72)		
Unwinding of discount on Security deposits	(31.09)	-		
(Profit) / loss on sale of fixed assets	(1.16)	(3.85)		
<b>Operating profit before working capital changes</b>	<b>2,641.31</b>	<b>2,563.95</b>		
Adjustments for (increase) / decrease in				
Inventories	(37.79)	(121.28)		
Trade receivables	(542.54)	(865.82)		
Other financial assets	(20.42)	2.14		
Other current assets	(73.89)	(55.33)		
Other non-current assets (net)	-	(0.37)		
Adjustments for Increase / (decrease) in				
Trade payables	219.53	309.74		
Other financial liabilities	(120.08)	85.53		
Provisions	108.12	44.25		
Other current liabilities	40.03	94.02		
<b>Cash generated from operations</b>	<b>2,214.28</b>	<b>2,056.82</b>		
Income taxes paid {net}	(696.28)	(280.67)		
<b>Net cash flow from operating activities (A)</b>	<b>1,518.00</b>	<b>1,776.15</b>		
<b>B. Cash flow from investing activities</b>				
Investment in subsidiaries and associates	(2,977.35)	(25.50)		
Purchase of tangible and intangible fixed assets	(369.80)	(981.50)		
Proceeds from sale of fixed assets	3.83	13.31		
Sale proceeds / (purchases) of investments	2,241.93	(176.95)		
Redemption / (investment) of fixed deposits	-	244.00		
Interest received	7.03	42.89		
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(1,094.36)</b>	<b>(883.75)</b>		
<b>C. Cash flow from financing activities</b>				
Proceeds from term and vehicle loans	808.14	-		
Repayment of term, equipment and over draft loans	(731.60)	(370.77)		
Finance cost	(534.20)	(503.74)		
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(457.66)</b>	<b>(874.51)</b>		
Net increase /(decrease) in cash and cash equivalents (A+B+C)	(34.02)	17.89		
Cash and cash equivalents at the beginning of the year	(1.39)	(19.29)		
Cash and cash equivalents at the end of the year (Refer note: 4.9)	(35.41)	(1.39)		
* Changes in liabilities arising from financing activities:				
Particulars	As at 01 April 2018	Cash flow changes	Non-cash changes	As at 31 March 2019
Long-term borrowings	4,585.42	84.48	(7.94)	4,661.95
<b>Cash and cash equivalents</b>				
Cash on hand			42.76	28.19
Bank balances				
- in current accounts			13.36	84.43
<b>Cash and cash equivalents</b>			56.12	112.62
<b>Bank Overdraft used for cash management purposes</b>			(91.53)	(114.01)
<b>Cash and Cash equivalents</b>			(35.41)	(1.39)



**Note:**

a) The above standalone cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.

b) Cash and cash equivalents comprises of:

	As at 31-March-2019	As at 31-March-2018
Balances with banks:		
- In current accounts	13.36	84.43
Cheque's, draft on hand	-	-
Cash on hand	42.76	28.19
<b>Cash and cash equivalents as per balance sheet</b>	<b>56.12</b>	<b>112.62</b>

As per our report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 116231W/W-100024

for and behalf of the Board of Directors of

**Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited**

CIN: U73100AP1995PRC020491

**Akhil Kapadiya**

Partner

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Company Secretary

Membership No. A33490

Place: Hyderabad

Date : 20 May 2019

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Date : 20 May 2019

**Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited**  
**Statement of Changes in Equity**  
(All amounts in Indian Rupees in lakhs, except share data and where otherwise stated)

**A) Equity share capital**

	Note	Number of shares	Amount
<b>Balance as at 1 April 2017</b>		<b>10,785,825</b>	<b>1,078.58</b>
Changes in equity share capital during 2017-18	4.10	-	-
<b>Balance as at 31 March 2018</b>		<b>10,785,825</b>	<b>1,078.58</b>
Changes in equity share capital during 2018-19	4.10	-	-
<b>Balance as at 31 March 2019</b>		<b>10,785,825</b>	<b>1,078.58</b>

**B) Other equity**

Particulars	Other equity			Total attributable to owners of the company
	Reserves and Surplus		Capital redemption reserve	
	Securities premium	Retained earnings		
Balance as at 1 April 2017	7,454.54	1,725.23	-	9,179.77
Profit for the year	-	1,069.31	-	1,069.31
Re-measurement of net defined benefit plans, net of tax	-	(32.12)	-	(32.12)
<b>Balance as at 31 March 2018</b>	<b>7,454.54</b>	<b>2,762.42</b>	<b>-</b>	<b>10,216.96</b>
Balance as at 31 March 2018	7,454.54	2,762.42	-	10,216.96
Profit for the year	-	672.71	-	672.71
Re-measurement of net defined benefit plans, net of tax	-	(30.96)	-	(30.96)
Redemption of preference share capital	-	(40.00)	40.00	-
<b>Balance as at 31 March 2019</b>	<b>7,454.54</b>	<b>3,364.17</b>	<b>40.00</b>	<b>10,858.71</b>

The notes referred above form an integral part of the Ind AS Financial Statements

As per our report of even date attached

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

for and behalf of the Board of Directors of  
**Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited**  
CIN: U73100AP1995PRC020491

**Akhil Kapadiya**  
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Company Secretary  
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Place: Hyderabad  
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**Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited****Notes to the Financial Statements**

(All amounts in Indian Rupees in lakhs, except share data and where otherwise stated)

**4.1 Property, plant and equipment****Reconciliation of carrying amount**

Particulars	Buildings	Leasehold improvements	Medical and surgical equipment	Electrical Installations and equipment's	Office equipment's	Computers	Furniture and fixtures	Vehicles	Total
<b>Gross cost /Deemed cost</b>									
Balance at 1 April 2017	5,773.06	66.72	4,238.68	1,016.36	825.34	107.46	437.51	259.12	12,724.25
Additions	16.56	-	769.61	68.28	6.15	42.93	50.56	26.63	980.72
Disposals	-	-	(24.47)	(5.35)	-	(0.30)	-	(0.60)	(30.72)
Balance at 31 March 2018	5,789.62	66.72	4,983.82	1,079.29	831.49	150.09	488.07	285.15	13,674.25
Balance at 1 April 2018	5,789.62	66.72	4,983.82	1,079.29	831.49	150.09	488.07	285.15	13,674.25
Additions	-	17.07	217.66	26.82	21.04	70.56	24.55	37.18	414.88
Disposals	-	-	(7.25)	(1.02)	-	(0.68)	-	(8.08)	(17.03)
Balance at 31 Mar 2019	<b>5,789.62</b>	<b>83.79</b>	<b>5,194.23</b>	<b>1,105.09</b>	<b>852.53</b>	<b>219.97</b>	<b>512.62</b>	<b>314.25</b>	<b>14,072.10</b>
<b>Accumulated depreciation</b>									
Balance at 1 April 2017	437.58	4.59	317.31	213.42	339.85	51.79	105.53	51.30	1,521.37
Depreciation for the Year	223.68	-	410.44	118.39	164.23	38.33	50.36	40.90	1,046.33
Disposals	-	-	(17.98)	(2.65)	-	(0.30)	-	(0.33)	(21.26)
Balance at 31 April 2018	661.26	4.59	709.77	329.16	504.08	89.82	155.89	91.87	2,546.44
Balance at 1 April 2018	661.26	4.59	709.77	329.16	504.08	89.82	155.89	91.87	2,546.44
Depreciation for the Year *	368.70	6.96	456.17	122.19	165.11	50.45	65.01	41.39	1,275.98
Disposals	-	-	(5.38)	(1.00)	-	(0.04)	-	(7.94)	(14.36)
Balance at 31 Mar 2019	<b>1,029.96</b>	<b>11.55</b>	<b>1,160.56</b>	<b>450.35</b>	<b>669.19</b>	<b>140.23</b>	<b>220.90</b>	<b>125.32</b>	<b>3,808.06</b>
<b>Net Carrying amounts</b>									
As at 31 Mar 2019	<b>4,759.66</b>	<b>72.24</b>	<b>4,033.67</b>	<b>654.74</b>	<b>183.34</b>	<b>79.74</b>	<b>291.72</b>	<b>188.93</b>	<b>10,264.04</b>
As at 31 March 2018	5,128.36	62.13	4,274.05	750.13	327.41	60.27	332.18	193.28	11,127.81

**Notes:**

a) For details of tangible assets hypothecated against loans availed by the Company, refer note 4.12

b) The Company has a hospital situated in Gunadala, Vijayawada which is located on land that has been taken on lease from M/s Loyola College Society ("Society") vide a lease agreement dated 21 Sep 2004. The lease was initially taken for a period of 9 years and 11 months which was renewed for an additional period 15 years and 1 month. This additional lease period expired on 31 January 2019.

At the time of entering into the initial lease, a separate intent letter dated 1st May 1994 was also issued by the Society stating that the Company will have an option to request for renewal of lease for a further period of 25 years from 31 January 2019 based on such terms and conditions as may be mutually agreed. In accordance with this intent letter, the management has made an application dated 03 July 2018 to the Society to extend the lease beyond 31 January 2019. However, the Society rejected this application and has issued a notice to the Company to vacate the premises and to hand over the entire building and structure to the Society.

Aggrieved by this, the management has filed a legal case against the Society and the matter is presently sub-judice. Based on legal advise, the management is of the view that it has a good case to seek renewal of the lease and does not expect any impact of this matter on the future operations of the hospital.

**Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited**  
**Notes to the Financial Statements (continued)**  
**(All amounts in Indian Rupees in lakhs, except share data and where otherwise stated)**

**4.2 Intangibles assets**

**B. Reconciliation of the carrying amount**

Particulars	Software	Total
<b>Gross cost /Deemed cost</b>		
Balance at 1 April 2017	60.19	60.19
Additions	8.65	8.65
Disposals	-	-
Balance at 31 March 2018	68.84	68.84
Balance at 1 April 2018	68.84	68.84
Additions	7.11	7.11
Disposals	-	-
Balance at 31 Mar 2019	<b>75.95</b>	<b>75.95</b>
<b>Accumulated amortisation</b>		
Balance at 1 April 2017	22.25	22.25
Amortisation for the year	17.57	17.57
Disposals	-	-
Balance at 31 March 2018	39.82	39.82
Balance at 1 April 2018	39.82	39.82
Amortisation for the year	18.80	18.80
Disposals	-	-
Balance at 31 Mar 2019	<b>58.62</b>	<b>58.63</b>
<b>Net Carrying amounts</b>		
<b>As at 31 March 2019</b>	<b>17.33</b>	<b>17.33</b>
As at 31 March 2018	29.02	29.02

**Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited**  
**Notes to the financial statements (continued)**  
**(All amounts in Indian Rupees in lakhs, except share data and where otherwise stated)**

	As at 31 March 2019	As at 31 March 2018
<b>4.3 Investments</b>		
<b>Non-current</b>		
<i>In subsidiaries at cost</i>		
Unquoted equity instrument, refer note i below	2,915.10	-
Unquoted capital contribution, refer note ii below	47.75	25.50
Unquoted capital contribution, refer note iii below	40.00	-
	<b>3,002.85</b>	<b>25.50</b>

Note:

i) On 1 April, 2018, the Company had entered into a share purchase agreement with the Key Promotor Group and the Remaining Shareholders Group of Sanghamitra Hospitals Private Limited (SHPL) and acquired 51% stake in SHPL.

ii) On March 25, 2018, the Company had entered into an agreement with Dr.N.Sashidhar to establish and register a limited liability partnership under the Limited Liability Partnership Act, 2008 in the name of "Aster Ramesh Duhita LLP" with an initial capital contribution to be made upto Rs.100 lakhs in the ratio of 51:49 respectively. The Company's contribution amounts to Rs.47.75 Lakhs as of March 31 2019 and Dr. N.Sashidhar has contributed Rs.25 lakhs as at 31 March 2019.

iii) On December 28, 2018, the Company entered into an agreement with Dr.Swapna Srinath to establish and register a limited liability partnership under the Limited Liability Partnership Act, 2008 in the name of "Komali Fertility Centre LLP". The Company has contributed an amount of Rs.40 lakhs as of 31 March 2019. Similar contribution has been made by Dr. Swapna Srinath as at 31 March 2019.

iv) The above investments have been elected to be accounted at cost by the Company, per Ind AS 27 "Separate Financial Statements"

v) Though Aster Ramesh Duhita LLP ,Sanghamitra Hospitals Private limited and Komali Fertility Centre LLP are subsidiaries of the Company, pursuant to provision of Rule 6 (iii) of the Companies (Accounts) Rules 2014 there was a special resolution passed by the Company on 30 March 2019, by which the Company opted not to prepare the consolidated financial statement, since the holding company, Aster DM Healthcare Limited prepares the consolidated financial statements for the year ended 31 Mar 2019 which includes financial statements of these entities.

	As at 31 March 2019	As at 31 March 2018
<b>Current</b>		
<i>Investment in Mutual Funds - Quoted investments (non- trade at fair value through profit or loss)</i>		
Hdfc Mutual Fund-Frif Stp		-
Reliance Liquid Fund - Direct Growth	180.22	1,163.51
Reliance Liquid Fund-Treasury Plan		-
Reliance regular saving fund debt plan	-	547.21
Reliance Short Term Fund	-	-
Reliance Liquid Fund - Growth Plan 2273	-	40.16
Reliance Liquid Fund - Growth Plan 0126	-	275.72
Reliance liquid fund New 2251	-	251.95
Reliance Money Manager fund 60126	-	140.08
Reliance regular savings fund - Balanced plan	52.32	50.04
	<b>232.54</b>	<b>2,468.67</b>
Aggregate book value of quoted investments	232.54	2,468.67
Aggregate market value of quoted investments	232.54	2,468.67
Aggregate amount of impairment in the value of investments	-	-

**Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited**  
**Notes to the financial statements (continued)**  
**(All amounts in Indian rupees Lakhs, except share data and where otherwise stated)**

	As at 31 March 2019	As at 31 March 2018
<b>4.4 Other financial assets</b>		
<b>Non-current</b>		
<i>Unsecured, considered good</i>		
<b>(a) Security deposits</b>		
- to related parties (refer Note: 4.35)	71.01	68.52
- to parties other than related parties	7.03	9.92
<b>other deposits</b>		
- to parties other than related parties	102.99	89.58
	<b>181.03</b>	<b>168.02</b>
<b>(b) Deposits</b>		
Bank deposits due to mature after 12 months from reporting date (refer i below)	15.50	8.00
Interest accrued but not due on deposits maturing after 12 months from reporting date	2.12	0.30
	<b>17.62</b>	<b>8.30</b>
	<b>198.65</b>	<b>176.32</b>

Note:

i. Includes margin money deposits of Rs 15.50 lakhs (PY: Rs 8.00 lakhs) against Bank guarantees issued by banks, which are lien marked with Government authorities.

	As at 31 March 2019	As at 31 March 2018
<b>Current</b>		
<i>Unsecured, considered good</i>		
Contract assets	149.91	159.08
Advances to related parties	12.00	-
Staff advances	74.30	44.44
Other advances recoverable in cash or kind	1.07	0.07
Interest accrued on deposits	-	5.42
	<b>237.28</b>	<b>209.01</b>

**Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited**  
**Notes to the financial statements (continued)**  
**(All amounts in Indian Rupees in lakhs, except share data and where otherwise stated)**

**4.5 Other tax assets**

	As at 31 March 2019	As at 31 March 2018
<b>(A) Income tax</b>		
<b>Income tax assets/(liability)</b>		
Income tax assets	1,694.90	1,246.06
Current income tax liabilities	(168.77)	(247.44)
<b>Net income tax assets/(liability) at the end</b>	<b>1,526.13</b>	<b>998.62</b>
<b>Deferred tax assets/(liabilities)</b>		
<b>Deferred income tax assets</b>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
MAT credit entitlement		
Opening	429.25	229.03
During the year	149.45	188.01
<b>Closing</b>	<b>578.70</b>	<b>417.04</b>
Add : deferred tax asset on remeasurement of losses/gains on defined benefit plan	10.88	12.21
<b>Total Deferred tax assets</b>	<b>589.58</b>	<b>429.25</b>

**(B) Income tax**

**(i) Amount recognised in the statement of profit & loss**

Particulars	For the year ended	
	31 March 2019	31 March 2018
Current tax	168.76	253.60
Deferred tax liability / (asset)	(149.45)	(188.01)
<b>Tax expense for the Year</b>	<b>19.31</b>	<b>65.59</b>

**(ii) Amount recognised in other comprehensive income**

	For the period ended 31 March 2019			For the Year ended 31 March 2018		
	Before tax	Tax benefit	Net of Tax	Before tax	Tax benefit	Net of Tax
Re-measurement on defined benefit liability	41.83	(10.88)	30.96	44.33	(12.21)	32.12
	<b>41.83</b>	<b>(10.88)</b>	<b>30.96</b>	<b>44.33</b>	<b>(12.21)</b>	<b>32.12</b>

**(C) Reconciliation of effective tax rate**

Particulars	As at 31 March 2019	As at 31 March 2018
Profit before tax	692.02	1,134.90
Tax using enacted tax rate applicable to the Company	178.19	312.69
<b>Tax effect of</b>		
Deduction for capital expenditure u/s 35 AD of Income Tax Act.	(286.72)	(246.21)
Income not subject to tax	(8.30)	(2.41)
Return to provision adjustment	-	11.54
Tax effect on brought forward losses	(23.38)	-
Donation u/s 80G	(1.16)	(0.41)
Deferred tax asset not created	161.10	(9.61)
Others	(0.42)	-
<b>Income tax expense</b>	<b>19.31</b>	<b>65.59</b>
<b>Effective tax rate</b>	<b>2.79%</b>	<b>5.78%</b>

**(D) Deferred tax have been recognised in respect of following items**

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Deferred tax asset:</b>		
Opening	429.25	229.03
Recognised during the year in profit and loss	149.45	188.01
Remeasurement of losses on defined benefit plans	10.88	12.21
<b>Total deferred tax asset</b>	<b>589.58</b>	<b>429.25</b>
<b>Deferred tax liability:</b>		
Excess of depreciation on assets under Income Tax Act 1961 over depreciation under Companies Act	-	-
Excess of fair value over carrying amount of the investments at the year end	-	-
<b>Total deferred tax liability</b>	<b>-</b>	<b>-</b>
<b>Deferred tax asset (net)</b>	<b>589.58</b>	<b>429.25</b>
<b>Restricted to</b>	<b>-</b>	<b>-</b>

**(E) Deferred tax assets not recognised on grounds of prudence**

Particulars	As at 31 March 2019		As at 31 March 2018	
	Gross amount	Deferred tax	Gross amount	Deferred tax
On account of unabsorbed losses and depreciation	1,377.07	453.88	2,632.73	722.36
Others	-	-	258.88	85.59
<b>Total</b>	<b>1,377.07</b>	<b>453.88</b>	<b>2,891.61</b>	<b>807.95</b>

**Dr. Ramesh Cardiac and Multispecialty Hospital Private Limited**  
**Notes to the financial statements (continued)**  
**(All amounts in Indian rupees Lakhs, except share data and where otherwise stated)**

**4.5 Other tax assets (continued)**

**(F) Tax Losses**

Particulars	As at 31 March 2019		As at 31 March 2018	
	Tax loss	Expire	Tax loss	Expire
Long term capital Loss	-	-	54.89	2022-23
Unabsorbed Capital Expenditure u/s 35AD	1,377.07	Infinite	1,443.76	Infinite
Unabsorbed Depreciation U/s 32	-	-	1,134.08	Infinite
<b>Total</b>	<b>1,377.07</b>		<b>2,632.73</b>	

**(G) Movement of Deferred tax**

**Deferred tax as at 31 March 2019**

Movement during the year ended 31st March 2019	As at 01 April 2018	Credit/ (charge) in Profit & Loss	Credit/ (charge) in OCI	As at 31 March 2019
MAT credit entitlement	417.04	149.45	-	566.50
Provision for post retirement benefits and other employee benefits	12.21	-	10.88	23.09
<b>Total</b>	<b>429.25</b>	<b>149.45</b>	<b>10.88</b>	<b>589.58</b>

**Note:**

DTA on account of OCI of Rs. 10.88 lakhs included there is recognised in books of account.

**Deferred tax as at 31 Mar 2018**

Movement during the year ended 31st March 2018	As at 01 April 2017	Credit/ (charge) in Profit & Loss	Credit/ (charge) in OCI	As at 31 March 2018
MAT credit entitlement	229.03	188.01	-	417.04
Provision for post retirement benefits and other employee benefits	-	-	12.21	12.21
<b>Total</b>	<b>229.03</b>	<b>188.01</b>	<b>12.21</b>	<b>429.25</b>

**Note:**

DTA on account of OCI of Rs. 12.21 lakhs included there is recognised in books of account.

Deferred tax assets and deferred tax liabilities have been offset wherever the management has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority. In assessing the realizability of deferred tax assets, the management considers the extent to which, it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. Deferred tax asset in respect of unused tax have not been recognized on account of historical losses and unfavorable cash flow for a prolonged period by the Company.



**Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited**  
**Notes to the financial statements (continued)**  
**(All amounts in Indian Rupees in lakhs, except share data and where otherwise stated)**

	As at 31 March 2019	As at 31 March 2018
<b>4.6 Other assets</b>		
<b>Non-current</b>		
<i>Unsecured, considered good</i>		
Capital advances	25.63	29.76
Prepaid expenses	88.22	76.36
	<b>113.85</b>	<b>106.12</b>
<b>Current</b>		
<i>Unsecured, considered good</i>		
Prepaid expenses	65.33	77.38
Advances to vendors	130.37	68.75
Other assets	57.40	44.94
	<b>253.10</b>	<b>191.07</b>
	<b>366.95</b>	<b>297.19</b>
	As at	As at
	31 March 2019	31 March 2018
<b>4.7 Inventories</b>		
Pharmacy medicines	543.38	505.59
<i>(valued at lower of cost or net realisable value)</i>	<b>543.38</b>	<b>505.59</b>
<i># For details of inventories hypothecated, refer Note 4.12</i>		
	As at	As at
	31 March 2019	31 March 2018
<b>4.8 Trade receivables</b>		
<b>Current</b>		
<i>Unsecured</i>		
- Considered good	2,805.64	2,422.31
- Considered doubtful	279.96	166.26
- Significant increase in credit risk	-	-
- Credit impaired	-	-
	3,085.60	2,588.57
Less: Provision for Impairment	(279.96)	(166.26)
<b>Net trade receivables</b>	<b>2,805.64</b>	<b>2,422.31</b>
The Company's exposure to credit risk and loss allowance related to trade receivables is disclosed in Note 4.37 For details of net trade receivables hypothecated refer Note 4.12		
	As at	As at
	31 March 2019	31 March 2018
<b>4.9 Cash and cash equivalents</b>		
Cash on hand	42.76	28.19
<b>a</b> Balance with banks		
- in current accounts	13.36	84.43
<b>Cash and Cash equivalents</b>	<b>56.12</b>	<b>112.62</b>
<b>b</b> <b>Bank balances other than cash and cash equivalents</b>		
- in deposit accounts (with maturity more than 3 months but less than 12 months) [held as margin money]*#	-	4.50
	<b>-</b>	<b>4.50</b>

\* Represents margin money deposits against Bank guarantees issued by banks, which are lien marked with various government authorities respectively  
#For details of bank balances in deposit accounts with maturity more than 12 months refer note 4.4



**Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited**  
**Notes to the financial statements (continued)**  
**(All amounts in Indian Rupees in lakhs, except share data and where otherwise stated)**

4.10 Share capital	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
<b>Authorised</b>				
Equity shares of Rs.10 each (with voting rights)	11,000,000	1,100.00	11,000,000	1,100.00
	<b>11,000,000</b>	<b>1,100.00</b>	<b>11,000,000</b>	<b>1,100.00</b>
<b>Issued, subscribed and paid-up</b>				
Equity shares of Rs.10 each (with voting rights)	10,785,825	1,078.58	10,785,825	1,078.58
	<b>10,785,825</b>	<b>1,078.58</b>	<b>10,785,825</b>	<b>1,078.58</b>

- (a) Reconciliation of equity shares at the beginning and at the end of the year

**Issued, subscribed and paid-up**

*Equity shares of Rs.10 each (with voting rights)*

At the beginning of the year

10,785,825 1,078.58 10,785,825 1,078.58

Add: issued during the year

- - - -

**At the end of the year**

**10,785,825 1,078.58 10,785,825 1,078.58**

**Terms and rights attached to the equity shares**

The Company has only one class of equity shares having a face value of INR 10/- each. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

- (b) **Shares held by ultimate holding company/holding company and their subsidiaries/associates**

	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
<i>Equity shares with voting rights</i>				
Aster DM Healthcare Limited, the holding company	5,500,771	550.08	5,500,771	550.08

- (c) **Details of shareholders holding more than 5% shares of the Company**

	As at 31 March 2019		As at 31 March 2018	
	Number of shares	% of holding	Number of shares	% of holding
<i>Equity shares with voting rights</i>				
Aster DM Healthcare Limited	5,500,771	51.00%	5,500,771	51.00%
Dr. P. Ramesh Babu	2,924,404	27.11%	2,924,404	27.11%
P. Mahalakshmi	900,000	8.34%	900,000	8.34%
P. Raja Nishanth	595,000	5.52%	595,000	5.52%
P. Madhusmitha	581,500	5.39%	581,500	5.39%

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

During the five financial years ended 31 March 2019, no shares have been issued for consideration other than cash and no shares have been bought back.



**Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited**  
**Notes to the financial statements (continued)**  
**(All amounts in Indian Rupees in lakhs, except share data and where otherwise stated)**

	As at 31 March 2019	As at 31 March 2018
<b>4.11 Other equity</b>		
<b>Securities premium:</b>		
Balance at the beginning of the year	7,454.54	7,454.54
Additions during the year	-	-
<b>Balance at the end of the year</b>	<b>7,454.54</b>	<b>7,454.54</b>

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

	As at 31 March 2019	As at 31 March 2018
<b>Retained earnings</b>		
Balance at the beginning of the year	2,762.42	1,725.23
Profit for the year	672.71	1,069.31
Remeasurement of defined benefit obligation, net of tax	(30.96)	(32.12)
Transfer to capital redemption reserve	(40.00)	-
<b>Balance at the end of the year</b>	<b>3,364.17</b>	<b>2,762.42</b>

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders

**Remeasurements of Net Defined Benefit Plans:** Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

	As at 31 March 2019	As at 31 March 2018
<b>Capital redemption reserve</b>		
Balance at the beginning of the year	-	-
Additions during the year	40.00	-
<b>Balance at the end of the year</b>	<b>40.00</b>	<b>-</b>

Capital redemption reserve was created for redemption of preference shares and the balance represents the unutilised amount after complete redemption of the same.

**Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited**  
**Notes to the financial statements (continued)**  
**(All amounts in Indian Rupees in lakhs, except share data and where otherwise stated)**

	As at 31 March 2019	As at 31 March 2018
<b>4.12 Borrowings</b>		
<b>Non-current</b>		
<i>Secured loans</i>		
Term loans from banks, refer note 1	3,040.15	2,734.87
Equipment loans from financial institutions, refer note 2	746.76	1,180.24
Vehicle loans, refer note 3	8.05	10.26
<i>Unsecured loans</i>		
11% non-convertible cumulative redeemable preference shares ,refer note 4	30.00	70.00
	<b>3,824.96</b>	<b>3,995.37</b>
<b>Current</b>		
<i>Secured loans from banks</i>		
Balances with banks in overdraft account	<b>91.53</b>	<b>114.01</b>

**Details of securities, terms and conditions on loans**

**1. Term loan from banks**

**HDFC Bank:**

Represents Term loan of Rs.3800 Lakhs with outstanding balance of Rs 3432.17 lakhs (FY18: Rs 2,943.39 lakhs ) is to be re-paid in monthly installments ranging from 75 to 84 months based on the repayment schedule provided by the bank commencing from 01 December 2016. The rate of interest charged by the bank ranged from 9.20% to 9.80% (FY 18: 9.2% to 9.8%)

Primary Security: Equitable mortgage of lease hold rights on 304,302.47 Sq. Ft built up areas( 3 cellars + Ground+ 8 floors) on subleased land of 4628.77 sq. feets site in survey no. 1072, T.S.o:247/248, Ward no17, Nagarampalem, Guntur.

Secondary Security: Hypothecation of stock and book debts less than 180 days. Margins on stock and book debts are 25%.

**2. Equipment Loans from financial institutions**

**a. De Lage Landen Financial Services India (Private) Limited**

Various Equipment loans amounting to Rs.2,114.00 lakhs having balance outstanding as on balance sheet date Rs.1182.56 Lakhs (FY18: Rs 1554.25) is to be re-paid in monthly installments ranging from 59 to 84 months with interest rate ranging from 7.57% p.a to 11.25% p.a based on the repayment schedule provided by the financial institution. The loans are secured by hypothecation of equipment's procured from the said loans and also secured by personal guarantees of promoter directors.

**3. Vehicle Loans**

Vehicle loans amounting to Rs 61.95 lakhs with balance outstanding as on balance sheet date Rs 17.23 lakhs (FY 18: Rs 17.78 Lakhs) is to be re-paid in equal monthly installments ranging from 37 to 60 months with interest rate ranging from 9.25% p.a to 9.80% p.a and is secured by hypothecation of vehicles financed by the bank.

**4. 11% non-convertible cumulative redeemable preference shares ('RPS') :**

Authorized preference share capital is Rs 1,000 lakhs with face value of each share is Rs 100.

30,000 redeemable preference shares having face value of Rs 100 each carrying a fixed dividend of 11% p.a issued by the Company. RPS is redeemable at par upon maturity, which is twelve years from the date of allotment with the Company having an option to redeem the RPS at any time. Holders of RPS are not entitled to any voting rights.

**Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited**  
**Notes to the financial statements (continued)**  
**(All amounts in Indian Rupees in lakhs, except share data and where otherwise stated)**

	As at 31 March 2019	As at 31 March 2018
<b>4.13 Provisions</b>		
<b>Non-current</b>		
<i>Provision for employee benefits</i>		
Gratuity (refer Note: 4.28)	105.88	65.31
Compensated absences	101.27	41.26
	<u>207.15</u>	<u>106.57</u>
<b>Current</b>		
<i>Provision for employee benefits</i>		
Gratuity	41.73	16.24
Compensated absences	33.91	10.02
	<u>75.64</u>	<u>26.26</u>
<b>Total provisions</b>	<u>282.79</u>	<u>132.83</u>
	As at 31 March 2019	As at 31 March 2018
<b>4.14 Trade payables</b>		
Total outstanding dues of micro small and medium enterprises (refer note 4.29)	-	-
Total outstanding dues to creditors other than micro small and medium enterprises	1,776.91	1,557.39
	<u>1,776.91</u>	<u>1,557.39</u>
<i>Includes amount due to a related party, refer note 4.35</i>		
	As at 31 March 2019	As at 31 March 2018
<b>4.15 Other financial liabilities</b>		
<b>Current</b>		
Current maturities of long-term borrowings	836.99	590.05
Interest accrued but not due on borrowings	27.88	27.10
Dividend on redeemable preference shares	5.90	10.84
Dues to creditors for capital goods	94.80	46.75
Accrued salaries and benefits	447.70	630.28
Payables to related parties (refer note 4.35)	8.02	-
Other payables	128.65	69.22
	<u>1,549.94</u>	<u>1,374.24</u>
	As at 31 March 2019	As at 31 March 2018
<b>4.16 Other current liabilities</b>		
<b>Current</b>		
Advances received from customers	187.50	140.65
Statutory dues payables	189.58	196.40
	<u>377.08</u>	<u>337.05</u>

**Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited**  
**Notes to the financial statements (continued)**  
**(All amounts in Indian Rupees in lakhs, except share data and where otherwise stated)**

	<b>For the year ended 31 March 2019</b>	<b>For the year ended 31 March 2018</b>
<b>4.17 Revenue from operations</b>		
Revenue from hospital services	17,881.64	16,184.04
Revenue from pharmacy and others	2,258.15	2,513.60
Revenue from clinical & market studies	288.03	318.45
Revenue from canteen sales	413.84	405.61
	<b>20,841.66</b>	<b>19,421.70</b>
<b>Reconciliation of revenue from hospital services with the contracted prices</b>		
Gross Revenue	18,344.20	16,472.83
Less: discounts, disallowances etc.	(462.56)	(288.79)
	<b>17,881.64</b>	<b>16,184.04</b>
	<b>For the year ended 31 March 2019</b>	<b>For the year ended 31 March 2018</b>
<b>4.18 Other income</b>		
Interest income		
- from banks	0.94	5.12
- from others	0.68	4.98
Interest on income tax refund	-	32.88
Unwinding of discount on Security deposits	31.09	-
Financial assets at FVTPL - Net change in fair value	5.80	135.66
Net gain on sale of property, plant & equipment	1.16	3.85
Miscellaneous income	2.82	18.51
	<b>42.49</b>	<b>201.00</b>
	<b>For the year ended 31 March 2019</b>	<b>For the year ended 31 March 2018</b>
<b>4.19 Cost of materials consumed in relation to Medical and Pharmacy and Change in inventory</b>		
(a) <b>Purchase of medicines and consumables</b>	<b>5,249.60</b>	<b>4,876.77</b>
(b) <b>Change in inventories</b>		
Opening stock	505.59	384.31
Less: Closing stock, refer note 4.7	(543.38)	(505.59)
	<b>(37.79)</b>	<b>(121.28)</b>
	<b>For the year ended 31 March 2019</b>	<b>For the year ended 31 March 2018</b>
<b>4.20 Employee benefits expense</b>		
Salaries, wages and bonus	5,374.98	4,875.66
Contribution to provident and other funds (refer note: 4.28)	377.89	389.83
Expenses related to gratuity (refer note: 4.28)	77.69	74.46
Staff welfare expense	43.60	139.10
	<b>5,874.15</b>	<b>5,479.05</b>
	<b>For the year ended 31 March 2019</b>	<b>For the year ended 31 March 2018</b>
<b>4.21 Finance cost</b>		
Interest expense on borrowings from banks	358.96	293.62
Interest expense on borrowings from financial institutions	111.02	147.99
Other borrowing cost	59.10	50.90
Dividend on redeemable preference shares classified as financial liability, measured at amortised cost (including dividend distribution tax)	5.90	9.27
	<b>534.98</b>	<b>501.78</b>
	<b>For the year ended 31 March 2019</b>	<b>For the year ended 31 March 2018</b>
<b>4.22 Depreciation and amortisation</b>		
Depreciation on tangible assets	1,275.98	1,046.33
Amortisation on intangible assets	18.80	17.57
	<b>1,294.78</b>	<b>1,063.90</b>



**Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited**  
**Notes to the financial statements (continued)**  
**(All amounts in Indian Rupees in lakhs, except share data and where otherwise stated)**

	<b>For the year ended 31 March 2019</b>	<b>For the year ended 31 March 2018</b>
<b>4.23 Other expenses</b>		
Consultancy charges	4,359.66	3,898.65
Power and fuel	477.40	453.76
Catering and patient welfare expenses	413.84	397.08
Rent (refer note: 4.26)	410.41	445.65
Hospital maintenance	242.60	288.98
Advertisement expenses	187.41	156.05
GST Input ineligible	181.60	153.12
Service contract charges	144.99	161.97
Bad debts written off	45.51	21.10
Provision for discounts, disallowances & doubtful debts	113.70	34.39
Printing and stationery	118.07	102.33
Legal and professional charges	107.36	73.30
Repair and maintenance		
- Medical equipment	27.56	24.12
- Hospital building	6.84	29.84
- Computers	5.46	6.81
- Others	39.70	66.09
Vehicle maintenance	67.55	58.47
Travelling expenses	62.76	49.51
Telephone charges	60.49	58.14
Rates and taxes	61.72	81.95
Insurance	24.02	20.63
Corporate Social Responsibility (refer note: 4.30)	12.11	0.67
Donations	9.59	5.44
Security services	0.79	37.63
Staff Training expenses	-	7.66
Miscellaneous expenses	95.27	54.24
	<b><u>7,276.41</u></b>	<b><u>6,687.58</u></b>
Auditors remuneration (net of services)		
Audit fees	11.25	11.25
Other Services	-	-
	<b><u>11.25</u></b>	<b><u>11.25</u></b>

**Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited****Notes to the financial statements (continued)**

(All amounts in Indian Rupees in lakhs, except share data and where otherwise stated)

As at	31 March 2019	31 March 2018
<b>4.24 Contingent liabilities and commitments (to the extent not provided for)</b>		
<b>a. Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	22.47	72.75
<b>Total</b>	<b>22.47</b>	<b>72.75</b>

b. In the financial year 2014-15, a party filed a petition against the Company and a leasehold land owner on the grounds that the sub lease given by the leased owner was not valid. The Company is contesting the petition. Based on a legal opinion obtained, the Management does not reasonably expect that such legal action, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial conditions.

c. The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. Pending decision on the subject review petition and directions from the EPFO, the management has a view that the applicability of the decision is prospective and accordingly has provided the liability for March 2019. The impact for the past period, will depend upon the outcome of subject review petition and directions from the EPFO.

d. The Company has a process, whereby periodically all long term contracts are assessed for material foreseeable losses. Based on such reassessment at the year end, it is noted that no provision is required to be made for any material foreseeable losses as per applicable regulatory framework.

(\*) In case of income tax matters, the management believes that it has reasonable case in defense of the proceedings. The amount has been adjusted by Income tax authorities while completing their assessments. The amount represents best possible estimates arranged on the basis of available information.

**4.25 Earnings per share (EPS)**

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Net (loss)/Profit after tax attributable to the equity shareholders	672.71	1,069.31
Number of shares at the beginning of the year	10,785,825	10,785,825
Add: Weighted average number of equity shares issued during the year	-	0
Weighted average number of equity shares outstanding during the year	10,785,825	10,785,825
Basic EPS of par value of Rs.10 (Rs.)	6.24	9.91
Diluted EPS of par value of Rs.10 (Rs.)	6.24	9.91

**4.26 Leases**

The Company has cancellable operating leases. Lease rental under such cancellable leases amounting to Rs.410.41 lakhs (31 March 2018: Rs. 445.65 lakhs) has been charged to Statement of profit and loss (net of recoveries).

**4.27 Segment reporting**

Ind AS 108 "Operating segment" ("Ind AS 108") establishes standards for the way that public business enterprises report information about operating segment and related disclosure about products and services, geographic area, and major customers based on the "management approach" as defined in Ind AS 108. Operating segment are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM evaluates the Company's performance and allocates resources on overall basis. The Company's sole operating segment is therefore medical and healthcare services'. Accordingly, there are no additional disclosures to be provided under Ind AS 108, other than those already provided in the financial statements.

The Company operates in India and revenue generations is from a wide spread of the customers and hence the group wide disclosures of major customers are not applicable.

**Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited****Notes to the financial statements (continued)****(All amounts in Indian Rupees in lakhs, except share data and where otherwise stated)****4.28 Assets and liabilities relating to employee benefits****i) Defined contribution plan**

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and ESI which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contribution to provident fund and ESI charged to the Statement of profit and loss is Rs. 229.66 Lakhs (31 March 2018: Rs 261.56 Lakhs) and ESI is Rs 148.23 Lakhs (31 March 2018: Rs. 128.27 Lakhs).

**ii) Defined benefit plan**

The Company provides gratuity for its employees 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/ termination is the employees' last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognized funds in India. Liability with regard to this plan is determined by an actuarial valuation as at the end of the year and are charged to the Statement of profit and loss.

Following table sets out the status of employee benefits as at balance sheet date

Particulars	As at 31 March 2019	As at 31 March 2018
Defined benefit obligation liability	356.49	308.73
Plan assets	(208.88)	(227.18)
<b>Net defined benefit liability</b>	<b>147.61</b>	<b>81.55</b>

**A. Funding**

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance Company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Particulars	As at 31 March 2019	As at 31 March 2018
-------------	------------------------	------------------------

**B. Reconciliation of the present value of defined benefit obligation**

Balance at the beginning of the year	308.73	256.81
Current service cost	70.41	72.77
Interest cost	23.69	18.88
Benefits paid	(25.23)	(41.68)
<i>Actuarial (gains)/ loss recognised in the other comprehensive income</i>		
- experience adjustments	332.47	1.95
- changes in financial assumptions	(353.58)	-
<b>Balance at the end of the year</b>	<b>356.49</b>	<b>308.73</b>

**Reconciliation of the present value of plan assets**

Balance at the beginning of the year	227.18	220.18
Contributions paid into the plan by employer	-	30.82
Benefits paid	(25.23)	(41.68)
Expected return on plan assets	16.41	17.18
Actuarial gain/ (loss) on plan assets	(9.48)	0.68
Acquisition adjustment	-	-
<b>Balance at the end of the year</b>	<b>208.88</b>	<b>227.18</b>

<b>Net defined benefit liability / (asset)</b>	<b>147.61</b>	<b>81.55</b>
<b>Current</b>	<b>41.73</b>	<b>16.24</b>

Non-current

105.88

65.31

Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited

Notes to the financial statements (continued)

(All amounts in Indian Rupees in lakhs, except share data and where otherwise stated)

#### 4.28 Assets and liabilities relating to employee benefits (continued)

##### C. Expense recognized in the Statement of profit and loss

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current service cost	70.41	72.77
Interest cost	23.69	18.88
Interest income	(16.41)	(17.18)
	<b>77.69</b>	<b>74.47</b>

##### Remeasurements recognised in Other comprehensive income

Actuarial (gain)/ loss on defined benefit obligation	(21.11)	1.95
Return on plan assets excluding interest income	9.48	(0.68)
	<b>(11.63)</b>	<b>1.27</b>
	<b>66.06</b>	<b>75.74</b>

##### D. Summary of actuarial assumptions

	As at 31 March 2019	As at 31 March 2018
<b>Financial assumptions</b>		
Discount rate	7.65%	8.00%
Future salary growth rate	3.00%	11.80%
Return on Plan assets	9.25%	8.25%
Mortality table	LIC(2006-2008)	LIC(2006-2008)

Discount Rate: Discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of obligations

Expected rate of return on plan assets : This is based on the expectation of average long term rate of return expected on investments of the fund during the estimated term of obligations.

Salary Escalation Rate: The estimates of future salary increase considered takes into account the inflation, seniority, promotion and other relevant factors.

\* Assumptions regarding the mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India. The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards.

##### iii) Compensated absences

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employees at the year-end. The value of such leave balances that are eligible for carry forward, is determined by an actuarial valuation as at the end of the year and is charged to the Statement of Profit and Loss.

##### iv) Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the actuarial assumptions, affected the defined benefit obligation by the amounts shown below:

Particulars	31 March 2019		31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount Rate ( 1% movement)	(20.62)	23.20	28.43	33.57
Future Salary Growth (1% movement)	26.04	(23.45)	32.91	(28.97)
Withdrawal rate (1% movement)	4.93	(5.66)	(8.72)	9.92

v) The Company has to pay Rs.73.80 lakhs (PY Rs.40.77 Lakhs) as contribution towards its defined benefit obligation in the next financial year.

**Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited****Notes to the financial statements (continued)****(All amounts in Indian Rupees in lakhs, except share data and where otherwise stated)****4.29 Details of dues to Micro and small enterprises as defined under the MSMED Act, 2006**

- a) The amount remaining unpaid to micro and small suppliers at the end of the year is Rs. Nil (FY 18: Nil)
- b) The amount of interest paid by the buyer as per the MSMED Act,2006 is Rs Nil (FY 18: Nil)
- c) The amount of the payment made to micro and small suppliers beyond the appointed day during each accounting year is Rs. Nil (FY 18: Nil)
- d) 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 MSMED Act, 2006 is Rs. Nil (FY 18: Nil)
- e) The amount of interest accrued and remaining unpaid at the end of each accounting year is Rs. Nil (FY 18: Nil)
- f) 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 enterprises for the purpose of disallowances as a deductible expenditure under the MSMED Act,2006 is Rs. Nil (FY 18: Rs. Nil)

This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 and has been determined to the extent such parties have been identified on the basis of information available with the Company. Auditors have placed reliance on the information provided by the management.

**4.30 Corporate Social Responsibility ('CSR') activities (section 135 of the Companies Act, 2013)**

As per the section 135 of the Companies Act, 2013, and the rules therein, the Board of Directors have formed a CSR Committee. The proposed CSR activities is preventive health care.

Gross amount required to be spent by the Company during the year was Rs.3.56 Lakhs (Previous Year - Rs. 0.51 Lakhs). Out of the total amount, an amount of Rs. 12.11 Lakhs (Previous year Rs.0.67 Lakhs) is been spent by the Company.

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Average net profit of the companies for last three Financial Years	178.19	25.46
Prescribed CSR expenditure to be spent (2% of the average net profit)	3.56	0.51
Amount spent towards Preventive health care	12.11	0.67
Amount unspent / yet to be paid in cash	-	-

**4.31 CIF Value of Imports**

The Company does not have any imports of capital or other goods during the year.

**4.32 Value of Medical Consumables and Pharmacy Consumed**

Particulars	For the Year ended 31 March 2019		For the Year ended 31 March 2018	
	Rs	%	Rs	%
Imported	-	-	-	-
Indigenous	5,211.81	100	4,755.49	100
<b>Total</b>	<b>5,211.81</b>	<b>100</b>	<b>4,755.49</b>	<b>100</b>

4.33 There are no political contributions made during the year.

4.34 There are no earnings and expenditures in foreign currency in the current period. The Company does not have any un-hedged foreign currency exposure.

**Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited**  
**Notes to the financial statements (continued)**  
**(All amounts in INR Lakhs, except share data and where otherwise stated)**

**4.35 Related parties**

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

(a) Holding Company	Aster DM Healthcare Limited, India
(b) Ultimate Holding Company	Union Investment P Limited, Mauritius
(c) Subsidiary Companies	Aster Ramesh Duhita LLP Sanghamitra Hospitals Private Limited Komali Fertility Centre LLP
(d) Key managerial personnel (KMP) M. S. Rama Mohan Rao Dr. P Ramesh Babu Mr. P Ravi Kiran Mr. Nagendra Kumar Sagi	Chairman and Director Managing Director Director and Chief Financial Officer Company Secretary
(e) Other Non Executive Directors Mandayapurath Azad Moopen Sreenath Pocha Reddy Thadathil Wilson Vikram Singh Beniwal	
(f) Other Independent Directors Abdurahman Kartholiparamba K Bapaiah Chowdary	
(g) Relatives of KMP Mr. P Subba Rao Mrs. P S Kamala Devi Mrs. M Madhusmitha Mr. P Mahendra Babu Mrs. K Madhumathi Dr. P Vasundhara Devi Mrs. P Madhuri Mrs. P Vineela Mr. R Chalapathi Rao Mrs. R Radhabai Mrs. M Sailaja Mrs. P Maha Lakshmi	Father of Managing Director Mother of Managing Director Daughter of Managing Director Brother of Managing Director Sister of Managing Director Sister of Chairman and Director Wife of Mr. P Mahendra Babu Sister of Director and CFO Father in law of Managing Director Mother in law of Managing Director Daughter-in-law of Chairman Wife of Dr. P. Ramesh Babu

(ii) **Related party transactions:**

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

(ii) **Transactions with key managerial persons including Directors:**

Particulars	Name of the Related Party	For the year ended	
		31 March 2019	31 March 2018
<b>Rent</b>	Dr P Ramesh Babu	44.01	44.03
	<b>Total</b>	<b>44.01</b>	<b>44.03</b>
<b>Remuneration</b>	Dr P Ramesh Babu	264.00	250.00
	Mr P Ravi Kiran	66.00	54.00
	<b>Total</b>	<b>330.00</b>	<b>304.00</b>

(iii) **Balances with key managerial persons including Directors:**

Particulars	Name of the Related Party	For the year ended	
		31 March 2019	31 March 2018
<b>Rent Deposit</b>	Dr P Ramesh Babu	30.00	30.00
	<b>Total</b>	<b>30.00</b>	<b>30.00</b>

**Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited**  
**Notes to the financial statements (continued)**  
**(All amounts in INR Lakhs, except share data and where otherwise stated)**

**4.35 Related parties (continued)**

**(iv) Transactions with related parties other than key managerial persons :**

Particulars	Name of the Related Party	For the year ended	
		31 March 2019	31 March 2018
<b>Rent Paid</b>	P.Mahalakshmi	13.38	13.53
	Dr.P.Vasundhara Devi	42.48	42.21
	P.Subba Rao	21.24	21.11
	P.S.Kamala Devi	21.24	21.11
	K.Madhumathi	42.48	42.21
	M.Sailaja	25.49	25.33
	P.Vineela	-	1.68
	P.Mahendra Babu	42.48	42.21
	<b>Total</b>	<b>208.79</b>	<b>209.39</b>
<b>Rent received</b>	Aster Ramesh Duhita LLP	14.16	-
	Komali fertility Centre LLP	3.75	-
	<b>Total</b>	<b>17.91</b>	<b>-</b>
<b>Purchase of pharmacy and medical consumables</b>	Aster DM health care ltd	0.28	-
<b>Professional services received</b>	Aster DM health care ltd	4.08	-
<b>Reimbursement of travelling expenses</b>	Aster DM health care ltd	1.38	-
<b>Staff recruitment services received</b>	Aster DM health care ltd	2.56	-
<b>Remuneration paid</b>	P.Mahalakshmi	9.00	9.00
	Dr.P.Vasundhara Devi	6.00	-
	M.Sailaja	11.90	18.00
	P.Madhusmitha	5.88	5.88
	P.Mahendra Babu	42.00	36.00
	P.Madhuri	-	3.43
	Nagendra Kumar Sagi	10.95	8.98
	<b>Total</b>	<b>85.73</b>	<b>81.29</b>
<b>Investment</b>	Aster Ramesh Duhita LLP	22.25	25.50
	Komali fertility Centre LLP	40.00	-
	Sanghamitra Hospitals private limited	2,915.10	-

**(v) Balances with related parties other than key managerial persons :**

Particulars	Name of the Related Party	31 March 2019	31 March 2018
<b>Remuneration/ Salary payable</b>	P.Mahalakshmi	0.59	-
	P.Madhusmitha	0.42	0.49
	P.Mahendra Babu	2.69	-
	<b>Total</b>	<b>3.70</b>	<b>0.49</b>
<b>Rent Payable</b>	P.Mahalakshmi	0.23	-
	Dr.Ramesh Babu P	0.31	-
	<b>Total</b>	<b>0.54</b>	<b>-</b>
<b>Purchase of pharmacy and medical consumables</b>	Aster DM health care ltd	0.28	-
<b>Professional services received</b>	Aster DM health care ltd	4.08	-
<b>Reimbursement of travelling expenses</b>	Aster DM health care ltd	1.38	-
<b>Staff recruitment services received</b>	Aster DM health care ltd	2.56	-
<b>Advance paid</b>	Aster Ramesh Duhita LLP	12.00	-
<b>Rent Deposits paid</b>	P.Mahalakshmi	5.30	5.30
	Dr.P.Vasundhara Devi	30.00	30.00
	P.Subba Rao	15.00	15.00
	P.S.Kamala Devi	15.00	15.00
	K.Madhumathi	30.00	30.00
	P.Mahendra Babu	30.00	30.00
	<b>Total</b>	<b>125.30</b>	<b>125.30</b>

**Note**

- The KMP and relatives of KMP are covered by the Company's gratuity policy and are eligible for compensated absences along with other employees of the Company. The proportionate amount of gratuity and compensated absences cost pertaining to individuals have not been included in the aforementioned disclosures as these are not determined on individual basis.
- For certain loans availed by the Company, KMP of the Company have given personal guarantee. Refer note 4.12 for details on the same.

**Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited****Notes to the financial statements (continued)****(All amounts in INR Lakhs, except share data and where otherwise stated)****2.36 Capital Management**

The Company aims to maintain sound capital base so as to maintain investor and creditor confidence and to sustain future development and growth of its business. The Management monitors the adjusted net debt to equity ratio.

For the purpose of adjusted net debt to equity ratio, adjusted net debt is long term and short term borrowings adjusted with cash and cash equivalents. Total equity comprises of issued share capital and all other equity reserves.

The Company's adjusted net debt to equity ratio as at the balance sheet date was as follows:

	<b>31 March 2019</b>	<b>31 March 2018</b>
<b>Total equity attributable to the equity shareholders of the Company (A)</b>	<b>11,937.29</b>	<b>11,295.54</b>
Long-term borrowings excluding current maturities	3,824.96	3,995.37
Current maturities of long term borrowings	836.99	590.05
Short-term borrowings	91.53	114.01
<b>Total borrowings</b>	<b>4,753.49</b>	<b>4,699.43</b>
Less: cash and cash equivalents	56.12	112.62
<b>Adjusted net debt (B)</b>	<b>4,697.37</b>	<b>4,586.81</b>
<b>Adjusted net debt to equity ratio (B/A)</b>	<b>0.39</b>	<b>0.41</b>



**Dr. Ramesh Cardiac and Multispecialty Hospital Private Limited**  
**Notes to the financial statements (continued)**  
**(All amounts are in Indian Rupees Lakhs, except share data and where otherwise stated)**

**4.37 Financial instruments - Fair values and risk management**

**A. Accounting classifications and fair values**

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

**Levels in Fair value hierarchy**

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** input other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**31 March 2019**

	Note	Carrying amount			Total	Fair value			
		Financial assets - FVPL	Financial assets - Amortised cost	Financial liabilities - amortised cost		Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>									
Current investments	4.3	232.54	-	-	232.54	232.54	-	-	232.54
		<b>232.54</b>	-	-	<b>232.54</b>	<b>232.54</b>	-	-	<b>232.54</b>
<b>Financial assets not measured at fair value</b>									
Trade receivables	4.8	-	2,805.64	-	2,805.64	-	-	-	-
Cash and cash equivalents	4.9	-	56.12	-	56.12	-	-	-	-
Other bank balances	4.9	-	-	-	-	-	-	-	-
Other Financial Assets:	4.4								
Security deposits			181.03		181.03				
Bank deposits due to mature after 12 months from reporting date (refer note below)			15.50		15.50				
Interest accrued but not due on deposits maturing after 12 months from reporting date			2.12		2.12				
Unbilled revenue			149.91		149.91				
Staff advances			74.30		74.30				
Other Advances recoverable in cash or kind			1.07		1.07				
Interest accrued on fixed deposits			-		-				
			<b>3,285.69</b>		<b>3,285.69</b>				
<b>Financial liabilities not measured at fair value</b>									
Non current borrowings	4.12	-	-	3,824.96	3,824.96	-	-	-	-
Current borrowings	4.12	-	-	91.53	91.53	-	-	-	-
Trade payables	4.16	-	-	1,776.91	1,776.91	-	-	-	-
Other financial liabilities	4.13								
Current maturities of long-term borrowings				836.99	836.99				
Interest accrued but not due on borrowings				27.88	27.88				
Dividend on redeemable Preference Shares				5.90	5.90				
Dues to creditors for capital goods				94.80	94.80				
Accrued salaries and benefits				447.70	447.70				
Expenses payable				136.67	136.67				
				<b>7,243.35</b>	<b>7,243.35</b>				

**31 March 2018**

	Note	Carrying amount			Total	Fair value			
		Financial assets - FVPL	Financial assets - Amortised cost	Financial liabilities - amortised cost		Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>									
Current Investments	4.3	2,468.67	-	-	2,468.67	2,468.67	-	-	2,468.67
		<b>2,468.67</b>	-	-	<b>2,468.67</b>	<b>2,468.67</b>	-	-	<b>2,468.67</b>
<b>Financial assets not measured at fair value</b>									
Trade receivables	4.8	-	2,422.31	-	2,422.31	-	-	-	-
Cash and cash equivalents	4.9	-	112.62	-	112.62	-	-	-	-
Other bank balances	4.9	-	4.50	-	4.50	-	-	-	-
Other Financial Assets:	4.4								
Security Deposits			168.02		168.02				
Bank deposits due to mature after 12 months from reporting date (refer note below)			8.00		8.00				
Interest accrued but not due on deposits maturing after 12 months from reporting date			0.30		0.30				
Unbilled revenue			159.08		159.08				
Staff advances			44.44		44.44				
Other Advances recoverable in cash or kind			0.07		0.07				
Interest accrued on fixed deposits			5.42		5.42				
			<b>2,924.76</b>		<b>2,924.76</b>				
<b>Financial liabilities not measured at fair value</b>									
Non current borrowings	4.12	-	-	3,995.37	3,995.37	-	-	-	-
Current borrowings	4.12	-	-	114.01	114.01	-	-	-	-
Trade payables	4.16	-	-	1,557.39	1,557.39	-	-	-	-
Other financial liabilities	4.13								
Current maturities of long-term borrowings				590.05	590.05				
Interest accrued but not due on borrowings				27.10	27.10				
Dividend on redeemable Preference Shares				10.84	10.84				
Dues to creditors for capital goods				46.75	46.75				
Accrued salaries and benefits				630.28	630.28				
Expenses payable				69.22	69.22				
				<b>7,041.00</b>	<b>7,041.00</b>				

**Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited****Notes to the financial statements (continued)**

(All amounts are in Indian Rupees Lakhs, except share data and where otherwise stated)

**4.37 Financial instruments - Fair values and risk management (continued)****B. Financial risk management objectives and policies**

The Company's activities exposed it to market risk (including interest rate risk and price risk), credit risk and liquidity risk.

The Company's risk management is carried out by the Board of Directors. The Board supervises overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk and use of financial instrument.

The financial authority limits seek to limit and mitigate transactional risks by setting out the threshold of approvals required for entering into contractual obligations.

**a) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices such as equity

**i) Interest rate risk**

The Company's exposure to market risk for changes in interest rate environment relates mainly to its debt obligations.

The Company's policy is to maintain an efficient and optimal interest cost structure using a mix of fixed and variable rate debts and long-term and short-term borrowings.

The Company enters into cross currency interest rate swaps to reduce its exposure to interest rate volatility. In accordance with the Company's policy the duration of such cross currency interest rate swaps must not exceed the tenure of the underlying debt.

The Company's borrowings majorly consists of project funding loans, working capital loans having variable rate of interest.

**The interest rate profile of the Company's interest-bearing instruments as reported to management is as follows:**

Particulars	31 March 2019	31 March 2018
<b>Fixed rate instruments</b>		
Financial liabilities (including borrowings)	1,229.78	1,652.27
Financial assets (includes bank deposits)	89.80	180.52
<b>Variable rate instruments</b>		
Financial liabilities (including borrowings)	3,523.70	3,057.40
	<b>3,523.70</b>	<b>3,057.40</b>
<b>Total financial liabilities</b>	<b>4,843.28</b>	<b>4,890.19</b>

**Sensitivity analysis**

A reasonably possible change of 100 basis points (bp) in interest rate at the reporting date would increase / (decrease) equity and profit before tax by the

Particulars	Impact on Profit or Loss		Other components of equity	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
1% increase in MCLR rate	35.24	30.57	35.24	30.57
1% decrease in MCLR rate	(35.24)	(30.57)	(35.24)	(30.57)

**ii) Fair Value**

The fair values of the units of mutual fund schemes are based on net asset value at the reporting date.

**Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited**  
**Notes to the financial statements (continued)**  
**(All amounts are in Indian Rupees lakhs, except share data and where otherwise stated)**

**4.37 Financial instruments - Fair values and risk management (continued)**

**b) Credit risk**

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from trade receivables are monitored on a continuous basis by the receivables team.

The Company's exposure to credit risk for trade receivables based on type of customer is as follows:

Particulars	31 March 2019	31 March 2018
Government and government affiliated parties	333.38	298.13
Other parties	2,588.57	148.10
<b>Total</b>	<b>2,921.95</b>	<b>446.23</b>

The following table provides information about the exposure to credit risk and expected credit loss from customers :

**31-Mar-19**

Particulars	Not Due	0-1 year	1-2 years	More than 2 years	Loss Allowance	Total
Government and government affiliated parties	925.73	1,498.56	156.30	39.21	(217.99)	2,401.81
Other parties	238.05	129.66	70.58	27.50	(61.97)	403.82
<b>Total</b>	<b>1,163.78</b>	<b>1,628.22</b>	<b>226.88</b>	<b>66.71</b>	<b>(279.96)</b>	<b>2,805.63</b>

**31-Mar-18**

Particulars	Not Due	0-1 year	1-2 years	More than 2 years	Loss Allowance	Total
Government and government affiliated parties	1,098.31	1,072.21	43.95	40.73	(146.11)	2,109.09
Other parties	121.21	198.66	11.20	2.30	(20.16)	313.21
<b>Total</b>	<b>1,219.52</b>	<b>1,270.87</b>	<b>55.15</b>	<b>43.03</b>	<b>(166.27)</b>	<b>2,422.30</b>

**As at**

Allowance for Credit Loss	31 March 2019	31 March 2018
Balance at the beginning	166.26	131.87
Expected credit loss recognised	113.70	34.39
Balance at the end	<b>279.96</b>	<b>166.26</b>

Revenue from customers accounted for more than 10% of the revenue for the year ended 31 March 2019 and 31 March 2018 is as below:

**As at**

Name of the customer	31 March 2019	31 March 2018
Customer 1	2,109.00	2,097.54

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

**Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited**  
**Notes to the financial statements (continued)**  
**(All amounts are in Indian Rupees Lakhs, except share data and where otherwise stated)**

**4.37 Financial instruments - Fair values and risk management (continued)**

**c) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financing activities. The Company's approach to managing liquidity is to ensure, as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are adequate and available to the Company to meet its obligations.

The table below provides details regarding the contractual maturities of significant financial liabilities as of the reporting date. The amounts are gross and undiscounted.

**As at 31 March 2019**

Particulars	Carrying value*	Contractual cash flows				Total
		Less than 1 Year	1-2 years	2-5 Years	More than 5 Years	
Borrowings - (Non-Current)	3,794.96	-	1,281.56	3,153.23	121.46	4,556.25
Borrowings -11% redeemable Preference shares (Non-current)	30.00	-	-	-	30.00	30.00
Current maturities of long-term borrowings	836.99	836.99	-	-	-	836.99
Cash credit and overdraft	91.53	91.53	-	-	-	91.53
Trade payables	1,776.91	1,776.91	-	-	-	1,776.91
Other financial liabilities (excluding current maturities of borrowings)	712.94	712.94	-	-	-	712.94
	<b>7,243.33</b>	<b>3,418.37</b>	<b>1,281.56</b>	<b>3,153.23</b>	<b>151.46</b>	<b>8,004.62</b>

**As at 31 March 2018**

Particulars	Carrying value	Contractual cash flows				Total
		Less than 1 Year	1-2 years	2-5 Years	More than 5 Years	
Borrowings - (Non-Current)	3,925.37	-	727.92	2,411.59	775.60	3,915.11
Borrowings -11% redeemable Preference shares (Non-current)	70.00	-	-	-	70.00	70.00
Current maturities of long-term borrowings	590.06	590.06	-	-	-	590.06
Cash credit and overdraft	114.01	114.01	-	-	-	114.01
Trade payables	1,557.39	1,557.39	-	-	-	1,557.39
Other financial liabilities (excluding current maturities of borrowings)	784.20	784.20	-	-	-	784.20
	<b>7,041.03</b>	<b>3,045.66</b>	<b>727.92</b>	<b>2,411.59</b>	<b>845.60</b>	<b>7,030.77</b>

**4.38 Change in significant accounting policies:**

The Company has adopted Ind AS 115, *Revenue from Contracts with Customers* (which replaces earlier revenue recognition standards) using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 April 2018) being included in retained earnings as on 1 April, 2018. There is no impact on the opening retained earnings on account of adoption of Ind AS 115.

**4.39 Previous year figures**

Previous year figures have been regrouped/reclassified, where ever necessary, to conform to current year's presentations.

As per our report of even date attached

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

for and behalf of the Board of Directors of  
**Dr. Ramesh Cardiac and Multispecialty Hospital Private Limited**  
CIN: U73100AP1995PRC020491

**Akhil Kapadiya**  
Partner  
Membership No. 212991

**Dr. P. Ramesh Babu**  
Managing Director  
DIN: 01879436

**Mr. M.S.Rama Mohan Rao**  
Chairman and Director  
DIN: 02356742

**CA.P. Ravi Kiran**  
CFO & Whole-Time Director  
DIN: 05116806

**S.Nagendra Kumar**  
Company Secretary  
Membership No. A33490

Place: Hyderabad  
Date : 20 May 2019

Place: Vijayawada  
Date : 20 May 2019

Place: Vijayawada  
Date : 20 May 2019